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 2016

PERFORMANCE HIGHLIGHTS

The consolidated revenue of the Group for 2016 was approximately RMB5,089.7 million, representing an increase of 67.4% as compared to 2015.

The consolidated profit attributable to the equity holders of the Company was approximately RMB1,169.4 million, representing an increase of 208.5% as compared to 2015.

The basic and diluted earnings per share were RMB19.2 cents for 2016, representing an increase of 209.7% as compared to 2015.

The Board does not recommend payment of final dividend for the year ended 31 December 2016.

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 2016 together with comparative figures for the year ended 31 December 2015. 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 2016

	Note	Year ended 31 December **2016** ***RMB'000***	 2015 *RMB'000* (Restated)
Revenues	4	**5,089,696**	3,039,665
Cost of sales		**(3,942,243)**	(2,153,374)
Gross profit		**1,147,453**	886,291
Fair value gains on investment properties		**295,157**	537,243
Fair value gains on derivative financial instruments		**—**	2,432
Other income and other gains and losses	9	**(352,261)**	(122,337)
Selling and marketing costs		**(265,556)**	(163,159)
General and administrative expenses		**(670,142)**	(508,446)
Operating profit		**154,651**	632,024
Finance income	11	**125,083**	72,214
Finance costs	11	**—**	—
Finance income — net	11	**125,083**	72,214
Share of results of			
— Associated companies		**55,952**	39,787
— Joint ventures		**488,961**	(1,142)
		544,913	38,645
Profit before income tax	10	**824,647**	742,883
Income tax credit/(expense)	12	**349,510**	(383,317)
Profit for the year		**1,174,157**	359,566
Attributable to:			
Equity holders of the Company		**1,169,435**	379,042
Non-controlling interests		**4,722**	(19,476)
		1,174,157	359,566
Earnings per share for profit attributable to equity holders of the Company *(RMB cents)*	14		
— Basic		**19.2**	6.2
— Diluted		**19.2**	6.2

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2016

	Year ended 31 December	
	2016	2015
	RMB'000	*RMB'000*
		(Restated)
Profit for the year	**1,174,157**	359,566
Other comprehensive income:		
Item that may be reclassified subsequently to profit or loss		
— Currency translation differences	**7,132**	10,687
Other comprehensive income for the year, net of tax	**7,132**	10,687
Total comprehensive income for the year	**1,181,289**	370,253
Attributable to:		
Equity holders of the Company	**1,176,567**	389,729
Non-controlling interests	**4,722**	(19,476)
	1,181,289	370,253

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Note	As at 31 December 2016 RMB'000	2015 RMB'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment		**1,784,249**	1,381,426
Investment properties		**8,168,835**	8,406,161
Land use rights		**189,722**	155,927
Goodwill		**7,169**	7,169
Investments in associated companies		**1,323,227**	1,271,763
Investments in joint ventures		**1,948,223**	1,451,101
Deferred income tax assets		**304,823**	418,335
Available-for-sale financial assets		**26,150**	20,000
Amount due from a joint venture		**264,254**	246,275
Other receivables	5	**15,086**	14,851
Prepayments or deposits for land use rights		**2,848,526**	2,828,957
		16,880,264	16,201,965
Current assets			
Land use rights		**13,176,631**	10,385,150
Properties under development		**11,471,804**	10,310,041
Completed properties held for sale		**9,601,913**	6,470,029
Inventories		**44,582**	15,069
Trade and other receivables and prepayments	5	**5,101,392**	2,464,587
Prepaid income taxes		**605,471**	194,219
Amounts due from related parties, joint ventures and associated companies		**152,874**	322,793
Amounts due from non-controlling interests		**196,572**	274,838
Available-for-sale financial assets		**—**	256,720
Restricted cash		**1,382,867**	3,076,314
Cash and cash equivalents		**2,290,138**	1,915,148
		44,024,244	35,684,908
Total assets		**60,904,508**	51,886,873

	Note	As at 31 December 2016 RMB'000	2015 RMB'000 (Restated)
LIABILITIES			
Current liabilities			
Trade and other payables	8	**10,765,939**	8,796,429
Advanced proceeds received from customers		**14,802,354**	6,719,306
Amounts due to related parties, joint ventures and associated companies		**4,152,014**	2,278,611
Amounts due to non-controlling interests		**668,680**	554,479
Income tax payable		**1,120,994**	2,416,943
Borrowings	7	**9,148,654**	9,659,442
Provision for other liabilities and charges		**65,089**	65,797
		40,723,724	30,491,007
Net current assets		**3,300,520**	5,193,901
Total assets less current liabilities		**20,180,784**	21,395,866
Non-current liabilities			
Deferred government grants		**1,611,659**	1,450,553
Borrowings	7	**3,440,187**	5,488,507
Deferred income tax liabilities		**1,816,189**	1,729,230
Other payables	8	**50,000**	150,000
		6,918,035	8,818,290
Total liabilities		**47,641,759**	39,309,297
Net assets		**13,262,749**	12,577,576

		As at 31 December	
		2016	2015
	Note	***RMB'000***	*RMB'000*
			(Restated)
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	6	**536,281**	536,281
Reserves		**11,906,236**	10,938,053
		12,442,517	11,474,334
Non-controlling interests		**820,232**	1,103,242
Total equity		**13,262,749**	12,577,576

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 2016

HKFRSs (Amendments)	Annual Improvements 2012–2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts

*(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.

Amendments to HKAS 7	Disclosure Initiative[1]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[1]
Annual Improvements to HKFRSs 2014–2016 Cycle	Amendments to HKFRS 12, Disclosure of Interests in Other Entities[1]
HKFRS 9	Financial Instruments[2]
HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15)[2]
Annual Improvements to HKFRSs 2014–2016 Cycle	Amendments to HKAS 28, Investments in Associates and Joint Ventures[2]
Amendments to HKAS 40	Transfers of Investment Property[2]
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration[2]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[3]
HKFRS 16	Leases[3]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[3]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[3]
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKFRS 3, Business Combinations[3]
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKFRS 11, Joint Arrangements[3]
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKAS 12, Income Taxes[3]
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKAS 23, Borrowing Costs[3]
Amendments to HKAS 19	Employee Benefits[3]
Amendments to HKFRS 3	Definition of a Business[5]
Amendments to HKAS 1 and HKAS 8	Definition of Material[4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[6]

1 Effective for annual periods beginning on or after 1 January 2017

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

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

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

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

6 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 PRIOR YEAR ADJUSTMENTS

Sales of use rights of 8 properties to the ultimate controlling shareholders and their close family members

The Group entered into certain agreements to sell the use rights (i.e. right to use without transfer of ownership title) of 8 units of properties developed by a subsidiary to the Company's ultimate controlling shareholders and their close family members at an aggregate consideration of RMB189,000,000, value-added tax inclusive. The carrying amounts of these units of properties at the total amount of RMB46,000,000, among which RMB42,500,000 were included in "completed properties held for sale" and RMB3,500,000 were included in "land use rights" in current assets as at 31 December 2015. Deposits of RMB96,880,000 were received in advance in 2014 from these buyers, while the remaining consideration of RMB92,120,000 were received on 31 December 2015. As at 31 December 2015, these cash receipts at the total amount of RMB189,000,000 including related value-added tax payable of RMB9,000,000 were recorded in "trade and other payables".

Despite the use right of these units of properties have been delivered to the buyers on 27 December 2015 and the respective buyers have taken possession of the subject 8 units of properties, the Group did not recognise these sales in the consolidated financial statements for the year ended 31 December 2015.

Subsequent to the date of annual report for the year ended 31 December 2015, the Group has obtained the legal advice from qualified PRC lawyers confirming the relevant contracts were duly signed and executed and as such, the Group considered that the transactions have completed in 2015. To rectify the situation, the Group has taken up the following prior year adjustments:

	Increase/ (decrease) *RMB'000*
Revenue	180,000
Cost of sales	46,000
Income tax expense	53,492
Land use rights — current	(3,500)
Completed properties held for sale	(42,500)
Trade and other payables	(180,000)
Income tax payable	53,492

Sales of use rights of 42 properties to a subcontractor

On 18 November 2015, the Group entered into certain agreements (the "**November 2015 Agreements**") with a subcontractor (the "**Subcontractor**") in which the Subcontractor agrees to settle, on behalf of the Group, certain of the Group's outstanding payables to two main contractors (the "**Main Contractors**") amounted to RMB644,000,000, value-added tax inclusive in total. In return, the Group agreed to deliver to the Subcontractor the use rights of 42 units of properties developed by one of the Group's subsidiaries. Tripartite payable settlement agreements were entered among the Group, main contractors and sub-contractors.

Pursuant to the November 2015 Agreements, the Subcontractor designated two individuals to take over these 42 units of properties.

The carrying amounts of these 42 units of properties at the total amount of RMB137,305,000, among which RMB126,581,000 were included in "completed properties held for sale" and RMB10,724,000 were included in "land use rights" in current assets as at 31 December 2015. Despite the use right of these 42 units of properties have been delivered at the end of December 2015, the Group did not recognise these sales in the consolidated financial statements for the year ended 31 December 2015.

Subsequent to the date of annual report for the year ended 31 December 2015, the Group has obtained the legal advice from qualified PRC lawyers confirming the relevant contracts were duly signed and executed. As such, the Group considered that the transactions have completed and had duly performed its obligations under the agreements with the main contractors and the sub-contractor. To rectify the situation, the Group has taken up the following prior year adjustments:

	Increase/ (decrease) *RMB'000*
Revenue	613,333
Cost of sales	137,305
Income tax expense	203,588
Land use rights — current	(10,724)
Completed properties held for sale	(126,581)
Trade and other payables	(613,333)
Income tax payable	203,588

Based on the above, the revenue, cost of sales, current PRC enterprise income tax, current land appreciation tax, land use rights, completed properties held for sale, trade and other payables and income tax payable as at 31 December 2015 have been restated accordingly. Details of the restatement are disclosed below.

Consolidated statement of profit or loss for the year ended 31 December 2015:

	As previously reported *RMB'000*	**Adjustments** *RMB'000*	**As restated** *RMB'000*
Revenues	2,246,332	793,333	3,039,665
Cost of sales	(1,970,069)	(183,305)	(2,153,374)
Gross profit	276,263	610,028	886,291
Operating profit	21,996	610,028	632,024
Profit before income tax	132,855	610,028	742,883
Income tax expense	(126,237)	(257,080)	(383,317)
Profit for the year — attributable to equity holders of the Company	26,094	352,948	379,042
Total comprehensive income for the year — attributable to equity holders of the Company	36,781	352,948	389,729

Consolidated statement of financial position as at 31 December 2015:

	As previously reported *RMB'000*	Adjustments *RMB'000*	As restated *RMB'000*
Land use rights — current	10,399,374	(14,224)	10,385,150
Completed properties held for sale	6,639,110	(169,081)	6,470,029
Total assets	52,070,178	(183,305)	51,886,873
Trade and other payables	(9,589,762)	793,333	(8,796,429)
Income tax payable	(2,159,863)	(257,080)	(2,416,943)
Total current liabilities	(31,027,260)	536,253	(30,491,007)
Total assets less current liabilities	21,042,918	352,948	21,395,866
Total liabilities	(39,845,550)	536,253	(39,309,297)
Net assets	12,224,628	352,948	12,577,576
Retained earnings	(9,228,537)	(352,948)	(9,581,485)

Impact on basic and diluted earnings per share:

	Year ended 31 December 2015 *RMB cents*
Basic and diluted earnings per share, as previously reported	0.4
Adjustments	5.8
Basic and diluted earnings per share, as restated	6.2

4 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 engages in construction operation and was inactive during the year.

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

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

Inter-segment revenues are eliminated on consolidation.

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

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

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

(a) Segment information

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	286,008	4,385,631	185,169	231,767	—	1,121	—	5,089,696
Operating profit/(loss)	5,416	120,651	(21,886)	352,980	—	(302,510)	—	154,651
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								1,174,157
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 *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	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
	14,580,620	45,847,738	2,687,937	13,751,000	—	11,698,423	(28,597,654)	59,968,064
Unallocated:								
Deferred income tax assets								304,823
Prepaid income taxes								605,471
Available-for-sale financial assets								26,150
Total assets								60,904,508
Segment liabilities	11,765,616	25,213,483	926,543	7,915,158	—	14,892,589	(28,597,654)	32,115,735
Unallocated:								
Deferred income tax liabilities								1,816,189
Borrowings								12,588,841
Income tax payable								1,120,994
Total liabilities								47,641,759

The segment results and other segment items for the year ended 31 December 2015 are as follows:

	Property development — commercial *RMB'000*	Property development — residential *RMB'000* (Restated)	Hotel *RMB'000*	Property investment and management *RMB'000*	Property construction *RMB'000*	All other segments *RMB'000*	Elimination *RMB'000*	Total *RMB'000* (Restated)
Total segment revenues	229,435	2,018,056	157,853	262,337	374,732	—	—	3,042,413
Inter-segment revenues	—	—	(2,748)	—	—	—	—	(2,748)
Revenues	229,435	2,018,056	155,105	262,337	374,732	—	—	3,039,665
Operating profit/(loss)	18,307	292,930	(41,028)	614,972	13,082	(266,239)	—	632,024
Finance income — net								72,214
Share of results of associated companies	(4,135)	(2,624)	—	46,546	—	—	—	39,787
Share of results of joint ventures	(270)	(871)	—	—	—	(1)	—	(1,142)
Profit before income tax								742,883
Income tax expense								(383,317)
Profit for the year								359,566
Other segment information								
Capital and property development expenditure	2,046,489	4,984,124	17,339	350,722	—	—	—	7,398,674
Depreciation	15,099	19,912	33,015	2,119	—	935	—	71,080
Amortisation of land use rights as expenses	3,115	3,503	—	—	—	—	—	6,618
Fair value gains on investment properties	—	—	—	537,243	—	—	—	537,243
Fair value gains on derivative financial instruments	—	—	—	—	—	2,432	—	2,432
Impairment of goodwill recognised as expenses	—	3	—	—	—	—	—	3

The segment assets and liabilities as at 31 December 2015 are as follows:

	Property development — commercial *RMB'000*	Property development — residential *RMB'000* (Restated)	Hotel *RMB'000*	Property investment and management *RMB'000*	Property construction *RMB'000*	All other segments *RMB'000*	Elimination *RMB'000*	Total *RMB'000* (Restated)
Segment assets	16,350,782	43,615,765	2,206,109	9,569,589	874,132	9,733,522	(34,075,164)	48,274,735
Associated companies	262,485	49,901	—	959,377	—	—	—	1,271,763
Joint ventures	1,451,101	—	—	—	—	—	—	1,451,101
	18,064,368	43,665,666	2,206,109	10,528,966	874,132	9,733,522	(34,075,164)	50,997,599
Unallocated:								
Deferred income tax assets								418,335
Prepaid income taxes								194,219
Available-for-sale financial assets								276,720
Total assets								51,886,873
Segment liabilities	10,136,261	30,335,083	271,112	603,958	843,618	11,900,307	(34,075,164)	20,015,175
Unallocated:								
Deferred income tax liabilities								1,729,230
Borrowings								15,147,949
Income tax payable								2,416,943
Total liabilities								39,309,297

(b) Revenues

Turnover of the Group comprises revenues recognised as follows:

	Year ended 31 December	
	2016	2015
	RMB'000	*RMB'000*
		(Restated)
Sale of properties		
— commercial	**286,008**	229,435
— residential	**4,385,631**	2,018,056
	4,671,639	2,247,491
Hotel operating income	**185,169**	155,105
Rental income		
— from investment properties	**156,274**	214,216
— others	**30,764**	8,865
Property management fee income	**44,729**	39,256
Property construction income	**—**	374,732
Miscellaneous income	**1,121**	—
	5,089,696	3,039,665

5 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2016	2015
	RMB'000	*RMB'000*
Trade receivables	**424,359**	653,114
Less: Provision for impairment of trade receivables *(Note (b))*	**(50,684)**	(50,684)
Trade receivables — net *(Note (a))*	**373,675**	602,430
Deposits for resettlement costs	**2,889**	2,538
Deposits for land purchases	**635,990**	18,050
Advances to group companies of non-controlling interests *(Note (c))*	**1,238,976**	10,000
Advances to other parties *(Note (d))*	**562,705**	605,766
Receivable in connection with the disposal of a joint venture *(Note (f))*	**—**	204,479
Other receivables *(Note (g))*	**446,114**	332,974
Government grant receivables	**213,946**	—
Prepayments for commission fees	**135,557**	109,595
Prepayments for construction costs	**1,067,686**	158,276
Prepaid business tax and other levies on pre-sale proceeds	**438,631**	435,330
Miscellaneous	**309**	—
	5,116,478	2,479,438
Less: Non-current portion of other receivables *(Note (e))*	**(15,086)**	(14,851)
Current portion	**5,101,392**	2,464,587

As at 31 December 2016 and 2015, the fair values of trade receivables, deposits for resettlement costs and land purchases, advances to group companies of non-controlling interests and other parties, receivable in connection with the disposal of a joint venture 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	
	2016	2015
	RMB'000	*RMB'000*
Within 90 days	**54,376**	363,030
Over 90 days and within 1 year	**110,832**	86,997
Over 1 year and within 2 years	**143,640**	124,227
Over 2 years	**64,827**	28,176
	373,675	602,430

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	
	2016	2015
	RMB'000	*RMB'000*
Neither past due nor impaired	**—**	587,297
Within 90 days	**54,376**	4,874
Over 90 days and within 1 year	**110,832**	10,259
Over 1 year and within 2 years	**143,640**	—
Over 2 years	**64,827**	—
	373,675	602,430

As at 31 December 2016, trade receivables of RMB50,684,000 (2015: RMB50,684,000) are considered impaired. The ageing of these receivables are over 1 year.

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

	As at 31 December	
	2016	2015
	RMB'000	*RMB'000*
Opening balance	**50,684**	50,737
Provision for receivable impairment	**—**	7,024
Receivables written off during the year as uncollectible	**—**	(7,077)
Ending balance	**50,684**	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) The amounts are unsecured, interest-bearing at 4.35% per annum and repayable on demand.

(e) In non-current other receivables is included 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) As at 31 December 2015, the amount related to reimbursement of certain accrued expenses in connection with a disposal of equity interest to be received from the buyer.

(g) 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.

6 SHARE CAPITAL

	Number of ordinary shares	Nominal value of ordinary shares *HK$*	Equivalent *RMB*
Authorised:			
At 1 January 2015, 31 December 2015 and at 31 December 2016	12,000,000,000	1,200,000,000	
Issued and fully paid:			
At 1 January 2015, 31 December 2015 and at 31 December 2016	6,093,451,026	609,345,103	536,280,877

7 BORROWINGS

	As at 31 December	
	2016	2015
	RMB'000	*RMB'000*
Borrowings included in non-current liabilities		
Bank borrowings — secured	**8,255,270**	8,509,368
Senior notes and bonds	**1,124,834**	674,539
Other borrowings — secured	**100,000**	2,805,360
	9,480,104	11,989,267
Less: Amounts due within one year	**(6,039,917)**	(6,500,760)
	3,440,187	5,488,507
Borrowings included in current liabilities		
Bank borrowings — secured	**1,915,037**	2,858,682
Other borrowings — guaranteed and secured	**1,193,700**	200,000
Other borrowings — unsecured	**—**	100,000
Current portion of long-term borrowings	**6,039,917**	6,500,760
	9,148,654	9,659,442

8 TRADE AND OTHER PAYABLES

	As at 31 December	
	2016	2015
	RMB'000	*RMB'000*
		(Restated)
Trade payables *(Note (a))*	**7,350,749**	5,941,225
Other payables *(Note (b))*	**3,321,934**	2,665,335
Other taxes payable	**143,256**	339,869
	10,815,939	8,946,429
Less: Non-current portion of other payables *(Note (b)(i))*	**(50,000)**	(150,000)
Current portion	**10,765,939**	8,796,429

Notes:

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

	As at 31 December	
	2016	2015
	RMB'000	*RMB'000*
		(Restated)
Within 90 days	**3,563,316**	5,494,410
Over 90 days and within 1 year	**1,441,566**	446,815
Over 1 year	**2,345,867**	—
	7,350,749	5,941,225

(b) Other payables comprise:

	As at 31 December	
	2016	2015
	RMB'000	*RMB'000*
		(Restated)
Deposits and advances from contractors	**545,732**	129,188
Deposits received from tenants of investment properties	**52,574**	59,314
Deposits received from customers for purchase of properties	**1,173,168**	153,123
Advances from shareholders of associated companies *(Note (i))*	**214,969**	366,333
Advances from other parties *(Note (ii))*	**582,668**	1,460,282
Consideration payable on acquisition of a joint venture	**—**	50,000
Consideration payable on acquisition of subsidiaries	**161,133**	101,768
Payable to a joint operation partner	**42,598**	43,960
Consideration received for disposal of a subsidiary	**91,200**	—
Provision for loss arising from financial guarantee agreements *(Note 9(d))*	**89,136**	—
Miscellaneous *(Note (iii))*	**368,756**	301,367
	3,321,934	2,665,335

Notes:

(i) As at 31 December 2016, except for advances from shareholders of associated companies amounted to RMB167,052,000 (2015: RMB366,333,000) for current portion which is unsecured, interest-bearing with interest rate at 10% (2015: ranging from 5.4% to 10%) per annum and repayable in 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 are non-trade in nature, unsecured, interest-bearing at 10% (2015: 10%) per annum, and repayable in 2 years after drawdown date.

(ii) As at 31 December 2016, except for the advances from other parties amounted to RMB478,594,000 which were unsecured, interest-bearing at 4.35% per annum and repayable on demand, the remaining balance was secured, interest-bearing at 12% per annum and repayable on demand.

As at 31 December 2015, except for advances from other parties amounted to RMB210,582,000 which are unsecured, interest-bearing at 4.35% per annum and repayable on demand, and except for an advance from other party amounted to RMB97,833,000 which was secured, interest-bearing at 12% per annum and repayable on demand, the remaining balances are unsecured, interest-free and repayable on demand.

(iii) The amount mainly comprises accruals of general and administrative expenses, salaries and operating expenses.

9 OTHER INCOME AND OTHER GAINS AND LOSSES

	Year ended 31 December	
	2016	2015
	RMB'000	*RMB'000*
Government grants *(Note (a))*	**4,318**	2,248
Compensation income *(Note (b))*	**—**	13,538
Net loss from disposal of property, plant and equipment	**(716)**	—
Net exchange loss *(Note (c))*	**(265,215)**	(208,632)
Provision for loss on financial guarantee in respect of guarantee agreements *(Note (d))*	**(89,136)**	—
Net gain arising from disposal of equity interests in subsidiaries	**—**	50,399
Net gain arising from disposal of a subsidiary	**—**	7,456
Net gain arising from acquisition of additional interest in joint venture which become a wholly owned subsidiary	**—**	7,744
Miscellaneous	**(1,512)**	4,910
	(352,261)	(122,337)

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) In 2015, the Group received total compensation of RMB13,538,000 from the seller representing overdue interest for late transfer of the project company as agreed in the sales and purchase agreement in connection with the Group's acquisition of its 100% equity interest in January 2010.

(c) Exchange difference mainly arises from the senior notes and bonds as stated in Note 7 which is denominated in USD.

(d) 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.

10 PROFIT BEFORE INCOME TAX

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

	Year ended 31 December	
	2016	2015
	RMB'000	*RMB'000*
		(Restated)
Staff costs — including directors' emoluments *(Note (a))*	**306,256**	232,754
Auditor's remuneration	**4,800**	4,250
Charitable donation	**3,081**	10,873
Bad debt written off	**85,091**	—
Depreciation	**82,375**	71,080
Amortisation of land use rights	**6,515**	6,618
Cost of properties sold	**3,556,055**	1,358,121
Cost of property construction	**—**	340,665
Business tax and other levies on sales and construction of properties *(Note (b))*	**160,164**	105,279
Direct outgoings arising from investment properties that generate rental income	**85,619**	72,218
Operating lease expenses on land and buildings	**37,481**	55,855
Provision for impairment of receivables	**1**	7,024
Hotel operating expenses	**108,266**	136,278
Impairment of goodwill	**—**	3
Provision for delay in delivering properties	**27,131**	60,877

Notes:

(a) Staff costs (including directors' emoluments)

	Year ended 31 December	
	2016	2015
	RMB'000	*RMB'000*
Wages and salaries	**261,524**	190,858
Pension costs — defined contribution plans	**26,564**	23,275
Other allowances and benefits	**18,168**	18,621
	306,256	232,754

(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.

11 FINANCE INCOME AND COSTS

	Year ended 31 December	
	2016	2015
	RMB'000	*RMB'000*
Finance income		
— interest income on bank deposits and loan to a related party	**125,083**	72,214
Interest expenses on bank borrowings	**(803,671)**	(734,758)
Interest expenses on other borrowings and advances from other parties	**(132,344)**	(257,571)
Interest expenses on senior notes and bonds	**(94,583)**	(87,546)
Less: Interest capitalised	**1,030,598**	1,079,875
Finance costs	**—**	—
Net finance income	**125,083**	72,214

12 INCOME TAX (CREDIT)/EXPENSE

	Year ended 31 December	
	2016	2015
	RMB'000	*RMB'000*
		(Restated)
Current income tax		
— PRC enterprise income tax	**155,548**	299,592
— PRC land appreciation tax		
— current year	**258,922**	33,409
— over provision in respect of prior years *(Note)*	**(964,451)**	—
	(549,981)	333,001
Deferred income tax		
— PRC enterprise income tax	**130,693**	45,965
— PRC withholding income tax	**69,778**	4,351
	200,471	50,316
	(349,510)	383,317

Note:

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 2016 (2015: Nil).

PRC enterprise income tax

PRC enterprise income tax is provided for at 25% (2015: 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.

13 DIVIDENDS

No interim dividend was declared and the Board does not recommend payment of final dividend for the year ended 31 December 2016 (2015: Nil).

14 EARNINGS PER SHARE

Basic and diluted

Basic earnings per share for the years ended 31 December 2016 and 2015 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.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the year ended 31 December 2015, the Company has one category of dilutive potential ordinary shares: warrants. A calculation is done to determine the number of shares that could have been acquired based on the monetary value of the subscription rights attached to the warrants. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrants. On 3 December 2015, the subscription period of the warrants has expired and no warrant has been exercised during the subscription period.

For the year ended 31 December 2015, as the average market share price of the ordinary shares during the year was lower than the subscription price, the impact of exercise of warrants on earnings per share is anti-dilutive.

As there were no dilutive options and other dilutive potential shares in issue during 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	
	2016	2015 (Restated)
Profit attributable to equity holders of the Company *(RMB'000)*	**1,169,435**	379,042
Weighted average number of ordinary shares in issue *(thousands)*	**6,093,451**	6,093,451
Basic and diluted earnings per share *(RMB cents)*	**19.2**	6.2

EXTRACT OF INDEPENDENT AUDITOR'S REPORT ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Qualified Opinion

On 20 December 2014, the Group entered into an equity sales agreement with a relative of the Company's ultimate controlling shareholders (the "**Buyer**") to sell the Group's 51% equity interest in a subsidiary (the "**Subsidiary**") at a consideration of RMB663,000,000 (the "**Consideration**"). After the sale, the Subsidiary will become a joint venture. On 31 December 2014, the first instalment payment of the Consideration amounted to RMB32,689,000 was received. Further partial payments for the Consideration were received during the year ended 31 December 2015. On 10 January 2015, the Group had handed over certain legal documents and stamps of the Subsidiary to the Buyer, including corporate licenses, corporate stamp, contract stamp and finance stamp, etc (the "**Legal Documents and Stamps**"). It is common for the beneficial owners or controlling parties of the People's Republic of China (the "**PRC**") entities to hold the Legal Documents and Stamps for the execution of contracts and agreements.

In September 2016, the Group has entered into a cancellation agreement to the equity sales agreement signed in December 2014 to terminate the proposed sale of the Group's 51% equity interest in the Subsidiary. The buyer returned the Legal Documents and Stamps to the Company in October 2016.

In the preparation of 2015 consolidated financial statements, directors of the Company determined that disposal of the Group's 51% equity interest in the Subsidiary was incomplete and accordingly, the Company has not transferred and changed the legal ownership of the Subsidiary in the registry of the Industry and Commerce Bureau of the PRC. They also concluded that the Group retained control of the Subsidiary because the Group had the right to make key operating and financing decisions of the Subsidiary notwithstanding the fact that the Legal Documents and Stamps have been handed over to the Buyer.

In our audit of the Group's consolidated financial statements for the year ended 31 December 2016 ("**2016 consolidated financial statements**"), directors of the Company were unable to provide us with satisfactory explanation for handing over the Legal Documents and Stamps to the Buyer and appropriate documentary evidence corroborating their representation that the Group had the right to make key operating and financing decisions of the Subsidiary and the disposal of the Group's 51% interest in the Subsidiary was incomplete as at 31 December 2015. There were no alternative audit procedures that we could perform to satisfy ourselves as to whether consolidating the Subsidiary in the Group's 2015 consolidated financial statements and not recognising the gain on disposal of the Group's 51% equity interest in the Subsidiary was appropriate.

The predecessor auditor disclaimed their audit opinion on the Group's 2015 consolidated financial statements due to limitations in their scope of audit work including whether consolidating the Subsidiary in the Group's 2015 consolidated financial statements and not recognising the gain on disposal of the Group's 51% equity interest in the Subsidiary was appropriate.

Any adjustments, if necessary, to account for the sale of the Group's 51% equity interest in the Subsidiary during the year ended 31 December 2015 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. Our audit opinion on 2016 consolidated financial statements is also modified for the possible effect of these unresolved matters on the comparability of the related 2016 figures and the 2015 figures in the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of cash flows and the related disclosures in 2016 consolidated financial statements.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's "Code of Ethics for Professional Accountants" (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to note 3 to the consolidated financial statements which set out the details of the prior year adjustments provided by the management.

RESULTS

The consolidated revenue of the Group was approximately RMB5,089.7 million for 2016 (2015：approximately RMB3,039.7 million), representing an increase of 67.4% as compared to 2015. The consolidated profit for the year and profit attributable to the equity holders of the Company were approximately RMB1,174.2 million and RMB1,169.4 million respectively for 2016 (2015：approximately RMB359.6 million and RMB379.0 million respectively), representing an increase of 226.5% and 208.5% respectively as compared to 2015. The basic and diluted earnings per share were RMB19.2 cents for 2016 (2015：RMB6.2 cents per share), representing an increase of 209.7% as compared to 2015.

The Board does not recommend payment of final dividend for the year ended 31 December 2016.

INDUSTRY REVIEW

Pursuant to the favorable supportive monetary and regulatory policies launched in 2015, the real estate market in PRC had a significant growth for 34.8% and 22.5% in transaction value and GFA respectively in 2016 as compared to 2015. This was mainly resulted from the inventory clearance in the first three quarters in 2016. In order to avoid the overheating of the property market, some austerity measures such as purchase and loan restriction was launched in the fourth quarter of 2016. The real estate became more stable in terms of average selling price ("**ASP**") and transaction volume.

BUSINESS REVIEW

Sales and Earnings

The revenue of the Group was approximately RMB5,089.7 million for 2016 (2015: approximately RMB3,039.7 million), representing an increase of 67.4% as compared to 2015. The increased in revenue in 2016 was mainly due to the increase in the GFA delivered from 278,255 sq.m. in 2015 to 674,347 sq.m. in 2016.

The gross profit of the Group was approximately RMB1,147.5 million for 2016, representing an increase of 29.5% as compared to 2015 (2015: approximately RMB886.3 million). The reason for such increase was due to the increase in revenue from approximately RMB3,039.7 million in 2015 to approximately RMB5,089.7 million in 2016.

The profit for the year of the Group has increased by 226.5% from approximately RMB359.6 million in 2015 to approximately RMB1,174.2 million in 2016.

The profit attributable to the equity holders of the Company has increased from approximately RMB379.0 million in 2015 to approximately RMB1,169.4 million in 2016, representing an increase of approximately RMB790.4 million or 208.5% from that of 2015. The major reason for the increase was due to more GFA being delivered and revenue recognized in 2016 as compared to 2015.

The cost of sales of the Group was approximately RMB3,942.2 million for 2016, representing an increase of 83.1% as compared to 2015 (2015: approximately RMB2,153.4 million). Cost of sales increased in line with revenue.

The average cost of properties included in cost of sales of the Group was RMB5,273.3 per sq.m. for 2016, representing a slight decrease of 0.8% over 2015 (2015: average cost of properties included in cost of sales was RMB5,313.9 per sq.m.).

The total GFA sold and delivered by the Group in 2016 was approximately 674,347 sq.m., representing an increase of 142.3% as compared to 2015 (2015: approximately 278,255 sq.m.). Such increase was due to more properties delivered in Beijing Mingfa Mall and Nanjing Mingfa New City Finance Building which were newly completed in 2016.

During the year under review, the ASP of the Group's delivered properties was RMB6,927.7 per sq.m., representing a decrease of 14.2% as compared to 2015 (2015: RMB8,077.1 per sq.m). Such decrease was mainly due to decrease in delivery of high priced villa in Xiamen for 2016.

In the year under review, the Group recorded contracted sales of approximately RMB14,004.7 million with GFA of 1,751,699 sq.m. (2015: approximately RMB5,232.5 million with GFA of 630,415 sq.m.).

The GFA of the properties delivered by the Group in 2016 and the ASP per sq.m. were as follows:

	Sales Revenue *(RMB'000)*		**GFA Delivered** *(sq.m.)*		**ASP** *(RMB per sq.m.)*	
	2016	2015	**2016**	2015	**2016**	2015
Huai'an Mingfa Shopping Mall	**40,081.0**	33,422.5	**13,285.6**	9,797.1	**3,016.9**	3,411.5
Nanjing Mingfa City Square	**106,565.3**	77,023.4	**12,085.1**	7,280.2	**8,817.9**	10,579.9
Nanjing Mingfa Riverside New Town	**33,634.2**	112,738.7	**4,020.5**	10,331.6	**8,365.7**	10,912.0
Nanjing Mingfa Pearl Spring Resort	**217,843.7**	57,978.2	**11,587.8**	2,951.4	**18,799.4**	19,644.0
Shenyang Mingfa Jinxiu Hua City	**53,542.5**	63,113.9	**13,910.4**	14,588.9	**3,849.1**	4,326.2
Taizhou Mingfa City Complex	**518,838.2**	344,847.6	**112,559.8**	89,947.2	**4,609.4**	3,833.9
Wuxi Mingfa International New Town	**380,147.8**	363,528.8	**63,414.9**	64,118.0	**5,994.6**	5,669.7
Xiamen Mingfa Shopping Mall	**43,496.4**	19,858.7	**2,617.4**	657.0	**16,618.2**	30,226.4
Xiamen Mingfa Habour Resort	**15,986.1**	826,336.0	**819.4**	17,205.0	**19,509.5**	48,028.8
Xiamen Mingfa Xiang Wan Peninsula	**156,748.7**	63,216.3	**11,868.6**	5,424.7	**13,207.0**	11,653.5
Yangzhou Mingfa Jiangwan City	**369,297.5**	111,053.4	**65,005.0**	17,415.4	**5,681.1**	6,376.7
Zhenjiang Mingfa Jinxiu Yinshan	**146,267.2**	87,871.8	**33,846.5**	23,538.1	**4,321.5**	3,733.2
Beijing Mingfa Mall	**1,172,221.2**	n/a	**67,296.8**	n/a	**17,418.7**	n/a
Jinzhai Mingfa Shopping Mall	**194,420.9**	n/a	**51,340.2**	n/a	**3,786.9**	n/a
Shanghai Mingfa Shopping Mall	**99,196.5**	n/a	**8,767.1**	n/a	**11,314.6**	n/a
Nanjing Mingfa New City Finance Building	**347,820.2**	n/a	**40,349.5**	n/a	**8,620.2**	n/a
Changsha Mingfa Shopping Mall	**178,287.8**	n/a	**47,121.7**	n/a	**3,783.6**	n/a
Quanzhou Mingfa International Huachang City	**156,220.5**	n/a	**39,279.7**	n/a	**3,977.1**	n/a
Pingliang Mingfa European City	**138,059.8**	n/a	**29,482.3**	n/a	**4,682.8**	n/a
Zhangzhou Longhai Mingfa Mall	**218,410.1**	n/a	**36,068.3**	n/a	**6,055.5**	n/a
Others	**84,552.8**	86,501.7	**9,620.0**	15,000.6	**8,789.3**	n/a
Total	**4,671,638.5**	2,247,491.2	**674,346.6**	278,255.2	**6,927.7**	8,077.1

PRE-SOLD PROPERTIES

As at 31 December 2016, the attributable GFA of pre-sold properties not yet delivered to the buyers was 1,794,283 sq.m. (2015: 738,366 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%	56,510
Guang'an	Guang'an Mingfa Mall	100%	38,829
Hefei	Hefei Mingfa Shopping Mall	100%	20,229
Honglai	Honglai Mingfa Commercial Centre	100%	571
Huai'an	Huai'an Mingfa Shopping Mall	100%	9,563
Huizhou	Huizhou Mingfa Gaobang New City	80%	19,156
Jinzhai	Jinzhai Mingfa City Square	100%	218,763
Nanjing	Nanjing Mingfa Riverside New Town	100%	4,715
Nanjing	Nanjing Mingfa City Square	100%	5,084
Nanjing	Nanjing Mingfa Pearl Spring Resort	100%	10,593
Nanjing	Nanjing Mingfa Yuejingting	100%	16,037
Nanjing	Nanjing Mingfa Pearl River International	100%	17,429
Nanjing	Nanjing Mingfa Cloud Mansion	40%	19,179
Nanjing	Nanjing Mingfa Shopping Mall	100%	30,547
Nanjing	Nanjing Dream Garden	51%	46,611
Nanjing	Nanjing Rong Li	51%	73,348
Nanjing	Nanjing Mingfa Xianghill Garden	100%	109,313
Nanjing	Nanjing Mingfa New City Finance Building	100%	182,198
Pingliang	Pingliang Mingfa European City	60%	30,695
Quanzhou	Quanzhou Mingfa Hua Chang City	100%	23,305
Zibo	Shandong Zibo World Trade Center	100%	80,143
Shanghai	Shanghai Mingfa Shopping Mall	100%	7,937
Shenyang	Shenyang Mingfa Jinxiuhwa City	100%	58,022
Taizhou	Taizhou Mingfa City Complex	100%	47,525
Tianjin	Tianjin Binhai Mingfa Shopping Mall	100%	27,788
Wujiang	Wujiang Mingfa Jiangwan New City	100%	420,008
Wuxi	Wuxi Mingfa Shopping Mall	70%	2,446
Wuxi	Wuxi Mingfa International New Town	100%	61,183
Xiamen	Xiamen Mingfa International New Town	100%	579
Xiamen	Xiamen Mingfa Xiang Wan Peninsula	100%	2,236
Xiamen	Xiamen Mingfa Harbour Resort	100%	2,815
Xiamen	Xiamen Mingfa Shopping Mall	70%	15,596
Xiamen	Xiamen Mingfeng Town	100%	16,093

City	Property	Group's Interest	Attributable Pre-sold GFA *(sq.m.)*
Yangzhou	Yangzhou Mingfa Shopping Mall	100%	7,047
Yangzhou	Yangzhou Mingfa Jiangwan City	100%	28,940
Zhangzhou	Zhangzhou Mingfa Shopping Mall	100%	7,143
Zhangzhou	Zhangzhou Longhai Mingfa Mall	100%	49,336
Zhengjiang	Zhenjiang Mingfa Xinjin Yuancheng	100%	3,747
Zhengjiang	Zhengjiang Jinxiu Yishan	100%	23,024
Total			1,794,283

SUMMARY OF LAND BANK

As at 31 December 2016, land bank attributable to the Group increased by 19.0% to approximately 18.2 million sq.m. (2015: approximately 15.3 million sq.m.), consisting of 77 projects (2015: 63 projects) in total.

	Number of Projects	Attributable GFA *(million sq.m.)*
Completed Projects	19	1.5
Projects under Development	36	11.3
Projects for Future Development	22	5.4
Total	**77**	**18.2**

The following tables summarize the details of the Group's land bank as at 31 December 2016:

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	1,439	100%	1,439
Xiamen Mingfa Garden	Located at Huanhuli South, lvling Road, Siming District, Xiamen, Fujian Province.	Apr/2005	Residential/ Commercial	Completed	18,697	13,972	100%	13,972
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	6,730	100%	6,730
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	27,015	70%	18,911
Xiamen Mingfa Town	Located at lvling 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	15,240	100%	15,240
Nanjing Mingfa Riverside New Town	Located in Taishan village, Pukou District, Nanjing, Jiangsu Province.	Nov/2009	Residential/ Commercial	Completed	1,072,182	68,687	100%	68,687
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	189,178	100%	189,178
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	226,435	100%	226,435
Nanjing Mingfa City Square	Located on Dingshan Road, Pukou District, Nanjing, Jiangsu Province.	Dec/2012	Residential/ Commercial/ Office	Completed	128,683	70,738	100%	70,738
Honglai Mingfa Commercial Center	Located at Longlai 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	16,503	100%	16,503
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	242,656	100%	242,656
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	138,293	100%	138,293
Huaian Mingfa Shopping Mall (Block C)	Located in Weihai East Road, Huaian, Jiangsu Province	Dec/2014	Residential	Completed	51,345	31,008	100%	31,008
Sub-total					**2,758,762**	**1,626,157**		**1,486,864**

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 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 171,952 sq.m. in December 2016. The remaining GFA of 232,726 sq.m. will be completed in December 2019.	296,702	258,941	100%	258,941
Huaian Mingfa Shopping Mall (Block A)	Located in Shenzhen South Road, Huaian, Jiangsu Province	Dec/2020	Commercial	Approximately 60% 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	210,348	100%	210,348
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 452,834 sq.m. in December 2014. The remaining GFA of 96,727 sq.m. will be completed in December 2018	258,297	186,488	100%	186,488
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 158,578.77 sq.m. in December 2015. The remaining GFA of 62,954 sq.m. will be completed in December 2019	158,238	79,926	100%	79,926
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 304,293 sq.m. in December 2015. The remaining GFA of 427,007 sq.m. will be completed in December 2020	292,487	492,101	100%	492,101
Taizhou Mingfa International Mall (Phase 2)	Located in Gaogang Distrct, Taizhou, Jiangsu Province	Oct/2020	Residential/ Industrial	Completion certificate had been granted for GFA of 23,671 sq.m. in December 2016. The remaining GFA of 284,183 sq.m. will be completed in October 2020	237,075	322,150	100%	322,150
Zhangzhou Longhai Mingfa Mall (2011G17,2011G18 Phase 1)	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province.	Dec/2019	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	241,694	100%	241,694
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 2020	53,779	160,538	100%	160,538
Pingliang Mingfa European City	Located in Water bridge West, Linjing Road North, Kongdong District, Pingliang, Gansu Province	Dec/2020	Residential	Approximately 60% of construction has been completed	117,594	219,121	60%	131,473
Nanjing Mingfa New City Finance Building	Located in New Town Business Avenue North, Pukou District, Nanjing, Jiangsu Province.	Dec/2019	Residential/ Commercial	Completion certificate had been granted for GFA of 120,510 sq.m. in December 2016. The remaining GFA of 240,437 sq.m. will be completed in December 2019	59,042	360,947	100%	360,947
Changsha Mingfa Shopping Mall	Located in Star Cheng Town, Wangcheng County, Changsha, Hunan Province.	Dec/2020	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	881,715	100%	881,715
Huizhou Mingfa Gaobang New City	Huizhou City West Train Station, Guangdong Province	Dec/2020	Residential	Approximately 30% of construction has been completed	332,335	708,157	80%	566,526

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 Cloud Mansion	Located in along the mountain road south, Jiangpu Street, Nanjing, Jiangsu Province	Sep/2017	Residential	Approximately 90% of construction has been completed	32,787	80,437	40%	32,175
Nanjing Mingfa Xiang Hill Garden	Located in Along the mountain road to the south, Caiba Road East, Pukou District, Nanjing, Jiangsu Province.	Dec/2019	Residential	Approximately 90% of construction has been completed	115,876	255,361	100%	255,361
Nanjing Mingfa Pearl River International (G11)	Located at Jiangpu Street, east to Xianzhang Road, south to Jiangpu Secondary School, north to South River, west to Guihua Road, Pukou District, Jiangsu Province	Sep/2017	Residential	Approximately 90% of construction has been completed	8,586	30,611	100%	30,611
Jinzhai Mingfa City Square (Plot G)	Located at New Town District, Meishan Town, Jinzhai County, Hefei, Anhui Province	Sep/2017	Residential/ Commercial	Completion certificate had been granted for GFA of 99,145 sq.m. in December 2016. The remaining GFA of 255,744 sq.m. will be completed in September 2017	105,504	354,889	100%	354,889
Tianjin Binhai Mingfa Shopping Mall	Located in Tanggu Marine Hi-Tech Development Zone, Tianjin	Dec/2021	Commercial	Approximately 30% 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 30% 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	Approximately 40% of construction has been completed	132,937	255,551	51%	130,331
Nanjing Dream Garden	Located at Yuhuatai Economic Development Zone, Nanjing, Jiangsu Province	Jul/2018	Residential	Approximately 40% 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 40% 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 30% 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 50% of construction has been completed	276,120	787,220	100%	787,220
Guang'an Mingfa Mall (GC2013–45 Block)	Located in Bridge Group, Guanan, Sichuan Province	Dec/2020	Residential/ Commercial	Approximately 40% 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	Approximately 80% of construction has been completed	14,287	27,347	100%	27,347
Shenzhen Mingfa Guangming Xuan	Located at Tianliao Yulv Area, Guangming New District, Shenzhen	Dec/2018	Commercial	Approximately 50% 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	Approximately 80% of construction has been completed	31,455	89,947	100%	89,947
Jinzhai Mingfa City Square (Plot D)	Located at New City, Meishan Town, Jinzhai County, Anhui Province	Dec/2017	Residential/ Commercial	Approximately 80% of construction has been completed	62,885	128,253	100%	128,253
Jinzhai Mingfa City Square (Plot E, F)	Located at New City, Meishan Town, Jinzhai County, Anhui Province	Jun/2018	Residential/ Commercial	Approximately70% 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 40% of construction has been completed	147,371	618,958	100%	618,958
Zhongao Town Buliding	Located at South of Xiang'an District, Xiamen, Fujian Province.	Dec/2019	Commercial	Approximately35% of construction has been completed	11,870	98,104	51%	50,033
Xiamen Mingfeng Town	Located at Lingdou Siming District, Xiamen, Fujian Province.	Jul/2018	Commercial	Approximately 60% of construction has been completed	19,190	122,737	100%	122,373
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 30% of construction has been completed	63,127	189,381	100%	189,381
Sub-total					**4,981,709**	**11,822,603**		**11,295,753**

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.	Dec/2020	Industrial	Vacant	41,434	103,585	100%	103,585
Lanzhou Mingfa Zhongke Ecological park	Located in Weijia Village of Southwest, Gansu Province	Dec/2020	Residential	Vacant	1,371,786	1,371,786	51%	699,611
Taiwan Taoyuan 54 Block	Located in Air passenger Park, Taoyuan, Taiwan	Jun/2020	Commercial	Vacant	13,710	32,905	100%	32,905
Taiwan Taoyuan 169 Block	Located in Air passenger Park, Taoyuan, Taiwan	Jun/2020	Commercial	Vacant	16,110	38,663	100%	38,663
Shenyang Mingfa Wealth Center	Located at Young Street, Heping District, Shenyang, Liaoning Province	Dec/2020	Commercial	Vacant	5,468	54,677	100%	54,677
Jinzhai Mingfa City Square (Plot AC)	Located at Jinzhai County Meishan Town New Town, Hefei, Anhui Province.	Dec/2019	Residential/ Commercial	Vacant	111,142	162,164	100%	162,164
Wujiang Mingfa Jiangwan New City (Phase 3)	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2020	Residential/ Commercial	Vacant	613,287	1,665,440	100%	1,665,440
Shenyang Mingfa Square	Located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province	Jun/2020	Residential/ Commercial	Vacant	119,154	238,308	100%	238,308
Mingfa Mingjue Town	Located at Bowang Town Bowang District, Maanshan, Anhui Province	Dec/2019	Residential/ Commercial	Vacant	101,504	171,950	100%	171,950
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
Sub-total					**2,420,125**	**3,905,803**		**3,233,628**
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
Guang'an Mingfa City complex Project (ChaMa Road B1-1 Block)	Located in Binjiang Road, Guang'an District, Guanan, Sichuan Province	Dec/2019	Residential/ Commercial	Vacant	76,363	305,452	100%	305,452
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 Nanjing Pukou G86	Pukou Jiangpu Street angle at University Avenue and Flower Industry	Dec/2019	Residential	Vacant	72,280	79,508	100%	79,508
Shenyang Mingfa Comprehensive Technology Park	Located at Zaohua Street, Yuhong District, Shenyang, Liaoning Province	Dec/2020	Residential	Vacant	235,526	423,948	100%	423,948
Taoyuan New Town	Located at Xianghe Town, Quanjiao, Anhui Province	Mar/2020	Residential	Vacant	109,452	240,794	100%	240,794
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/2020	Industrial	Vacant	119,564	95,652	100%	95,652
New project in Nanjing Pukou G20	Located in Software Service Center High Tech Development Zone, Nanjing, Jiangsu Province.	Jun/2020	Commercial	Vacant	62,015	446,246	80%	356,997
New project in Nanjing Pukou G42	Located in Along the Street High and New Technology Industrial Development Zone, Nanjing, Jiangsu Province.	Nov/2022	Commercial	Vacant	27,428	82,283	40%	32,913
Nanjing Mingfa Longwei Construction Technology Compnay Limited	Located in High Tech Development Zone, Nanjing, Jiangsu Province.	Dec/2020	Industrial	Vacant	88,780	32,965	55%	18,131
Mingfa North Station New Town	Located in west side of Changjiang road, Chahe Town, Laian county	Jan/2020	Residential/ Commercial	Vacant	65,335	163,337	70%	114,336
Sub-total					**1,017,559**	**2,337,164**		**2,134,709**
Total Land Bank					**11,178,154**	**19,691,727**		**18,150,954**

Notes:

1. Completed properties refer to the properties in respect of which (a) the certificates of completion, (b) the permits for commencement of construction works, and (c) the land use rights certificates had been obtained as at 31 December 2016.

2. Properties under development refer to the properties in respect of which (a) the permits for commencement of construction works and (b) the land use rights certificates had been obtained as at 31 December 2016.

3. The site area is in respect of the whole property (regardless of GFA that have been sold).

4. The approximate leasable and saleable GFA have excluded the GFA that have been sold/leased.

SUMMARY OF PROPERTIES HELD BY THE GROUP FOR INVESTMENT

The following table summarizes the details of the Group's major properties held for investment as at 31 December 2016:

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	111,496	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	35,619	3–9 years	100%
Xiamen Mingfa Hotel	Located at No. 413 Lianqian East Road, Xiamen, Fujian Province	Hotel	10,925	10 years	100%
Xiamen Mingfa Industrial Park	Located at No.2 Honglian Road West, Siming District, Xiamen, Fujian Province.	Industrial	11,588	8–15 years	100%
Xiamen Lianfeng Furniture Park	Located 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, Xinpu Road South, Zhangzhou, Fujian Province	Commercial	112,416	Under construction	100%
Wuxi Mingfa Shopping Mall	Located in Sitou Village and Tangtou Village, Yanqiao town, Huishan district, Wuxi, Jiangsu Province	Commercial	4,687	15–20 years	70%
Hefei Mingfa Shopping Mall	Located along the northeast side of the junction of Silihe Road and Dangshan Road, Luyang district, Hefei, Anhui Province	Commercial	140,809	15–20 years	100%
Quanzhou Mingfa Hotel	Located in Licheng District,Jiangnan Torch Village, Quanzhou, Fujian Province	Hotel	2,355	5 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
Yangzhou Mingfa Shopping Mall	Located at the south of Yunhe Road East and west of Baolin Road, Guangling District, Yangzhou, Jiangsu Province	Commercial	55,884	15 years	100%
Tianjin Mingfa City Complex	Located in Tanggu Marine Hi-Tech Development Zone, Tianjin	Commercial	62,631	Under construction	100%
Changsha Mingfa Shopping Mall	Located in Star Cheng Town,Wangcheng County, Changsha, Hunan Province.	Commercial	70,742	Under construction	100%
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	4,907	3 years	100%
Wuxi Mingfa International New Town	Located at south of Yanqiao Town, Huishan District, Wuxi, Jiangsu Province	Commercial	2,511	3 years	100%
Beijing Mingfa Mall	Located at Bizang Village, Daxing District, Beijing.	Residential/ Commercial	9,520	3–10 years	100%
Total			860,900		

Properties to be Completed in 2017

Set out below are the properties expected to be completed by the Group in 2017. The total GFA for such properties available for sale/leasing by the Group upon completion will be approximately 1,273,178 sq.m. including those already pre-sold as at 31 December 2016.

Property Name	Expected Completion Date	Usage	GFA Available for Sales/ Leasing *(sq.m.)*	Percentage of Interest in the Property Attributable to the Group
Taizhou Mingfa City Complex	Jun/2017	Residential	78,662	100%
Wuxi Mingfa International New Town	Jun/2017	Residential/ Commercial	67,104	100%
Nanjing Mingfa Cloud Mansion	Sep/2017	Residential/ Commercial	80,437	40%
Nanjing Mingfa New City Finance Building	Dec/2017	Office/ Commercial	178,037	100%

Property Name	Expected Completion Date	Usage	GFA Available for Sales/ Leasing *(sq.m.)*	Percentage of Interest in the Property Attributable to the Group
Zhenjiang Jinxiu Yinshan	Jan/2017	Residential/ Commercial/ Hotel	74,293	100%
Nanjing Mingfa Xiang Hill Garden	May/2017	Residential	244,877	100%
Nanjing Rong Li	Dec/2017	Residential	108,382	51%
Yangzhou Mingfa Jiangwan City	Mar/2017	Residential/ Commercial	37,834	100%
Jinzhai Mingfa Shopping Mall	Dec/2017	Residential/ Commercial	372,941	100%
Nanjing Mingfa Pearl River International	Sep/2017	Residential/ Commercial	30,611	100%
Total			1,273,178	

ACQUISITION FRAMEWORK AGREEMENTS

As at 31 December 2016, the Group entered into 11 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)*

Project Name	Location	Date of MOU	Site Area *(sq.m.)*	GFA *(sq.m.)*	*Note*
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	
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)*
Jinzhai Mingfa City Square	Jinzhai City, Anhui Province	17-Dec-14	666,670	1,333,340	*(8)*
Total			**8,152,837**	**20,979,610**	

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 3,770,826.5 sq.m. respectively.

(8) The Group had acquired 10 plots of land under the MOU signed on 17 December 2014. The land is located at New City, Mei Shan Town, Jinzhai Country, Hefei, Anhui Province. Total land area and GFA is approximately 482,936.7 sq.m. and approximately 1,063,578.6 sq.m. respectively.

PROSPECTS

Looking ahead to 2017, the real estate market in China is expected to be less heated than 2016 due to the tightening policies in purchasing and mortgage borrowing. Steadfastly adhering to prudent and diversified growth, the Group will continue its strategy of balanced property mix and optimized geographical locations.

The Group intends to continue to implement a coherent and prudent land acquisition strategy for further replenishment of selected quality land parcels in 2017. The land reserves of the Group had increased by 19.0% to a GFA of 18.2 million sq.m. from 2015 to 2016, which is expected to be sufficient for projected growth over six to seven years. The Group's performance has been highlighted in Nanjing and Wujiang where the property market in 2016 enjoyed its most prosperous year ever resulting from the 'Great Jiangbi' strategy. Looking ahead, the Group remains focused on capturing the opportunities presented by market trends and government policies to optimize the regional layout of property projects.

FINANCIAL REVIEW AND ANALYSIS

For the year ended 31 December 2016, revenue generated by the Group was approximately RMB5,089.7 million (2015: approximately RMB3,039.7 million), representing an increase of 67.4% as compared to 2015. The increase in revenue in 2016 was mainly due to the increase in the GFA delivered from 278,255 sq.m. in 2015 to 674,347 sq.m. in 2016. Revenue from various sectors is analyzed as follows:

For the year ended 31 December	Commercial Properties *(RMB' million)*	Residential Properties *(RMB' million)*	Properties Investment and Management Income *(RMB' million)*	Hotel *(RMB' million)*	Property Construction *(RMB' million)*	Others *(RMB' million)*	Total *(RMB' million)*	Percentage of Increase/ (Decrease)
2016	**286.0**	**4,385.6**	**231.8**	**185.2**	**—**	**1.1**	**5,089.7**	**67.4%**
2015	229.4	2,018.1	262.3	155.1	374.7	—	3,039.7	(19.9%)

Revenue from the properties sector contributed 91.8% in total to the Group's revenue. Revenue from the commercial properties sector increased by 24.7%. Revenue generated from the residential properties sector increased for 117.3% in 2016 as compared to 2015 as more new properties were delivered to the buyers upon completion in 2016 such as Beijing Mingfa Mall, Nanjing Mingfa New City Finance Building and etc.

Revenue from the properties investment and management income sector decreased by 11.6%.

Income generated from hotel sector increased by 19.4% from approximately RMB155.1 million for 2015 to approximately RMB185.2 million for 2016. It was mainly due to a new hotel in Xiamen was opened in 2016.

No revenue was generated in property construction sector in 2016 as the project named TongDa was completed in 2015.

The gross profit of the Group increased in line with revenue and amounted to approximately RMB1,147.5 million for 2016, representing an increase of 29.5% as compared to 2015 (2015: approximately RMB886.3 million).

The profit for the year of the Group increased by 226.5% from approximately RMB359.6 million in 2015 to approximately RMB1,174.2 million in 2016.

The profit attributable to the equity holders of the Company has increased from approximately RMB379.0 million in 2015 to approximately RMB1,169.4 million in 2016, representing an increase of approximately RMB790.4 million or 208.5% from that of 2015. The major reason for the increase was due to more GFA being delivered and revenue recognized in 2016 as compared to 2015.

The cost of sales of the Group was approximately RMB3,942.2 million for 2016, representing an increase of 83.1% as compared to 2015 (2015: approximately RMB2,153.4 million). Cost of sales increased in line with revenue.

The average cost of properties included in cost of sales of the Group was RMB5,273.3 per sq.m. for 2016, representing a slight decrease of 0.8% over 2015 (2015: average cost of properties included in cost of sales was RMB5,313.9 per sq.m.).

Fair value gains on investment properties decreased by 45.0% to approximately RMB295.2 million (2015: approximately RMB537.2 million). Decrease in fair value gains on investment properties was mainly due to the less new properties being classified as investment properties in 2016.

Other losses increased by 187.8% from approximately RMB122.3 million in 2015 to approximately RMB352.3 million in 2016. The increase in other losses was due to the additional exchange losses arisen from RMB depreciation in 2016 and new provision for losses on financial guarantee contract.

Selling, general and administrative expenses of the Group were approximately RMB935.7 million in 2016, representing an increase of 39.3% over 2015 (2015: approximately RMB671.6 million). The increase was mainly due to the increase in staff cost of newly established project companies and the advertising cost and sales commission and additional bad debt written off in 2016.

All financing cost had been capitalized in 2016.

CAPITAL STRUCTURE

As at 31 December 2016, the Group had aggregated cash and cash equivalents (excluding restricted cash) of approximately RMB2,290.1 million (31 December 2015: approximately RMB1,915.1 million). Restricted cash of the Group was approximately RMB1,382.9 million (31 December 2015: approximately RMB3,076.3 million). Bank loans and other borrowings of the Group repayable within one year and after one year were approximately RMB9,148.7 million and RMB3,440.2 million respectively (31 December 2015: approximately RMB9,659.4 million and RMB5,488.5 million respectively). The cash and cash equivalents of the Group were mainly denominated in Renminbi as at 31 December 2016.

Total interest expenses including the capitalised interest costs amounted to approximately RMB1,030.6 million (31 December 2015: approximately RMB1,079.9 million) in total. In addition, interests with an amount of approximately RMB1,030.6 million (31 December 2015: approximately RMB1,079.9 million) were capitalised in 2016.

Set out below are the major ratios of the Group:

	As at and for the year ended 31 December	
	2016	2015
Gross profit margin	**22.5%**	29.2%
Operating profit margin	**3.0%**	20.8%
Net profit margin	**23.1%**	11.8%
Current ratio	**1.08**	1.17
Total liabilities to total assets	**78.3%**	75.7%
Bank loans and other borrowings to shareholders' funds	**101.2%**	131.6%
Non-current bank loans and other borrowings to total assets	**5.6%**	10.6%
Gearing ratio*	**40.2%**	51.2%

* Defined as net debt (total borrowings and derivative financial instruments 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 2016, investment properties of the Group with net book value of approximately RMB2,610.5 million (31 December 2015: approximately RMB5,176.6 million), buildings of approximately RMB430.9 million (31 December 2015: approximately RMB544.2 million), land use rights of approximately RMB4,282.5 million (31 December 2015: approximately RMB4,711.0 million), completed properties held for sale of approximately RMB1,369.2 million (31 December 2015: approximately RMB2,611.9 million), properties under development of approximately RMB2,824.9 million (31 December 2015: approximately RMB1,836.3 million), prepayments or deposits for land use right of approximately RMB nil (31 December 2015: approximately RMB268.7 million) available-for-sale financial assets of approximately RMB nil (31 December 2015: approximately RMB100.0 million) and restricted bank deposits of approximately RMB1,382.9 million (31 December 2015: approximately RMB3,076.3 million) were pledged to secure the banking facilities of the Group.

CAPITAL COMMITMENTS

As at 31 December 2016, the contracted capital commitments of the Group were approximately RMB8,929.5 million (31 December 2015: approximately RMB5,598.7 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 2016, the contingent liabilities of the Group was approximately RMB5,093.1 million (31 December 2015: approximately RMB4,245.1 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 2016, 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 91.3%, 0.4% and 8.3% (31 December 2015: Renminbi, Hong Kong dollars and US dollars accounted for 92.0%, 1.2% and 6.8% 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 61.6%, 9.4%, 28.5% and 0.5% (31 December 2015: Renminbi, Hong Kong dollars, US dollars and New Taiwan dollars accounted for 63.1%, 19.0%, 17.2% and 0.7% 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 2016 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 2016 as the hedging cost was comparable to the corresponding risk.

INTEREST RATE RISK

As at 31 December 2016, 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 2016, the Group employed 2,459 staff (31 December 2015: 2,361 staff). The increase in staff was mainly due to more staff were recruited for new project companies. For 2016, the staff costs of the Group including Directors' emoluments were approximately RMB306.3 million (2015: approximately RMB232.8 million). The increase was due to increase in number of staff and annual salary adjustment. 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 2016, 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.

SUBSEQUENT EVENTS

(a) Senior notes and bonds

(i) Bonds with principal amount of US$220,000,000, interest rate at 11 per cent and due date in 2020 ("2020 Bonds A")

On 18 May 2017, the 2020 Bonds A were issued.

(ii) Bonds with principal amount of US$60,000,000, interest rate at 9 per cent and due date in 2019 ("2019 Bonds A")

In May 2017, principal amount of US$10,000,000 of the 2019 Bonds A which were issued on 15 December 2016 was redeemed.

(iii) 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.

(iv) Bonds with principal amount of US$200,000,000, interest rate at 15 per cent and due date in 2020 ("2020 Bonds B")

On 16 January 2019, the 2020 Bonds B were issued.

(v) Bonds with principal amount of US$200,000,000, interest rate at 11 per cent and due date in 2019 ("2019 Bonds B")

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

(b) Acquisition of subsidiaries

(i) On 6 April 2017, the Group completed an acquisition of 100% equity interest in a PRC entity Ma An Shan TianMu Property Co.,Ltd. and liabilities at a cash consideration of approximate RMB112,500,000.

(ii) On 2 August 2017, the Group completed an acquisition of 100% equity interest in a PRC entity Ma An Shan TianMu Spa Travel Investments Co.,Ltd. and liabilities at a cash consideration of approximate RMB67,500,000.

(iii) 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 subsidiaries

(i) Pursuant to the equity transfer agreement entered into between the Group and a third party on 11 December 2017, the Group agreed to sell entire 55% equity interest in Nanjing Mingfa Long Wei Construction Technology Co., Ltd, a subsidiary of the Group to the third party at a consideration of RMB55,000,000, which was fully received by the Group in December 2017 and the disposal was completed by the end of 2017.

(ii) 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. 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 2016. 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 2016 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 2016 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:

Executive Directors:	*Mr. Wong Wun Ming, Mr. Huang Qingzhu, Mr. Huang Lianchun and Mr. Huang Li Shui*
Independent Non-Executive Directors:	*Mr. Lau Kin Hon, Mr. Chu Kin Wing Peleus and Dr. Lam, Lee G.*