



新力控股(集團)有限公司

SINIC HOLDINGS (GROUP) COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2103

GLOBAL OFFERING



Joint Sponsors



Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers



Joint Bookrunners and Joint Lead Managers



IMPORTANT

IMPORTANT: If you are in any doubt about any of the contents of this prospectus, you should seek independent professional advice.



Sinic Holdings (Group) Company Limited 新力控股(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	:	529,412,000 Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	:	52,942,000 Shares (subject to adjustment)
Number of International Offer Shares	:	476,470,000 Shares (subject to adjustment and the Over-allotment Option)
Offer Price (subject to a Downward Offer Price Adjustment)	:	Not more than HK\$4.25 and not less than HK\$3.30 per Hong Kong Offer Share, plus brokerage fee of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund) (If the Offer Price is set at 10% below the bottom end of the indicative Offer Price range after making a Downward Offer Price Adjustment, the Offer Price will be HK\$2.97 per Hong Kong Offer Share)
Nominal value	:	HK\$0.01 per Share
Stock code	:	2103

Joint Sponsors



Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers



Joint Bookrunners and Joint Lead Managers



Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in "Appendix VI — Documents Delivered to the Registrar of Companies and Available for Inspection" to this prospectus, has been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any of the other documents referred to above.

The Offer Price is expected to be fixed by agreement between the Joint Representatives (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or around Friday, November 8, 2019 and, in any event, no later than Tuesday, November 12, 2019. The Offer Price will be no more than HK\$4.25 per Offer Share and is currently expected to be no less than HK\$3.30 per Offer Share (subject to a Downward Offer Price Adjustment) unless otherwise announced. Investors applying for Offer Shares must pay, on application, the maximum Offer Price of HK\$4.25 per Share, unless otherwise announced, together with brokerage fee of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%, subject to refund if the Offer Price is less than HK\$4.25 per Offer Share.

The Joint Representatives (for themselves and on behalf of the Underwriters) may, with our Company's consent, reduce the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, an announcement will be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese), and on the Hong Kong Stock Exchange's website at www.hkexnews.hk and on our Company's website at www.sinicde.com no later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. Further details are set out in "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares". If, for any reason, the Offer Price is not agreed between the Joint Representatives (for themselves and on behalf of the Underwriters) and our Company on or before Tuesday, November 12, 2019, the Global Offering will not proceed and will lapse. For more information, see "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination".

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered, sold, pledged or transferred within the United States, or for the account or benefit of U.S. persons, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares may be offered, sold or delivered outside of the United States in accordance with Regulation S under the U.S. Securities Act.

October 30, 2019

EXPECTED TIMETABLE⁽¹⁾

Hong Kong Public Offering commences and
WHITE and **YELLOW** Application Forms
available from 9:00 a.m. on Wednesday, October 30, 2019

Latest time for completing electronic applications under
White Form eIPO service through the designated
website www.eipo.com.hk⁽²⁾ 11:30 a.m. on Friday, November 8, 2019

Application lists open⁽³⁾ 11:45 a.m. on Friday, November 8, 2019

Latest time for lodging **WHITE**
and **YELLOW** Application Forms 12:00 noon on Friday, November 8, 2019

Latest time for completing payment of **White Form eIPO**
applications by effecting internet banking transfer(s)
or PPS payment transfer(s) 12:00 noon on Friday, November 8, 2019

Latest time for giving **electronic application instructions**
to HKSCC⁽⁴⁾ 12:00 noon on Friday, November 8, 2019

Application lists close⁽³⁾ 12:00 noon on Friday, November 8, 2019

Expected Price Determination Date⁽⁵⁾ Friday, November 8, 2019

Where applicable, announcement of the Offer Price
being set below the bottom end of the indicative
Offer Price range after making a Downward Offer Price
Adjustment (see the section headed “Structure of the
Global Offering – Pricing and Allocation”) in the
South China Morning Post (in English) and the Hong Kong
Economic Times (in Chinese), and on the website of
the Stock Exchange at www.hkexnews.hk and the
Company’s website at www.sinicdc.com on or before Tuesday, November 12, 2019

Announcement of:

(1) the final Offer Price, the level of indications of
interest in the International Offering, the level of applications
in the Hong Kong Public Offering and basis of allocation of
the Hong Kong Offer Shares under the Hong Kong Public
Offering to be published in the South China Morning Post
(in English) and the Hong Kong Economic Times (in Chinese)
on or before Thursday, November 14, 2019

EXPECTED TIMETABLE⁽¹⁾

(2) the results of allocations in the Hong Kong Public Offering (including successful applicants' identification document numbers, where appropriate) to be available through a variety of channels as described in the section headed "How to Apply for Hong Kong Offer Shares — 11. Publication of Results" in this prospectusThursday, November 14, 2019

(3) the Hong Kong Public Offering containing (1) and (2) above to be published on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and our website at www.sinicdc.com⁽⁶⁾Thursday, November 14, 2019

Results of allocations in the Hong Kong Public Offering will be available at www.iporesults.com.hk (alternatively: English <https://www.eipo.com.hk/en/Allotment>; Chinese <https://www.eipo.com.hk/zh-hk/Allotment>) with a "search by ID" function fromThursday, November 14, 2019

Dispatch/collection of Share certificates in respect of wholly or partially successful applications pursuant to the Hong Kong Public Offering on or before⁽⁷⁾Thursday, November 14, 2019

Dispatch/collection of refund cheques and White Form e-Refund payment instructions in respect of wholly or partially successful applications (if applicable) or wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering on or before⁽⁸⁾Thursday, November 14, 2019

Dealings in the Shares on the Hong Kong Stock Exchange expected to commence at9:00 a.m. on Friday, November 15, 2019

The application for the Hong Kong Public Offer Shares will commence on Wednesday, October 30, 2019 through Friday, November 8, 2019, being longer than normal market practice of four days. The application monies (including the brokerages, SFC transaction levies and Hong Kong Stock Exchange trading fees) will be held by the receiving banks on behalf of the Company and the refund monies, if any, will be returned to the applicants without interest on Thursday, November 14, 2019. Investors should be aware that the dealings in the Shares on the Hong Kong Stock Exchange are expected to commence on Friday, November 15, 2019.

EXPECTED TIMETABLE⁽¹⁾

Notes:

- (1) All times refer to Hong Kong local time, except as otherwise stated.
- (2) You will not be permitted to submit your application through the designated website at www.eipo.com.hk after 11:30 a.m. on the last day for lodging applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day of lodging applications, when the application lists close.
- (3) If there is/are a tropical cyclone warning signal number 8 or above, a “black” rainstorm warning in force and/or Extreme Conditions in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, November 8, 2019, the application lists will not open and close on that day. See “How to Apply for Hong Kong Offer Shares — Effect of Bad Weather on the Opening and Closing of the Application Lists” in this Prospectus.
- (4) Applicants who apply for the Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC should refer to the section headed “How to Apply for Hong Kong Offer Shares — Applying by Giving **Electronic Application Instructions** to HKSCC via CCASS” in this prospectus.
- (5) The Price Determination Date is expected to be on or about Friday, November 8, 2019 and, in any event, not later than Tuesday, November 12, 2019. If, for any reason, the Offer Price is not agreed by Tuesday, November 12, 2019 between us and the Joint Representatives (for themselves and on behalf of the Underwriters), the Global Offering will not proceed and will lapse.
- (6) None of the website or any of the information contained on the website forms part of this document.
- (7) Share certificates for the Hong Kong Offer Shares are expected to be issued on Thursday, November 14, 2019 but will only become valid certificates of title provided that the Global Offering has become unconditional in all respects, and neither of the Underwriting Agreements has been terminated in accordance with its terms, prior to 8:00 a.m. on the Listing Date, which is expected to be on or around Friday, November 15, 2019. Investors who trade Shares on the basis of publicly available allocation details before the receipt of Share certificates or before the Share certificates becoming valid certificates of title do so entirely at their own risk.
- (8) e-Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessfully applications and in respect of successful applications if the Offer Price is less than the price per Offer Share payable on application.

The above expected timetable is a summary only. You should refer to the sections headed “Underwriting”, “Structure of the Global Offering” and “How to Apply for Hong Kong Offer Shares” in this prospectus for details of the structure of the Global Offering, including the conditions of the Global Offering, and the procedures for application for the Hong Kong Offer Shares, and expected timetable, including conditions, effect of bad weather and the dispatch of refund cheques and Share certificates.

CONTENTS

This prospectus is issued by our Company solely in connection with the Hong Kong Public Offering and does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. Our Company has not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on as having been authorized by our Company, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, officers, representatives, employees, agents or professional advisors or any other person or party involved in the Global Offering.

	<i>Page</i>
EXPECTED TIMETABLE	i
CONTENTS	iv
SUMMARY	1
DEFINITIONS	20
GLOSSARY	37
FORWARD-LOOKING STATEMENTS	39
RISK FACTORS	41
WAIVERS FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER THE LISTING RULES	83
INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING	91
DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING	95

CONTENTS

CORPORATE INFORMATION	103
INDUSTRY OVERVIEW	106
REGULATORY OVERVIEW	123
HISTORY, REORGANIZATION AND CORPORATE STRUCTURE	146
BUSINESS	172
RELATIONSHIP WITH CONTROLLING SHAREHOLDERS	370
CONNECTED TRANSACTIONS	379
DIRECTORS AND SENIOR MANAGEMENT	390
SHARE CAPITAL	406
SUBSTANTIAL SHAREHOLDERS	409
FINANCIAL INFORMATION	411
FUTURE PLANS AND USE OF PROCEEDS	494
UNDERWRITING	496
STRUCTURE OF THE GLOBAL OFFERING	509
HOW TO APPLY FOR HONG KONG OFFER SHARES	522
APPENDIX I — ACCOUNTANTS' REPORT	I-1
APPENDIX II — UNAUDITED PRO FORMA FINANCIAL INFORMATION	II-1
APPENDIX III — PROPERTY VALUATION REPORT	III-1
APPENDIX IV — SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND CAYMAN ISLANDS COMPANIES LAW	IV-1
APPENDIX V — STATUTORY AND GENERAL INFORMATION	V-1
APPENDIX VI — DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE FOR INSPECTION	VI-1

SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. Since it is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety before you decide to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in “Risk Factors.” You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are a large-scale and comprehensive property developer in the PRC, focusing on the development of residential and commercial properties. In 2019, in terms of comprehensive property development ability⁽¹⁾, we were ranked 31st among the top 100 property developers in the PRC according to CREIS, and ranked 39th among the top 500 property developers according to the China Real Estate Association. We were recognized as one of the China’s Top 50 Real Estate Developers jointly by the China Real Estate Industry Association, Shanghai Yiju Real Estate Research Institution and China Real Estate Appraisal in 2018 and 2019, and one of the China’s Top 100 Real Estate Developers – Growth Top 10 by the China Real Estate Top 10 Research Committee in 2018 and 2019.

Headquartered in Shanghai, we commenced our first project in Jiangxi Province in 2010. Through almost ten years of operations, we have established a leading position among residential property developers in Jiangxi Province, and expanded into the Yangtze River Delta Region, the Greater Bay Region and the Central and Western China Core Cities and Other Regions with High-Growth Potential. As of July 31, 2019, the total land bank attributable to us amounted to approximately 15.0 million sq.m., including 12.9 million sq.m. for property projects developed by our subsidiaries and 2.1 million sq.m. for property projects developed by our joint ventures and associates which is adjusted by our equity interest in the respective project.

We focus on developing quality properties through our comprehensive standardized operating procedures. We implemented a series of standardized operating manuals which set forth detailed procedures and requirements for the various stages of our property development process, which have enabled us to achieve operating efficiency while maintain our quality standards for properties. Our residential properties can be categorized into three major series, namely, our “Wan” Series (灣系), the “Yuan” Series (園系) and the “Yue” Series (悅系), which target first-time home purchasers, home upgraders and extended families or high-income households, respectively.

Note:

- (1) Comprehensive property development ability is evaluated by CREIS or the Chinese Real Estate Association from a number of aspects, including but not limited to, operational scale, profitability, financial stability, financing ability, operational efficiency and social responsibility. Each of CREIS and the Chinese Real Estate Association takes these factors, or combinations thereof, into consideration in its evaluation of property developers on a case-by-case basis.

SUMMARY

Our continuous efforts on market expansion and quality control have enabled us to achieve financial growth during the Track Record Period. In 2016, 2017 and 2018, we recorded revenue of RMB2,223.0 million, RMB5,241.1 million and RMB8,415.7 million, respectively, representing a CAGR of 94.6%; and our revenue increased by 278.4% from RMB1,508.9 million for the four months ended April 30, 2018 to RMB5,709.4 million for the same period in 2019. In 2016, 2017 and 2018, our net profit was RMB130.9 million, RMB278.2 million and RMB555.0 million respectively, representing a CAGR of approximately 105.9%; and our net profit increased by 515.8% from RMB45.8 million for the four months ended April 30, 2018 to RMB282.2 million for the same period in 2019. Our GFA delivered increased from 353,493 sq.m in 2016 to 684,750 sq.m. in 2017, and further to 1,119,603 sq.m. in 2018, and increased from 182,371 sq.m. in the four months ended April 30, 2018 to 584,155 sq.m. for the same period in 2019.

OUR BUSINESS MODEL

During the Track Record Period, we focused on the development and sale of residential properties. In 2016, 2017 and 2018 and the four months ended April 30, 2018 and 2019, our revenue generated from sale of properties contributed to a significant portion of our total revenue, amounting to approximately RMB2,207.8 million, RMB5,230.5 million, RMB8,389.3 million, RMB1,508.0 million and RMB5,684.2 million, respectively, accounting for approximately 99.3%, 99.8%, 99.7%, 99.9% and 99.6% of our total revenue for the same periods, respectively. We also derived a small portion of our revenue from other businesses, which primarily included income from the provision of consulting services to Independent Third Parties, and, to a lesser extent, rental income from investment properties in connection with construction of certain property projects.

We mainly develop high-quality residential and commercial properties. In line with our national business expansion strategy, we also hold a portion of our investment properties for long-term investment, which mainly include first-rate office buildings, multi-use apartments and/or shopping centers at different scales that are close to our residential properties. We do not maintain a construction capacity and outsource construction work of our property projects to qualified general and sub-construction contractors. Such contractors were our primary suppliers during the Track Record Period. See “Business — Suppliers and Customers — Suppliers” in this prospectus for more details. We employ our own sales force to conduct sales and marketing activities and also engage external and professional real estate agents to assist us in our sales campaigns.

SUMMARY

Property Development Projects

As of July 31, 2019, we had 110 projects at various stages of development. In addition to developing projects through our subsidiaries, we also developed a number of projects jointly with other developers, which are Independent Third Parties except for Nanchang Lizhou, by setting up joint ventures or investment in associates. Nanchang Lizhou is one of our associates, which we hold a 20% equity interest and Mr. Li Li (李力), a connected person of our Company at the subsidiary level holds a 80% equity interest. As of July 31, 2019, our property projects had an aggregate GFA attributable to us of approximately 15.0 million sq.m., including (i) the total GFA available for sale and total leasable GFA for completed properties of approximately 275,887.3 sq.m., (ii) the total GFA for properties under development of approximately 11.7 million sq.m. and (iii) the total GFA for properties held for future development of approximately 3.0 million sq.m. Based on our internal record and current plan, and subject to changes resulting from changes of market condition and our adjustment of the development plan of the projects, we estimate the aggregate amount of the future development cost of our property projects as of April 30, 2019 will be approximately RMB83.4 billion. We plan to finance our property projects primarily by using our cash flow generated from sales of property projects, bank loans and other borrowings, and funds raised from capital markets, such as the net proceeds received from the Global Offering and issue of corporate bonds or notes.

The tables below set forth the breakdown of the total land bank attributable to us of our property projects developed by our subsidiaries and our joint ventures and associates as of July 31, 2019 in terms of geographical location. As of the Latest Practicable Date, except for Wuxi Binhu 120 Mu, the land grant contract of which was entered into in late July 2019 and we were in the process of obtaining the relevant land use rights certificate, we had obtained the land use rights certificates for all of our land reserves as of July 31, 2019. We expect to receive the relevant land use rights certificate for Wuxi Binhu 120 Mu in November 2019. See “Business — Our Business — Our Property Projects” and “Risk Factors — Risks Relating to Our Business — We may fail to obtain or experience delays in obtaining the relevant PRC governmental approvals, licenses or permits for our property development projects” for related risks.

SUMMARY

Property Projects Developed by Our Subsidiaries

	Number of Projects	Completed GFA		Planned GFA for Future Development	Total Land Bank	% of Total Land Bank
		Available for Sale/ Leasable GFA ⁽¹⁾	GFA Under Development			
		(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	
<i>Jiangxi Province</i>						
Nanchang	32	128,668.4	4,120,020.7	839,056.4	5,087,745.5	34.0
Ganzhou	4	1,790.6	692,893.7	100,929.8	795,614.1	5.3
Ji'an	1	—	152,080.3	—	152,080.3	1.0
Jingdezhen	1	—	118,717.4	—	118,717.4	0.8
Fengcheng	1	1,867.3	58,615.0	—	60,482.3	0.4
Sub-total	39	132,326.3	5,142,327.1	939,986.2	6,214,639.6	41.5
<i>Yangtze River Delta Region</i>						
Wuxi	3	5,309.8	239,982.0	211,432.7	456,724.5	3.1
Kunshan	2	—	213,708.6	—	213,708.6	1.4
Suzhou	1	—	124,662.3	—	124,662.3	0.8
Zhuji	1	—	240,228.5	—	240,228.5	1.6
Cixi	1	—	55,561.1	—	55,561.1	0.4
Rui'an	1	—	86,394.8	—	86,394.8	0.6
Sub-total	9	5,309.8	960,537.3	211,432.7	1,177,279.8	7.9
<i>Greater Bay Region</i>						
Huizhou	15	121,944.4	2,448,924.6	447,704.6	3,018,573.6	20.2
Qingyuan	1	—	95,251.8	—	95,251.8	0.6
Guangzhou	1	—	121,289.0	74,714.0	196,003.0	1.3
Zhongshan	1	—	126,041.9	—	126,041.9	0.8
Sub-total	18	121,944.4	2,791,507.3	522,418.6	3,435,870.3	22.9
<i>Central and Western China Core Cities and Other Regions with High-Growth Potential</i>						
Changsha	7	—	580,270.8	318,122.7	898,393.5	6.0
Wuhan	3	11,058.1	368,828.0	—	379,886.1	2.6
Chengdu	3	—	193,694.2	181,883.1	375,577.3	2.5
Weifang	1	—	—	62,680.0	62,680.0	0.4
Fuzhou	2	—	—	123,192.7	123,192.7	0.8
Hefei	2	—	—	209,361.8	209,361.8	1.4
Sub-total	18	11,058.1	1,142,793.0	895,240.3	2,049,091.4	13.7
Attributable — Total	84	270,638.6	10,037,164.7	2,569,077.8	12,876,881.1	86.0

SUMMARY

Property Projects Developed by Our Joint Ventures and Associates

	Number of Projects	Completed GFA		Planned GFA for Future Development (sq.m.)	Total Land Bank Attributable to Us ⁽²⁾ (sq.m.)	% of Total Land Bank
		Available for Sale/ Leasable GFA ⁽¹⁾ (sq.m.)	GFA Under Development (sq.m.)			
<i>Jiangxi Province</i>						
Nanchang	13	5,248.7	800,903.7	133,856.8	940,009.2	6.3
De'an	1	—	89,633.7	—	89,633.7	0.6
Fuzhou	1	—	83,037.9	—	83,037.9	0.6
Shangrao	1	—	65,558.5	—	65,558.5	0.4
Subtotal	16	5,248.7	1,039,133.8	133,856.8	1,178,239.3	7.9
<i>Yangtze River Delta Region</i>						
Wuxi	1	—	34,887.0	81,846.0	116,733.0	0.8
Suzhou	1	—	40,568.6	30,477.5	71,046.1	0.5
Nanjing	1	—	17,364.7	52,813.2	70,177.9	0.5
Shanghai	1	—	77,490.5	—	77,490.5	0.5
Sub-total	4	—	170,310.8	165,136.7	335,447.5	2.3
<i>Greater Bay Region</i>						
Qingyuan	1	—	35,051.5	—	35,051.5	0.2
Zhongshan	1	—	—	21,044.2	21,044.2	0.1
Sub-total	2	—	35,051.5	21,044.2	56,095.7	0.3
<i>Central and Western China Core Cities and Other Regions with High-Growth Potential</i>						
Wuhan	2	—	364,557.6	108,767.3	473,324.9	3.2
Anxi	1	—	32,466.0	—	32,466.0	0.2
Chengdu	1	—	—	15,895.5	15,895.5	0.1
Subtotal	4	—	397,023.6	124,662.8	521,686.4	3.5
Attributable — Total	26	5,248.7	1,641,519.7	444,700.5	2,091,468.9	14.0
Total Land Bank	110	275,887.3	11,678,684.4	3,013,778.3	14,968,350.0	100.0

Notes:

- (1) Includes saleable GFA remaining unsold, which include properties for which we have not executed any sales and purchase agreement, and leasable GFA.
- (2) For projects held by our joint ventures or our associates, total GFA will be adjusted by our equity interest in the respective project.

SUMMARY

METHODS AND KEY ASSUMPTIONS OF VALUATIONS

Methods of Valuations

C&W, an independent property valuer, adopted the market comparison method and the investment method for valuation of our properties. For completed properties held for sale, properties under development and properties held for future development, C&W has generally valued them using the market comparison method by making reference to comparable sales evidence as available in the relevant market or where appropriate. Given that most of the completed properties are strata residential units, ancillary commercial units and car parks, comparable sales transaction on such properties are made frequently and information about the sales is readily available. Therefore, C&W used market comparison method for the valuation of completed properties, which it considers to be the most appropriate method for valuing land properties and consistent with the market practice. For properties completed and held for investment purpose, C&W used investment method by capitalizing the rental income derived from the existing tenancies, if any, with due provision for the reversionary potential of each constituent portion of property at the appropriate capitalization rates. As investment property portion generate rental income from leasing arrangements and such rental comparable are readily available, C&W considers that the investment method, which is commonly used in valuing properties held for investment purpose, to be the most appropriate method to value the Company's properties completed and held for investment purpose.

Key Assumptions of Valuations

C&W's valuation is based on the following key assumptions:

- each of the properties excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser;
- the Company has an enforceable title to each of the properties and has free and uninterrupted rights to use, occupy or assign the properties for the whole of the respective unexpired land use term as granted and that any premium payable has already been fully paid, unless otherwise stated in the respective legal opinion, in valuing the properties;
- all consents, approvals and licenses from relevant government authorities for the developments have been obtained without onerous conditions or delays;
- the design and construction of the properties are in compliance with the local planning regulations and have been approved by the relevant authorities;

SUMMARY

- no allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties nor any expenses or taxation which may be incurred in effecting a sale; and
- the properties are free from encumbrances, restrictions and outgoings of any onerous nature which could affect their values, unless otherwise stated.

For further details, see the Valuation Report attached as Appendix III to this prospectus.

Our Suppliers and Customers

Our five largest suppliers are construction contractors. During the Track Record Period, we engaged a number of major suppliers to provide construction services to us. In 2016, 2017 and 2018 and the four months ended April 30, 2019, our five largest suppliers accounted for approximately 56.3%, 62.0%, 52.7% and 55.2% of our total purchases, respectively, and our single largest supplier accounted for approximately 18.0%, 41.2%, 29.8% and 36.9% of our total purchases for the same periods, respectively. As of the Latest Practicable Date, the length of our business relationship with our five largest suppliers ranged from two to eight years. For more details, see “Business — Suppliers and Customers — Suppliers” in this prospectus.

Our five largest customers are individual and corporate purchasers of our residential and commercial properties. For more details, see “Business — Suppliers and Customers — Customers” in this prospectus.

COMPETITIVE STRENGTHS

We believe that our market position is principally attributable to the following competitive strengths:

- leading, large-scale and comprehensive property developer in Jiangxi Province with a strategic and national expansion plan;
- quality products and services maximizing customer satisfaction and enhancing our brand name;
- standardized operating procedures enabling us to achieve operating efficiency while maintain high quality;
- flexible land acquisition methods and sizeable and quality land bank;
- prudent financial policy and proactive management of our capital structure; and
- visionary and experienced management team and capable operational team with proven execution capabilities.

SUMMARY

BUSINESS STRATEGIES

Our goal is to become a national comprehensive property developer offering quality products and services in the PRC. To achieve our goal, we intend to implement the following strategies:

- continue our strategic expansion into the selected regions and cities and further solidify our position in the PRC market;
- further elevate our customer-oriented products and services to increase our brand recognition;
- continue to implement our standardized operating procedures to increase operating efficiency; and
- continue to employ prudent financial policies and optimize capital structure.

CONTROLLING SHAREHOLDERS

Immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares which may be issued upon exercise of any options that may be granted under the Share Option Scheme), Sinic Holdings will directly hold 79.9% of the issued share capital of our Company. Sinic Holdings is wholly owned by Sinic Group, which in turn is wholly owned by Xin Hong. All the issued shares and interest in Xin Hong is held by TMF (Cayman) Ltd., the trustee of the Family Trust, through its holding vehicle. Mr. Zhang, as the investment decision maker of the Family Trust and the sole member of the advisory committee of the Employee Incentive Trust, through Sinic Holdings, Sinic Group, Xin Hong and Xin Heng controls the exercise of more than 30% of the voting power at general meetings of the Company. Accordingly, Mr. Zhang, Sinic Holdings, Sinic Group, Xin Hong and Xin Heng are our Controlling Shareholders.

PRE-IPO INVESTMENT

Forever Elite made an investment in our Company for a total cash consideration of RMB34.12 million, which was based on an independent valuation after arm's length negotiations between the parties and was settled on April 3, 2019. The total cost of investment of Forever Elite under the pre-IPO investment represents a discount of approximately 64.7% to the Offer Price per Share (based on the mid-point of the indicative Offer Price range of HK\$3.78 per Share). Immediately following the completion of the Capitalization Issue and the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account of any Shares to be issued upon the exercise of any options that may be granted under the Share Option Scheme), Forever Elite will be interested in 0.85% of the issued share capital of our Company. Forever Elite agrees not to sell, transfer or dispose the Shares for a period of six months following the Listing Date. For further details, please see the section headed "History, Reorganization and Group Structure — Pre-IPO Investment" in this prospectus.

SUMMARY

CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute continuing connected transactions for our Company under the Listing Rules after the Listing. We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with (i) the announcement requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transaction as disclosed in “Connected Transactions — (B) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement Requirements but exempt from the Independent Shareholders’ Approval Requirement”; and (ii) the announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in “Connected Transactions — (C) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement, and Independent Shareholders’ Approval Requirements.” Further information is disclosed in the section headed “Connected Transactions” in this prospectus.

SUMMARY KEY FINANCIAL INFORMATION

The summary historical data of financial information set forth below have been derived from, and should be read in conjunction with, our combined audited financial statements, including the accompanying notes, set forth in the Accountants’ Report attached as Appendix I to this prospectus, as well as the information set forth in “Financial Information.” Our financial information was prepared in accordance with IFRS. We have adopted, among others, IFRS 15 and applied it consistently throughout the Track Record Period. As a result of the adoption of IFRS 15, our net profit for the years ended December 31, 2016 and 2017 and total equity as of December 31, 2016 and 2017 recorded were higher than the amounts that we would have recorded without the adoption of the same. See “Financial Information — Certain Significant Accounting Policies and Accounting Estimates and Judgments — Significant Accounting Policies — Early adoption of IFRS 9 and IFRS 15” for more details.

SUMMARY

Summary Combined Statements of Profit or Loss and Other Comprehensive Income

	Year ended December 31,			Four months ended April 30,	
	2016	2017	2018	2018	2019
				<i>(unaudited)</i>	
				<i>(RMB'000)</i>	
Revenue	2,223,000	5,241,086	8,415,653	1,508,876	5,709,425
Cost of sales	(1,673,246)	(3,473,875)	(5,272,657)	(948,388)	(3,743,922)
Gross profit	549,754	1,767,211	3,142,996	560,488	1,965,503
Profit before tax	216,813	842,403	1,863,489	325,090	1,434,031
Profit for the year/period	130,877	278,205	554,953	45,824	282,182
Profit attributable to owners of the Company	62,437	95,021	413,538	50,862	232,661

We experienced financial growth during the Track Record Period. We recorded revenue of RMB2,223.0 million, RMB5,241.1 million, RMB8,415.7 million, RMB1,508.9 million and RMB5,709.4 million, respectively, in 2016, 2017 and 2018 and the four months ended April 30, 2018 and 2019. For the same periods, we recorded gross profit margin of 24.7%, 33.7%, 37.3%, 37.1% and 34.4%, respectively. The general increase in our revenue during the Track Record Period was primarily attributable to the increase in total GFA delivered, which was increased from 353,493 sq.m. in 2016 to 684,750 sq.m. in 2017, and further to 1,119,603 sq.m. in 2018 and increased from 182,371 sq.m. in the four months ended April 30, 2018 to 584,155 sq.m. for the same period in 2019. The general increase in our gross profit margin during the Track Record Period was primarily driven by (i) the relatively low land cost incurred for certain property projects, (ii) the implementation of our standardized operating procedures for our project development, which helped us to control development and construction costs, and (iii) the general increase in residential property market condition. In 2016, 2017 and 2018 and the four months ended April 30, 2018 and 2019, we recorded net profit of approximately RMB130.9 million, RMB278.2 million, RMB555.0 million, RMB45.8 million and RMB282.2 million, respectively. The general increase in net profit during the Track Record Period was mainly attributable to the increases in our revenue from sale of properties in line with our business expansion. Our net profit margin was 5.9%, 5.3%, 6.6%, 3.0% and 4.9% in 2016, 2017 and 2018 and the four months ended April 30, 2018 and 2019, respectively. See the tables below and “Financial Information” for more details about our financial performance during the Track Record Period.

SUMMARY

We develop and sell properties in mainly in Jiangxi Province, the Yangtze River Delta Region, the Greater Bay Region and the Central and Western China Core Cities and Other Regions with High-Growth Potential. The following table sets forth our revenue generated from each region for the periods indicated.

	For the year ended December 31,						For the four months ended April 30,												
	2016			2017			2018			2019									
	Revenue (RMB'000)	%	ASP (RMB per sq.m.)	Revenue (RMB'000)	%	ASP (RMB per sq.m.)	Revenue (RMB'000)	% (unaudited)	ASP (RMB per sq.m.)	Revenue (RMB'000)	%	ASP (RMB per sq.m.)							
Jiangxi Province	2,204,649	99.9	353,160	5,083,463	97.2	668,319	7,606	7,064,413	84.2	1,000,765	7,059	1,140,355	75.6	144,679	7,882	4,140,302	72.8	440,366	9,402
Nanchang	1,899,515	86.1	286,736	4,632,671	88.6	569,694	8,132	6,629,932	79.0	913,549	7,257	1,115,339	74.0	141,623	7,875	3,764,345	66.2	379,823	9,911
Fengcheng	305,134	13.8	66,424	436,284	8.3	96,694	4,512	351,640	4.2	76,642	4,588	1,627	0.1	335	4,857	271,747	4.8	49,991	5,456
Ganzhou	—	—	—	14,508	0.3	1,931	7,513	82,841	1.0	10,574	7,834	23,389	1.5	2,721	8,596	104,210	1.8	10,532	9,876
Central and Western China Core Cities and Other Regions with High-Growth Potential	3,108	0.1	333	20,778	0.4	1,979	10,499	626,868	7.5	57,577	10,887	81,675	5.4	9,433	8,658	316,485	5.6	34,646	9,135
Wuhan	3,108	0.1	333	20,778	0.4	1,979	10,499	614,562	7.3	56,781	10,823	81,675	5.4	9,433	8,658	300,405	5.3	33,300	9,021
Changsha	—	—	—	—	—	—	—	12,306	0.2	796	15,461	—	—	—	—	16,080	0.3	1,346	11,947
Greater Bay Region	—	—	—	126,253	2.4	14,452	8,736	671,841	8.0	59,603	11,272	285,927	19.0	28,259	10,118	1,019,278	17.9	90,562	11,255
Huizhou	—	—	—	126,253	2.4	14,452	8,736	671,841	8.0	59,603	11,272	285,927	19.0	28,259	10,118	1,019,278	17.9	90,562	11,255
Yangtze River Delta Region	—	—	—	—	—	—	—	26,147	0.3	1,658	15,770	—	—	—	—	208,167	3.7	18,581	11,203
Wuxi	—	—	—	—	—	—	—	26,147	0.3	1,658	15,770	—	—	—	—	208,167	3.7	18,581	11,203
Total	2,207,757	100.0	353,493	5,230,494	100.0	684,750	7,639	8,389,269	100.0	1,119,603	7,493	1,507,957	100.0	182,371	8,269	5,684,232	100.0	584,155	9,731

SUMMARY

The following table sets forth the revenue from sale of properties, the GFA delivered, and the ASP per sq.m. by type for the periods indicated.

	For the year ended December 31,						For the four months ended April 30,										
	2016			2017			2018			2019							
	Revenue (RMB'000)	ASP (RMB per sq.m.)	GFA delivered (sq.m.)	Revenue (RMB'000)	ASP (RMB per sq.m.)	GFA delivered (sq.m.)	Revenue (RMB'000)	ASP (RMB per sq.m.)	GFA delivered (sq.m.)	Revenue (RMB'000)	ASP (RMB per sq.m.)	GFA delivered (sq.m.)					
Residential properties	2,027,782	6,106	332,086	4,381,439	7,209	6,857,164	81.7	967,176	7,090	1,216,979	80.7	152,123	8,000	5,086,199	89.5	531,669	9,566
– Wan series	1,978,943	6,034	327,978	2,795,286	5,909	5,041,893	60.1	788,267	6,396	783,512	52.0	111,959	6,998	3,496,994	61.5	374,004	9,350
– Yuan series	24,714	8,566	2,885	1,030,007	9,323	1,748,105	20.8	176,357	9,912	433,467	28.7	40,164	10,792	1,562,421	27.5	156,788	9,965
– Yue series	24,125	19,726	1,223	556,146	22,969	67,166	0.8	2,552	26,319	–	–	–	–	26,784	0.5	877	30,540
Commercial properties	129,409	12,650	10,230	788,411	12,349	1,375,968	16.4	121,639	11,312	290,978	19.3	30,248	9,620	590,143	10.4	51,694	11,416
Car parks	50,566	4,524	11,177	60,644	4,616	156,137	1.9	30,788	5,071	–	–	–	–	7,890	0.1	792	9,961
Total	2,207,757	6,246	353,493	5,230,494	7,639	8,389,269	100.0	1,119,603	7,493	1,507,957	100.0	182,371	8,269	5,684,232	100.0	584,155	9,731

SUMMARY

Summary Combined Statements of Financial Position

	As of December 31,			As of
	2016	2017	2018	April 30,
	<i>(RMB'000)</i>			2019
Total non-current assets	2,910,587	8,480,131	9,720,307	13,374,019
Total current assets	17,109,712	40,320,463	67,887,401	75,457,711
Total assets	20,020,299	48,800,594	77,607,708	88,831,730
Total current liabilities	(13,758,142)	(36,627,733)	(59,549,323)	(67,067,051)
Net current assets	3,351,570	3,692,730	8,338,078	8,390,660
Net Assets	2,800,718	4,594,825	5,060,268	5,366,093
Total equity	2,800,718	4,594,825	5,060,268	5,366,093

Our net current assets increased during the Track Record Period, primarily due to the increases in properties under development during the Track Record Period as a result of our continued expansion of our property development business, partially offset by the increases in our contract liabilities, which are consistent with our business expansion. See “Financial Information — Net Current Assets” in this prospectus for more details. We issued the 7.90% private corporate bonds due 2021 in the aggregate principal amount of RMB313.0 million in the PRC in October 2018 and the 7.50% private corporate bonds due 2021 in the aggregate principal amount of RMB276.0 million in the PRC in December 2018. In April 2019, we issued the 7.50% private corporate bonds due 2022 in the aggregate principal amount of RMB417.0 million in the PRC.

SUMMARY

Summary Combined Statements of Cash Flows

	Year ended December 31,			Four months ended April 30,	
	2016	2017	2018	2018	2019
	<i>(RMB'000)</i>			<i>(unaudited)</i>	
Operating cash flows before movements in working capital.	250,137	1,046,328	2,033,527	319,865	1,620,440
Net cash flows (used in)/ generated from operating activities	(2,037,494)	(6,547,778)	1,724,927	1,184,438	(1,337,660)
Net cash flows used in investing activities	(784,769)	(4,511,225)	(1,320,190)	(233,348)	(3,665,328)
Net cash flows generated from/(used in) financing activities	3,485,911	13,187,705	3,825,472	(610,691)	3,292,766
Net increase/(decrease) in cash and cash equivalents	663,648	2,128,702	4,230,209	340,399	(1,710,222)
Cash and cash equivalents at beginning of year/period	36,293	699,941	2,876,901	2,876,901	7,083,520
Effect of foreign exchange rate, net .	—	48,258	(23,590)	18,057	13,839
Cash and cash equivalents at the end of year/period	699,941	2,876,901	7,083,520	3,235,357	5,387,137

Our cash flows and results of operations were subject to timing of property development, selling prices and the GFA pre-sold/sold during the relevant periods. See “Financial Information — Key Factors Affecting Our Results of Operations — Pre-sale” and “Financial Information — Key Factors Affecting Our Results of Operations — Revenue and Change in Product Mix” in the prospectus. For the years ended December 31, 2016, 2017 and 2018 and the four months ended April 30, 2019, we had operating cash flows, before movements in working capital, of RMB250.1 million, RMB1,046.3 million, RMB2,033.5 million and RMB1,620.4 million, respectively. We had negative cash flow from operating activities for the years ended December 31, 2016 and 2017 and the four months ended April 30, 2019, primarily as a result of significant cash used in our operations due to the continued increase in property development activities and land acquisition efforts. See “Risk Factors — Risks Relating to Our Business — We had negative operating cash flow during the Track Record Period” in this prospectus for more details. During the Track Record Period, we mainly relied on cash generated from our operations, including proceeds from the pre-sales and sales of our properties, bank loans, trust financings and private corporate bonds. Following our continuous expansion of property portfolio, we expect our saleable GFA will continue to increase. We believe we will be in a better position to control and manage our costs and expenses due to our increasing economies of scale. We will also manage and further improve our sales and pre-sale schedules to ensure adequate cash flow for our business operation. To achieve sufficient working capital, we will continue to improve our cash inflow associated with our sales by strengthening our cost control efforts.

SUMMARY

Key Financial Ratios

	As of and for the year ended December 31,			As of or for the four months ended April 30,
	2016	2017	2018	2019
	Current ratio (times) ⁽¹⁾	1.2	1.1	1.1
Return on total assets ⁽²⁾	0.7%	0.6%	0.7%	N/A
Return on equity ⁽³⁾	2.4%	2.4%	9.7%	N/A
Net gearing ratio (times) ⁽⁴⁾	1.9	2.7	2.4	3.1
Interest coverage ratio (times) ⁽⁵⁾	0.5	0.8	1.1	1.5

Notes:

- (1) Current ratio is calculated based on our total current assets divided by our total current liabilities as of the respective dates.
- (2) Return on total assets ratio is calculated based on our net profit for the year divided by balance of our total assets as of the end of the year and multiplied by 100%.
- (3) Return on equity ratio is calculated based on our net profit attributable to the owners of the Company for the year divided by the balance of equity attributable to owners of the parent as of the end of the year and multiplied by 100%.
- (4) Net gearing ratio equal to total borrowings (including interest-bearing bank and other borrowings and corporate bonds) less cash and bank balances divided by total equity as of the end of the respective years or period and multiplied by 100.
- (5) Interest coverage ratio is profit for the year or period before income tax expenses, adding finance costs, divided by our interest on bank and other borrowings and interest on a significant financing component of contract liabilities, which include capitalized interest for the respective year or period.

SUMMARY

GLOBAL OFFERING STATISTICS

The statistics in the following table are based on the assumptions that: (i) the Global Offering is completed and 529,412,000 Shares are issued and sold in the Global Offering; (ii) the Over-allotment Option is not exercised and without taking into account any Shares which may be issued upon exercise of any options which have been or may be granted under the Share Option Scheme; and (iii) 3,529,412,000 Shares are issued and outstanding upon completion of the Global Offering.

	Based on an Offer Price of HK\$2.97 per Share, after a Downward Offer Price Adjustment of 10%	Based on an Offer Price of HK\$3.30 per Offer Share	Based on an Offer Price of HK\$4.25 per Offer Share
Market capitalization of our Shares	HK\$10,482.35 million	HK\$11,647.06 million	HK\$15,000.00 million
Unaudited pro forma adjusted net tangible asset value per Share ⁽¹⁾	HK\$1.83	HK\$1.89	HK\$2.02

Note:

- (1) The unaudited pro forma adjusted net tangible asset value per Share is calculated after making the adjustments referred to in “Appendix II — Unaudited Pro Forma Financial Information.”

DIVIDEND

We may distribute dividends by way of cash, stock or other means that we consider appropriate. Our Company has not declared dividends in the past. We currently do not have any dividend policy or intention to declare or pay any dividends in the near future. However, we may re-evaluate our dividend policy in the future and the amount dividends to be distributed to our Shareholders, if any, will depend on our earnings, financial condition, operating requirements, capital requirements and any other conditions that our Directors may deem relevant and will be subject to the approval of our Shareholders. A decision to declare and pay any dividends would require the approval of the Shareholder’s meeting. In addition, the declaration and/or payment of dividends may be limited by legal restricted and/or by contracts or agreements that we may enter into in the future. For more details, see “Financial Information — Dividend Policy and Distributable Reserves.”

SUMMARY

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately HK\$1,869.7 million from the Global Offering, after deducting the underwriting commissions and other estimated expenses payable by us in connection with the Global Offering, assuming that the Over-allotment Option is not exercised, without taking into account any Shares which may be issued upon exercise of any options which may be granted under the Share Option Scheme and assuming an Offer Price of HK\$3.78 per Share (being the mid-point of the indicative Offer Price range set forth on the cover page of this prospectus). We intend to use such net proceeds from the Global Offering for the purposes and in the amounts set forth below:

- approximately 60%, or approximately HK\$1,121.8 million, will be used for financing our existing projects, including construction costs of property development projects, namely, Chengdu Shuangliu 92 Mu, Wuxi Binhu 120 Mu and Hefei Xinzhan 102 Mu. See “Future Plans and Use of Proceeds — Use of Proceeds” for further details of and allocation of proceeds to finance each of these property projects;
- approximately 30%, or approximately HK\$560.9 million, will be used for repaying a portion of an existing interest-bearing borrowing for our project development, which is the Private Debt Financing issued by us in August 2019 and October 2019 in the aggregate principal amount of US\$169.9 million, which has a fixed interest rate of 12.5% per annum, and a term of six months which can be extended by an additional 180 days if requested by us; and
- approximately 10%, or approximately HK\$187.0 million, will be used for general working capital.

For more information, see “Future Plans and Use of Proceeds” in this prospectus.

LISTING EXPENSES

The listing expenses in connection with the Global Offering consist primarily of underwriting commissions and professional fees. During the Track Record Period, we incurred listing expenses of approximately RMB16.7 million, of which approximately RMB8.7 million and RMB3.8 million was charged to our administrative expenses for the year ended December 31, 2018 and the four months ended April 30, 2019. We currently expect to incur further expenses amount to RMB118.5 million subsequent to the end of the Track Record Period, of which approximately RMB37.9 million will be charged to administrative expenses. Our Directors do not expect such expenses to have a material adverse impact on our financial results for the year ending December 31, 2019.

SUMMARY

COMPETITIVE LANDSCAPE

The PRC real estate industry is highly fragmented and competitive. We compete with other Chinese real estate developers on a broad range of factors, including product design and quality, brand name, selling prices, customer services, financial resources, land acquisition capabilities and other factors. See “Business — Competition” in this prospectus for more details.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Our business remained stable after the Track Record Period and up to the Latest Practicable Date as these were no material changes to our business models and the general economic and regulatory environment in which we operate.

During the period from May 1, 2019 to the Latest Practicable Date, we had acquired nine land parcels with a total site area of approximately 373,625.3 sq.m. through public tender, auction or listing-for-sale process, for which we have paid or will pay an aggregate consideration of approximately RMB5,128.8 million. During the same period, we also acquired six land parcels through acquisition of equity interest of Independent Third Parties that possess land parcels, which have an aggregate site area of approximately 382,473.0 sq.m., for which we have paid or will pay an aggregate consideration of RMB2,670.0 million. See “Waivers from Strict Compliance with the Requirements under the Listing Rules — Equity Interests Acquired After the Track Record Period”. These new land parcels are located in various cities in the PRC, such as Fuzhou, Wuxi, Hefei and Shanghai. As of the Latest Practicable Date, except for two land parcels, which we acquired in July 2019 and September 2019, and were in the process of obtaining the respective land use rights certificates, we had obtained all the land use rights certificates for the above-mentioned land parcels.

On August 26 and October 9, 2019, we issued offshore private debt financing instruments which consisted of an offshore private loan (the “Private Loan”) and offshore private notes (the “Private Notes” and, together with the Private Loan, the “Private Debt Financing”) in an aggregate principal amount of US\$169.9 million. The Private Debt Financing has an interest rate of 12.5% per annum and a term of six months, which term can be extended by an additional 180 days if requested by us. We intend to use the proceeds from the Private Debt Financing to repay a portion of the outstanding balance of certain bank loans due in 2020 and to release the guarantee and pledge deposit provided by Sinic Technology, a connected company of us, in connection with those bank loans. See “Financial Information — Indebtedness — Overview” and “Financial Information — Indebtedness — Private Debt Financing” for more details.

After due and careful consideration, our Directors confirm that, up to the Latest Practicable Date, there has been no material adverse change in our financial position or prospects since April 30, 2019, and there is no event since April 30, 2019 which would materially affect the information shown in the Accountants’ Report, the text of which is set out in Appendix I.

SUMMARY

NON-COMPLIANCE MATTERS

During the Track Record Period, we experienced certain non-compliance incidents:

- During the Track Record Period, certain of our project companies commenced construction works or pre-sales prior to obtaining the requisite work permits or approvals.
- During the Track Record Period, certain of our subsidiaries failed to make adequate social security insurance and housing provident fund contributions for some of our employees according to the relevant PRC regulations.
- During the Track Record Period, four of our subsidiaries published certain property advertisements that did not comply with the relevant requirements of the PRC Advertising Law.

For more information regarding the above non-compliance incidents, see “Business — Legal Proceedings and Compliance — Compliance with Laws and Regulations — Non-compliance Incidents.”

RISK FACTORS

Our operations involve certain risks, some of which are beyond our control. These risks can be broadly categorized into: (i) risks relating to our business and industry; (ii) risks relating to doing business in China; and (iii) risks relating to the Global Offering. Some of the risks generally associated with our business and industry include the following:

- We are susceptible to adverse movements in the PRC real estate market, particular in provinces and cities where we have property development projects.
- We are adverse to changes in economic, political and social conditions and government policies in China.
- We generate a majority of our revenue from our business in Jiangxi Province and any significant decline in the economic condition of Jiangxi Province could have a material adverse effect on our results of operations, financial condition and business prospects.
- We may not have adequate financing to fund our property development projects, and capital resources may not be available on favorable terms, or at all.
- We rely on contractors during the construction and development stages of our property development projects, who may not perform in accordance with our expectations.

These risks are not the only significant risks that may affect the value of our Shares. You should carefully consider all of the information set forth in this prospectus and, in particular, should evaluate the specific risks set forth in “Risk Factors” in this prospectus in deciding whether to invest in our Shares.

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following words and expressions have the following meanings. Certain technical terms are explained in “Glossary.”

“Application Form(s)”	WHITE Application Form(s), YELLOW Application Form(s) and GREEN Application Form(s), or where the context so requires, any of them
“Articles of Association” or “Articles”	the articles of association of our Company, conditionally adopted on October 15, 2019 and will come into effect upon Listing, a summary of which is set out in “Appendix IV — Summary of the Constitution of our Company and Cayman Islands Companies Law” to this prospectus, as amended from time to time
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board” or “Board of Directors”	the board of directors of our Company
“business day”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for business
“BVI”	the British Virgin Islands
“C&W”	Cushman & Wakefield Limited, an independent professional real estate consultant and independent property valuer
“C&W Report”	the market research report on the real estate transaction service industry prepared by C&W and commissioned by us
“CAGR”	compound annual growth rate
“Capitalization Issue”	the issue of Shares to be made upon capitalization of certain sum standing to the credit of the share premium account of our Company as referred to in “Appendix V — Statutory and General Information — A. Further Information about our Company — 4. Written resolutions of all the Shareholders passed on October 15, 2019” to this prospectus

DEFINITIONS

“Cayman Islands Companies Law” or “Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“CBRC”	China Banking Regulatory Commission (中國銀行業監督管理委員會)
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“Central and Western China Core Cities and Other Regions with High-Growth Potential”	Changsha, Wuhan, Chengdu, and cities in the central and western parts of China and other regions that are considered by us to be core and with high-growth potential, respectively, based on our internal assessments of a wide variety of macro-economic and market factors, including but not limited to: (1) local resident population and population migration trends, (2) GDP and per capita income, (3) urbanization rate, (4) proportion of local businesses in agricultural, industrial and commercial and cultural industries, (5) investment in fixed assets, (6) disposable income of residents, (7) land price, (8) supply and demand for residential and commercial properties, (9) prices of residential properties and growth trends, (10) price-to-income ratio, (11) housing inventory and sales rate/trends, and (12) competition landscape, such as the market entries of Top 50 property developers into the local market

DEFINITIONS

“Chengdu Sinic”	成都新力力創房地產開發有限公司 (Chengdu Sinic Lichuang Real Estate Development Co., Ltd.*), a limited liability company established under the laws of the PRC on May 11, 2017 and an indirect wholly-owned subsidiary of our Company
“China” or “PRC”	the People’s Republic of China, but for the purpose of this prospectus and for geographical reference only and except where the context requires, references in this prospectus to “China” and the “PRC” do not apply to Taiwan, Macau Special Administrative Region and Hong Kong
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Ordinance” or “Hong Kong Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	Sinic Holdings (Group) Company Limited (新力控股(集團)有限公司), a company incorporated in the Cayman Islands as an exempted company with limited liability on September 18, 2018
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and in the context of this prospectus means Mr. Zhang, Sinic Holdings, Sinic Group, Xin Hong and Xin Heng
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“CREIS”	China Real Estate Index System
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the Chinese national securities markets

DEFINITIONS

“Deed of Indemnity”	the deed of indemnity dated October 15, 2019 entered into by our Controlling Shareholders in favor of our Company (for itself and on behalf of its subsidiaries) to provide certain indemnities, particulars of which are set out in “Appendix V — Statutory and General Information — E. Other Information — 1. Tax and Other Indemnities”
“Deed of Non-Competition”	the deed of non-competition dated October 15, 2019 given by our Controlling Shareholders in favor of our Company (for itself and on behalf of its subsidiaries), particulars of which are set out in “Relationship with Controlling Shareholders”
“Director(s)”	director(s) of our Company
“Downward Offer Price Adjustment”	an adjustment that has the effect of setting the final Offer Price up to 10% below the bottom end of the indicative Offer Price range
“EHCONSULTING”	a group real estate consulting service company (億翰智庫) that provides professional real estate research in China, with business scope including real estate consulting, capital consulting and technology consulting
“EIT”	the PRC enterprise income tax
“EIT Law”	the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法), enacted on March 16, 2007, effective from January 1, 2008 and amended on February 24, 2017 and December 29, 2018 by the NPC
“Employee Incentive Trust”	The Glory Employee Benefit Trust, being a discretionary trust established on April 3, 2019 by Mr. Zhang as settlor, with TMF Trust (HK) Limited as the trustee
“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
“Family Trust”	The Honoured Ever Trust, being a discretionary trust established on April 3, 2019 by Mr. Zhang as settlor, with TMF (Cayman) Ltd. as the trustee

DEFINITIONS

“Fengcheng Gantie”	豐城贛鐵置業有限公司 (Fengcheng Gantie Properties Co., Ltd.*), a limited liability company established in the PRC on December 28, 2011 and an indirect non-wholly owned subsidiary of our Company
“Forest Resources”	Forest Resources Developments Limited (森源發展有限公司), a company incorporated in the BVI with limited liability on February 21, 2019 and a wholly-owned subsidiary of our Company upon completion of the Pre-IPO Investment and the Reorganization
“Forever Elite”	Forever Elite Ventures Limited (菁永創投有限公司), a limited liability company incorporated under the laws of the BVI on January 28, 2019, which is wholly owned by Mr. Chen and is our pre-IPO investor
“GDP”	gross domestic product
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Greater Bay Region”	the integrated economic and business hub covering areas of Hong Kong and Macau and cities in the PRC such as Guangzhou, Huizhou, Shenzhen, Zhuhai, Foshan, Zhongshan, Dongguan, Jiangmen and Zhaoqing
“ GREEN Application Form(s)”	The application form(s) to be completed by the White Form eIPO Service Provider, Computershare Hong Kong Investor Services Limited
“Group,” “our Group,” “we,” “our” or “us”	our Company and its subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of its present operating subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“Guangzhou Sinic”	廣州新力力創房地產開發集團有限公司 (Guangzhou Sinic Lichuang Real Estate Development Group Co., Ltd.*) (formerly known as 廣州新力力創房地產開發有限公司 (Guangzhou Sinic Lichuang Real Estate Development Co., Ltd.*)), a limited liability company established under the laws of the PRC on April 17, 2017 and an indirect wholly-owned subsidiary of our Company

DEFINITIONS

“HKAS(s)”	Hong Kong Accounting Standards
“HKFRS(s)”	Hong Kong Financial Reporting Standard(s) (including HKASs and Interpretations) issued by the HKICPA)
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Offer Shares”	the 52,942,000 Offer Shares (subject to adjustment as described in “Structure of the Global Offering”) being initially offered by our Company for subscription pursuant to the Hong Kong Public Offering
“Hong Kong Public Offering”	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), on and subject to the terms and conditions of this prospectus and the Application Forms, as further described in “Structure of the Global Offering”
“Hong Kong Share Registrar”	Computershare Hong Kong Investor Services Limited
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering listed in “Underwriting — Hong Kong Underwriters”

DEFINITIONS

“Hong Kong Underwriting Agreement”	the underwriting agreement dated October 29, 2019 relating to the Hong Kong Public Offering and entered into by, among others, our Company, our Controlling Shareholders, the Joint Sponsors, the Joint Representatives and the Hong Kong Underwriters, as further described in “Underwriting — Underwriting Arrangements and Expenses”
“Huizhou Lichuang”	惠州新力力創房地產集團有限公司 (Huizhou Sinic Lichuang Real Estate Group Co., Ltd.*) (formerly known as 惠州新力力創房地產開發有限公司 (Huizhou Sinic Lichuang Real Estate Development Co., Ltd.*)), a limited liability company established under the laws of the PRC on September 26, 2016 and an indirect wholly-owned subsidiary of our Company
“Hunan Zaiyue”	湖南新力在悅房地產開發有限公司 (Hunan Sinic Zaiyue Real Estate Development Co., Ltd.*), a limited liability company established under the laws of the PRC on March 13, 2017 and an indirect wholly-owned subsidiary of our Company
“IAS”	the International Accounting Standards
“Icons Electronics”	Icons Electronics Limited (新星電子有限公司), a company incorporated in Hong Kong with limited liability on February 1, 2018 and an indirect wholly-owned subsidiary of our Company
“IFRS”	International Financial Reporting Standards
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are not our connected persons as defined under the Listing Rules
“International Offer Shares”	the 476,470,000 Shares (subject to adjustment as described in “Structure of the Global Offering”) being initially offered by our Company for subscription at the Offer Price pursuant to the International Offering, together with, where relevant, any additional Shares to be issued pursuant to the exercise of the Over-allotment Option

DEFINITIONS

“International Offering”	the conditional offering of the International Offer Share(s) by the International Underwriters to institutional and professional investors outside of the United States in reliance on Regulation S, as further described in “Structure of the Global Offering”
“International Underwriters”	the underwriters of the International Offering
“International Underwriting Agreement”	the international underwriting agreement relating to the International Offering and to be entered into by, among others, our Company, our Controlling Shareholders, the Joint Representatives, the Joint Sponsors and the International Underwriters on or about the Price Determination Date, as further described in “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — The International Offering”
“Jiangxi Aositun”	江西澳斯屯實業有限公司 (Jiangxi Aositun Industrial Co., Ltd.*), a limited liability company established in the PRC on July 27, 2002, and an indirect wholly-owned subsidiary of our Company
“Jiangxi Hengwang”	江西恒望置業有限公司 (Jiangxi Hengwang Properties Co., Ltd.*), a limited liability company established in the PRC on July 12, 2012 and an indirect non-wholly owned subsidiary of our Company
“Jiangxi Hezhixin”	江西和之信投資有限公司 (Jiangxi Hezhixin Investment Co., Ltd.* formerly known as 江西省多倫多實業有限公司 (Jiangxi Duolunduo Industrial Co., Ltd.*) and 江西銀湖房地產開發有限公司 (Jiangxi Yinhu Real Estate Development Co., Ltd.*)), a limited liability company established in the PRC on April 6, 2011 and an indirect wholly-owned subsidiary of our Company
“Jiangxi Junyu”	江西駿宇實業有限公司 (Jiangxi Junyu Industrial Co., Ltd.*), a limited liability company established in the PRC on May 24, 2007 and an indirect wholly-owned subsidiary of our Company

DEFINITIONS

“Jiangxi Sinic Properties”	江西新力置地投资有限公司 (Jiangxi Sinic Properties Investment Co., Ltd.*), a limited liability company established in the PRC on March 25, 2010 and an indirect wholly-owned subsidiary of our Company
“Joint Bookrunners”	ABCI Capital Limited, Huatai Financial Holdings (Hong Kong) Limited, CRIC Securities Company Limited, BOCOM International Securities Limited, Guotai Junan Securities (Hong Kong) Limited, First Shanghai Securities Limited, Yue Xiu Securities Company Limited, CMB International Capital Limited and CCB International Capital Limited
“Joint Global Coordinators”	ABCI Capital Limited, Huatai Financial Holdings (Hong Kong) Limited, CRIC Securities Company Limited and BOCOM International Securities Limited
“Joint Lead Managers”	ABCI Securities Company Limited, Huatai Financial Holdings (Hong Kong) Limited, CRIC Securities Company Limited, BOCOM International Securities Limited, Guotai Junan Securities (Hong Kong) Limited, First Shanghai Securities Limited, Yue Xiu Securities Company Limited, CMB International Capital Limited, CCB International Capital Limited, Zhongtai International Securities Limited, Crosby Securities Limited, GLAM Capital Limited and Founder Securities (Hong Kong) Limited
“Joint Representatives”	ABCI Capital Limited and Huatai Financial Holdings (Hong Kong) Limited
“Joint Sponsors”	ABCI Capital Limited and Huatai Financial Holdings (Hong Kong) Limited
“Latest Practicable Date”	October 22, 2019, being the latest practicable date for the purpose of ascertaining certain information in this prospectus prior to its publication
“Li Yue”	Li Yue Company Limited (力悦有限公司), a company incorporated in the BVI with limited liability on September 21, 2018 and a wholly-owned subsidiary of our Company

DEFINITIONS

“Li Yue (HK)”	Li Yue (HK) Holdings Limited (力悦(香港)控股有限公司), a company incorporated in Hong Kong with limited liability on October 25, 2018 and an indirect wholly-owned subsidiary of our Company
“Listing”	the listing of the Shares on the Main Board
“Listing Committee”	the listing sub-committee of the board of directors of the Hong Kong Stock Exchange
“Listing Date”	the date on which dealings in the Shares on the Main Board first commence
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
“M&A Rules”	the Rules on the Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (關於外國投資者併購境內企業的規定), jointly issued by the State-owned Assets Supervision and Administration Commission (國務院國有資產監督管理委員會), MOFCOM, SAT, SAIC, CSRC and SAFE on August 8, 2006 and re-issued by MOFCOM on June 22, 2009
“Main Board”	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Hong Kong Stock Exchange
“Memorandum” or “Memorandum of Association”	the memorandum of association of our Company, adopted on October 15, 2019, and as amended, supplemented or otherwise modified from time to time, a summary of which is set out in Appendix IV to this prospectus
“Ministry of Land and Resources”	the Ministry of Land and Resources of the PRC (中華人民共和國國土資源部)
“MOF”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)

DEFINITIONS

“MOHURD” or “Ministry of Construction”	the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) or its predecessor, the Ministry of Construction of the PRC (中華人民共和國建設部)
“Mr. Chen”	Mr. Chen Kang (陳康), the ultimate Shareholder of the pre-IPO investor of our Company. See “History, Reorganization and Corporate Structure — Pre-IPO Investment” for details of his shareholding in our Company upon Listing
“Mr. Zhang”	Mr. Zhang Yuanlin (張園林), our chairman, executive Director and one of our Controlling Shareholders, the settlor of each of the Family Trust and the Employee Incentive Trust
“Nanchang Baohulu”	南昌寶葫蘆農莊有限公司 (Nanchang Baohulu Farm Co., Ltd.*) (formerly known as 南昌寶葫蘆實業有限公司 (Nanchang Baohulu Industrial Co., Ltd.)), a limited liability company established in the PRC on May 10, 2007 and an indirect wholly-owned subsidiary of our Company
“Nanchang Lizhou”	南昌力洲置業有限公司 (Nanchang Lizhou Properties Co., Ltd.*), a limited liability company establish in the PRC on July 9, 2014 and an associate of the Company with 80% held by Mr. Li Li (李力), a connected person of our Company at the subsidiary level
“Nanchang Shuntai”	南昌順泰置業有限公司 (Nanchang Shuntai Properties Co., Ltd.*), a limited liability company established in the PRC on April 21, 2014 and an indirect non-wholly owned subsidiary of our Company
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“NPC”	the National People’s Congress of the PRC (中華人民共和國全國人民代表大會)

DEFINITIONS

“Offer Price”	the final Hong Kong dollar price per Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) at which the Offer Shares are to be subscribed for pursuant to the Global Offering, to be determined as described in “Structure of the Global Offering — Pricing and Allocation”, subject to any Downward Offer Price Adjustment
“Offer Share(s)”	the Hong Kong Offer Shares and the International Offer Shares together with, where relevant, any additional Shares to be issued pursuant to the exercise of the Over-allotment Option
“Over-allotment Option”	the option expected to be granted by our Company to the Joint Representatives (for themselves and on behalf of the International Underwriters) under the International Underwriting Agreement to require our Company to issue and allot up to 79,411,000 additional Offer Shares (representing not more than 15% of the Offer Shares initially being offered under the Global Offering) at the Offer Price, to, among other things, cover over-allocations of the International Offering, if any, as further described in “Structure of the Global Offering”
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PBOC Benchmark Rate”	the exchange rate for foreign exchange transactions set daily by the PBOC based on the previous day’s PRC inter-bank foreign exchange rates and with reference to prevailing exchange rates on the world financial markets
“PRC Company Law”	the PRC Company Law (中華人民共和國公司法)
“PRC GAAP”	generally accepted accounting principles in the PRC
“PRC Government”	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and organizations of such government or, as the context requires, any of them

DEFINITIONS

“PRC Legal Advisor”	King & Wood Mallesons, legal advisors to our Company on PRC laws in connection with the Global Offering
“Pre-IPO Investment”	the pre-IPO investment by Forever Elite, further details of which are set out in the section “History, Reorganization and Corporate Structure”
“Price Determination Date”	the date, expected to be on or around November 8, 2019 but no later than November 12, 2019, on which the Offer Price is fixed for the purposes of the Global Offering
“Province” or “province”	each being a province or, where the context requires, a provincial level autonomous region or municipality under the direct supervision of the PRC Government
“Regulation S”	Regulation S under the U.S. Securities Act
“Renminbi” or “RMB”	the lawful currency of the PRC
“Reorganization”	the reorganization of our Group as described in “History, Reorganization and Corporate Structure — Reorganization”
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAIC”	the State Administration for Industry and Commerce of the PRC (中國國家工商行政管理總局), including, as the context may require, its local counterparts
“SAT”	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“SCNPC”	the Standing Committee of the NPC
“Securities and Futures Commission” or “SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Share(s)”	ordinary share(s) with nominal value of HK\$0.01 each in the share capital of our Company, which are to be traded in Hong Kong dollars and listed on the Main Board
“Share Option Scheme”	the share option scheme conditionally adopted by our Company on October 15, 2019
“Shareholder(s)”	holder(s) of the Share(s)
“Sinic Business Consultancy”	江西新力商務諮詢有限公司 (Jiangxi Sinic Business Consultancy Co., Ltd.*), a wholly-foreign-owned enterprise established in the PRC on February 28, 2019 and an indirect wholly-owned subsidiary of our Company
“Sinic Group”	Sinic Group Company Limited (新力集團有限公司), a limited liability company incorporated under the laws of the BVI on May 8, 2019, which is wholly owned by Xin Hong and is one of our Controlling Shareholders
“Sinic Holdings”	Sinic Holdings Group Company Limited (新力控股集團有限公司), a limited liability company incorporated under the laws of the BVI on May 9, 2019, which is wholly owned by Sinic Group and is one of our Controlling Shareholders
“Sinic Management”	江西新力企業管理有限公司 (Jiangxi Sinic Corporate Management Co. Ltd.*), a limited liability company established in the PRC on January 22, 2019 and an indirect wholly-owned subsidiary of our Company
“Sinic Technology”	新力科技集團有限公司 (Sinic Technology Group Co., Ltd.*) (formerly known as 新力科技有限公司 (Sinic Technology Co., Ltd.*)), a limited liability company established under the laws of the PRC on July 15, 2016, held as to 99% by Mr. Zhang and 1% by Ms. Wu Chengping, the spouse of Mr. Zhang, respectively, and hence a connected person of our Company
“Sinic Real Estate”	新力地產集團有限公司 (Sinic Real Estate Group Co., Ltd.*) (formerly known as 新力地產有限公司 (Sinic Real Estate Co., Ltd.*)), a limited liability company established under the laws of the PRC on March 14, 2017 and an indirect wholly-owned subsidiary of our Company

DEFINITIONS

“Stabilizing Manager”	ABCI Securities Company Limited
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Stock Borrowing Agreement”	the stock borrowing agreement to be entered into on or about the Price Determination Date between Xin Heng and the Stabilizing Manager
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Suzhou Sinic”	蘇州新力力創房地產有限公司 (Suzhou Sinic Lichuang Real Estate Co., Ltd.*), a limited liability company established under the laws of the PRC on December 8, 2016 and an indirect wholly-owned subsidiary of our Company
“Track Record Period”	the period comprising the three years ended December 31, 2018 and the four months ended April 30, 2019
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“United States,” “USA” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$,” “USD” or “\$”	U.S. dollars, the lawful currency of the United States
“VAT”	the PRC value-added tax
“ WHITE Application Form(s)”	the application form(s) for those who require Hong Kong Offer Shares to be issued in the applicant’s own name
“ White Form eIPO ”	the application for Hong Kong Offer Shares to be issued in the applicant’s own name by submitting applications online through the designated website at www.eipo.com.hk

DEFINITIONS

“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited
“Withdrawal Mechanism”	a mechanism which requires the Company, among other things, to (a) issue a supplemental prospectus as a result of material changes in the information (such as the Offer Price) in the prospectus; (b) extend the offer period and to allow potential investors, if they so desire, to confirm their applications using an opt-in approach, for example requiring investors to positively confirm their applications for Shares despite the change
“Wuhan Zaihe”	武漢新力和在房地產集團有限公司 (Wuhan Sinic Zaihe Real Estate Group Co., Ltd.*) (formerly known as 武漢新力和在房地產開發有限公司 (Wuhan Sinic Zaihe Real Estate Development Co., Ltd.*)), a limited liability company established under the laws of the PRC on March 10, 2017 and an indirect wholly-owned subsidiary of our Company
“Xin Heng”	Xin Heng Company Limited (新恒有限公司), a limited liability company incorporated under the laws of the BVI on September 14, 2018 which is wholly owned by Glory Victory Holdings Limited, the holding vehicle of the Employee Incentive Trust, which in turn is wholly owned by TMF Trust (HK) Limited, being the trustee for the Employee Incentive Trust, and is one of our Controlling Shareholders
“Xin Hong”	Xin Hong Company Limited (新鴻有限公司), a limited liability company incorporated under the laws of the BVI on September 14, 2018 which is wholly owned by Honoured Ever Oriental Holdings Limited (榮恒東方控股有限公司), the holding vehicle of the Family Trust, which in turn is wholly owned by TMF (Cayman) Ltd., being the trustee for the Family Trust, and is one of our Controlling Shareholders

DEFINITIONS

“Yangtze River Delta Region” the region covering Shanghai, Jiangsu Province and Zhejiang Province of the PRC, for the purpose of this prospectus

“**YELLOW** Application Form(s)” the application form(s) for those who require Hong Kong Offer Shares to be deposited directly into CCASS

* *For identification purposes only*

The English translation of PRC entities, enterprises, nationals, facilities and regulations in Chinese or another language in this prospectus is for identification purposes only. To the extent that there is any inconsistency between the Chinese names of PRC entities, enterprises, nationals, facilities and regulations and their English translations, the Chinese names shall prevail.

GLOSSARY

This glossary of technical terms contains terms used in this prospectus in connection with us and our business. Some of these terms and their meanings may not correspond to standard industry meanings or usage of such terms.

“ASP”	average selling price
“building ownership certificate”	building ownership certificate (房屋所有權證), a certificate issued by relevant authorities with respect to building ownership rights
“commercial property(ies)”	for purposes of this prospectus, property(ies) designated for commercial use
“completion certificate”	the construction works completion inspection acceptance certificate (房屋建築工程竣工驗收備案表), issued by local urban construction bureaus or relevant authorities in China in connection with the completion of property development projects
“construction land planning permit”	the construction land planning permit (建設用地規劃許可證), issued by local urban zoning and planning bureaus or relevant authorities in China in connection with the planning of construction land
“construction works commencement permit”	the construction works commencement permit (建築工程施工許可證), issued by local construction bureaus or relevant authorities in China in connection with the commencement of construction works
“construction works planning permit”	the construction works planning permit (建設工程規劃許可證), issued by local urban zoning and planning bureaus or relevant authorities in China in connection with the planning of construction works
“first-tier cities”	cities specified by MOHURD as such, being Beijing, Shanghai, Shenzhen and Guangzhou
“GFA”	gross floor area
“land grant contract”	the state-owned land use rights grant contract (國有土地使用權出讓合同), an agreement between a land user and the relevant PRC governmental land administrative authorities

GLOSSARY

“land use rights certificate”	the state-owned land use rights certificate (國有土地使用證), a certificate (or certificates, as the case may be) concerning one’s right to use a parcel of land
“leasable GFA”	(i) in relation to completed property projects, the total GFA as shown in the relevant completion documents, survey documents and/or building ownership certificates for leasing purposes; or (ii) in relation to projects for which we have obtained pre-sales permits, the GFA as shown in the pre-sales permits, completion documents, survey documents and/or building ownership certificates for leasing purposes
“plot ratio”	the ratio of the gross floor area (excluding floor area below ground) of all buildings to their site area
“pre-sales permit”	commodity property pre-sales permit (商品房預售許可證), a permit issued by local housing and building administrative bureaus or relevant authorities in China in connection with pre-sales of properties under construction
“residential property(ies)”	for purposes of this prospectus, property(ies) designated for residential use
“second-tier cities”	the 36 major cities in China defined by the PRC National Statistics Bureau that are either provincial capitals, direct-controlled municipalities or among the six other major cities designated as “municipalities with independent planning” (計劃單列市) by the PRC State Council and which are not first-tier cities
“sq.m.”	square meter(s)
“%”	percent

FORWARD-LOOKING STATEMENTS

This prospectus contains certain forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this prospectus, the words “aim”, “anticipate”, “believe”, “can”, “continue”, “could”, “forecast”, “expect”, “going forward”, “intend”, “ought to”, “may”, “might”, “plan”, “potential”, “predict”, “project”, “seek”, “should”, “will”, “would” and the negative of these words and other similar expressions, as they relate to our Group or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our business prospects;
- future developments, trends and conditions in the industry and markets in which we operate;
- our business strategies and plans to achieve these strategies;
- our ability to identify and integrate suitable acquisition targets;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment and general outlook in the industry and markets in which we operate;
- the effects of the global financial markets and economic crisis;
- our ability to reduce costs;
- our dividend policy;
- the amount and nature of, and potential for, future development of our business;
- capital market developments;
- the actions and developments of our competitors;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices in the industry and markets in which we operate;

FORWARD-LOOKING STATEMENTS

- certain statements in “Financial Information” with respect to trends in prices, volumes, operations, margins, overall market trends, risk management and exchange rates; and
- other statements in this prospectus that are not historical facts.

This prospectus also contains market data and projects that are based on a number of assumptions. The markets may not grow at the rates projected by the market data, or at all. The failure of the markets to grow at the projected rates may materially and adversely affect our business and the market price of our Shares. In addition, due to the rapidly changing nature of the Hong Kong economy, projections or estimates relating to the growth prospects or future conditions of the markets are subject to significant uncertainties. If any of the assumptions underlying the market data prove to be incorrect, actual results may differ from the projections based on these assumptions. You should not place undue reliance on these forward-looking statements.

We do not guarantee that the transactions and events described in the forward-looking statements in this prospectus will happen as described, or at all. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the risks and uncertainties set forth in the section entitled “Risk Factors” in this prospectus. You should read this prospectus in its entirety and with the understanding that actual future results may be materially different from what we expect. The forward-looking statements made in this prospectus relate only to events as of the date on which the statements are made or, if obtained from third-party studies or reports, the dates of the respective studies or reports. Since we operate in an evolving environment where new risks or uncertainties may emerge from time to time, you should not rely upon forward-looking statements as predictions of future events. We undertake no obligation, beyond what is required by law, to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made, even when our situation may have changed.

RISK FACTORS

Potential investors should carefully consider each of the risks described below and all of the other information contained in this prospectus, including the Accountants' Report included in Appendix I, before deciding to invest in the Offer Shares. Our business, financial condition, results of operations or prospects may be materially and adversely affected by any of these risks. You should pay particular attention to the fact that our subsidiaries in China are located in a legal and regulatory environment that in some respects differ significantly from that of other countries. The trading price of the Offer Shares could decline due to any of these risks, as well as additional risks and uncertainties not presently known to us, and you may lose all or part of your investment.

RISKS RELATING TO OUR BUSINESS

We are susceptible to adverse movements in the PRC real estate market, particularly in provinces and cities where we have property development projects.

As of July 31, 2019, we had property development projects in 11 provinces and 27 cities across China. We had established a leading market position in Jiangxi Province in terms of contracted sales amount in 2017, 2018 and the first quarter of 2019 and have expanded into three regions in the PRC, namely, the Yangtze River Delta Region, the Greater Bay Region and the Central and Western China Core Cities and Other Regions with High-Growth Potential. For more information, see “Business — Overview.” Our profitability is correlated to the performance of the PRC real estate market, which is sensitive to economic fluctuations and closely monitored by the PRC Government. Any adverse movements in the prices, supply of or demand for properties in the PRC may have a material adverse effect on our business, financial condition and results of operations.

The real estate market may be affected by local, regional, national and global factors beyond our control, such as speculative activities, financial conditions, government policies, natural disasters, epidemics and hostilities, among others. Although demand for residential and commercial properties in China grew rapidly in recent years, we cannot guarantee that the real estate market in provinces and cities where we have undertaken, or will undertake, property development projects will continue to grow or that market downturns will not occur. According to C&W, the rising demand for residential and commercial properties in China was also accompanied by fluctuations in property prices, raising concerns over the affordability of housing and the sustainability of the growth of the real estate market. The PRC Government has sought to stabilize the real estate market by promulgating various control measures. As they are designed to curb excessive interest in real estate investment, there can be no assurance that such measures will not materially and adversely affect our ability to conduct business.

RISK FACTORS

We generate a majority of our revenue from our business in Jiangxi Province, and any significant decline in the economic condition of Jiangxi Province could have a material adverse effect on our results of operations, financial condition and business prospects.

We generate a majority of our revenue from our business in Jiangxi Province and we expect to continue to derive a substantial portion of our revenue from these markets. As a result, we are exposed to a greater geographical concentration risk than some of our competitors in the PRC whose operations are more geographically diversified.

The demand for commercial and residential properties in the PRC, particularly Jiangxi Province, has grown significantly in recent years, but such growth is often coupled with volatility in market conditions and fluctuations in property prices. In addition, demand for properties has been affected and will continue to be affected by the macro-economic control measures implemented by the PRC government from time to time. In recent years, the PRC government has announced a series of measures designed to stabilize the growth of the PRC economy and to stabilize the growth of specific sectors, including the property market, to a more sustainable level.

For as long as a majority businesses remain substantially concentrated in Jiangxi Province, if Jiangxi Province in general experiences any significant economic downturn due to imbalances in the local economy, disturbances in local financial markets, natural disasters, epidemic, hostilities or any other reason, or if more restrictive government policies on the real estate industry are imposed, or if the property market conditions of Jiangxi Province otherwise decline, our business, results of operations and financial condition may be materially and adversely affected.

In addition, certain expenses associated with our real estate property development business, including personnel costs, maintenance fees, interest, property taxes, insurance and utilities, are fixed. During the period of overall or local economic weakness, if we are unable to meaningfully decrease these costs as demand for our properties decreases, our business and financial condition may be adversely affected.

We may fail to identify desirable locations and acquire land use rights for future property development projects on favorable terms, or at all.

We believe that our ability to identify desirable locations and acquire necessary land use rights is key to the sustainable growth of our business. However, our success in carrying out these business operations may be subject to factors beyond our control, such as economic conditions and changes in the regulatory landscape. The PRC Government may promulgate laws and regulations that effectively reduce the availability of new land suitable for development and hinder our ability to obtain land use rights, thereby intensifying competition between us and other property developers. For more information, see “— Risks Relating to Our Industry — We may fail to compete effectively against other property developers.”

RISK FACTORS

Moreover, there is no assurance that we will be able to consistently capitalize on our knowledge of and experience in the PRC real estate market to identify desirable locations. To the extent that we are unable to obtain land use rights on favorable terms or at all, we may fail to achieve higher returns on the sale and lease of our properties, and thereby experience material and adverse effects on our business, financial condition and results of operations.

We may not be successful in managing our growth and expansion into new regions and cities.

We experienced a rapid growth during the Track Record Period. In 2016, 2017 and 2018; our revenue amounted to RMB2,223.0 million, RMB5,241.1 million and RMB8,415.7 million, respectively, representing a CAGR of 94.6%; and our revenue increased by 278.4% from RMB1,508.9 million for the four months ended April 30, 2018 to RMB5,709.4 million for the same period in 2019. In order to continue to achieve sustainable growth, we need to continue to seek development opportunities in selected regions and cities in the PRC with the potential for growth. As of July 31, 2019, we had established presence in 27 cities in China with an aggregate total land bank attributable to us of 15.0 million sq.m. We have established a leading market position in Jiangxi Province, and have expanded into three regions in China, namely, the Yangtze River Delta Region, the Greater Bay Region and the Central and Western China Core Cities and Other Regions with High-Growth Potential. For more information, see “Business — Our Business Strategies.” In addition, we have expanded our business operations from development of residential properties to commercial properties.

Expanding into new geographical locations involve uncertainties and challenges as we may be less familiar with local regulatory practices and customs, customer preferences and behavior, the reliability of local contractors and suppliers, business practices and business environments and municipal-planning policies in relevant sub-markets. In addition, expanding our business into new geographical locations would entail competition with developers who have a better-established local presence or greater access to local labors, expertise and knowledge than we do. Competitive pressures may compel us to reduce prices and increase our costs, thus lowering our profit margins. There is no guarantee that we will be able to pass any additional costs onto our customers. Furthermore, the construction, market and tax-related regulations in our target cities may be different from each other and we may face additional expenses or difficulties in complying with new procedures and adapting to new environments. Certain cities may also subject us to higher land acquisition costs and acquisition costs.

As we may face challenges not previously encountered, we may fail to recognize or properly assess risks or take full advantage of opportunities, or otherwise fail to adequately leverage our past experience to meet challenges encountered in these new markets. For example, we may have difficulty in accurately predicting market demand for our properties in the cities into which we expand. We may also have difficulty in promoting and maintaining high occupancy rates and/or rental rates in the investment properties that we are currently developing after these properties are completed and commence operations.

RISK FACTORS

In addition, expanding into new regions and cities requires a significant amount of capital and management resources. We may not be able to manage the growth in our workforce to match the expansion of our business, and accordingly, experience issues such as capital constraints, construction delays, and lack of skillful and qualified personnel. Moreover, expanding our geographical reach will divert management attention from our existing operations. There is no guarantee that we will be able to hire, train or retain sufficient talent to successfully implement our expansion plans. Any of these issues could have a material adverse effect on our business, financial conditions, results of operations and prospects.

We may be unsuccessful in implementing our business strategies.

Our Directors formulate our business strategies based on, among others, their judgment of the business, market conditions and regulatory environment. For example, we intend to further develop our property business in Jiangxi Province, the Yangtze River Delta Region, the Greater Bay Region and the Central and Western China Core Cities and Other Regions with High-Growth Potential for development to increase our geographical coverage and recognition level of our brand. For more information, see “Business — Our Business Strategies.” However, we are subject to uncertainties in relation to implementing our business strategies and achieving the expected economic results. We may be hindered by factors beyond our control, such as competitive pressures from other members of our industry, lack of qualified and experienced personnel, natural disasters, difficulties in obtaining the required permits, licenses and certificates, delays in construction and logistical difficulties, among others. Furthermore, we may encounter risks associated with operating in the PRC. See “— Risks Relating to Our Industry” below for more details. For example, in addition to the factors mentioned above, we may fail to achieve market acceptance and brand recognition. We may also fail to accurately gauge customer preferences and adjust our product offerings appropriately. Since we expect to self-finance the implementation of our business strategies with cash flow from our operating activities and proceeds from the Global Offering, our profitability and liquidity would be materially and adversely affected in the event that we do not achieve the expected economic results. Failure to successfully implement our business strategies may weaken our competitiveness in the long term and materially and adversely affect our business, financial condition and results of operations.

Changes in accounting standards applicable to our business, such as the adoption of IFRS 15, may have a material impact on our results of operation and financial position.

Accounting standards applicable to our business may change or be amended from time to time. Any changes in these accounting standards may result in changes in the recognition, measurement and/or classification of our revenue, expenses, assets and liabilities, which could have material effects on our results of operations and financial position. In addition, in applying these accounting standards, we are required to make judgments, estimates and/or assumptions with respect to our revenue, expenses, assets, liabilities and other factors that we consider to be relevant.

RISK FACTORS

For example, in preparing the financial information of our Group, we have adopted, among others, IFRS 15 and applied it consistently throughout the Track Record Period. Under IFRS 15, we generally recognize revenue from sale of properties over time when our performance does not create an asset with an alternative use to us and when we have enforceable right to payment for performance completed to date, otherwise revenue from sale of properties is recognized at a point in time when construction has been completed and a notice of delivery of the property has been issued to the buyer. As a result, our net profit for the years ended December 31, 2016 and 2017 and total equity as of December 31, 2016 and 2017 recorded were higher than the amounts that we would have recorded without the adoption of the same. See “Financial Information — Certain Significant Accounting Policies and Accounting Estimates and Judgments — Significant Accounting Policies — Early adoption of IFRS 9 and IFRS 15” for more details. The International Accounting Standards Board may issue new and revised standards and interpretations in the future. Interpretation on the application of the IFRS will also continue to develop. These factors may require us to adopt new accounting policies from time to time. The adoption of new accounting policies or new IFRS in the future may have a material impact on our results of operations and financial position.

The timing of our property sales and progress of our property development projects may cause our results of operations to fluctuate from period to period, making it difficult to predict our future financial performance.

During the Track Record Period, we derived a substantial portion of our revenue from sales and pre-sales of our properties. The timing of completion and delivery for our properties generally depends on our construction timetables. Periods during which we make a significant number of pre-sales may not be periods during which we generate corresponding levels of revenue. This signifies that our results of operations may vary from period to period depending on the number of properties being delivered in the relevant period. Our results of operations of any given period may not be indicative of our future financial performance, although they may influence our share prices from time to time. The effect of timing on our results of operations is accentuated by the fact that, given the capital-intensive nature of our business, the number of projects we can take on at a time is limited, and the delivery timing of a limited number of projects could have a potentially significant impact on our financial performance. Moreover, our construction timetables are always subject to change due to factors beyond our control, such as market or economic conditions, natural disasters, adverse weather conditions and delays in obtaining the requisite permits, licenses and certificates from the relevant government authorities. If our results of operations do not meet market expectations, we may experience material and adverse effects on our share prices, particularly as it may be difficult for investors to predict our future financial performance.

We may fail to complete our property development projects on time, or at all.

Property development projects typically require significant capital resources and a substantial amount of time may pass before they generate revenue. The progress of a property development project may be affected by various factors, which may include, among others:

RISK FACTORS

- changes in market conditions, economic downturns and/or decline in customer interest;
- availability and cost of financing;
- delays in or failure to obtain the requisite permits, licenses and certificates from relevant government authorities;
- changes in government policies, rules or regulations;
- increases in the prices of our raw materials;
- shortages of materials, equipment, contractors and skilled labor;
- latent geographical or environmental conditions giving rise to the need to modify initial plans for our property development projects;
- unforeseen problems related to engineering and design;
- construction accidents, labor disputes and strikes; and
- natural disasters or adverse weather conditions.

Before we are affected by one or more of the above factors and must modify our plans, we may have already expended significant capital resources with little or no prospect of recovering or mitigating our losses. Substantial capital expenditures are generally incurred for business operations to do with land acquisition and construction. Construction itself may take longer than a year before we generate positive net cash flow through pre-sales, sales and leases. Consequently, any failure to complete property development projects on time or at all may adversely affect our business and results of operations. Our customers may be entitled to claim compensation for late delivery or terminate pre-sale agreements. We may suffer material and adverse effects on our reputation and access to future business opportunities in the long term. We are also unable to guarantee that any legal proceedings or renegotiations resulting from delays or failures to deliver will have a favorable outcome. For more information, see “— We may be involved in claims, legal proceedings and other disputes from time to time arising out of our operations, which may adversely affect our financial condition, divert management attention and harm our reputation” below.

We may not have adequate financing to fund our property development projects, and capital resources may not be available on favorable terms, or at all.

Property development is capital-intensive, with substantial capital investments made during stages such as land acquisition and construction. During the Track Record Period, we funded our property development projects primarily through pre-sale of our properties, retained revenues, bank loans, trust financing and other borrowings. However, we cannot

RISK FACTORS

guarantee that our capital resources will be sufficient, or that we will be always able to obtain additional external financing, which may include not only the funding sources discussed above but also real estate trusts and funds, on favorable terms, or at all. Our ability to obtain external financing may be subject to factors beyond our control, including, among others, general economic conditions, changes to regulations, our financial performance and credit availability. For more information, see “Regulatory Overview.” Additionally, we cannot assure you that the PRC Government will not introduce additional measures that may restrict our access to capital resources and external financing. Failure to secure sufficient capital resources or external financing on favorable terms, or at all, may hinder our ability to implement and complete our property development projects. We may thus experience material and adverse effects on our business and results of operations.

We may fail to obtain or experience delays in obtaining the relevant PRC governmental approvals, licenses or permits for our property development projects.

The real estate industry in the PRC is heavily regulated. We are required to obtain various approvals, permits, licenses and certificates throughout multiple stages of our property development projects, including but not limited to land use rights certificates, planning permits, construction work commencement permits and pre-sales permits (and renewal of the relevant approvals, licenses or permits for on-going operations). Generally, such approvals, licenses, permits or certificates are only issued or renewed after certain conditions have been satisfied. We cannot assure you that we will not encounter obstacles toward fulfilling such conditions that delay us in obtaining, or result in our failure to obtain, the required approvals. During the Track Record Period, some of our subsidiaries were not in compliance with certain construction or pre-sales related PRC laws and regulations, such as commencing construction works and pre-sales before obtaining the requisite approvals or permits. We had paid the relevant penalties in full in connection with the foregoing. See “Business — Legal Proceedings and Compliance — Compliance with Laws and Regulations — Non-compliance Incident.” Although we have improved our internal control procedures, we cannot guarantee that we will be able to adapt to new rules and regulations that may come into effect from time to time with respect to the property industry or that we will not encounter material delays or difficulties in fulfilling the necessary conditions to obtain and/or renew all necessary certificates or permits for our operations in a timely manner, or at all, in the future. Therefore, in the event that we fail to obtain or renew, or encounter significant delays in obtaining or renewing, the necessary government approvals for any of our major property projects, we will not be able to continue with our development plans, and our business, financial condition and results of operations may be adversely affected.

Moreover, as the real estate industry is closely monitored by the PRC Government, we anticipate that new policies will be promulgated from time to time in relation to the conditions for issuance or renewal of such approvals, licenses or permits. We cannot guarantee that such new policies will not present unexpected obstacles toward our ability to obtain or renew the required permits, licenses and certificates or that we will be able to overcome these obstacles

RISK FACTORS

in a timely manner, or at all. Loss of or failure to renew our permits, licenses and certificates may stall the progress of our property development projects. For more information, see “— We may fail to complete our property development projects on time, or at all.”

Our property development schedule may not realize or delay, as a result of the resettlement and demolition process.

The land parcels that we acquire in the future for development may have existing buildings or other structures or may be occupied by third parties, which require resettlement and demolition. Given the nature of resettlement and demolition, which depends on various external factors that are beyond our control, we cannot guarantee that there will not be any delay in our development schedule. If the party responsible for the resettlement or demolition and the original residents fail to reach an agreement on the amount of compensation, either of them may apply to the relevant authorities for a ruling on the amount of compensation. Dissenting residents may also refuse to relocate. Such administrative process or resistance or refusal to relocate may delay the timetable of our development projects or, in extreme cases, prevent their completion. The occurrence of any of the above events may have an adverse effect on our business, financial condition and results of operations.

As of the Latest Practicable Date, a portion of the land for one of our potential development projects, Changsha Zi Yuan Phase II, is undergoing resettlement and demolition. For further information of this project, see “Summary – Our Business Model – Property Development Projects” and “Business – Our Business – Description of Our Projects” in this prospectus. We cannot assure you that the resettlement and demolition process will proceed smoothly or our potential development project will not be delayed. If such delay occurs, it could adversely affect our reputation and lead to an increase in development cost, which may in turn adversely affect our business, financial position and results of operations.

We may be subject to fines or forfeit land to the PRC government if we fail to pay land grant premium or fail to develop properties within the time and in accordance with the terms set out in the relevant land grant contracts.

Under PRC laws, if we fail to develop a property project according to the terms of the land grant contract, including those relating to the payment of land premium, resettlement and demolition costs and other fees, the designated use of the land and the time for commencement and completion of the property development, government authorities may issue a warning, impose a penalty and/or order us to forfeit the land. Specifically, under current PRC laws, if we fail to pay any outstanding land grant premium by the stipulated deadlines, we may be subject to late payment penalties or the repossession of the land by the government. If we fail to commence development within one year of the commencement date stipulated in the land grant contract, the relevant PRC land bureau may issue a warning to us and impose an idle land penalty of up to 20% of the land premium. If we fail to commence development within two years from the commencement date stipulated in the land grant contract, the relevant PRC land bureau may confiscate our land use rights without compensation, unless the delay in the development is caused by government action or is due to a force majeure. Moreover, if a

RISK FACTORS

property developer commences development of the property in accordance with the timeframe stipulated in then the land grant contract but, suspended for more than one year without government approval and falls under either of the following two situations: (i) the developed land area is less than one-third of the total land area, or (ii) the total invested capital is less than one-fourth of the total planned investment in the project, then the land may be treated as idle land and will be subject to the risk of forfeiture.

In September 2007, the Ministry of Land and Resources issued a new notice to further enhance control of the land supply by requiring developers to develop land according to the terms of the land grant contracts and restricting or prohibiting any non-compliant developers from participating in future land auctions. In January 2008, the State Council issued a Notice of the State Council on Promoting Land Saving and Efficient Use (國務院關於促進節約集約用地的通知) to escalate the enforcement of existing rules on idle land management. Furthermore, the Ministry of Land and Resources issued a Notice on Restricting the Administration of Construction Land and Promoting the Use of Approved Land (關於嚴格建設用地管理促進批而未用土地利用的通知) in August 2009, which reiterated the applicable rules with regard to idle land management. On June 1, 2012, the Ministry of Land and Resources promulgated the revised Measures on the Disposal of Idle Land (閒置土地處置辦法), which went into effect July 1, 2012. These further measures may prevent competent land authorities from accepting any application for new land use rights or processing any title transfer transaction, lease transaction, mortgage transaction or land registration application with respect to idle land prior to the completion of the required rectification procedures.

We cannot assure you that circumstances leading to the repossession of land or delays in the completion of a property development will not arise in the future. If our land is repossessed, we will not be able to continue our property development on the forfeited land, recover the costs incurred for the initial acquisition of the repossessed land or recover development costs and other costs incurred up to the date of the repossession. In addition, we cannot assure you that regulations relating to idle land or other aspects of land use rights grant contracts will not become more restrictive or punitive in the future. If we fail to comply with the terms of any land use rights grant contract as a result of delays in project development, or as a result of other factor, we may lose the opportunity to develop the project as well as our past investments in the land, which could materially and adversely affect our business, financial condition and results of operations.

We have indebtedness and may incur additional indebtedness in the future, which may materially and adversely affect our financial condition and results of operations.

We maintain a substantial level of borrowings to finance our operations during the Track Record Period. As of December 31, 2016, 2017, 2018 and April 30, 2019, our total bank and other borrowings and corporate bonds amounted to approximately RMB6,437.5 million, RMB16,675.6 million, RMB22,102.8 million and RMB26,469.4 million, respectively. On August 26 and October 9, 2019, we issued the Private Debt Financing in the aggregate principal amount of US\$169.9 million with an interest rate of 12.5%. See “Financial Information — Indebtedness — Private Debt Financing” for more details. We may from time

RISK FACTORS

to time in the future consider other debt financing opportunities to refinance our existing loans and to support our business expansion. Our net gearing ratio, as calculated by total borrowings (including interest-bearing bank and other borrowings and corporate bonds) less cash and bank balances divided by total equity as of the end of the respective period, was approximately 1.9 times, 2.7 times, 2.4 times and 3.1 times as of December 31, 2016, 2017, 2018 and April 30, 2019, respectively.

Our indebtedness could have an adverse effect on us, for example by: (i) increasing our vulnerability to adverse developments in general economic or industry conditions, such as significant increases in interest rates; and (ii) limiting our flexibility in the planning for, or reacting to, changes in our business or the industry in which we operate. We have indebtedness and may incur additional indebtedness in the future, and we may not be able to generate sufficient cash to satisfy our existing and future debt obligations.

In addition, we are subject to certain restrictive covenants under the terms of our borrowings, which may restrict or otherwise adversely affect our operations. These covenants may restrict, among others, ability to incur additional debt or make guarantees, incur liens, pay dividends or distributions on our or our subsidiaries' capital stock, repurchase our or our subsidiaries' capital stock, prepay certain indebtedness, repay shareholders' loans, reduce our registered capital, sell, transfer, lease or otherwise dispose of property or assets, make investments and engage in mergers, consolidation or other change-in-control transactions. In addition, some of the loans may have restrictive covenants linked to our financial performance, such as maintaining a prescribed maximum debt-asset ratio or minimum profitability levels during the term of the loans. Pursuant to the detailed agreements, financial institutions may have veto rights over some of our above corporate actions, which will further limit our flexibility of operation and ability to raise additional funding. See "Financial Information — Indebtedness — Trust and other financing arrangements."

Moreover, our trust and other financings are generally secured by a pledge or transfer of our equity interests in the relevant project subsidiaries, and/or a lien of land use rights or development project. If we incur default and cannot repay all of the secured indebtedness, we may lose part or all of our equity interests in these project subsidiaries, our proportionate share of the asset value of the relevant property projects, land use rights or our development projects. See "Financial Information — Indebtedness — Trust and Other Financing" for details.

In the future, we expect to incur additional indebtedness to complete our projects under development and projects held for future development and we may also utilize proceeds from additional debt financing to acquire land resources, which could intensify the risks we face as a result of our indebtedness.

Our ability to generate sufficient cash to satisfy our outstanding and future debt obligations will depend upon our future operating performance, which will be affected by, among other things, prevailing economic conditions, PRC governmental regulation, the demand for properties in the regions we operate and other factors, many of which are beyond our control. We may not generate sufficient cash flow to pay our anticipated operating expenses

RISK FACTORS

and to service our debts, in which case we will be forced to adopt an alternative strategy that may include actions such as reducing or delaying capital expenditures, disposing of our assets, restructuring or refinancing our indebtedness or seeking equity capital. If we are unable to fulfill our repayment obligations under our borrowings, or are otherwise unable to comply with the restrictions and covenants in our current or future bank loans, corporate bonds and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the lenders may accelerate the repayment of outstanding debt or, with respect to secured borrowings, enforce the security interest securing the loan. Any cross-default and acceleration clause may also be triggered as a result. If any of these events occur, we cannot assure you that our assets and cash flow would be sufficient to repay all of our indebtedness, or that we would be able to obtain alternative financing on terms that are favorable or acceptable to us. As a result, our cash flow, cash available for distributions, financial condition and results of operations may be materially and adversely affected.

We had negative operating cash flow in 2016, 2017 and the four months ended April 30, 2019.

We had negative cash flow from operating activities of approximately RMB2,037.5 million, RMB6,547.8 million and RMB1,337.7 million in 2016, 2017 and the four months ended April 30, 2019, respectively, primarily as a result of significant net cash used in operations due to our continued increase in property development activities and strengthened land acquisition efforts. Such cash outflows may not always be completely offset by proceeds received from our pre-sales and sale of the properties for the respective period. As a result, there could be a period during which we experience net cash outflow. Although we seek to effectively manage our working capital, we cannot assure you that we will be able to match the timing and amounts of our cash inflows with the timing and amounts of our payment obligations and other cash outflows.

During the Track Record Period, we mainly relied on internal resources generated from our operations, including proceeds from the pre-sales and sales of our properties, bank loans, trust financing and asset management arrangements, issue of corporate bonds as well as capital contribution from non-controlling shareholders. Negative operating cash flow may require us to obtain sufficient additional financing to meet our financing needs and obligations and to support our expansion plans. In the event that we are unable to generate sufficient cash flow for our operations or otherwise unable to obtain sufficient external funds to finance our business, our liquidity and financial condition may be materially and adversely affected and we may not be able to expand our business. We cannot assure you that we will have sufficient cash from other sources to fund our operations. If we resort to other financing activities, we will incur additional financing costs, and we cannot guarantee that we will be able to obtain the financing on terms acceptable to us, or at all. Moreover, the level of our indebtedness and the amount of our interest payments could further limit our ability to obtain the necessary financing or obtain favorable terms for the financing to fund future capital expenditures and working capital. Such limitations could reduce our competitiveness and increase our exposure and sensitivity to adverse economic and industry conditions, which could materially adversely affect our financial condition and results of operations.

RISK FACTORS

There are uncertainties about the recoverability of our deferred tax assets, which could adversely affect our results of operations.

We recorded deferred tax assets of RMB430.3 million, RMB1,065.3 million, RMB1,652.3 million and RMB2,008.2 million, respectively, as of December 31, 2016, 2017, 2018 and April 30, 2019. We periodically assess the probability of the realization of deferred tax assets, using significant judgments and estimates with respect to, among other things, historical operating results, expectations of future earnings and tax planning strategies. In particular, deferred tax assets can only be recognized to the extent that it is probable that future taxable profits will be available against which the unused tax credits can be utilized. However, there is no assurance that our expectation of future earnings could be accurate due to factors beyond our control, such as general economic conditions and negative development of the regulatory environment, in which case, we may not be able to recover our deferred tax assets which thereby could have an adverse effect on our results of operations.

Gain on bargain purchase, gain on disposal of subsidiaries and subsidy income are non-recurring in nature. Accordingly, we may not record such gain or recognize such income in the future.

We recorded gain on bargain purchases of approximately RMB6.2 million in 2017 and RMB2.7 million in the four months ended April 30, 2019 in connection with our acquisition of two subsidiaries in 2017 and our acquisition of one subsidiary in the four months ended April 30, 2019, respectively. We also recorded a one-off gain on disposal income of approximately RMB1.2 million and a one-off subsidy in the amount of approximately RMB2.2 million from the local government in Nanchang in 2018. For details, see “Financial Information — Description of Certain Line Items of Our Combined Statements of Profit or Loss — Other income and gains” and Note 5 to the Accountants’ Report as Appendix I to this prospectus. While such gain or income had an impact on our reported profit for the relevant period, they were non-recurring in nature. Therefore, we may not record such gain or income in the future, which may in turn adversely affect our profitability.

Net changes in fair value of financial assets are linked to market and therefore subject to uncertainties of accounting estimates in the fair value measurement and the use of significant unobservable inputs in the valuation techniques.

In 2018, we purchased total equity interests of a listed company. Such financial assets are classified as held for trading on our financial statements. We incurred a net gain from financial assets at fair value through profit or loss (FVTPL) in the amount of RMB18.9 million in 2018 in connection with the fair value of such investments in an amount of RMB64.9 million as of December 31, 2018. We incurred a net loss from financial assets at FVTPL in the amount of RMB20.8 million in the four months ended April 30, 2019 in connection with the fair value of such investments in an amount of RMB44.1 million as of April 30, 2019. For details, see “Financial Information — Description of Certain Combined Statements of Financial Position — Financial Assets at FVTPL.” Such financial assets are measured at fair value with significant unobservable inputs used in the valuation techniques and the changes in their fair

RISK FACTORS

value are recorded in our consolidated income statements, therefore directly affecting our results of operations. There is no assurance that we will not incur such similar fair value losses in the future. If we incur significant fair value net changes, our results of operations, financial condition and prospects may be adversely affected.

We may be adversely affected by material issues that affect our relationships or business ventures with our joint venture and associated company partners, and our liquidity may be further restricted if we are not able to receive dividends from joint ventures or associated company partners.

We have established a number of joint ventures and associated companies with Independent Third Parties except for Nanchang Lizhou, to jointly develop property projects. The performance of such joint ventures and associated companies may affect our results of operations and financial position. In 2016, 2017 and 2018, our share of losses of joint ventures were RMB3.1 million, RMB18.3 million and RMB9.5 million, respectively. In the first four months of 2019, our share of profits of joint ventures were RMB0.5 million. Our share of losses of associates were RMB6.6 million in 2016, and our share of profits of associates were RMB21.2 million, RMB48.9 million in 2017 and 2018, respectively, and our share of losses of associates were RMB2.7 million for the four months ended April 30, 2019.

The success of a joint venture or an associated company depends on a number of factors, some of which are beyond our control. We may not be able to force our partners to fully perform their obligations to us pursuant to our cooperation agreements. As a result, we may not be able to realize the anticipated economic and other benefits from our joint ventures and associated companies or even suffer losses. In addition, in accordance with PRC laws, our joint venture agreements and the articles of association of our joint ventures and associated companies, certain matters relating to joint ventures or associated companies may require the consent of all parties to the joint ventures and associated companies. Therefore, such joint venture agreements involve a number of risks, including (i) we may not be able to pass certain important board resolutions requiring unanimous consent of all of the directors of our joint ventures and associated companies if there is a disagreement between us and our joint venture or associated company partners; or (ii) our joint venture or associated company partners may have economic or business interests or goals or philosophies that are inconsistent with ours.

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

Even if profits of our joint ventures and associated company partners are recognized, we may not receive any final remittance of surplus funds, which is typically in the form of dividend distribution, from these joint ventures and associated company partners until declaration of dividends. Such declaration will be at the discretion of the boards and

RISK FACTORS

shareholders of the joint ventures and associated company partners and therefore not within our control. Moreover, payments of dividends by our joint ventures and associated company partners may be subject to restrictions under PRC laws or covenants contained in agreements such as bank facility agreements to which they are subject. Accordingly, our investments in these joint ventures and associated company partners are not as liquid as our investments into our own subsidiaries. As we invest and continue to invest in joint ventures and associated company partners in property development projects, our liquidity may be further restricted if we are not able to receive dividends from our existing or future joint ventures or associated company partners, which could materially and adversely affect our ability to conduct our business.

We are subject to risk of recoverability of non-trade amounts due from our joint venture and associates and prepayments for equity investments.

During the Track Record Period, in order to support the business operations of our joint ventures and associates, we recorded non-trade amounts due from our joint venture and associates amounting to approximately RMB321.0 million, RMB279.5 million, RMB1,414.1 million and RMB2,701.4 million as December 31, 2016, 2017, 2018 and April 30, 2019. In addition, we also made prepayments for equity investments in joint venture and associates in the amounts of approximately RMB1,261.1 million, RMB2,044.2 million, RMB1,201.1 million and RMB834.4 million as of December 31, 2016, 2017 and 2018 and April 30, 2019. We make periodic assessments on the amounts due from our joint ventures and associates and the financial assets included in prepayments for equity investment based on historical settlement record and past experience. However, the risk of recoverability is inherent in our outstanding balances for such amounts, as the ability of the joint ventures and associates to repay us depends on a number of factors, some of which are beyond our control. As a result, we may not be able to recover the anticipated economic returns from such transactions, which may have a material adverse effect on our business, results of operation and financial condition.

We are exposed to contractual and legal risks related to pre-sales.

We make certain undertakings in our pre-sale contracts. These pre-sale contracts and the relevant PRC laws and regulations provide remedies for breach of these undertakings. For example, should we fail to complete pre-sold properties on time, we may be liable to our customers for late delivery. Our customers may opt to claim damages should our delay extend beyond a specified period or terminate pre-sale contracts. During the Track Record Period, we had not experienced any significant delays in property development projects. We cannot guarantee that such instances will not occur in the future, particularly as they may be due to factors beyond our control. In the event that multiple or major projects are delayed at a time, we may experience material and adverse effects on our business and results of operations.

Additionally, we make certain warranties as to the quality of our properties in accordance with the “Administration Ordinance on Development and Operation of Urban Real Estate” (城市房地產開發經營管理條例) which became effective on July 20, 1998 and was amended on January 8, 2011 and March 24, 2019, as well as the “Regulations on the Administration of

RISK FACTORS

Quality of Construction Works” (建設工程質量管理條例) which became effective on January 30, 2000 and amended on October 7, 2017 and April 23, 2019. Customers in our pre-sales may allege that we did not fulfill our representations and warranties in the subsequent planning and development of our property development projects. For more information, see “Regulatory Overview — Inspection upon completion of real estate project.” In dealing with such occurrences, we may suffer damage to our brand value as well as monetary losses.

In addition, under the current PRC laws, property developers must fulfill certain conditions before they can commence pre-sales of the relevant properties and the use and deposit of pre-sales proceeds are also restricted. If we fail to deposit certain of the pre-sales proceeds into the designated custodial accounts in accordance with the relevant PRC laws and any relevant local requirements, we may be subject to certain disciplinary measures, including suspending the allocation of supervisory funds, suspending the qualification of commercial housing online contracting for the project and recording it in the credit files of real estate development enterprises. According to the Notice of the Ministry of Housing and Urban-Rural Development on Further Strengthening the Supervision of the Real Estate Market to Improve the Pre-sale System of Commodity Housing (住房和城鄉建設部關於進一步加強房地產市場監管完善商品住房預售制度有關問題的通知), the pre-sale proceeds of commercial housing shall be fully included in the supervision account, and the supervisory authority shall be responsible for the supervision and control to ensure that the pre-sale funds are used for the construction of commercial housing projects; the pre-sale funds may be appropriated according to the construction progress, but sufficient funds must be retained to ensure the completion and delivery of the construction projects. Local regulations governing the domestic Subsidiaries further regulate the supervision of pre-sale proceeds. As at the Latest Practicable Date, we had not been subject to any penalty by the governmental authorities in relation to our pre-sales proceeds during the Track Record Period. However, there can be no assurance that the PRC government and local authorities will not ban or impose further restrictions on pre-sales. If we fail to comply with the relevant regulations and requirements, we may face fines which could have a material adverse effect on our financial conditions and results of operations.

Our operations may be dependent on a limited number of major suppliers.

Our suppliers are mainly construction contractors and construction material suppliers. During the Track Record Period, we were dependent to a certain extent on a limited number of major suppliers for our property development business. Some of our general contractors and sub-contractors are local level operating entities owned or controlled by group companies in China. Our five largest suppliers, substantially all of whom were general contractor companies in China, accounted for approximately 56.3%, 62.0%, 52.7% and 55.2% of our total purchases, respectively, and our single largest supplier accounted for 18.0%, 41.2%, 29.8% and 36.9% of our total costs of sales during the same periods, respectively. See “Business — Suppliers and Customers” for more details. If a large number of our current major suppliers decide to terminate business relationships with us or, if the services or raw materials supplied by our current suppliers fail to meet our standards, or if our current service or raw material supplies are interrupted for any reason, we may not be able to easily switch to other qualified suppliers

RISK FACTORS

in a timely fashion, which may materially and adversely affect our business and financial results. Also see “Risk Factors — Risks Relating to Our Business — We may fail to complete our property development projects on time, or at all.”

We are susceptible to the effects that interest rate hikes may have on our customers’ mortgage rates and our financing costs.

Changes in interest rates generally affect our customers’ mortgage rates and our financing costs. In the wake of the financial crisis, the PBOC began reducing benchmark interest rates from June 2012 onwards. For example, on June 6, 2012, China’s benchmark one-year lending and deposit rate was lowered to 6.31% from 6.56% on June 8, 2012; it was lowered several more times until it reached 4.35% on October 24, 2015. As of April 30, 2019, this interest rate remained the same. While the PRC economy grows and the U.S. Federal Reserve increases its own benchmark interest rates, we anticipate that the PBOC may adjust benchmark interest rates upward. Any hike in benchmark interest rates is likely to increase our customer’s mortgage rates and our financing costs. Increases in mortgage rates may slow growth in the real estate market, while increases in our financing costs may materially and adversely affect our results of operations.

We rely on contractors during the construction and development stages of our property development projects, who may not perform in accordance with our expectations.

We rely on contractors during the construction and development stage of our property development projects, selecting them based on factors such as market reputation, qualifications, prices and track record. Our contractors are also generally responsible for procuring construction materials, as well as the design of nonstandard projects, landscaping, and interior design work. However, we cannot guarantee that the services rendered or construction materials provided will always meet our expectations. For example, in the event that our contractors fail to deliver properties that are safe for habitation or use on schedule, this may affect our own timelines for delivery to our customers. There can also be no assurance that our contractors will not encounter financial or other difficulties that cause delays, create quality defects or force them to stop working altogether. For more information, see “— We may fail to complete our property development projects on time, or at all.” Additionally, it is possible that we do not discover quality defects until after delivery and there is resulting damage to person or property. We may incur additional costs while taking remedial measures such as replacing contractors, purchasing new construction materials and paying compensation. Any or all of them may materially and adversely affect our business, results of operations, market reputation and access to future business opportunities.

We may experience fluctuations in our construction costs.

We believe that our ability to control construction costs is key to our continued success. Our construction costs primarily relate to the costs of employing our contractors and the prices for our construction materials. As living standards in China improve and the PRC Government seeks to increase the wages of migrant workers, the costs of hiring our contractors may

RISK FACTORS

continue to grow going forward. Furthermore, we rely on our contractors to procure certain construction materials such as steel and cement, and are generally obliged to increase payments to them in the event that the market prices of construction materials fluctuate beyond a pre-determined range. There can be no assurance that we will be able to obtain construction materials on favorable terms or at all, or that shortages or disruptions in supply will not occur in the future. According to C&W, the price of construction materials has generally increased over the past three years based on the construction materials price index from the National Bureau of Statistics. Significant price increases lead to higher cost of sales, and there is no guarantee that we will be able to obtain alternative supplies of construction materials of similar quantity or quality in a timely manner, or at all. We cannot guarantee that we will be able to limit our exposure to price fluctuations or pass on additional costs to our customers. Our ability to pass on additional costs to our customers is limited as our costs may increase after we have dealt with customers in pre-sales of properties before their completion. Failure to manage our construction costs may materially and adversely affect our business and results of operations.

Actual development costs for our property development projects may deviate from our initial estimates, and substantial increases in development costs may materially and adversely affect our results of operations.

We prepare a budget prior to commencing each of our property development projects, taking into account costs for land acquisition, construction and borrowing, among others. While we have internal procedures to monitor our property development projects, factors beyond our control may force us to deviate from our plans. For example, we expect that our construction costs will increase and that interest rates may rise. For more information, see “— We may experience fluctuations in our construction costs” and “— We are susceptible to the effects that interest rate hikes may have on our customers’ mortgage rates and our financing costs.” Additionally, the PRC Government closely monitors the PRC real estate industry and modifies the regulatory landscape from time to time. For example, it may impose additional conditions for issuance or renewal of certain permits, licenses and certificates required at various stages of our property development projects. We may experience delays and cost increases while seeking to meet the new conditions in a timely and effective manner. As we cannot anticipate when or what new policies will be promulgated, our ability to make appropriate provision beforehand is limited. Substantial increases in our development costs may lead to lower profit margins and therefore materially and adversely affect our results of operations.

The actual realizable value of our properties may be substantially lower than their appraisal value and is subject to change.

The appraisal value of our properties as stated in Appendix III to this prospectus was prepared by C&W based on multiple assumptions with subjective and uncertain elements, which include, among others, that:

- we will complete property development projects on time;

RISK FACTORS

- we have obtained or will obtain on a timely basis all licenses and approvals necessary for carrying out our property development projects; and
- we have paid all land premiums and obtained land use rights certificates and transferable land use rights free of additional payment obligations.

The appraisal value of our properties should not be taken as their actual realizable value or a forecast of their actual realizable value. The value of our properties may be affected by unforeseen occurrences stalling the progress of our property development projects as well as national and local economic conditions. The value of our properties may stagnate or decrease if the market for comparable properties in China was experiencing a downturn. For more information, see “— We are susceptible to adverse movements in the PRC real estate market, particularly in provinces and cities where we have property development projects.” In the event that any of the assumptions prove false, and therefore lower the actual realizable value of our properties, we may experience material and adverse effects on our business, financial condition and results of operations.

Impairment losses for properties under development and completed properties held for sale may adversely affect our financial position.

The real estate market volatility may subject us to risks in connection with possible impairment loss for properties under development as well as completed properties held for sale, if we fail to complete the construction and sell the properties in time at our desired prices. Impairment loss may arise when the carrying value of a property exceeds its recoverable amount. We cannot assure you that we may not incur impairment losses, if any or at similar level, during adverse market conditions in the future. If we incur impairment losses or experience increases in impairment losses for properties under development and completed properties held for sale, our financial position may be adversely affected.

We rely on real estate agents to sell and market our property development projects, who may not perform in accordance with our expectations.

During the Track Record Period, we relied on our own sales and marketing team as well as local real estate agents to sell and market our property development projects. We selected and employed local real estate agents based on factors such as market reputation, qualifications, prices and track record. As the local real estate agents we employ are Independent Third Parties, we cannot assure you that they have complied in all material respects with PRC laws and regulations relevant to property sales or fulfill material terms and requirements set forth the contracts with us. In the event that our local real estate agents fail to comply with such PRC laws and regulations or fulfill material terms and requirements set forth the contracts with us, particularly in relation to representations and warranties or sales and marketing campaigns, we may suffer material and adverse effects on our brand value. We may also lose a portion of our customers, suffer reputation damage and therefore our market share in the long term. Additionally, there is no guarantee that our real estate agents will

RISK FACTORS

perform up to our standards of professionalism and effectiveness. We may suffer material and adverse effects on our business and results of operations, as well as incur additional costs while seeking to replace real estate agents unsuited to the task of selling and marketing our properties.

Inappropriate marketing activities or advertising of our properties may lead to penalties, undermine our sales and marketing efforts, cause deterioration to our brand name, and have a material adverse effect on our business.

As a real estate developer in the PRC, we are subject to a number of laws and regulations regarding the marketing and promotion of our property projects, our business and our brand. If any of our advertisements are deemed false, misleading or failing to comply with the relevant laws and regulations, such as the PRC Advertising Law, we may be required to cease to publish the advertisement and eliminate adverse effects and face a fine that may range from three to five times of the advertising fee. In addition, any false advertising may cast doubt on our other disclosures, advertisements, filings and other publications, deteriorate our brand name and reputation, and consequently have a material and adverse effect on our business, financial condition and results of operations. During the Track Record Period, four of our subsidiaries were subject to administrative fines for failing to comply with certain requirements of the PRC Advertising Law. Such penalties amounted to RMB512,600, all of which had been settled as of the Latest Practicable Date. See “Business — Legal Proceedings and Compliance — Compliance with Laws and Regulations — Non-compliance Incidents” for details.

The illiquid nature of property limits our ability to respond to any adverse movements in the performance of our investment portfolio.

We hold certain properties for investment purposes, strategically selecting them based on their potential for appreciation in value and rental income. However, the performance of the real estate market is affected by several factors, many of which are beyond our control. For more information, see “— We are susceptible to adverse movements in the PRC real estate market, particularly in provinces and cities where we have property development projects.” As property investments are inherently illiquid, our ability to sell our properties in response to global, national, regional and/or local conditions, financial or otherwise, is limited. In such circumstances we cannot guarantee that we will be able to divest of properties in our investment portfolio on favorable terms or at all. We may suffer material and adverse effects on our business and financial condition, particularly as we may have expended significant capital resources in building up our investment portfolio.

RISK FACTORS

Future investments or acquisitions may have a material adverse effect on our ability to manage our business.

We may make strategic investments and acquisitions that complement our operations. However, our ability to make successful strategic investment and acquisitions depend on a number of factors, including our ability to identify suitable targets, obtaining required financing on reasonable and favorable terms and governmental approval. In the event that we fail to identify suitable targets or are prevented from making such strategic investments or acquisitions due to financial, regulatory or other constraints, we may not be able to effectively implement our investment or expansion strategies.

Acquisitions typically involve a number of risks, including, but not limited to (i) failure to identify suitable targets; (ii) difficulties in integrating the operations and personnel of the acquired businesses; (iii) difficulties in maintaining uniform standards, controls and policies across the expanded group; (iv) liabilities associated with the acquired businesses that were unknown at the time of acquisition; (v) adverse impact on our results of operations due to amortization and/or impairment for goodwill associated with the acquisitions; and (vi) failure to reap the expected benefits of the investment or acquisition and take advantage of potential synergies in the case of acquisitions. Further, we cannot assure you that we will be able to make acquisitions or investments on favorable terms or within a desired time frame. There is also no assurance that such acquisitions or investment would yield the expected level of return. In addition, we may require additional financing in order to make such acquisitions and investments. Debt financing may result in an increase in the level of our indebtedness while equity financing may result in dilution of ownership of existing Shareholders. Any of these factors could have a material adverse effect on our business, results of operations, financial condition and prospects.

The fair value of our investment properties is likely to fluctuate from time to time and may decrease significantly in the future, which may materially and adversely affect our profitability.

We are required to reassess the fair value of our investment properties at the end of each reporting period. Under IFRS, gains or losses arising from changes in the fair value of our investment properties are included in our combined statements of comprehensive income for the period in which they arise. Our investment properties were valued by C&W, an independent property valuer, as of December 31, 2016, 2017, 2018 and April 30, 2019, on an open market and existing use basis, which reflected market conditions on the respective dates. Based on such valuation, we recognized the aggregate fair value of our investment properties and relevant deferred tax on our combined statements of financial position and increases in fair value of investment properties and movements of the relevant deferred tax on our combined statement of comprehensive income. In 2016, 2017 and 2018 and the four months ended April 30, 2018 and 2019, our fair value gains on investment properties were RMB78.0 million, RMB86.0 million, RMB110.2 million, RMB49.5 million and RMB27.4 million, respectively.

RISK FACTORS

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

Our ownership and operation of commercial properties might subject us to a variety of market, management and operational risks.

During the Track Record Period, we derived a very small portion of revenue from rental income from the operation and lease of self-owned commercial properties. We are subject to risks incidental to the ownership and operation of commercial properties, including volatility in market rental rates and occupancy levels, competition for tenants, costs resulting from on-going maintenance and repair and inability to collect rent from tenants or renew leases with tenants due to bankruptcy, insolvency, financial difficulties or other reasons. In addition, we may not be able to renew leases with our tenants on terms acceptable to us, or increase rental rates to a level of the then prevailing market rate, or at all, upon the expiry of the existing terms. Likewise, we may not be able to enter into new leases at rental rates as expected. All these factors could negatively affect the demand for our investment properties, and as a result, decrease our rental income, which may have an adverse effect on our business, financial condition and results of operations.

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

Pursuant to relevant PRC regulations, parties to a lease agreement are required to file the lease agreements for registration and obtain property leasing filing certificates for their leases. During the Track Record Period, we leased certain properties from independent third-party landlords mainly for our office premises. During the Track Record Period, we failed to register 16 lease agreements under which we are the tenant. The failure to register the lease agreements does not affect the validity of the lease agreements under the relevant PRC laws and regulations, or our rights or entitlements to lease out the investment properties to tenants. However, we may be required by relevant government authorities to file the lease agreements to complete the registration formalities and may be subject to a fine for non-registration within the prescribed time limit, which may range from RMB1,000 to RMB10,000 per lease agreement. The imposition of the above fines could require us to make additional efforts and/or incur additional expenses, any of which could materially and adversely impact our business, financial condition and results of operations. The registration of these lease agreements to which we are a party requires additional steps to be taken by the respective other parties to the

RISK FACTORS

lease agreement which are beyond our control. We cannot assure you that the other parties to our lease agreements will be cooperative and that we can complete the registration of these lease agreements and any other lease agreements that we may enter into in the future.

Furthermore, there are inherent risks of accidents, injuries or prohibited activities (such as illegal drug use, gambling, violence or prostitution by guests and infringement of third parties' intellectual property or other rights by our tenants) taking place in public places of our commercial properties, such as shopping malls. The occurrence of one or more accidents, injuries or prohibited activities at any of our investment properties could adversely affect our reputation among customers and guests, harm our brand, decrease our overall rents and occupancy rates and increase our costs by requiring us to implement additional safeguard measures. In addition, if accidents, injuries or prohibited activities occur at any of our investment properties, we may be held liable for costs, damages and fines. Our current insurance policies may not provide adequate or any coverage for such losses and we may be unable to renew our insurance policies or obtain new insurance policies without increases in premiums and deductibles or decreases in coverage levels, or at all.

We guarantee the mortgage loans provided by financial institutions to our customers and consequently, we are liable to the mortgagees if our customers default.

Our customers may apply for mortgages to purchase our properties. As consistent with market practice, we guarantee these mortgages for up to and until purchasers of our properties obtain a "strata-title building ownership certificate" (分戶產權證) and register it in favor of the mortgage bank. The guarantee period may range from one to three years, and we generally deposit with the mortgage bank a sum equal to or less than five percent of the mortgage amount. In the event that a customer defaults on the mortgage payment, the mortgage bank may deduct the deposited sum from the payment due and demand our immediate payment of the outstanding balance. Once we have satisfied our obligations under the guarantee, the bank would then assign its rights under the mortgage to us and we would have full recourse to the property.

As we generally rely on credit assessments conducted by banks on our customers in making our guarantees, we cannot guarantee that they will be sufficient. Yet even if we were to conduct our own credit assessments on the customers, we cannot guarantee that one or more of our customers will not default on us going forward, particularly as there is limited financial or public information on many of them. There can also be no assurance that we will be able to estimate and make appropriate provision for defaults. Furthermore, any significant decline of the economic condition of the PRC or local markets in which we operate may lead to lowered income of our customers and, subsequently, an increased risk of default on loans. We did not experience any material defaults by customers on their mortgage loans during the Track Record Period. In the event that several guarantee payment obligations arise at a time, we may experience material and adverse effects on our business, financial condition and results of operations, especially if the market value of our properties depreciates substantially or the prevailing conditions prevent us from reselling our properties on favorable terms.

RISK FACTORS

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

Certain portions of our property development projects and investment properties are designated as civil air defense properties. According to the PRC laws and regulations, new buildings constructed in cities should contain basement areas that can be used for civil air defense purposes in times of war. Under the PRC Civil Air Defense Law (《中華人民共和國人民防空法》) promulgated by the NPC on October 29, 1996, as amended on August 27, 2009 and Management Measures for Peacetime Development and Usage of Civil Air Defense Properties (人民防空工程平時開發利用管理辦法) promulgated by the House Civil Air Defense Office on November 2001, after obtaining the approval from the civil air defense supervising authority, a developer can manage and use such areas designated as civil air defense properties at other time and generate profits from such use. During the Track Record Period, we had entered into contracts to transfer the right to use civil air defense properties in our property development projects to our customers as car parks and we intend to continue such transfer. However, in times of war, such areas may be used by the government at no cost. In the event of war and if the civil air defense area of our projects is used by the public, we may not be able to use such area as car parks, and such area will no longer be a source of our revenue. In addition, while our business operations have complied with the laws and regulations on civil air defense property in all material aspects, we cannot assure you that such laws and regulations will not be amended in the future which may make it more burdensome for us to comply with and increase our compliance cost. The civil air defense areas of our projects are primarily used or to be used for car parks, representing an insignificant portion of our property portfolio.

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

Properties that we develop for sale are subject to a Land Appreciation Tax (“LAT”). Under PRC tax laws and regulations, all income derived from the sale or transfer of land use rights, buildings and their ancillary facilities in China are subject to LAT at rates ranging from 30% to 60% on the appreciated value of the properties. LAT is calculated based on the proceeds received from the sale of properties less deductible expenditures. We make provision for the estimated full amount of applicable LAT in accordance with relevant PRC tax laws and regulations. Our estimates are based on, among other factors, our own apportionment of deductible expenses, which is subject to final confirmation by the relevant tax authorities upon settlement of the LAT.

As of the Latest Practicable Date, we had not had any disagreements with the relevant authorities respecting our LAT calculations. However, we cannot assure you that this will always be the case going forward. The relevant authorities may conclude that we are liable for more substantial LAT payments with respect to past liabilities and present obligations. Furthermore, as we expand into provinces and cities in which we have no existing business operations, we may find that our original provisions for LAT will be insufficient to cover our

RISK FACTORS

actual LAT obligations due to lack of experience in and knowledge of our new markets. We may experience material and adverse effects on our cash flow, financial condition and results of operations while seeking to pay the shortfall amount to relevant authorities, which may in turn lead to restrictions on our ability to implement our business strategies.

Failure to protect our intellectual property rights may materially and adversely affect our brand value.

We rely on our trade name and trademarks to build brand value and recognition, which we believe are integral to consolidating and building our market presence. However, brand value is based largely on public perception. It may diminish in the event that we fail to deliver properties that are safe for habitation, are subjected to negative publicity, offer consistently negative experiences to third parties that deal with us or are perceived as unethical or socially irresponsible. Even isolated incidents may lower market trust and reduce demand for our properties in the long term.

In particular, unauthorized use or infringement of our trade name or trademarks may impair our brand value and recognition. Third parties may use our intellectual property in ways that damage our reputation in the real estate industry. Although we are not aware that any such instances occurred during the Track Record Period, we cannot guarantee that our measures to protect our intellectual property will be sufficient. We primarily rely on contracts with our employees and business partners under trademark and copyright laws and regulations to protect our intellectual property rights. For more information, see “Business — Intellectual Property.” Despite the precautions taken, there can be no assurance that we will be able to detect all misappropriation or unauthorized use of our trade name and trademarks in a timely manner, or at all. There is also no guarantee that we will be successful in any enforcement proceedings that we undertake. Litigation to protect our intellectual property may be time-consuming, costly and divert management attention from our operations. We may experience material and adverse effects on our business and financial condition in the short term, while failures to protect our intellectual property rights may diminish our competitiveness and market share in the long term.

Compliance with PRC laws and regulations regarding environmental protection and the preservation of antiquities and monuments may delay the progress of our property development projects and create additional costs.

We are subject to various laws and regulations concerning environmental protection and the preservation of antiquities and monuments, which effectively prohibit and restrict property development in certain regions. For more information, see “Regulatory Overview.” While navigating this regulatory regime, we may incur additional compliance costs, leading to lower profit margins and material and adverse effects on our results of operations. We may also be forced to delay our construction plans and fail to complete properties on time, suffering damage to our reputation and access to future business opportunities. For more information, see “— We may fail to complete our property development projects on time, or at all.”

RISK FACTORS

As environmental awareness grows in China, we anticipate that the PRC Government will continue to promulgate increasingly stringent environmental laws and regulations. We also believe that we, and our environmental impact assessment reports, will be evaluated against higher standards for compliance with the regulatory regime. We anticipate that these developments will increase our project development costs in general. Moreover, should the public perceive us as socially irresponsible on environmental issues, the consequent damage to our reputation may diminish our brand value. For more information, see “— Failure to protect our intellectual property rights may materially and adversely affect our brand value.”

Failure to retain members of our senior management team and key personnel may have a material and adverse impact on our competitiveness among real estate developers and business operations.

Our continuing and future success depends on the efforts of our senior management team. As they possess industry expertise, know-how or experience in key areas such as property development, construction and sales and marketing, and losing their services may have a material and adverse effect on our ability to grow and sustain our business. Members of our senior management team collectively have an average of approximately 10 years in the real estate industry. For more information on our directors and senior management, see “Directors and Senior Management.” Should any or all members of our senior management team join or form a competing business with their expertise, business relationships and full knowledge of our business operations, we may not be able to estimate the extent of and compensate for such damage. Unexpected resignations may also leave key operations without supervisors and materially and adversely affect the implementation of our business strategies. There can be no assurance that we will be able to recruit personnel with equivalent qualifications in a timely manner or at all, as competition for experienced management is intense in our industry.

We may be involved in claims, legal proceedings and other disputes from time to time arising out of our operations, which may adversely affect our financial condition, divert management attention and harm our reputation.

We may be directly or indirectly involved in claims, legal proceedings and other disputes with various parties involved in our property development projects, such as contractors, regulatory bodies, business partners and customers. For more information, see “Business — Legal Proceedings and Compliance.” These claims, legal proceedings and other disputes may relate to, among other issues, contractual warranty disputes, employment, intellectual property and delivery without passing the necessary quality inspection procedures. For example, earlier purchasers of our properties may allege that we did not fulfill our representations and warranties in the subsequent planning and development of our property development projects. For more information, see “— We are exposed to contractual and legal risks related to pre-sales.” We may also be subject to claims, legal proceedings and other disputes with our purchasers or other third parties in respect of the pricing practice of our properties and/or related work such as interior decorations. We cannot assure that we will not be involved in any major dispute or legal proceedings in the future and any involvement in such disputes or proceedings may materially and adversely affect our business, financial condition and brand

RISK FACTORS

name. Any claims, legal proceedings and other disputes brought against us, with or without merit, could result in substantial costs and divert capital resources and management attention. We may suffer damage to our reputation regardless of whether we prevail, leading to material and adverse effects on our business and brand value.

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

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

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

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

Our insurance coverage may not sufficiently cover the risks related to our business.

Consistent with customary practice in China, we do not carry any business interruption insurance or litigation insurance. For more information about the insurance policies we maintain, see “Business — Insurance.” Moreover, we do not insure our property development projects against disruptions or damage caused by natural disasters, wars, civil unrest, acts of terrorism and other instances giving rise to force majeure. We may be required to bear our losses to the extent that our insurance coverage is insufficient. If we were to incur substantial losses and liabilities that are not covered by our insurance policies, we could suffer significant costs and diversion of our resources, and thereby materially and adversely affect our financial condition and results of operations.

RISK FACTORS

We may experience failures in or disruptions to our information technology systems.

We rely on our information technology systems to manage key operational functions such as processing financial data and coordinating business operations among the operational teams between the teams at the Group and city level. However, we cannot assure you that damages or interruptions caused by power outages, computer viruses, hardware and software failures, telecommunication failures, fires, natural disasters, security breaches and other similar occurrences relating to our information systems will not occur going forward. We may incur significant costs in restoring any damaged information technology systems. Failures in or disruptions to our information technology systems and loss or leakage of confidential information could cause transaction errors, processing inefficiencies and the loss of customers and sales. We may thus experience material and adverse effects on our business and results of operations.

RISKS RELATING TO OUR INDUSTRY

The real estate industry is closely monitored by the PRC Government and we may fail to adapt to new laws and regulations in ways that are profitable to our business.

The PRC Government closely monitors the real estate industry and promulgates new laws and regulations that are relevant to our business from time to time. Among other measures, the PRC Government may reduce the land available for property development, impose foreign exchange restrictions on cross-border investment and financing and restrict foreign investment. Such policies, which may be introduced to curb overheating in the real estate industry, may reduce market demand for our properties. Laws and regulations promulgated to regulate other sectors of the economy may also indirectly affect our industry; for example, the PRC Government may raise benchmark interest rates in parallel with national economic growth. This could effectively increase mortgage rates for our customers and our financing costs. For more information, see “— Risks Relating to Our Business — We are susceptible to the effects that interest rate hikes may have on our customers’ mortgage rates and our financing costs.” There can also be no assurance that the PRC Government will not promulgate new and evermore restrictive measures in the future, nor that we will be able to anticipate and make provision for such developments in advance. We may fail to adapt to and navigate the regulatory landscape in ways that are profitable to our business.

In the event that the PRC Government restricts our ability to conduct pre-sales, we may lose a major source of funding for our property development projects.

Our revenue from pre-sales and sales of properties is a major source of funding for our property development projects. However, in August 2005, the PBOC issued the “2004 Real Estate Financing Report” recommending that the practice of pre-selling properties be discontinued. The reasoning was that pre-sales may create market risks and transactional irregularities. Moreover, on September 21, 2018, Guangdong Real Estate Association issued an “Emergency Notice on the Relevant Opinions on Providing the Pre-sale Permit for Commodity Houses” (《關於請提供商品房預售許可有關意見的緊急通知》), asking for opinions on the

RISK FACTORS

cancellation of the pre-sale system of commodity residential properties. We cannot guarantee that the PRC Government will not adopt this recommendation or impose additional restrictions on pre-sales going forward. Under current PRC laws and regulations, we are required to fulfill certain conditions prior to commencing pre-sales. Additionally, we are also only able to use our proceeds to finance construction of properties to which individual pre-sales relate. In the event that the PRC Government imposes bans or further restrictions on the conduct of pre-sales, we may be forced to seek alternative sources of funding to finance our property development projects. Alternative sources of funding may not be available to us on favorable terms or at all, and we may suffer material and adverse effects on our business and results of operations.

Restrictions on foreign investment may materially and adversely affect our ability to invest in our PRC subsidiaries.

In order to curtail overheating in the real estate industry, the PRC Government has sought to regulate foreign investment in property. For example, on June 18, 2008, MOFCOM promulgated the “Notice on Better Implementation of the Filing of Foreign Investment in the Real Estate Industry” (關於做好外商投資房地產業備案工作的通知). This authorizes relevant authorities to verify documentation filed with respect to property development projects involving foreign investment. It effectively restricts our ability to fund our PRC subsidiaries through shareholder loans. We must also obtain approvals from the relevant authorities and register with MOFCOM prior to making equity contributions to our PRC subsidiaries. The time required for such procedures may delay us in implementing business strategies that are sensitive to timing and market movements.

There can be no assurance that the PRC Government will not promulgate laws and regulations that materially and adversely affect our ability to invest in our PRC subsidiaries going forward. The PRC Government may impose additional conditions toward establishing foreign-invested real estate enterprises and tighten foreign exchange controls. Such measures may materially and adversely affect our ability to invest in our PRC subsidiaries, and therefore hamper the growth of our business. Our PRC subsidiaries may be forced to search for other sources of financing, which may not be available on favorable terms or at all.

We may fail to compete effectively against other property developers.

The real estate market in provinces and cities where we have existing operations, or plan to have existing operations, is intensely competitive. According to C&W Report, we were ranked first among property developers in Jiangxi Province in terms of the total contracted sales amount from sale of residential properties in 2017, 2018 and the first quarter of 2019. In 2019, in terms of comprehensive property development ability, we were ranked 31st among the top 100 property developers in the PRC according to CREIS, and ranked 39th among the top 500 property developers according to the China Real Estate Association. Our competitors include property developers who operate on a national, regional and local scale as well as those that come from overseas. They may have stronger capital resources, wider sales and distribution networks, greater brand or name recognition, greater expertise in regional and local markets and greater financial, technical, marketing and public relations resources than we

RISK FACTORS

do. Such property developers may be better positioned than we are to compete for land, financing, raw materials, skilled management and labor resources, especially in first-and second-tier cities in China. We may find that there are fewer contractors with successful track records available at a time and experience difficulties with selling our properties, delays in the issuance and renewal of our government approvals and higher costs in attracting or retaining talented employees. Our efforts to achieve market acceptance and brand recognition may require us to reduce prices for our properties, while competitive pressures steadily increase our cost of sales. There is no assurance that we will be able to pass additional costs on to our customers. Indeed, our ability to do so is limited as our costs may not increase until after our pre-sales, at which time the purchase prices have already been agreed with our pre-sale customers and cannot be changed. Failures to compete effectively may diminish our sales and erode our market share, which could in turn materially and adversely affect our business, financial condition, results of operations and competitive position.

We are exposed to risks associated with operating in an industry yet in the adjustment and optimization stage.

As the real estate industry in China is yet in the adjustment and optimization stage, investors may be discouraged from acquiring properties as there is a limited amount of accurate financial and regulatory information publicly available. Other factors that discourage investment in real estate may include the limited number of mortgage financing options available, legal uncertainties to do with enforcement of title and the lack of a liquid secondary market for residential properties. Though demand for private residential property has grown in recent years, the real estate market has experienced volatility and price fluctuations. The risk of over-supply has also surfaced as investments in real estate are increasingly made for speculative reasons. We are exposed to risks associated with operating in such a business environment. Any of the above-named factors may reduce demand for our properties. We may be forced to lower our prices, and the resulting decrease in our profit margins may materially and adversely affect our business and results of operations.

RISKS RELATING TO THE PRC

We are vulnerable to adverse changes in economic, political and social conditions and government policies in China.

We manage and operate all of our business operations within the PRC. Accordingly, our financial condition, results of operations and prospects are, to a significant degree, subject to the economic, political, social and legal conditions in China. The PRC economy differs from that of most developed countries in many respects, including the extent of government involvement, level of economic development, investment control, resource allocation, growth rate and control over foreign exchange. Before its adoption of reform and open-door policies beginning in 1978, China was primarily a planned economy. Since then, the PRC economy has been transitioning to become a market economy with socialist characteristics.

RISK FACTORS

For approximately four decades, the PRC Government has implemented economic reform measures to utilize market forces in the PRC economy. Many of the reform measures are unprecedented or experimental and are expected to be modified from time to time. Other political, economic and social factors may lead to further readjustment or introduction of other reform measures. This reform process and any changes in laws and regulations or the interpretation or implementation thereof in China may have a material impact on our operations or may adversely affect our financial condition and results of operations.

While the PRC economy has grown significantly in recent years, this growth has been geographically uneven among various sectors of the economy and during different periods. We cannot assure you that the PRC economy will continue to grow, or that if there is growth, such growth will be steady and uniform. Any economic slowdown may materially and adversely affect our business. In the past, the PRC Government has periodically implemented a number of measures intended to slow down certain segments of the economy that the PRC Government believed was overheating. We cannot assure you that the various macroeconomic measures and monetary policies adopted by the PRC Government to guide economic growth and allocate resources will be effective in improving the growth rate of the PRC economy. In addition, such measures, even if they benefit the overall PRC economy in the long term, may reduce demand for our properties and therefore materially and adversely affect our business, financial condition and results of operations.

China's economic growth may also slow down due to weakened exports as well as recent developments surrounding the trade-war with the United States. Starting in March 2018, the United States imposed tariffs on steel and aluminum imported from China, and later on July 6, 2018, the United States imposed 25% tariffs on US\$34 billion worth of Chinese goods as part of President Donald Trump's tariffs policy. The PRC imposed similarly sized tariffs on United States' products. On May 10, 2019, the United States imposed 25% tariffs on approximately US\$200 billion worth of goods imported from China. On May 13, 2019, the PRC government announced that they will increase the tariff rates for certain US-imported goods from June 1, 2019. While the United States and China have reached a truce in their escalating trade war, uncertainties still remain and the lasting impacts the trade war may have on the PRC economy and the PRC real estate industry uncertain. Should the trade war between the United States and the PRC begin to materially impact the PRC economy, the purchasing power of our customers in the PRC would be negatively affected.

Restrictions on currency exchange under PRC laws and regulations may limit our ability to satisfy obligations denominated in foreign currencies.

Currently, the Renminbi cannot be freely converted into foreign currencies, and the conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations. Substantially all of our revenue is denominated in Renminbi. Under our current corporate structure, we derive our income primarily from dividend payments made by our PRC subsidiaries. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries to pay dividends or other payments to us or satisfy other foreign currency-denominated obligations, if any. Additionally, the PBOC has adjusted the Renminbi

RISK FACTORS

deposit reserve ratio for major banks several times since 2010, first upward (to a peak of 21.5%) and more recently downward (to its present level of 14.5% for large institutions and 12.5% for smaller banks as of January 4, 2019). Effective April 25, 2018, the PBOC would make downward adjustment of the Renminbi deposit reserve ratio to a minimum of 16.0% for banks meeting certain conditions.

Under existing PRC foreign exchange regulations, the Renminbi is convertible without prior approval from SAFE for current account transactions so long as certain procedures are complied with. Examples of such current account transactions include profit distributions and interest payments. However, prior approval and registration with SAFE is required for capital account transactions. Examples of capital account transactions include foreign direct investment and the repayment of loan principal. There can be no assurance that the PRC Government, in seeking to regulate the economy, will not restrict access to foreign currencies for current account transactions in the future. Such restrictions may limit our ability to convert cash from our operating activities into foreign currencies to make dividend payments or satisfy any foreign currency-denominated obligations we may have. Moreover, limitations on the flow of funds between us and our PRC subsidiaries may restrict our ability to provide financing to our PRC subsidiaries and take advantage of business opportunities in response to market conditions.

Fluctuations in exchange rates may have a material and adverse impact on your investment.

The exchange rate of the Renminbi fluctuates against the Hong Kong dollar, U.S. dollar and other foreign currencies and is affected by, among other factors, the policies of the PRC Government and changes in international and domestic political and economic conditions. From 1995 to July 20, 2005, the conversion of the Renminbi into foreign currencies was based on fixed rates set by the PBOC. However, effective from July 21, 2005, the PRC Government decided to permit the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On November 30, 2015, the Executive Board of the International Monetary Fund completed a regular five-year review of the basket of currencies that make up the Special Drawing Right and determined that, effective from October 1, 2016, the Renminbi will be included in the Special Drawing Right basket as a fifth currency along with the U.S. dollar, the Euro, the Japanese yen and the British pound. It is difficult to predict how market forces and the PRC Government's policies will continue to impact Renminbi exchange rates going forward. In light of the trend towards Renminbi internationalization, the PRC Government may announce further changes to the exchange rate system, and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against the Hong Kong dollar, U.S. dollar or other foreign currencies.

RISK FACTORS

Substantially all of our revenue, liabilities and assets are denominated in Renminbi, while our proceeds from the Global Offering will be denominated in Hong Kong dollars. For the years ended December 31, 2016 and 2017 and the four months ended April 30, 2018 and 2019, we recorded gains from exchange differences on translation of foreign operations in the amount of nil, RMB48.3 million, RMB64.1 million and RMB45.0 million, respectively. For the year ended December 31, 2018, we recorded a loss of RMB93.9 million from exchange differences on translation of foreign operations of Hong Kong Oeming Enterprise Management Co., Ltd., whose revenue was recorded in Hong Kong dollars. See “Financial Information — Description of Certain Combined Statements of Profit or Loss — Exchange differences on translation of foreign operations” for more details. Material fluctuations in the exchange rate of the Renminbi against the Hong Kong dollar may negatively impact our financial results and the value and amount of any dividends payable on our Shares. For example, significant appreciation of the Renminbi against the Hong Kong dollar could reduce the amount of Renminbi received from converting Global Offering proceeds or proceeds from future financing efforts to fund our operations. Conversely, significant depreciation of the Renminbi may increase the cost of converting our Renminbi-denominated cash flow into Hong Kong dollars, thereby reducing the amount of cash available for paying dividends on our Shares or carrying out other business operations.

Inflation in China could negatively affect our profitability and growth.

Economic growth in China has, in the past, been accompanied by periods of high inflation. In response, the PRC Government has implemented policies from time to time to control inflation, such as restricting the availability of credit by imposing tighter bank lending policies or higher interest rates. The PRC Government may take similar measures in response to future inflationary pressures. Rampant inflation without the PRC Government’s mitigation policies would likely increase our costs, thereby materially reducing our profitability. There is no assurance that we will be able to pass any additional costs to our customers. On the other hand, such control measures may also lead to slower economic activity and we may see reduced demand for our properties.

Uncertainties with respect to the PRC legal system could limit the legal protection available to you.

The legal system in China has inherent uncertainties that could limit the legal protection available to our Shareholders. As we conduct substantially all of our business operations in China, we are principally governed by PRC laws, rules and regulations. The PRC legal system is based on the civil law system. Unlike the common law system, the civil law system is established on the written statutes and their interpretation by the Supreme People’s Court (最高人民法院), while prior legal decisions and judgments have limited significance as precedent. The PRC Government has been developing a commercial law system, and has made significant progress in promulgating laws and regulations related to economic affairs and matters, such as corporate organization and governance, foreign investments, commerce, taxation and trade.

RISK FACTORS

However, many of these laws and regulations are relatively new and there is a limited volume of published decisions. Thus, there are uncertainties involved in their implementation and interpretation, which might not be as consistent and predictable as in other jurisdictions. In addition, the PRC legal system is based in part on government policies and administrative rules that may have retroactive effect. Consequently, we may not be aware of any violation of these policies and rules until sometime after such violation has occurred. Furthermore, the legal protection available to you under these laws, rules and regulations may be limited. Any litigation or regulatory enforcement action in China may be protracted and result in substantial costs and diversion of resources and management attention.

You may experience difficulties in effecting service of process or enforcing foreign judgments against us, our Directors or senior management residing in China.

Our Company is incorporated in the Cayman Islands. Substantially all of our assets are located in China and substantially all of our Directors and senior management reside in China. Therefore, it may not be possible to effect service of process within Hong Kong or elsewhere outside of China upon us or our Directors or senior management. Moreover, China has not entered into treaties for the reciprocal recognition and enforcement of court judgments with Japan, the United Kingdom, the United States and many other countries. As a result, recognition and enforcement in China of a court judgment obtained in other jurisdictions may be difficult or impossible.

In addition, on July 14, 2006, China and Hong Kong signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the “Arrangement”). Pursuant to the Arrangement, a party with a final court judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in China. Similarly, a party with a final judgment rendered by a PRC court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of such judgment in Hong Kong. A choice of court agreement in writing is defined as any agreement in writing entered into between the parties after the effective date of the arrangement in which a Hong Kong or PRC court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it may not be possible to enforce a judgment rendered by a Hong Kong court in China if the parties in dispute do not agree to enter into a choice of court agreement in writing. On January 18, 2019, the Supreme People’s Court of the PRC and Hong Kong entered into an agreement regarding the scope of judgments which may be enforced between China and Hong Kong (關於內地與香港特別行政區法院相互認可和執行民商案件判決的安排) (the “New Arrangement”). The New Arrangement will broaden the scope of judgments that may be enforced between China and Hong Kong under the Arrangement. Whereas a choice of jurisdiction need to be agreed in writing in the form of an agreement between the parties for the selected jurisdiction to have exclusive jurisdiction over a matter under the Arrangement, the New Arrangement provides that the court where the judgment was

RISK FACTORS

sought could apply jurisdiction in accordance with the certain rules without the parties' agreement. The New Arrangement will replace the Arrangement when the former becomes effective. However, as of the Latest Practicable Date, the New Arrangement has not become effective and no specific date has been determined as its effective date. The Arrangement continues to apply and, as such, it may be difficult or impossible for investors to enforce a Hong Kong court judgment against our assets or our Directors or senior management in China.

We may be deemed a PRC resident enterprise under the EIT Law and be subject to a tax rate of 25% on our global income.

Pursuant to the EIT Law, which came into effect on January 1, 2008 and was amended on February 24, 2017 and December 29, 2018, an enterprise established outside China whose “de facto management body” is located in China is considered a “PRC resident enterprise” and will generally be subject to the uniform enterprise income tax rate, or EIT rate, of 25% on its global income. Under the implementation rules of the EIT Law, “de facto management body” is defined as the organizational body that effectively exercises management and control over such aspects as the business operations, personnel, accounting and properties of the enterprise.

On April 22, 2009, SAT released the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies (關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知) (the “Circular 82”), as amended on January 29, 2014, which sets out the standards and procedures for determining whether the “de facto management body” of an enterprise registered outside of China and controlled by PRC enterprises or PRC enterprise groups is located within China. Under Circular 82, a foreign enterprise controlled by a PRC enterprise or PRC enterprise group is considered a PRC resident enterprise if all of the following apply: (i) the senior management and core management departments in charge of daily business operations are located mainly within China; (ii) financial and human resources decisions are subject to determination or approval by persons or bodies in China; (iii) major assets, accounting books, company seals and minutes and files of board and shareholders' meetings are located or kept within China; and (iv) at least half of the enterprise's directors with voting rights or senior management reside within China. In addition, Circular 82 also requires that the determination of “de facto management body” shall be based on the principle that substance is more important than form. Further to Circular 82, SAT issued the Chinese-Controlled Offshore Incorporated Resident Enterprises Income Tax Regulation (Trial Implementation) (境外註冊中資控股居民企業所得稅管理辦法 (試行)) (the “Bulletin 45”), which took effect on September 1, 2011 and amended on June 1, 2015 and June 18, 2016, to provide more guidance on the implementation of Circular 82 and clarify the reporting and filing obligations of such “Chinese-controlled offshore incorporated resident enterprises.” Bulletin 45 provides procedures and administrative details for the determination of resident status and administration of post-determination matters. Although Circular 82 and Bulletin 45 explicitly provide that the above standards apply to enterprises which are registered outside of China and controlled by PRC enterprises or PRC enterprise groups, Circular 82 may reflect SAT's criteria for determining the tax residence of foreign enterprises in general. Substantially

RISK FACTORS

all members of our senior management are currently based in China; if we are deemed a PRC resident enterprise, the EIT rate of 25% on our global taxable income may reduce capital we could otherwise divert to our business operations.

You may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our Shares under PRC law.

Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between China and your jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are non-PRC resident enterprises, which do not have an establishment or place of business in China, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% PRC income tax rate if such gains are regarded as income derived from sources within China unless a treaty or similar arrangement provides otherwise. Under the PRC Individual Income Tax Law (中華人民共和國個人所得稅法) and its implementation rules, dividends from sources within China paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to a 20% PRC income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws.

Although we conduct substantially all of our business operations in China, it is unclear whether dividends we pay with respect to our Shares, or the gain realized from the transfer of our Shares, would be treated as income derived from sources within China and as a result be subject to PRC income tax if we are considered a PRC resident enterprise. If PRC income tax is imposed on gains realized from the transfer of our Shares or on dividends paid to our non-PRC resident investors, the value of your investment in our Shares may be materially and adversely affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with China may not qualify for benefits under such tax treaties or arrangements.

Regulations relating to offshore investment activities by PRC residents may subject us to fines or sanctions imposed by the PRC Government, including restrictions on the ability of our PRC subsidiaries to pay dividends or make distributions to us and our ability to increase our investment in our PRC subsidiaries.

SAFE promulgated Circular 37 in July 2014, which abolished and superseded the Circular on Relevant Issues Concerning Foreign Exchange Administration for PRC Residents to Engage in Financing and Round Trip Investment via Overseas Special Purpose Vehicles (關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知). Pursuant to Circular 37 and its implementation rules, PRC residents, including PRC institutions and individuals, must register with local branches of SAFE in connection with their direct or indirect offshore investments in an overseas special purpose vehicle, or SPV, directly established or indirectly

RISK FACTORS

controlled by PRC residents for the purposes of offshore investment and financing with their legally owned assets or interests in domestic enterprises, or their legally owned offshore assets or interests or any inbound investment through SPVs. Such PRC residents are also required to amend their registrations with SAFE when there is change to the required information of the registered SPV, such as changes to its PRC resident individual shareholder, name, operation period or other basic information, or the PRC individual resident's increase or decrease in its capital contribution in the SPV, or any share transfer or exchange, merger or division of the SPV. In accordance with Circular 13, the foreign exchange registration aforesaid has been directly reviewed and handled by banks since June 1, 2015, and SAFE and its branches perform indirect regulation over such foreign exchange registration through local banks. Under this regulation, failure to comply with the registration procedures set forth in Circular 37 may result in restrictions being imposed on the foreign exchange activities of our PRC subsidiaries, including the payment of dividends and other distributions to its offshore parent or affiliate, the capital inflow from the offshore entities and its settlement of foreign exchange capital, and may also subject the relevant onshore company or PRC residents to penalties under PRC foreign exchange administration regulations.

We are committed to complying with and ensuring that our Shareholders who are subject to the regulations will comply with the relevant rules. Any future failure by any of our Shareholders who is a PRC resident, or controlled by a PRC resident, to comply with relevant requirements under this regulation could subject us to penalties or sanctions imposed by the PRC Government. However, we may not at all times be fully aware or informed of the identities of all of our Shareholders who are PRC residents, and we may not always be able to timely compel our Shareholders to comply with the requirements of Circular 37. Moreover, there is no assurance that the PRC Government will not have a different interpretation of the requirements of Circular 37 in the future.

PRC laws and regulations establish more complex procedures for some acquisitions of PRC companies by foreign investors, which could make it difficult for us to pursue growth through acquisitions in China.

A number of PRC laws and regulations, including the M&A Rules, the Anti-Monopoly Law (反壟斷法), and the Rules of MOFCOM on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (商務部實施外國投資者併購境內企業安全審查制度的規定) promulgated by MOFCOM on August 25, 2011 and effective from September 1, 2011 ("Security Review Rules"), have established procedures and requirements that are expected to make the review of certain merger and acquisition activities by foreign investors in China more time-consuming and complex. These include requirements in some instances to notify MOFCOM in advance of any transaction in which foreign investors take control of a PRC domestic enterprise, or to obtain approval from MOFCOM before overseas companies established or controlled by PRC enterprises or residents acquire affiliated domestic companies. PRC laws and regulations also require certain merger and acquisition transactions to be subject to merger control or security review.

RISK FACTORS

The Security Review Rules prohibits foreign investors from bypassing the security review requirement by structuring transactions through proxies, trusts, indirect investments, leases, loans, control through contractual arrangements or offshore transactions. If we are found to be in violation of the Security Review Rules and other PRC laws and regulations with respect to merger and acquisition activities in China, or fail to obtain any of the required approvals, the relevant regulatory authorities would have broad discretion in dealing with such violations, including levying fines, revoking business and operating licenses, confiscating our income and requiring us to restructure or unwind our restructuring activities. Any of these actions could cause significant disruption to our business operations and may materially and adversely affect our business, financial condition and results of operations. Furthermore, if the business of any target company we plan to acquire falls into the ambit of security review, we may not be able to successfully acquire such company either by equity or asset acquisition, capital contribution or any contractual arrangement. We may grow our business in part by acquiring other companies operating in our industry. Complying with the requirements of the relevant regulations to complete such transactions could be time-consuming, and any required approval processes, including approval from MOFCOM, may delay or inhibit our ability to complete such transactions, thus affecting our ability to expand our business or maintain our market share.

The national and regional economies in China and our business may be adversely affected by factors beyond our control such as natural disasters, acts of war or terrorism and epidemics.

Our business is subject to general economic and social conditions in China. Certain factors beyond our control may adversely affect the economy, infrastructure and livelihood of people in the region where we conduct our business operations. Some regions in China may be susceptible to the threat of natural disasters, potential wars, terrorist attacks or epidemics such as Ebola, Severe Acute Respiratory Syndrome (SARS), H1N1 influenza, H5N1 influenza, H7N9 influenza and H3N2 influenza. Serious natural disasters and acts of war or terrorism may result in, among others, power shortages or failures, loss of life, injuries, destruction of assets and disruption of our business operations. Severe communicable disease outbreaks may cause a widespread health crisis that materially and adversely affects economic systems and financial markets. Any of these factors and others beyond our control could have an adverse effect on the overall business sentiment and environment, create uncertainties in the region where we conduct our business operations, cause our business to suffer in ways that we cannot predict and materially and adversely impact our business, financial condition and results of operations.

RISK FACTORS

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior market for our Shares, and their liquidity and market price following the Global Offering may be volatile.

Prior to the Global Offering, there was no public market for our Shares. The indicative offer price range and the Offer Price will be determined by negotiations between us and the Joint Representatives (for themselves and on behalf of the Underwriters), and they may differ significantly from the market price of our Shares following the Global Offering.

We have applied to list and deal in our Shares on the Stock Exchange. However, even if approved, there can be no guarantee that: (i) an active or liquid trading market for our Shares will develop; or (ii) if such a trading market does develop, it will be sustained following completion of the Global Offering; or (iii) the market price of our Shares will not decline below the Offer Price. The trading volume and price of our Shares may be subject to significant volatility in response to, among others, the following factors:

- variations in our financial condition and/or results of operations;
- changes in securities analysts' estimates of our financial condition and/or results of operations, regardless of the accuracy of information on which their estimates are based;
- changes in investors' perception of us and the investment environment generally;
- loss of visibility in the markets due to lack of regular coverage of our business;
- strategic alliances or acquisitions;
- industrial or environmental accidents, litigation or loss of key personnel;
- changes in laws and regulations that impose limitations on our industry;
- fluctuations in the market prices of our properties;
- announcements made by us or our competitors;
- changes in pricing adopted by us or our competitors;
- release or expiry of lock-up or other transfer restrictions on our Shares;
- the liquidity of the market for our Shares; and
- general economic and other factors.

RISK FACTORS

Potential investors will experience immediate and substantial dilution as a result of the Global Offering and could face dilution as a result of future equity financings.

The Offer Price substantially exceeds the per Share value of our net tangible assets after subtracting our total liabilities, and therefore potential investors will experience immediate dilution when they purchase our Shares in the Global Offering. If we were to distribute our net tangible assets to our Shareholders immediately following the Global Offering, potential investors would receive less than the amount they paid for their Shares.

We will comply with Rule 10.08 of the Listing Rules, which specifies that no further Shares or other securities of the Company (subject to certain exceptions) may be issued or form the subject of any agreement to such an issue within six months from the Listing Date. However, after six months from the Listing Date we may raise additional funds to finance future acquisitions or expansions of our business operations by issuing new Shares or other securities of the Company. As a result, the percentage shareholding of the then Shareholders may be diluted and such newly issued Shares or other securities may confer rights and privileges that have priority over those of the then Shareholders.

Future or perceived sales of substantial amounts of our Shares could affect their market price.

The market price of our Shares could decline as a result of future sales of substantial amounts of our Shares or other related securities, or the perception that such sales may occur. Our ability to raise future capital at favorable times and prices may also be materially and adversely affected. Our Shares held by the Controlling Shareholders are currently subject to certain lock-up undertakings, the details of which are set out in “Underwriting — Underwriting Arrangements and Expenses — Undertakings to the Stock Exchange pursuant to the Listing Rules”. However, there is no assurance that following the expiration of the lock-up periods, these Shareholders will not dispose of any Shares. We cannot predict the effect of any future sales of the Shares by any of our Shareholders on the market price of our Shares.

We may not declare dividends on our Shares in the future.

Any declaration of dividends will be proposed by our Board of Directors, and the amount of any dividends will depend on various factors, including, without limitation, our results of operations, financial condition, capital requirements and surplus, contractual restrictions, future prospects and other factors which our Board of Directors may determine are important. For more information about our dividend policy, see “Financial Information — Dividend Policy and Distributable Reserves.” We cannot guarantee when, if and in what form dividends will be paid. Our historical dividend policy should not be taken as indicative of our dividend policy in the future.

RISK FACTORS

Our management has significant discretion as to how to use the net proceeds of the Global Offering, and you may not necessarily agree with how we use them.

Our management may use the net proceeds from the Global Offering in ways that you may not agree with or that do not yield a favorable return to our Shareholders. By investing in our Shares, you are entrusting your funds to our management, upon whose judgment you must depend, for the specific uses we will make of the net proceeds from the Global Offering. For more information, see “Future Plans and Use of Proceeds.”

Investors may experience difficulties in enforcing their Shareholder rights because we are incorporated in the Cayman Islands, and the protection afforded to minority Shareholders under Cayman Islands law may be different from that under the laws of Hong Kong or other jurisdictions.

The Company is incorporated in the Cayman Islands and its affairs are governed by our Memorandum, Articles of Association, the Cayman Islands Companies Law and the common law of the Cayman Islands. The laws of the Cayman Islands may differ from those of Hong Kong or those of other jurisdictions where investors may be located. As a result, minority Shareholders may not enjoy the same rights as those afforded under the laws of Hong Kong or in other jurisdictions. A summary of the company law of the Cayman Islands on protection of minority shareholders is set out in “Appendix IV — Summary of the Constitution of our Company and Cayman Islands Companies Law — 3. Cayman Islands Company Law.”

Our Controlling Shareholders have substantial influence over the Company and their interests may not be aligned with the interests of Shareholders who subscribe for Shares in the Global Offering.

Immediately after the Global Offering, our Controlling Shareholders will directly or indirectly control the exercise of 79.9% of voting rights in the general meeting of the Company. For more information, see “Relationship with Controlling Shareholders.” The interests of our Controlling Shareholders may differ from the interests of our other Shareholders. Our Controlling Shareholders will have significant influence on the outcome of any corporate transaction or other matters submitted to our Shareholders for approval, including mergers, consolidations, sales of all or substantially all of our assets, election of Directors and other significant corporate actions. This concentration of ownership may discourage, delay or prevent changes in control of the Company that would otherwise benefit our other Shareholders. To the extent that the interests of our Controlling Shareholders conflict with those of our other Shareholders, our other Shareholders may be deprived of opportunities to advance or protect their interests.

RISK FACTORS

Since there will be a gap of several days between the pricing and trading of our Offer Shares, the price of our Offer Shares could fall below the Offer Price when trading commences.

The Offer Price of our Shares will be determined on the Price Determination Date, which is expected to be November 8, 2019. However, our Shares will not commence trading on the Stock Exchange until the Listing Date, which is expected to be November 15, 2019. Accordingly, investors may not be able to sell or deal in our Shares during the period between the Price Determination Date and the Listing Date. Our Shareholders are subject to the risk that the price of our Shares could fall before trading begins, as a result of adverse market conditions or other adverse developments that could occur between the Price Determination Date and the Listing Date.

We cannot guarantee the accuracy of facts, forecasts and statistics with respect to China, the PRC economy and our relevant industries contained in this prospectus.

Certain facts, forecasts and statistics in this prospectus relating to China, the PRC economy and industries relevant to us have been derived from information provided or published by PRC Government agencies, industry associations, independent research institutions or other third-party sources, and we can guarantee neither the quality nor reliability of such source materials. They have not been prepared or independently verified by us, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters or any of its or their respective affiliates or advisors. Therefore, we make no representation as to the accuracy of such facts, forecasts and statistics, which may not be consistent with other information compiled within or outside of China. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, the statistics herein may be inaccurate or incomparable to statistics produced for other economies and should not be relied upon. Furthermore, there can be no assurance that they are stated or compiled on the same basis, or with the same degree of accuracy, as similar statistics presented elsewhere. In all cases, investors should consider how much weight or importance they should attach to or place on such facts, forecasts or statistics.

Forward-looking statements contained in this prospectus are subject to risks and uncertainties.

This prospectus contains certain forward-looking statements and information relating to us that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this prospectus, the words “aim,” “anticipate,” “believe,” “can,” “continue,” “could,” “estimate,” “expect,” “going forward,” “intend,” “ought to,” “may,” “might,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “will,” “would” and similar expressions, as they relate to the Company or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, business operations, liquidity and capital resources, some of which may not materialize or may change. These statements are

RISK FACTORS

subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. Subject to the ongoing disclosure obligations of the Listing Rules or other requirements of the Stock Exchange, we do not intend publicly to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. Investors should not place undue reliance on such forward-looking statements and information.

You should read this entire prospectus carefully and not consider or rely on any particular statements in this prospectus or in published media reports without carefully considering the risks and other information in this prospectus.

Prior or subsequent to the publication of this prospectus, there has been or may be press and media coverage regarding us and the Global Offering, in addition to marketing materials we published in compliance with the Listing Rules. Such press and media coverage may include references to information that do not appear in this prospectus or is inaccurate. We have not authorized the publication of any such information contained in unauthorized press and media coverage. Therefore, we make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the media and do not accept any responsibility for the accuracy or completeness of any financial information or forward-looking statements contained therein. To the extent that any of the information in the media is inconsistent or conflicts with the contents of this prospectus, we expressly disclaim it. Accordingly, prospective investors should only rely on information included in this prospectus and not on any of the information in press articles or other media coverage in deciding whether or not to purchase the Offer Shares.

We may make a Downward Offer Price Adjustment, and thereby reduce the amount of the estimated net proceeds that we will receive from the Global Offering.

We have the flexibility to make a Downward Offer Price Adjustment to set the final Offer Price of up to 10% below the low end of the indicative Offer Price range per Offer Share. It is therefore possible that the final Offer Price will be set at HK\$2.97 per Offer Share upon the making of a full Downward Offer Price Adjustment. In such a situation, the Global Offering will proceed and the Withdrawal Mechanism will not apply. If the final Offer Price is set at HK\$2.97 per Offer Share, the estimated net proceeds that we will receive from the Global Offering will be reduced to HK\$1,456.0 million, assuming that the Over-allotment Option is not exercised and that such reduced proceeds will be used as described in “Future Plans and Use of Proceeds” on a pro rata basis.

WAIVERS FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER THE LISTING RULES

In preparation for the Global Offering, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong and in normal circumstances, at least two of the issuer's executive directors must be ordinarily resident in Hong Kong. Currently, all of our executive Directors reside in the PRC.

Our core business and operations are substantially based and conducted in the PRC. It would be practically difficult and commercially unnecessary for us to relocate two of our executive Directors to Hong Kong. We have applied to the Stock Exchange for and the Stock Exchange has granted, a waiver from strict compliance with Rule 8.12 of the Listing Rules on the basis that the following measures have been adopted by us:

- (1) we have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange and ensure that they comply with the Listing Rules at all times. The two authorized representatives appointed are Mr. Zhang, our executive Director and chairman of our Board, and Mr. Yim Lok Kwan, our company secretary. Mr. Yim Lok Kwan is ordinarily resident in Hong Kong. Each of the authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and email. Each of the two authorized representatives is authorized to communicate on our behalf with the Stock Exchange;
- (2) all our authorized representatives have means to contact all of our Directors (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the Directors for any matters. Our Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required. To enhance communication between the Stock Exchange, the authorized representatives and our Directors, we have implemented a policy that (a) each Director has provided his/her mobile phone number, office phone number, fax number and email address to the authorized representatives; (b) in the event that a Director expects to travel, he/she will endeavor to provide the phone number of the place of his/her accommodation to the authorized representatives or maintain an open line of communication via his/her mobile phone; and (c) all our Directors and authorized representatives will provide their respective mobile phone numbers, office phone numbers, fax numbers and email addresses to the Stock Exchange;

WAIVERS FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER THE LISTING RULES

- (3) we have appointed Zhongtai International Capital Limited as our compliance advisor, pursuant to Rule 3A.19 of the Listing Rules, which has access at all times to our authorized representatives, Directors, senior management and other officers of our Company, and will act as an additional channel of communication between the Stock Exchange and us; and
- (4) meetings between the Stock Exchange and our Directors could be arranged through our authorized representatives or the compliance advisor, or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange as soon as practicable in respect of any change in our authorized representatives and/or the compliance advisor.

CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute continuing connected transactions for our Company under the Listing Rules after the Listing. We have applied to the Stock Exchange for and the Stock Exchange has granted, a waiver from strict compliance with (i) the announcement requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transaction as disclosed in “Connected Transactions — (B) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement Requirements but exempt from the Independent Shareholders’ Approval Requirement”; and (ii) the announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in “Connected Transactions — (C) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement, and Independent Shareholders’ Approval Requirements”. Further information is disclosed in the section headed “Connected Transactions” in this prospectus.

EQUITY INTERESTS ACQUIRED AFTER THE TRACK RECORD PERIOD

Pursuant to the guidance letter HKEx-GL32-12 issued by the Stock Exchange (“GL32-12”) and Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, a new listing applicant is required to include in its accountants’ report in the listing document the results and balance sheets of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date to which the latest audited financial statements of the listing applicant have been made up in respect of each of the three financial years immediately preceding the issue of the listing document, or since the incorporation of such subsidiary or the commencement of such business if this occurred less than three years prior to such issue, or such shorter period as may be acceptable to the Stock Exchange.

WAIVERS FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER THE LISTING RULES

Since the end of the Track Record Period, for the purpose of expanding its business, our Group has acquired or entered into agreements to acquire the equity interest of certain companies (collectively referred to as the “**Target Companies**”) as set out below (the “**Acquisitions**”):

No.	Target company	Vendor(s) ^(Note)	Principal business activities	Percentage of equity interest acquired/proposed to be acquired	Registered capital and shareholding upon completion of the acquisition	Status of the acquisition	The amount of consideration paid/the expected amount of consideration to be paid and the basis of consideration
<i>Acquisition of business</i>							
1.	Shanghai Lianyou Properties Co., Ltd. (上海聯友置業有限公司) (“ Shanghai Lianyou ”)	Shanghai Jiamei Properties Investment Development Co., Ltd. (上海佳美置業投資發展有限公司) (“ Shanghai Jiamei ”)	Property development	49%	RMB800 million which was owned as to 51% by Shanghai Jiabao Lianyou Real Estate Co., Ltd. (上海嘉寶聯友房地產有限公司), and 49% by 蘇州新力悅創房地產有限公司 (Suzhou Sinic Yuechuang Real Estate Co., Ltd.), our indirectly wholly-owned subsidiary. Upon completion, Shanghai Lianyou has become a joint venture of our Company	Project cooperation framework agreement signed on January 9, 2019, and the equity interest transfer was registered on May 21, 2019	RMB830.3 million, which was fully paid on April 29, 2019. The consideration was determined on an arm’s length basis mainly with reference to the deposit for the land held by Shanghai Lianyou
2.	Haimen Shenghongxin Real Estate Development Co., Ltd. (海門市盛弘新房地產開發有限公司) (“ Haimen Shenghongxin ”)	N/A	Property development	33%	RMB380 million to be owned as to 33% by Nanjing Rongsheng Properties Co., Ltd. (南京榮盛置業有限公司), 34% by Hong Yang Group Nantong Real Estate Co., Ltd. (弘陽集團南通房地產有限公司) and 33% by 蘇州力鴻房地產開發有限公司 (Suzhou Lihong Real Estate Development Co., Ltd.), our indirectly wholly-owned subsidiary. Upon completion, Haimen Shenghongxin has become a joint venture of our Company	Project cooperation agreement signed on April 24, 2019 and the capital injection was completed on August 9, 2019	RMB 414.7 million, which was fully paid on August 2, 2019. The consideration was determined on an arm’s length basis mainly with reference to the land premium of the land parcel

WAIVERS FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER THE LISTING RULES

No.	Target company	Vendor(s) ^(Note)	Principal business activities	Percentage of equity interest acquired/proposed to be acquired	Registered capital and shareholding upon completion of the acquisition	Status of the acquisition	The amount of consideration paid/the expected amount of consideration to be paid and the basis of consideration
3.	Yueqing Hongyue Real Estate Co., Ltd. (樂清宏悅置業有限公司) (“Yueqing Hongyue”)	N/A	Property development	51%	RMB100 million to be owned as to 51% by Jiangxi Sinic Properties and 49% by Hongcheng Jiahua Group Co., Ltd. (宏城嘉華集團有限公司). Upon completion, Yueqing Hongyue has become a subsidiary of our Company	Project cooperation agreement signed on July 24, 2019 and supplemented by a supplemental agreement dated August 16, 2019. The acquisition by way of capital injection was completed on September 23, 2019	RMB187.2 million, which was fully paid on September 9, 2019
<i>Acquisitions of subsidiaries</i>							
4.	Pingtang Lixin Real Estate Co., Ltd. (平潭立新地產有限公司) (“Pingtang Lixin”)	Pingtang Dingxin Real Estate Development Co., Ltd. (平潭鼎新房地產發展有限公司) (“Pingtang Dingxin”)	Property development	60%	RMB100 million which was owned as to 60% by 福建力創時代房地產開發有限公司 (Fujian Lichuang Times Real Estate Development Co., Ltd.), our non-wholly owned subsidiary, and 40% by Pingtang Dingxin. Upon completion, Pingtang Lixin has become a subsidiary of our Company	Project cooperation agreement signed on June 5, 2019 and the equity interest transfer was registered on June 26, 2019	RMB165.4 million, of which RMB81.5 million was paid on June 12, 2019 and the remainder of the consideration is expected to be paid in or before May 2020. The consideration was determined on an arm’s length basis mainly with reference to the net asset value of Pingtang Lixin as at February 28, 2019 and the shareholder’s loan owing by Pingtang Lixin to Pingtang Dingxin
5.	Pingtang Luxin Real Estate Co., Ltd. (平潭魯新地產有限公司) (“Pingtang Luxin”)	Pingtang Comprehensive Experimental Area Land Development Group Co., Ltd. (平潭綜合實驗區土地開發集團有限公司) (“Pingtang”)	Property development	60%	RMB111.5 million which was owned as to 60% by 福建力創時代房地產開發有限公司 (Fujian Lichuang Times Real Estate Development Co., Ltd.), our non-wholly owned subsidiary, and 40% by Pingtang. Upon completion, Pingtang Luxin has become a subsidiary of our Company	Project cooperation agreement signed on June 5, 2019 and the equity interest transfer was registered on June 26, 2019	RMB517.8 million, of which RMB260.1 million was paid on June 12, 2019 and the remainder of the consideration is expected to be paid in or before May 2020. The consideration was determined on an arm’s length basis mainly with reference to the net asset value of Pingtang Luxin as of December 31, 2018

WAIVERS FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER THE LISTING RULES

No.	Target company	Vendor(s) ^(Note)	Principal business activities	Percentage of equity interest acquired/proposed to be acquired	Registered capital and shareholding upon completion of the acquisition	Status of the acquisition	The amount of consideration paid/the expected amount of consideration to be paid and the basis of consideration
6.	Hefei Xincheng Yuehong Real Estate Development Co., Ltd. (合肥新城悅弘房地產開發有限公司) (“Xincheng Yuehong”)	Hefei Xincheng Yirong Real Estate Development Co., Ltd. (合肥新城億榮房地產有限公司) and Shanghai Xincheng Wansheng Corporate Management Co., Ltd. (上海新城萬聖企業管理有限公司)	Property development	100%	RMB130 million which was wholly owned by 安徽新創房地產開發有限公司 (Anhui Xinchuang Real Estate Development Co., Ltd.), our wholly-owned subsidiary. Upon completion, Xincheng Yuehong has become a subsidiary of our Company	Equity and debt interest transfer agreement signed on July 30, 2019, and the equity interest transfer is registered on August 22, 2019	RMB554.6 million, which was fully paid on August 21, 2019. The consideration was determined on an arm’s length basis mainly with reference to (i) the capital contribution made by the vendors and (ii) the amount of debts receivable from Xincheng Yuehong together with any accrued and unpaid interest up the actual payment date
7.	Guangzhou Ronghe Real Estate Development Co., Ltd. (廣州榮和房地產有限公司) (“Guangzhou Ronghe”)	Litai Real Estate Co., Ltd. (立泰地產有限公司)	Property development	95%	RMB143.33 million which was owned as to 95% by 新力海石房地產開發(廣州)有限公司 (Xinli Haishi Property Development (Guangzhou) Co., Ltd.) (“Xinli Haishi”), our non-wholly owned subsidiary, and 5% by Guangzhou Shengxian Investment Co., Ltd. (廣州勝賢投資有限公司).	Project cooperation agreement signed on March 5, 2019. The equity interest transfer of 94% was registered on July 11, 2019 and the equity interest transfer of 1% was registered on August 27, 2019. As confirmed between the ultimate beneficial owners of Xinli Haishi and Guangzhou Shengxian Investment Co., Ltd., among others, Xinli Haishi has not and will not exercise any voting rights in respect of the equity interest held by it in Guangzhou Ronghe	RMB3,600 million, of which RMB1,000 million was paid on May 20, 2019, and the remainder of the consideration is expected to be paid in the second half of 2019, subject to further negotiations between the parties. The consideration was determined on an arm’s length basis mainly with reference to the land premium of the land parcel

Note: To the best of our knowledge, information and belief, having made all reasonable enquiries, each of the Target Companies and their respective ultimate beneficial owners prior to the completion of the respective Acquisitions was an Independent Third Party.

WAIVERS FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER THE LISTING RULES

We have applied for and the Stock Exchange has granted, a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in relation to the preparation of financial statements in respect of the Acquisitions on the following grounds:

- (a) **Ordinary and usual course of business** — the Acquisitions are in the ordinary and usual course of business of our Group as it is one of our principal business strategies to expand its market share through acquisitions of local players in the property development industry. Our Directors believe that the terms of the Acquisitions are fair and reasonable and in the interests of the Shareholders as a whole.
- (b) **Immateriality of Target Companies** — the scale of businesses operated by each of the Target Companies (which are owned by different sellers) as compared to that of our Group is not material. Based on the financial information of the Target Companies available to our Company according to their unaudited management accounts for the six months ended June 30, 2019, all the applicable size test percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to each of the Acquisitions referenced against the financials of our Company in the most recent financial year of the Track Record Period are less than 5% (and in each case no more than 1.98%). Moreover, the Acquisitions, when calculated on an aggregated basis, are not significant enough to require our Company to prepare pro forma financial information under Rule 4.28 of the Listing Rules.

Accordingly, the Directors believe that (i) the Acquisitions are immaterial when compared to the scale of our Group's operations as a whole; (ii) have not resulted in any significant change to the financial position of our Group since April 30, 2019; and (iii) all information that is reasonably necessary for the potential investors to make an informed assessment of the activities or financial position of our Group has been included in the Prospectus. As such, an exemption from compliance with the requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would not prejudice the interests of the investing public.

- (c) **Unavailability of information** — the audited historical financial information of the Target Companies is either not available, or will be unduly burdensome for our Company to prepare audited historical financial information of the Target Companies.

The Acquisitions had only been completed between May and September 2019. The time between the completion of these acquisitions and Listing is limited and insufficient for, or may require considerable time and resources of, our Company and its reporting accountants to compile the necessary financial information for disclosure in this prospectus.

WAIVERS FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER THE LISTING RULES

- (d) **Alternative disclosure available** — our Company has provided in this prospectus alternative information regarding the Acquisitions which includes:
- (i) description of the principal business activities of the Target Companies;
 - (ii) confirmation that the counterparties and the ultimate beneficial owners of the counterparties are independent third parties;
 - (iii) the date of the Acquisitions;
 - (iv) the consideration of the Acquisitions, how the consideration was or would be satisfied and the basis upon which the consideration was determined; and
 - (v) the reasons for the Acquisitions and the benefits which are expected to accrue to our Group as a result of the Acquisitions.

WAIVER IN RELATION TO PUBLIC FLOAT REQUIREMENTS

Rule 8.08(1)(a) of the Listing Rules generally requires that at least 25% of an issuer's total number of issued shares must at all times be held by the public. Rule 8.08(1)(d) of the Listing Rules also provides that the Stock Exchange may, at its discretion, accept a lower percentage of between 15% and 25%, if an issuer meets the following requirements under Rule 8.08(1)(d) of the Listing Rules:

- (a) the issuer will have an expected market capitalization at the time of listing of over HK\$10 billion;
- (b) the number of securities concerned and the extent of their distribution would enable the market to operate properly with a lower percentage;
- (c) the issuer will make appropriate disclosure of the lower prescribed percentage of public float in the initial listing document;
- (d) the issuer will confirm the sufficiency of the public float in successive annual reports after listing; and
- (e) a sufficient portion (to be agreed in advance with the Stock Exchange) of any securities intended to be marketed contemporaneously within and outside Hong Kong must normally be offered in Hong Kong.

WAIVERS FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER THE LISTING RULES

To maintain the flexibility of a lower public float upon and after listing, we have applied to the Stock Exchange for and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 8.08(1)(a) of the Listing Rules for the minimum percentage of the Shares from time to time held by the public to be the higher of:

- (a) 15.85% of the total issued share capital of the Company (assuming the Over-allotment Option is not exercised); and
- (b) such percentage of Shares to be held by the public immediately after the completion of the Global Offering (as increased by the Shares to be issued upon any exercise of the Over-allotment Option, if any),

provided that the higher of (a) and (b) above is below the minimum public requirement of 25% under Rule 8.08(1) of the Listing Rules.

In support of the application, we have confirmed to the Stock Exchange that:

- (a) we will have an expected market capitalization at the time of Listing of over HK\$10 billion;
- (b) there will be an open market in the Shares, and the number of securities concerned and the extent of their distribution would enable the market to operate properly with a lower percentage of public float;
- (c) we will make appropriate disclosure of the lower percentage of public float as approved by the Stock Exchange in this prospectus;
- (d) we will confirm sufficiency of public float prescribed by the Stock Exchange in our successive annual reports after the Listing; and
- (e) we will implement appropriate measures and mechanisms to ensure continual maintenance of the minimum percentage of public float prescribed by the Stock Exchange.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information with regard to us. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and is neither misleading nor deceptive, and there are no other matters the omission of which would render any statement herein or this prospectus misleading.

INFORMATION ON THE GLOBAL OFFERING

The Offer Shares are offered solely on the basis of information contained and representations made in this prospectus and the Application Forms, and on and subject to the terms and conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or make any representation not contained in this prospectus and the relevant Application Forms, and any information or representation not contained herein and therein must not be relied upon as having been authorized by our Company, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, members of senior management, authorized representatives, agents, employees or advisors or any other party involved in the Global Offering. Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Offer Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

Details of the structure of the Global Offering, including its conditions, are set out in “Structure of the Global Offering.”

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, the application procedure for Hong Kong Offer Shares is set out in “How to Apply for Hong Kong Offer Shares” of this prospectus and the relevant Application Forms.

The Listing is sponsored by the Joint Sponsors. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement, subject to agreement on the Offer Price between our Company and the Joint Representatives (for themselves and on behalf of the Underwriters) on the Price Determination Date.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

We have reserved the right to make a Downward Offer Price Adjustment to provide flexibility in pricing the Offer Shares. The ability to make a Downward Offer Price Adjustment does not affect our obligation to issue a supplemental prospectus and to offer investors a right to withdraw their applications if there is a material change in circumstances not disclosed in the prospectus. If it is intended to set the final Offer Price at more than 10% below the bottom end of the indicative Offer Price range, the Withdrawal Mechanism will be applied if the Global Offering is to proceed.

The International Offering is expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement, which is expected to be entered into on or around the Price Determination Date.

For further information about the Underwriters and the underwriting arrangements, see “— Underwriting.”

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

Each person acquiring the Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his acquisition of the Hong Kong Offer Shares to, confirm that he is aware of the restrictions on offer and sale of the Offer Shares described in this prospectus and the relevant Application Forms.

No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than in Hong Kong, or the distribution of this prospectus and/or the Application Forms in any jurisdiction other than in Hong Kong. Accordingly, this prospectus and/or the Application Forms may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and/or the Application Forms and the offer and sale of the Offer Shares in jurisdictions other than in Hong Kong are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been publicly offered or sold, directly or indirectly, in the PRC.

APPLICATION FOR LISTING ON THE HONG KONG STOCK EXCHANGE

We have applied to the Listing Committee for the Listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering, including the Shares which may be issued pursuant to the exercise of the Over-allotment Option. No part of the Shares or loan capital of our Company is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

OFFER SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

If the Stock Exchange grants the Listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional advisor(s) for details of the settlement arrangements as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

HONG KONG SHARE REGISTER AND THE STAMP DUTY

All Shares issued by us pursuant to applications made in the Hong Kong Public Offering will be registered on our branch register of members to be maintained by Computershare Hong Kong Investor Services Limited in Hong Kong. Our principal register of members will be maintained by Conyers Trust Company (Cayman) Limited, in the Cayman Islands.

Dealings in the Shares registered on our Hong Kong branch register will be subject to Hong Kong stamp duty.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposal of, dealing in or exercising any rights attached to the Shares. None of our Company, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription for, purchase, holding or disposal of, dealing in or exercising any rights attached to the Shares.

APPLICATION PROCEDURE FOR THE HONG KONG OFFER SHARES

The application procedure for Hong Kong Offer Shares is set out in “How to Apply for Hong Kong Offer Shares” and the relevant Application Forms.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

OVER-ALLOTMENT AND STABILIZATION

Further details of the arrangements relating to stabilization and the Over-allotment Option are set out in “Structure of the Global Offering — The International Offering — Stabilization” and “Structure of the Global Offering — The International Offering — Over-allotment Option.” Unless otherwise specified, all relevant information in this prospectus assumes no exercise of the Over-allotment Option.

DOWNWARD OFFER PRICE ADJUSTMENT

We have reserved the right to make a Downward Offer Price Adjustment to provide flexibility in pricing the Offer Shares. The ability to make a Downward Offer Price Adjustment does not affect our obligation to issue a supplemental prospectus and to offer investors a right to withdraw their applications if there is material change in circumstances not disclosed in this prospectus.

If it is intended to set the final Offer Price at more than 10% below the low end of the indicative Offer Price range, the Withdrawal Mechanism will be applied if the Global Offering is to proceed.

CURRENCY TRANSLATIONS

Solely for your convenience, this prospectus contains translations of certain Renminbi amounts into Hong Kong dollars at specified rates. No representation is made that the Renminbi amounts could actually be converted into Hong Kong dollar amounts at the rates indicated or at all. Unless we indicate otherwise, the translation of Renminbi into Hong Kong dollars was made at the rate of RMB0.9014 to HK\$1.00, the exchange rate prevailing on October 18, 2019, set by the PBOC for foreign exchange transactions.

LANGUAGE

If there is any inconsistency between the English version of this prospectus and its Chinese translation, the English version of this prospectus shall prevail. If there is any inconsistency between the Chinese names of individuals, entities, departments, facilities, certificates, titles, laws, regulations and the like mentioned in this prospectus and their English translations, the Chinese names shall prevail.

ROUNDING

In this prospectus, where information is presented in hundreds, thousands, ten thousands, millions, hundred millions or billions, certain amounts of less than one hundred, one thousand, ten thousand, one million, a hundred million or a billion, as the case may be, have been rounded to the nearest hundred, thousand, ten thousand, million, hundred million or billion, respectively. Unless otherwise stated, all the numerical figures are rounded to one decimal place. Any discrepancies in any table or chart between totals and sums of amounts listed therein are due to rounding.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

DIRECTORS

<u>Name</u>	<u>Address</u>	<u>Nationality</u>
-------------	----------------	--------------------

Executive Directors

Mr. Zhang Yuanlin (張園林)	Room 2801, Block 3 Zhou Yue Sub-district West Lake District Nanchang City Jiangxi Province PRC	Chinese
-------------------------	---	---------

Mr. She Runting (佘潤廷)	Room 2501, No. 9, Lane 1599 Dingxiang Road Pudong New Area Shanghai PRC	Chinese
-----------------------	---	---------

Ms. Tu Jing (涂菁)	Room 405, Unit 3 Block 19, Xinyang Riverside 250 Binjiang Road Jiujiang City Jiangxi Province PRC	Chinese
------------------	--	---------

Independent non-executive Directors

Mr. Tam Chi Choi (譚志才)	Flat A, 47/F Residence Oasis Tower 7 Tseung Kwan O Hong Kong	Chinese
------------------------	---	---------

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Name	Address	Nationality
Mr. Au Yeung Po Fung (歐陽寶豐)	Flat F, 28/F Block 2, Broadview Court 11 Shum Wan Road Wong Chuk Hang Hong Kong	Chinese
Mr. Liu Xin (劉昕)	Room 701, Unit 7, 12/F No. 2 Changqing Garden Community Haidian District Beijing PRC	Chinese

For further information about our Directors, please refer to “Directors and Senior Management.”

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors

ABCI Capital Limited

11/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

Huatai Financial Holdings (Hong Kong) Limited

62/F, The Center
99 Queen's Road Central
Hong Kong

Joint Global Coordinators

ABCI Capital Limited

11/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

Huatai Financial Holdings (Hong Kong) Limited

62/F, The Center
99 Queen's Road Central
Hong Kong

CRIC Securities Company Limited

Room 2007&2403, Great Eagle Centre
23 Harbour Road
Wan Chai
Hong Kong

BOCOM International Securities Limited

9th Floor
Man Yee Building
68 Des Voeux Road Central
Hong Kong

Joint Bookrunners

ABCI Capital Limited

11/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

Huatai Financial Holdings (Hong Kong) Limited

62/F, The Center
99 Queen's Road Central
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

CRIC Securities Company Limited

Room 2007&2403, Great Eagle Centre
23 Harbour Road
Wan Chai
Hong Kong

BOCOM International Securities Limited

9th Floor
Man Yee Building
68 Des Voeux Road Central
Hong Kong

Guotai Junan Securities (Hong Kong) Limited

27/F, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

First Shanghai Securities Limited

19/F, Wing On House
71 Des Voeux Road Central
Hong Kong

Yue Xiu Securities Company Limited

13/F, YueXiu Building
160 Lockhart Road
Wanchai
Hong Kong

CMB International Capital Limited

45/F, Champion Tower
3 Garden Road
Hong Kong

CCB International Capital Limited

12/F., CCB Tower
3 Connaught Road Central
Central
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Lead Managers

ABCI Securities Company Limited
11/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

Huatai Financial Holdings (Hong Kong) Limited
62/F, The Center
99 Queen's Road Central
Hong Kong

CRIC Securities Company Limited
Room 2007&2403, Great Eagle Centre
23 Harbour Road
Wan Chai
Hong Kong

BOCOM International Securities Limited
9th Floor
Man Yee Building
68 Des Voeux Road Central
Hong Kong

Guotai Junan Securities (Hong Kong) Limited
27/F, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

First Shanghai Securities Limited
19/F, Wing On House
71 Des Voeux Road Central
Hong Kong

Yue Xiu Securities Company Limited
13/F, YueXiu Building
160 Lockhart Road
Wanchai
Hong Kong

CMB International Capital Limited
45/F, Champion Tower
3 Garden Road
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

CCB International Capital Limited

12/F., CCB Tower
3 Connaught Road Central
Central
Hong Kong

Zhongtai International Securities Limited

19 Floor, Li Po Chun Chambers
189 Des Voeux Road Central
Central
Hong Kong

Crosby Securities Limited

5th Floor, Capital Centre
151 Gloucester Road
Wanchai
Hong Kong

GLAM Capital Limited

Rooms 908-11
9/F, Nan Fung Tower
88 Connaught Road Central
Central
Hong Kong

Founder Securities (Hong Kong) Limited

Suites 1710-1719
Jardine House
1 Connaught Place
Central
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Legal advisors to our Company

As to Hong Kong law:

Sidley Austin

39th Floor, Two International Finance Center
8 Finance Street
Central
Hong Kong

As to PRC law:

King & Wood Mallesons

18th Floor, East Tower
World Financial Center
1 Dongshanhuan Zhonglu
Chaoyang District
Beijing, 100020
China

As to Cayman Islands law:

Conyers Dill & Pearman

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

**Legal advisors to the Joint
Sponsors
and the Underwriters**

As to Hong Kong law:

Clifford Chance
27th Floor, Jardine House
One Connaught Place
Central
Hong Kong

As to PRC law:

Commerce & Finance Law Offices
6F, NCI Tower
A12 Jianguomenwai Avenue
Chaoyang District
Beijing
China

**Auditor and reporting
accountants**

Ernst & Young
Certified Public Accountants
22nd Floor, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

**Independent Property Valuer and
Industry Consultant**

Cushman & Wakefield Limited
16th Floor, Jardine House
One Connaught Place
Central
Hong Kong

Receiving banks

Bank of China (Hong Kong) Limited
1 Garden Road
Hong Kong

**Industrial and Commercial
Bank of China (Asia) Limited**
33rd Floor ICBC Tower
3 Garden Road
Central
Hong Kong

CMB Wing Lung Bank Limited
45 Des Voeux Road Central
Hong Kong

CORPORATE INFORMATION

Registered office	Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman, KY1-1111 Cayman Islands
Principal place of business and headquarters in the PRC	7th Floor, HongQiao Vanke Center T6 No. 988 ShenChang Road MinHang District Shanghai PRC
Principal place of business in Hong Kong	Suites 1016-1019, 10/F Two Pacific Place, 88 Queensway Admiralty Hong Kong
Company's website	<u>www.sinicdc.com</u> <i>(the information contained on this website does not form part of this prospectus)</i>
Company secretary	Mr. Yim Lok Kwan (嚴洛鈞) (ACIS, ACS)
Audit committee	Mr. Tam Chi Choi (Chairman) Mr. Au Yeung Po Fung Mr. Liu Xin
Remuneration committee	Mr. Au Yeung Po Fung (Chairman) Mr. Zhang Yuanlin Mr. Tam Chi Choi Mr. Liu Xin
Nomination committee	Mr. Zhang Yuanlin (Chairman) Mr. Liu Xin Mr. Tam Chi Choi Mr. Au Yeung Po Fung

CORPORATE INFORMATION

Authorized representatives

Mr. Zhang Yuanlin (張園林)
Room 2801, Block 3
Zhou Yue Sub-district
West Lake District
Nanchang City
Jiangxi Province
PRC

Mr. Yim Lok Kwan (嚴洛鈞) (*ACIS, ACS*)
40th Floor, Sunlight Tower
No. 248 Queen's Road East
Wanchai
Hong Kong

Compliance advisor

Zhongtai International Capital Limited
19th Floor Li Po Chun Chambers
189 Des Voeux Road Central
Central
Hong Kong

Principal share registrar and transfer office in Cayman Islands

**Conyers Trust Company (Cayman)
Limited**
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Hong Kong Share Registrar

**Computershare Hong Kong
Investor Services Limited**
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

CORPORATE INFORMATION

Principal bankers

Industrial and Commercial Bank of China

Supu Road Sub-branch
No. 99 Fenghe North Road
Honggutan New District
Nanchang City
Jiangxi Province
PRC

China Construction Bank

Honggutan Sub-branch
No. 388 Lijing Road, Xinjian District
Nanchang City
Jiangxi Province
PRC

Bank of Communications

Diezi Lake Sub-branch
1st Floor, Real Estate Trading Center
2157 Diezihu Avenue, Honggutan New
District
Nanchang City
Jiangxi Province
PRC

INDUSTRY OVERVIEW

The information and statistics set forth in this section and elsewhere in this prospectus have been derived from various official and government publications, publicly available market research sources and an industry report commissioned by us and independently prepared by C&W in connection with the Global Offering. We believe that the sources of such information and statistics are appropriate and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information and statistics are false or misleading in any material respect. None of our Company, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any other party involved in the Global Offering, except C&W, or their respective directors, advisors and affiliates have independently verified such information and statistics. Accordingly, none of our Company, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any other party involved in the Global Offering, except C&W, or their respective directors, advisors and affiliates makes any representation as to the correctness or accuracy of such information and the statistics contained in this prospectus, which may be inaccurate, incomplete, out-of-date or inconsistent with other information compiled within or outside the PRC. Certain information and statistics included, including those excerpted from official and government publications and sources in China, may not be consistent with other information and statistics compiled within or outside China by third parties.

SOURCES OF INFORMATION

In connection with the Global Offering, we commissioned C&W, an independent third party and an experienced property research institution in the PRC, to prepare the C&W Report as to the real estate markets in China and the regions and cities in which we currently operate or intend to operate. We have agreed to pay a total consideration of RMB400,000 for the C&W Report, which we believe is in line with the market rate for such report. The payment of such amount is not contingent upon the success of the Listing or the findings of the C&W Report.

C&W is an international real estate consultancy group which provides a wide range of services including, among others, valuation and consultancy for property developers, investors and analysts across all sectors of the real estate market. C&W has approximately 400 offices across the globe, including but not limited to, Beijing, Chengdu, Guangzhou, Shanghai, Shenzhen and Hong Kong.

For the purpose of the Global Offering, C&W also serves as our property valuer. A property valuation report prepared by C&W relating to our property interests is included in Appendix III to this prospectus. C&W provides industry consulting and property valuation services through two business teams which are independent from each other. The C&W Report was prepared by the industry consulting team.

INDUSTRY OVERVIEW

C&W has prepared the C&W Report based on data from the PRC government, reliable research institutions and the proprietary databases of C&W. During the research, C&W conducted interviews with local marketing agents in the residential property sector. C&W Report is based on current as well as the likely future market conditions as perceived by the markets. The estimation of the future demand and supply for the residential property markets may not materialize, and unanticipated events and circumstances may occur; therefore, actual results may vary from our estimates and the variations may be material. C&W Report does emphasize that the estimation of the future market conditions and outlook should be regarded as an indicative assessment of possibilities rather than absolute certainties.

While preparing the industry report and regional ranking information, C&W has relied on the main assumptions that: (i) the macro-economic environment of each of cities in the PRC in which the Group operates is expected to grow at a steady rate; (ii) the political environment of the PRC remains stable; and (iii) the real estate industry of each of the cities in the PRC in which the Group operates is expected to grow at a steady rate.

Our Directors confirm that, after taking reasonable and up to the Latest Practicable Date care, there is no adverse change in the market information since the date of the C&W Report and up to the Latest Practicable Date, which may qualify, contradict or have an impact on the information as disclosed in this section.

OVERVIEW OF THE PRC ECONOMY

Over the past five years, the economy of the PRC experienced steady growth. Under the influence of various macroeconomic policies, the PRC's GDP growth has remained healthy, with nominal GDP value increasing from approximately RMB56,885 billion in 2013 to approximately RMB90,031 billion in 2018, representing a CAGR of approximately 9.6%. According to the National Bureau of Statistics of China, the PRC has been the world's second-largest economy in terms of nominal GDP since 2010. Investment in fixed assets has maintained a steady growth rate over the same period. Total fixed assets investment in the PRC has increased from approximately RMB44,707 billion in 2013 to approximately RMB64,568 billion in 2018, representing a CAGR of approximately 7.6%. Urban resident disposable income per capita has increased from approximately RMB26,955 in 2013 to approximately RMB39,251 in 2018, representing a CAGR of approximately 7.8%. This represents an increase in purchasing power, which has led to a growth in urban residents' willingness to purchase properties.

INDUSTRY OVERVIEW

The table below sets out the selected indicators of the economy of the PRC for the years indicated:

	2013	2014	2015	2016	2017	2018	2013-2018 CAGR
Nominal GDP							
(RMB billion)	56,885	63,646	67,671	74,413	82,712	90,031	9.6%
Real GDP growth (%)	7.7	7.4	6.9	6.7	6.9	6.6	N/A
GDP per capita (RMB) ⁽¹⁾	41,796	46,525	49,215	53,805	59,505	64,521	9.1%
Urban disposable income							
per capita (RMB)	26,955	28,844	31,195	33,616	36,396	39,251	7.8%
Fixed asset investment							
(RMB billion)	44,707	51,276	56,200	60,647	64,124	64,568	7.6%

Note: N/A means not applicable or not available

(1) Calculated by dividing GDP per capita (RMB) by Population

Sources: China Statistical Communique, National Bureau of Statistics, C&W

THE PRC REAL ESTATE MARKET

Key Growth Drivers of the PRC Real Estate Market

The PRC real estate market has undergone relatively rapid growth in recent years, driven by key factors such as accelerated urbanization and increases in disposable income. The rate of urbanization has increased from 53.7% in 2013 to approximately 59.6% in 2018, and is expected to reach approximately 60% by 2020, according to the National Plan on New Urbanization (2014 — 2020) (《國家新型城鎮化規劃(2014-2020)》) issued by the PRC State Council. It is expected that the rapid growth of urban population will bring about further increases in demand for investment in urban infrastructure and real estate properties. Meanwhile, the urban disposable income per capita increased from approximately RMB26,955 in 2013 to approximately RMB39,251 in 2018. In response to such increases, domestic consumption and investment in real estate market increased accordingly.

Given the foregoing factors, the PRC real estate market has experienced rapid growth in recent years which, in turn, encouraged the demand for the domestic residential and commercial properties. Total investment in real estate projects increased from approximately RMB8,601 billion in 2013 to approximately RMB12,026 billion in 2018, representing a CAGR of approximately 6.9%. The investment into residential property increased from approximately RMB5,895 billion in 2013 to approximately RMB8,519 billion in 2018, representing a CAGR of approximately 7.6%, while the investment into commercial property increased from approximately RMB1,194 billion in 2013 to approximately RMB1,418 billion in 2018, representing a CAGR of approximately 3.5%.

INDUSTRY OVERVIEW

However, the large inventory of properties resulted in structural surplus in certain cities, mainly Tier-Three and Tier four cities, in the PRC in recent years. In order to lower such surplus, the PRC government has implemented a series of regulations and policies to regulate the mortgage lending practices for properties. Despite some fluctuations in the GFA of residential properties under construction since 2013, the GFA of residential properties sold generally continued to grow for the period of 2015 to 2017. For the residential and commercial properties in the PRC, the general indicators remained relatively positive in recent years.

The table below sets out the selected indicators of the real estate market in the PRC for the years indicated:

	2013	2014	2015	2016	2017	2018	2013-2018 CAGR
	<i>(RMB billion, except otherwise stated)</i>						
Total real estate investment	8,601	9,504	9,598	10,258	10,980	12,026	6.9%
Residential							
Investment into real estate							
residential properties	5,895	6,435	6,460	6,870	7,515	8,519	7.6%
Total GFA of residential							
properties sold							
(million sq.m.)	1,157	1,052	1,124	1,375	1,448	1,479	5.0%
Total contract sales amount							
of residential properties	6,769	6,241	7,277	9,906	11,024	N/A	13.0%*
Average selling price of							
residential properties							
(RMB per sq.m.) ⁽¹⁾	5,850	5,933	6,473	7,203	7,614	N/A	6.8%*
Commercial							
Real estate commercial							
investment	1,194	1,435	1,461	1,584	1,564	1,418	3.5%
Total GFA of commercial							
properties sold (million							
sq.m.)	85	91	93	108	128	N/A	10.8%*
Average selling price of							
commercial properties							
(RMB per sq.m.) ⁽²⁾	9,777	9,817	9,566	9,786	10,323	N/A	1.4%*

Notes:

- * indicates CAGR is calculated using data from 2013 to 2017
- (1) Calculated by dividing total contracted sales amount of residential properties by Total GFA of residential properties sold.
- (2) Calculated by dividing total contracted sales amount of commercial properties by Total GFA of commercial properties sold.

Sources: China Statistical Communique, National Bureau of Statistics, C&W

INDUSTRY OVERVIEW

Recent Developments of PRC Real Estate Policies

The PRC real estate market is subject to extensive government regulation. The PRC government exerts considerable direct and indirect control over the development and growth of the PRC real estate market by promulgating laws and regulations and imposing industry policies and guidance and other related economic measures for the real estate industry. Over the past few years, in order to avoid over-heating of the PRC real estate market, the PRC government has issued various restrictive measures to, among others, stabilize property prices. It is expected that most of the restrictive measures will remain in place, and to that end, local governments may adopt new and detailed measures that further regulate the local real estate industry with the aim to ensure the stable development. See “Regulatory Overview” in this prospectus for more details on the relevant PRC regulations.

Since the first half of 2010, in response to the rising property prices across the country, the PRC government announced new policies, adopted new measures to curtail speculation in the property market, and imposed more stringent requirements on the payment of land premiums by property developers. These policies include the abolishment of certain preferential treatment in respect of business tax payable upon transfer of residential properties, increased minimum down-payment for mortgage loans, more stringent requirements on the payment of land premium, further limits on the number of residential properties one household can buy, a trial property tax scheme in Shanghai and Chongqing and a 20% capital gains tax on residential property re-sales. More recently, the property market in the PRC witnessed signs of a slowdown, with some developers reported to have lowered prices in order to stimulate sales, and many local government have relaxed property purchase restrictions previously imposed as cooling measures to help boost demand.

Competitive Landscape

The PRC real estate market is highly fragmented and competitive. According to C&W, the number of real estate companies with annual contracted sales over RMB10 billion in the PRC increased from 71 in 2013 to 156 in 2018. In particular, the number of real estate companies with annual contracted sales over RMB50 billion increased from 11 in 2013 to 61 in 2018, evidencing the continuous fast growth of top tier real estate companies, according to C&W. As a result of the intense competition and economies of scale, market concentration for certain property developers have increased in recent years. Despite the intense competition, the leading real estate companies strived to maintain and further advance their leadership positions. According to CREIS, the aggregate market share of the top 20 real estate developers ranked in terms of contracted sales amount increased from approximately 21.9% in 2013 to approximately 39.0% in 2017, while the top 40 real estate developers’ aggregate market share increased from approximately 28.4% in 2013 to approximately 51.7% in 2017, each by contracted sales in the relevant year. In addition, according to C&W average market share of those top 40 real estate developers was approximately 1.9 times larger than that of the top 100 real estate developers.

INDUSTRY OVERVIEW

Our major competitors primarily include property developers with strategies similar to ours and with business operations in markets in which we operate or intend to enter. We compete with other property developers over, among others, brand recognition, financial resources, size and location of land reserves, pricing and property designs. Some of those competitors have better track records, greater financial, human and other resources, larger sales networks and greater brand recognition. We may face challenges in maintaining our market position or further enhancing our market position.

In addition, there are certain barriers to enter into the PRC real estate market, including but not limited to, land availability, brand recognition, and local market knowledge. Major property developers also enjoy economies of scale based on their brand value, product, capital and geographic distribution.

Our Market Position and Ranking

Our main business of residential property development has grown rapidly in the last few years. We believe that we have a leading market position in Jiangxi province. According to the C&W Report, we ranked first among property developers in Jiangxi province in terms of the total contract sales amount from residential properties in 2018. In addition, according to the C&W Report, we were ranked first among property developers in Nanchang based on the sales area of residential properties sold in 2018, and we were ranked first among property developers in Ganzhou based on the sales area of residential properties sold in 2018. In 2019, in terms of comprehensive property development ability, we were ranked 31st among the top 100 property developers in the PRC according to CREIS, and ranked 39th among the top 500 property developers according to the China Real Estate Association. According to CREIS, the contract sales amount of the Group amounts to approximately 0.61% of the total contract sales amount of all property developers in the China market. In the same year, the GFA sold by the Group amounts to approximately 0.36% of the total GFA sold by all property developers in the PRC market.

From 2016, since the real estate market in Jiangxi Province has been rapidly developed, the government announced a series of documents to curb the property price hikes. Resulting in the trading volume of commercial, residential units had a decline in 2018. On this background, the real estate developers in Jiangxi Province should have ready to face the challenges.

The following tables show the top five property developers rankings of Jiangxi Province in contract sales amount in 2018 and the first quarter of 2019:

<u>Rank</u>	<u>Name of property developers</u>	<u>Contract sales amount for 2018</u>
		<i>(RMB billion)</i>
1.	Our Group	53.90
2.	Company A	23.90
3.	Company B	23.60
4.	Company C	23.42
5.	Company D	18.75

Source: EHCONSULTING

INDUSTRY OVERVIEW

Rank	Name of property developers	Contract sales amount for the first quarter of 2019
		<i>(RMB billion)</i>
1.	Our Group	8.89
2.	Company A	4.96
3.	Company B	4.30
4.	Company C	4.21
5.	Company D	3.58

Source: EHCONSULTING

In addition, we were ranked first in terms of sales area and contracted sales amount among property developers in Nanchang for 2018.

Top five rankings of property developers in Nanchang by contracted sales amount in 2018

Ranking	Name of property Developers	Number of projects	Sales area	Contracted sales amount	Percentage of total contracted sales amount of the residential market
			<i>(sq.m.)</i>	<i>(RMB billion)</i>	
1.	Our Group	11	733,119	9.54	14.4%
2.	Company A	12	369,019	5.08	7.7%
3.	Company B	1	246,261	3.60	5.4%
4.	Company C	8	297,485	3.40	5.1%
5.	Company D	4	245,044	3.13	4.7%

Source: CREIS

Our Geographic Presence

We have established our leading market position in terms of contracted sales amount in Jiangxi Province and intended to enhance our competitiveness and further expanded into three regions in China, namely, the Yangtze River Delta Region, the Greater Bay Region and the Central and Western China Core Cities and Other Regions with High-Growth Potential.

INDUSTRY OVERVIEW

As of December 31, 2018, we had established operations in 24 cities in the PRC. Based on our development strategies, we intend to enhance our existing market position in the cities where we currently operate and further penetrate into cities of the above three regions in the PRC.

REAL ESTATE MARKET OF SELECTED PROVINCE/REGIONS AND CITIES IN THE PRC

We have established our property development operations mainly in Jiangxi Province, the Yangtze River Delta Region, the Greater Bay Region and the Central and Western Core China Cities and Other Regions with High-Growth Potential. These four area or regions are parts of our national expansion strategy and cover a number of high-growth property markets in the PRC. We have built a leading market presence in Nanchang of Jiangxi Province. We also expanded into selected high-growth cities in the Yangtze River Delta Region, the Greater Bay Region and the Central and Western Core China Cities and Other Regions with High-Growth Potential. We consider Suzhou, Huizhou and Chengdu as the one of the representative cities for each of the three regions, respectively, given their potential for future development. We set forth the information on the selected economic indicators for the above-mentioned province/regions and selected cities below.

The Jiangxi Province

The GDP of Jiangxi province increased steadily from 2013 to 2018 at a CAGR of approximately 8.9%, reaching approximately RMB2,198.0 billion in 2018. The table below sets out the selected economic indicators of Jiangxi Province for the years indicated:

	2013	2014	2015	2016	2017	2018	2013-2018 CAGR
GDP (RMB billion)	1,434	1,571	1,672	1,836	2,082	2,198	8.9%
GDP Growth (%)	10.1	9.7	9.1	9.0	8.9	8.7	N/A
Urban disposable income- per-capita (RMB)	21,873	24,309	26,500	28,673	31,198	33,819	9.1%
Fixed asset investment (RMB billion)	1,287	1,511	1,739	1,969	2,209	N/A	14.5%*

Notes: N/A means not applicable or not available

* indicates CAGR is calculated using data from 2013 to 2017

Sources: Jiangxi Statistical Communique, C&W

INDUSTRY OVERVIEW

The residential property market in Jiangxi Province experienced stable growth in recent years. According to the Jiangxi Statistical Communique, real estate investment in Jiangxi Province increased from approximately RMB118 billion in 2013 to approximately RMB217 billion in 2018 at a CAGR of 13.0%. In respect of demand for residential properties, a total GFA of approximately 54 million sq.m. of primary residential properties were sold in 2018, representing an increase at a CAGR of 11.0% from 2013 to 2018. In addition, the average selling price increased from approximately RMB5,203 to RMB6,540 from 2013 to 2018, representing a CAGR of 4.7%.

The table below sets out the selected indicators relating to the residential property market of Jiangxi Province for the years indicated:

	2013	2014	2015	2016	2017	2018	2013-2018 CAGR
Real estate investment (RMB billion)	118	132	152	177	201	217	13.0%
Total GFA of commodity residential housing sold (million sq.m.)	32	31	35	47	58	54	11.0%
Total contract sales amount of commodity residential housing (RMB billion)	165	162	186	268	359	352	16.4%
The average selling price of commodity residential housing (RMB per sq.m.)	5,203	5,288	5,358	5,709	6,150	6,540	4.7%

Sources: Jiangxi Statistical Yearbook, Jiangxi Statistical Communique, CREIS, C&W

INDUSTRY OVERVIEW

Nanchang

The GDP of Nanchang increased from 2013 to 2018 at a CAGR of approximately 9.6%, reaching approximately RMB527.0 billion in 2018. The table below sets out the selected economic indicators of Nanchang for the years indicated:

	2013	2014	2015	2016	2017	2018	2013-2018 CAGR
GDP (RMB billion).	334	367	400	435	500	527	9.6%
GDP Growth (%)	10.7	9.8	9.6	9.0	9.0	8.9	N/A
Urban disposable income per capita (RMB)	26,151	29,091	31,942	34,619	37,675	40,844	9.3%
Fixed asset investment (RMB billion)	291	343	400	454	512	N/A	15.2%*

Notes: N/A means not applicable or not available

* indicates CAGR is calculated using data from 2013 to 2017

Sources: Nanchang Statistical Communique, C&W

The residential property market in Nanchang experienced rapid growth in recent years. According to the CREIS, real estate investment in Nanchang increased from approximately RMB41.0 billion in 2013 to approximately RMB89.0 billion in 2018. The average selling price of residential properties in Nanchang has increased from approximately RMB8,217 per sq.m. in 2013 to approximately RMB10,883 per sq.m. in 2018 at a CAGR of 5.8%. The table below sets out the selected indicators relating to the residential property market of Nanchang for the years indicated:

	2013	2014	2015	2016	2017	2018	2013-2018 CAGR
Real estate investment (RMB billion)	41	41	49	68	79	89	16.8%
Total GFA of residential properties sold (million sq.m.)	3.92	5.59	5.88	7.32	5.22	5.63	7.5%
Total contract sales amount of residential properties (RMB billion)	32	42	49	66	52	61	13.8%
The average selling price of residential properties (RMB per sq.m.)	8,217	7,477	8,389	9,030	9,961	10,883	5.8%

Sources: CREIS, C&W

INDUSTRY OVERVIEW

The Yangtze River Delta Region

Suzhou

The GDP of Suzhou increased from RMB1,302.0 billion in 2013 to RMB1,850.0 billion in 2018 at a CAGR of 7.3%. The table below sets out the selected economic indicators of Suzhou for the years indicated:

	2013	2014	2015	2016	2017	2018	2013-2018 CAGR
GDP (RMB billion)	1,302	1,376	1,450	1,548	1,732	1,850	7.3%
GDP Growth (%).	9.6	8.3	7.5	7.5	7.1	7.0	N/A
Urban disposable income per capita (RMB)	41,143	46,677	50,400	54,341	58,806	63,500	9.1%
Fixed asset investment (RMB billion)	600	623	612	565	563	456	(5.4%)

Notes: N/A means not applicable or not available

Sources: Suzhou Statistical Yearbook, C&W

INDUSTRY OVERVIEW

The residential property market in Suzhou has experienced stable growth in recent years. According to CREIS, real estate investment in Suzhou increased from approximately RMB141 billion in 2013 to approximately RMB256 billion in 2018, with a CAGR of 12.7%. In addition, the average selling price of commodity residential housing in Suzhou also increased from approximately RMB10,933 per sq.m. in 2013 to approximately RMB22,915 per sq.m. in 2018, with a CAGR of 16%, which shows good consumers' expectation on the real estate market of Suzhou. The table below sets out the selected indicators relating to the residential property market of Suzhou for the years indicated:

	2013	2014	2015	2016	2017	2018	2013-2018 CAGR
Real estate investment (RMB billion)	141	176	186	216	231	256	12.7%
Total GFA of commodity residential housing sold (million sq.m.)	8.11	8.24	11.76	8.57	6.05	6.10	(5.5%)
Total contract sales amount of commodity residential housing (RMB billion)	89	93	152	159	125	140	9.5%
Average selling price of commodity residential housing (RMB per sq.m.)	10,933	11,213	12,924	18,580	20,575	22,915	16.0%

Source: CREIS, C&W

INDUSTRY OVERVIEW

The Greater Bay Region

Huizhou

The GDP of Huizhou increased from 2013 to 2018 at a CAGR of approximately 8.9%, reaching approximately RMB410.0 billion in 2018. The table below sets out the selected economic indicators of Huizhou for the years indicated:

	2013	2014	2015	2016	2017	2018	2013-2018 CAGR
GDP (RMB billion) . . .	268	300	314	341	383	410	8.9%
GDP Growth (%).	13.6	10.0	9.0	8.2	7.6	6.0	N/A
Urban disposable income per capita (RMB)	32,992	27,300	30,057	33,213	36,608	39,574	3.7%
Fixed asset investment (RMB billion)	140	161	186	204	223	N/A	12.3%*

Notes: N/A means not applicable or not available

* indicates CAGR is calculated using data from 2013 to 2017

Sources: Huizhou Statistical Communique, CREIS, C&W

INDUSTRY OVERVIEW

The residential property market in Huizhou has experienced stable growth in recent years. According to the National Bureau of Statistics, the real estate investment in Huizhou rose from approximately RMB59.0 billion in 2013 to approximately RMB98.0 billion in 2018 at a CAGR of 10.7%. As for the demand for residential properties, Huizhou sold a total of approximately RMB32.0 billion of commodity residential housing in 2018, which has increased at a CAGR of 7.8% from 2013 to 2018. The average selling price of commodity residential housing in Huizhou has also increased from approximately RMB6,530 per sq.m. in 2013 to approximately RMB10,804 per sq.m. in 2018 at a CAGR of 10.6%. The table below sets out the selected indicators relating to the residential property market of Huizhou for the years indicated:

	2013	2014	2015	2016	2017	2018	2013-2018 CAGR
Real estate investment (RMB billion)	59	67	61	75	88	98	10.7%
Total GFA of commodity residential housing sold (million sq.m.)	3.35	2.79	3.58	5.35	3.36	2.92	(2.7%)
Total contract sales amount of commodity residential housing (RMB billion)	22	18	23	42	34	32	7.8%
The average selling price of commodity residential housing (RMB per sq.m.)	6,530	6,423	6,322	7,916	10,151	10,804	10.6%

Source: Huizhou Statistical Communique, CREIS, C&W

INDUSTRY OVERVIEW

The Central and Western China Core Cities and Other Regions with High-Growth Potential

Chengdu

The GDP of Chengdu has generally increased from approximately RMB911.0 billion in 2013 to approximately RMB1,534.0 billion in 2018, at a CAGR of approximately 11.0%. The table below sets out the selected economic indicators of Chengdu for the years indicated:

	2013	2014	2015	2016	2017	2018	2013-2018 CAGR
GDP (RMB billion) . . .	911	1,006	1,080	1,217	1,389	1,534	11.0%
GDP Growth (%).	10.2	8.9	7.9	7.7	8.1	8.0	N/A
Fixed asset investment (RMB billion)	650	662	701	837	940	834	5.1%
Urban disposable income per capita (RMB)	29,968	32,665	33,476	35,902	38,918	42,128	7.0%

Notes: N/A means not applicable or not available

Sources: Chengdu Statistical Yearbook, Chengdu economy and society development report, C&W

In general, the residential property market of Chengdu had experienced steady growth between 2013 and 2016. In 2017, after the continuous release of real estate policies, this rising trend was interrupted. According to CREIS, real estate investment in Chengdu increased from approximately RMB211.0 billion in 2013 to approximately RMB264.0 billion in 2016. As of 2018, the real estate investment decreased to approximately RMB227.0 billion. Regarding demand for residential properties, a total GFA of approximately 18.04 million sq.m. of residential commodity housings were sold in 2018, decreasing by 15.8% compared with the previous year. The average sale price of residential commodity properties from RMB9,437 per sq.m. in 2013 to RMB11,173 per sq.m. in 2018, with a CAGR of 3.4%.

INDUSTRY OVERVIEW

The table below sets out the selected indicators relating to the residential property market of Chengdu for the years indicated:

	2013	2014	2015	2016	2017	2018	2013-2018 CAGR
Real estate investment (RMB billion)	211	222	244	264	249	227	1.5%
Total GFA of commodity residential housings sold (million sq.m.)	11.06	9.35	21.18	28.73	21.44	18.04	10.3%
Total contract sales amount of commodity residential housings (RMB billion)	104	94	157	234	202	202	14.2%
The average selling price of commodity residential housings (RMB per sq.m.)	9,437	10,019	7,395	8,149	9,408	11,173	3.4%

Source: CREIS, C&W

LAND PRICE AND PRICES OF KEY CONSTRUCTION MATERIALS

Land price is a crucial factor for real estate developers. In general, land cost is expected to increase in the future, creating greater pressure on real estate developers in terms of financial resources. The table below sets out data regarding the average site value for the recent seven years in PRC.

	2011	2012	2013	2014	2015	2016	2017	2011-2017 CAGR
Residential average site value (RMB per sq.m.)	2,221.1	2,265.8	2,853.1	3,486.9	3,562.2	5,001.4	6,089.8	18.3%
Retail and office average site value (RMB per sq.m.)	2,021.3	1,605.7	2,170.9	2,415.7	2,131.7	2,399.3	2,899.1	6.2%

Source: CREIS

INDUSTRY OVERVIEW

The major construction materials used in our property development projects include cement and steel, which are subject to market fluctuation and volatility. The purchasing price indices for construction materials, labor, cement and steel price index industrial producers in the PRC from 2013 to 2018 are set out below:

	2013	2014	2015	2016	2017	2018
Construction materials						
price index	101.0	101.8	98.9	99.1	105.1	110.0
Labor price index	108.1	106.1	104.6	103.5	103.9	104.4
Cement price index	98.6	100.7	96.7	96.7	106.8	110.9
Steel price index	94.1	94.9	88.1	96.3	120.7	103.5
(Preceding year = 100)						

Source: National Bureau of Statistics

According to the National Bureau of Statistics, the costs of construction materials, labor, cement and steel generally increased from 2013 to 2018. More specifically, there were certain substantial increases in the costs of construction materials from 2016 to 2018, in the cost of cement from 2017 to 2018 and in the price of steel from 2016 to 2017. The general increases in the costs of construction materials, labor, cement and steel for the PRC market over the years of 2013 to 2018 have, to a certain extent, increased the final selling prices of our properties, as such development costs are usually factored into our pricing determinations for the properties. See “Business — Our Property Development Operations — Sales and Marketing — Pricing.” However, the extent to which that individual properties are affected varied depending on their specific costs and development schedules.

REGULATORY OVERVIEW

This section sets forth a summary of the most significant PRC laws and regulations that affect our business, operations and the industry in which we operate.

LAWS AND REGULATIONS ON ESTABLISHMENT AND OPERATION OF FOREIGN INVESTED ENTERPRISES

Companies with limited liability and joint stock companies with limited liability established and operating in the PRC are governed by the Company Law of the PRC (《中華人民共和國公司法》) (the “PRC Company Law”), which was promulgated by the Standing Committee of the National People’s Congress (中華人民共和國全國人大常委會) (the “SCNPC”) on December 29, 1993 and was latest amended on October 26, 2018. According to the PRC Company Law, the shareholders of a limited liability company may transfer all or part of their equity interests among themselves, however the shareholder proposing to transfer any equity interests to a non-shareholder shall obtain the consent of more than half of the other shareholders. The shareholder shall inform the other shareholders of the proposed equity transfer in writing and seek their consent. Failure to reply within 30 days from receipt of the written notice shall be deemed as consent to the proposed transfer.

The establishment procedures, verification and approval procedures, registered capital requirements, foreign exchange control, accounting practices, taxation, labor matters and all other relevant matters of a wholly foreign-owned enterprise shall be subject to the Wholly Foreign-owned Enterprise Law of the PRC (《中華人民共和國外資企業法》) (the “Wholly Foreign-owned Enterprise Law”), which was promulgated by the SCNPC on April 12, 1986 and was newly amended on September 3, 2016, the Implementation Rules of the Wholly Foreign-owned Enterprise Law of the PRC (《中華人民共和國外資企業法實施細則》) (the “Implementation Rules”), which were promulgated by the Ministry of the Foreign Economic Relation and Trade of the PRC on December 12, 1990 and newly amended by the PRC State Council (the “State Council”) on February 19, 2014, and the Provisional Measures for Filing Administration of Establishment and Changes of Foreign-invested Enterprise (《外商投資企業設立及變更備案管理暫行辦法》) (the “Provisional Measures”), which was promulgated by the Ministry of Commerce of the People’s Republic of China (the “MOFCOM”) came into force on October 8, 2016 and was newly amended on June 29, 2018. Under the Wholly Foreign-owned Enterprise Law, the Implementation Rules and the Provisional Measures, applications for the establishment of the foreign-invested enterprise which does not fall within the scope of the Special Administrative Measures (Negative List) for Foreign Investment Access (2018 Edition) (the “Negative List”) (外商投資准入特別管理措施(負面清單) (2018年版)), which was promulgated by the National Development and Reform Commission (中華人民共和國國家發展和改革委員會) (the “NDRC”) and the MOFCOM on 28 June 2018 and implemented on 28 July 2018, shall be subject to filing administration.

REGULATORY OVERVIEW

On June 30, 2019, the Catalogue of Industries for Encouraged Foreign Investment (2019 Edition) (《鼓勵外商投資產業目錄(2019年版)》) (the “Catalogue”) was promulgated by the NDRC and the MOFCOM, and entered into force from July 30, 2019. Encouraged foreign investment industries of the Catalog for the Guidance of Foreign Investment Industries (Revised in 2017) (《外商投資產業指導目錄(2017年修訂)》) released on June 28, 2017 and the Catalog of Priority Industries for Foreign Investment in the Central-Western Region (Revised in 2017) (《中西部地區外商投資優勢產業目錄(2017年修訂)》) released on February 17, 2017, were repealed simultaneously. On June 30, 2019, the Special Administrative Measures for the Admission of Foreign Investment (Negative List) (2019 Edition) (《外商投資准入特別管理措施(負面清單)(2019年版)》) (“Negative List 2019”) was promulgated by the NDRC and the MOFCOM, and entered into force from July 30, 2019. The Special Administrative Measures for Access of Foreign Investment (Negative List) (2018 Edition) (《外商投資准入特別管理措施(負面清單)(2018年版)》) released on June 28, 2018, was repealed simultaneously. The Catalogue and Negative List 2019 stipulated in detail the areas of entry pertaining to the categories of encouraged foreign investment industries, restricted foreign investment industries and prohibited foreign investment industries. Any industry not listed in the Catalogue or Negative List 2019 is a permitted industry.

REGULATIONS ON THE ESTABLISHMENT OF REAL ESTATE ENTERPRISES

Establishment of a Real Estate Development Enterprise

According to the Law of the People’s Republic of China on Urban Real Estate Administration (中華人民共和國城市房地產管理法) (the “Urban Real Estate Law”) promulgated by the SCNPC, effective on January 1, 1995, and amended on August 27, 2009 and August 26, 2019, a real estate developer is defined as an enterprise which engages in the development and operation of real estate for the purpose of making profits. Under the Regulations on Administration of Development and Operation of Urban Real Estate (城市房地產開發經營管理條例) (the “Development Regulations”) promulgated and implemented by the State Council on July 20, 1998, and amended on January 8, 2011, March 19, 2018 and March 24, 2019, the establishment of a real estate development enterprise shall, in addition to the conditions for the enterprise establishment prescribed by relevant laws and administrative regulations, fulfill the following requirements: 1) its registered capital shall be RMB1 million or above; and 2) it shall have four or more full-time professional real estate/construction technicians and two or more full-time accounting officers, each of whom shall hold the relevant qualification certificate.

However, the Notice on Adjusting the Capital Ratio of Fixed Assets Investment Projects (關於調整固定資產投資項目資本金比例的通知) issued by the State Council on May 25, 2009 has reduced the requirement on the minimum capital for Social Welfare Housing and general commercial residence from 35% to 20%, while the requirement on the minimum capital for other real estate projects has been reduced to 30%. Under the Notice on Adjusting and Perfecting the Capital System for Fixed Assets Investment (國務院關於調整和完善固定資產投

REGULATORY OVERVIEW

資項目資本金制度的通知) issued by the State Council on September 9, 2015, the minimum portion of capital for Social Welfare Housing and general commercial residence maintained at 20%, while the minimum portion of capital for other real estate projects has been reduced from 30% to 25%.

Foreign-Invested Real Estate Enterprises

Pursuant to the Catalogue and the Negative List, the foreign investment related to real estate development falls within the category of industries in which foreign investment is permitted. The Negative List enumerates the restricted industries and the prohibited industries in relation to foreign investment, and the industries such as real estate development industry which do not fall within the Negative List, shall be administered under the principle of equal treatment to domestic and foreign investment.

On July 11, 2006, the Ministry of Construction (中華人民共和國建設部), the MOFCOM, the NDRC, the People's Bank of China (中國人民銀行) (the "PBOC"), the State Administration for Industry and Commerce (國家工商行政管理總局) (the "SAIC") and the State Administration of Foreign Exchange (國家外匯管理局) (the "SAFE") jointly promulgated Opinions on Regulating the Market Access and Administration of Foreign Investment in the Real Estate (關於規範房地產市場外資准入和管理的意見), which provides, that: (i) foreign organizations and individuals who have established foreign-invested enterprises are allowed to invest in and purchase not-for-self-use real estate in China; while branches of foreign organizations established in China are eligible to purchase commercial houses which match their actual needs for self-use under their names; (ii) the registered capital of foreign-invested real estate enterprises with the total investment amount exceeding or equal to US\$10 million shall be no less than 50% of their total investment; (iii) foreign-invested real estate enterprises can apply for renewing the official foreign-invested enterprise approval certificate and business license with an operation term of one year only after they have paid back all the land premium and obtained the state-owned land use rights certificate; (iv) with respect to equity transfer and project transfer of a foreign-invested real estate enterprise and the merger and acquisition of a domestic real estate enterprise by an overseas investor, the department in charge of commerce and other departments shall conduct examination and approval in strict compliance with the provisions of the relevant laws, regulations, and policies.

On August 19, 2015, Ministry of Housing and Urban-Rural Development (中華人民共和國住房和城鄉建設部) ("MOHURD"), the MOFCOM, the NDRC, the PBOC, the SAIC and the SAFE jointly promulgated Circular on Amending the Policies Concerning Access and Administration of Foreign Investment in the Real Estate Market (關於調整房地產市場外資准入和管理有關政策的通知) (the "Circular"). Pursuant to the Circular, the ratio of registered capital to total investment of foreign invested real estate companies shall be subject to the Tentative Regulations of the State Administration for Industry and Commerce on the Proportion of the Registered Capital to the Total Amount of Investment of Sino-foreign Equity

REGULATORY OVERVIEW

Joint Ventures (國家工商行政管理局關於中外合資經營企業註冊資本與投資總額比例的暫行規定) that a foreign invested real estate company must fully pay its registered capital before applying for domestic or foreign loans, or settlement of foreign exchange loans has been canceled.

On June 18, 2008, MOFCOM issued the Circular on Properly Handling the Filing of Foreign Investment in the Real Estate Industry (關於做好外商投資房地產業備案工作的通知) (“No. 23 Circular”), which has become effective on July 1, 2008. According to the No. 23 Circular the registration shall be preliminarily examined by the provincial branch of the MOFCOM before submitting to the MOFCOM for registration.

On November 6, 2015, the MOFCOM and the SAFE jointly promulgated the Circular of the Ministry of Commerce and the State Administration of Foreign Exchange on Further Improvements to Filing for Real Estate Investments of Foreign Investors (商務部、外匯局關於進一步改進外商投資房地產備案工作的通知) which has simplified the administrative procedures for foreign-invested real estate companies. According to the aforementioned circular, the local departments shall approve the establishment and changes of foreign-invested real estate enterprises in accordance with the laws and statutes concerning foreign investment, and furnish information on real estate projects in the foreign investment information system of the MOFCOM.

Qualification of a Real Estate Developer

Under the Development Regulations, a real estate developer must file its establishment to competent department of real estate development of the place where the registration authority is located within 30 days from the date of obtaining the business license. The real estate development authorities shall examine applications for classification of a real estate developer’s qualification by considering its assets, professional personnel and industrial achievements. A real estate enterprise shall only engage in real estate development projects in compliance with its approved qualification.

Under the Provisions on Administration of Qualifications of Real Estate Development Enterprises (房地產開發企業資質管理規定) (the “Provisions on Administration of Qualifications”) promulgated by the Ministry of Construction and implemented on March 29, 2000 and amended on May 4, 2015 and December 22, 2018, a real estate developer shall apply for registration of its qualifications. An enterprise may not engage in the development and sale of real estate without a qualification classification certificate for real estate development.

The Provisional Qualification Certificate is effective for 1 year from its issuance while the real estate development authority may extend the validity to a period of no longer than 2 years considering the actual business situation of the enterprise. The real estate developer shall apply for qualification classification by the real estate development authority within 1 month before the expiry of the Provisional Qualification Certificate.

REGULATORY OVERVIEW

REGULATION ON LAND AND THE DEVELOPMENT OF REAL ESTATE PROJECTS

Land Grants

On April 12, 1988, the National People's Congress of China (the "NPC") passed an amendment to the Constitution of the PRC (中華人民共和國憲法). The amendment allowed the transfer of land use rights for value to prepare for reforms of the legal regime governing the use of land and transfer of land use rights. On December 29, 1988, the SCNPC also amended the Land Administration Law of the PRC (中華人民共和國土地管理法) to permit the transfer of land use rights for value.

Under the Provisional Regulations of the People's Republic of China on Grant and Transfer of the Land-Use Rights of State-Owned Urban Land (中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例) (the "Provisional Regulations on Grant and Transfer") promulgated by the State Council on May 19, 1990, a system of grant and transfer of the right to use State-owned land is adopted. A land user shall pay land premium to the State as consideration for the grant of the right to use a land site within a certain term, and the land user may transfer, lease out, mortgage or otherwise commercially exploit the land use rights within the term of use. Under the Provisional Regulations on Grant and Transfer and the Urban Real Estate Law, the land administration authority under the local government of the relevant city or county shall enter into an assignment contract with the land user to provide for the grant of land-use rights. The land user shall pay the land premium as provided by the assignment contract. After full payment of the land premium, the land user shall register with the land administration authority and obtain a land-use rights certificate which evidences the acquisition of land-use rights. The Development Regulations provide that the land-use right for a land parcel intended for real estate development shall be obtained through grant except for land-use rights which may be obtained through appropriation pursuant to PRC laws or the stipulations of the State Council.

Under the Regulations on the Grant of State-Owned Land-Use Rights by Way of Tendering, Auction and Listing-for-sale (招標拍賣掛牌出讓國有土地使用權規定) promulgated by the Ministry of Land and Resources (中華人民共和國國土資源部) (the "MLR") on May 9, 2002 and implemented on July 1, 2002 and revised on September 28, 2007 by Regulations on the Grant of State-Owned Construction Land-Use Rights by Way of Tendering, Auction and Listing-for-sale (招標拍賣掛牌出讓國有建設用地使用權規定) effective on November 1, 2007 (the "Land Grant Regulations"), land to be used for industrial, commercial, tourism, entertainment or commodity residential purposes, or where there are two or more intended users for the certain piece of land, shall be granted by way of competitive processes. A number of measures are provided by the Land Grant Regulations to ensure such grant of land-use rights for commercial purposes is conducted openly and fairly.

REGULATORY OVERVIEW

On May 11, 2011, the MLR promulgated the Opinions on Upholding and Improving the System for the Transfer of Land by Tendering, Auction and Listing-for-Sale (國土資源部關於堅持和完善土地招標拍賣掛牌出讓制度的意見), which provides stipulations to improve policies on the supply of land through public tendering, auction and listing-for-sale, and strengthen the active role of land transfer policy in the control of the real estate market.

On June 11, 2003, the MLR promulgated the Regulations on the Grant of State-owned Land Use Rights by Agreement (協議出讓國有土地使用權規定). According to this regulation, if there is only one party interested in using the land, the land use rights (excluding profit-oriented land for commercial use, tourism, entertainment and commodity residential properties) may be assigned by way of agreement. If two or more parties are interested in the land use rights to be assigned, such land use rights shall be granted by means of tendering, auction and listing-for-sale.

According to the Standard for Terminology of Civil Architectural Design (民用建築設計術語標準) (GB/T 50504-2009) promulgated by the MOHURD on May 13, 2009 and implemented on December 1, 2009, the definition of villa is an independent low-rise house with private garden.

According to the Circular on the Distribution of the Catalog for Restricted Land Use Projects (2012 Edition) and the Catalog for Prohibited Land Use Project (2012 Edition) (關於印發<限制用地項目目錄(2012年本)>和<禁止用地項目目錄(2012年本)>的通知) promulgated by the MLR and the NDRC on May 23, 2012, the granted area of the residential housing projects should not exceed (i) seven hectares for small cities and towns, (ii) 14 hectares for medium-sized cities, or (iii) and 20 hectares for large cities and plot ratio which is not lower than 1.0.

The Measures on the Administration of Reserved Land (土地儲備管理辦法), promulgated by MLR, Ministry of Finance (the “MOF”), the PBOC and the China Banking Regulatory Commission (the “CBRC”) on January 3, 2018, define “reserved land” and stipulate the administrative, regulatory and implementing procedures involved with the planning, standard, development, management and protect, supply and capital expenditure of reserved land.

Development of a Real Estate Project

Commencement of real estate project and regulations with respect to idle land

Under the Urban Real Estate Law, those who have been granted the land use rights must develop the land in accordance with the use and construction period as prescribed by the land use rights grant contract. Pursuant to the Measures on Disposal of Idle Land (閒置土地處置辦法) promulgated by the MLR on April 28, 1999, amended on June 1, 2012 and implemented on July 1, 2012, the land can be defined as idle land under any of the following circumstances:

REGULATORY OVERVIEW

- (1) development and construction of the state-owned idle land is not commenced after one year of the prescribed time limit in the land use rights grant contract or allocation decision; or
- (2) the development and construction of the state-owned idle land has been commenced but the area of the development and construction that has been commenced is less than one-third of the total area to be developed and constructed or the invested amount is less than 25% of the total amount of investment, and the development and construction have been continuously suspended for one year or more without an approval.

Where the delay of commencement of development is caused by the government's behavior or due to the force majeure of natural disasters, the land administrative authorities shall discuss with the holder of state-owned construction land use rights and choose the methods for disposal in accordance with the Measures on Disposal of Idle Land.

The Notice on Strengthening the Disposing of Idle Land (關於加大閒置土地處置力度的通知) issued by the MLR on September 8, 2007 emphasized that the disposal of idle land shall be sped up. The land regulatory authority may impose an idle land penalty of up to 20% of the land premium; the land regulatory authority shall reclaim the idle land without compensation as required by the relevant regulations. For land that becomes idle as a result of illegal approval, such land shall be reclaimed before the end of 2007.

Planning of a real estate project

Under the Regulation on Planning Administration regarding Granting and Transfer of State-Owned Land Use Rights in Urban Area (城市國有土地使用權出讓轉讓規劃管理辦法) promulgated by the Ministry of Construction in December 1992 and amended in January 2011, a real estate developer shall apply for a construction land planning permit (建設用地規劃許可證) from the municipal planning authority. The SCNPC promulgated the Urban and Rural Planning Law of PRC (中華人民共和國城鄉規劃法) on October 28, 2007, and amended on April 24, 2015 and April 23, 2019, pursuant to which, a construction work planning permit (建設工程規劃許可證) must be obtained from relevant urban and rural planning government authorities for building any structure, fixture, road, pipeline or other engineering project within an urban or rural planning area.

Construction work commencement permit

After obtaining the construction work planning permit, a real estate developer shall apply for a construction work commencement permit (建築工程施工許可證) from the construction authority under the local people's government at the county level or above in accordance with the Measures for the Administration of Construction Permit for Construction Projects (建築工程施工許可管理辦法) promulgated by MOHURD on June 25, 2014, implemented on October 25, 2014 and newly amended on September 19, 2018.

REGULATORY OVERVIEW

Inspection upon completion of real estate project

The Regulation on Quality Management of Construction Projects (《建設工程質量管理條例》) was promulgated and implemented on 30 January 2000, and amended on 7 October 2017 and 23 April 2019. All construction projects in the PRC, including the establishment, expansion, improvement, demolition and other related activities, and the supervision and management of the quality of construction projects shall abide by such regulation. Under this regulation, construction projects shall include all civil engineering projects, construction works, installation of wires, pipes and equipment, and renovation works. All constructors, surveyors, designers, contractors and supervisors of the projects shall be responsible for the quality of the construction projects according to the laws.

In accordance with the Development Regulations, the Administrative Measures for Filing Regarding Completion and Acceptance of Buildings and Municipal Infrastructure Projects (房屋建築和市政基礎設施工程竣工驗收備案管理辦法) promulgated by MOHURD on April 7, 2000 and amended on October 19, 2009 and the Rules for Completion and Acceptance of Buildings and Municipal Infrastructure Projects (房屋建築和市政基礎設施工程竣工驗收規定) promulgated by MOHURD implemented on December 2, 2013, after the completion of construction of a project, the real estate development enterprise must undergo inspection and receive relevant approvals from local authorities including planning bureaus, fire safety authorities and environmental protection authorities.

REGULATIONS ON REAL ESTATE TRANSFER AND SALE

Sale of Commodity Buildings

Under the Regulatory Measures on the Sale of Commodity Buildings (商品房銷售管理辦法) (the “Regulatory Measures”) promulgated by the Ministry of Construction on April 4, 2001 and implemented on June 1, 2001, sale of commodity buildings can include both pre-completion sales (pre-sale) and post-completion sales.

Permit of Pre-sale of Commodity Buildings

According to the Measures for Administration of Pre-sale of Commodity Buildings (城市商品房預售管理辦法) (the “Pre-sale Measures”) promulgated by the Ministry of Construction on November 15, 1994 and amended on August 15, 2001 and July 20, 2004 respectively, any pre-sale of commodity buildings is subject to specified procedures. If a real estate development enterprise intends to sell commodity buildings in advance, it shall apply to the real estate administrative authority to obtain a pre-sales permit.

According to the Pre-sale Measures, any real estate development enterprise shall submit the following certificates (photocopies) and materials for applying pre-sales permit:

- (1) An application for pre-sale of commodity buildings;

REGULATORY OVERVIEW

- (2) The business license and qualification certificate of the real estate development enterprise;
- (3) The land use rights certificate, construction planning permit and construction commencement permit;
- (4) A certification proves that the ratio between the construction fund and the total investment of the construction project meets the prescribed conditions;
- (5) The project construction agreement and the explanations of the construction progress; and
- (6) The plan on pre-sale of commodity buildings.

Under the Pre-sale Measures and the Urban Real Estate Law, the pre-sale proceeds of commodity buildings may only be used to fund the property development costs of the relevant projects.

Conditions of the Sale of Post-Completion Commodity Buildings

Under the Regulatory Measures, commodity buildings may be put to post-completion sale only when the following preconditions have been satisfied:

- (1) the real estate development enterprise shall have a business license and a qualification certificate of a real estate developer;
- (2) the enterprise shall obtain a land use rights certificate or other approval documents for land use;
- (3) the enterprise shall have the construction work planning permit and construction work commencement permit;
- (4) the building shall have been completed, inspected and accepted as qualified;
- (5) the relocation of the original residents shall have been well completed;
- (6) the supplementary essential facilities for supplying water, electricity, heating, gas, communication, etc. shall have been made ready for use, and other supplementary essential facilities and public facilities shall have been made ready for use, or the schedule of construction and delivery date shall have been specified; and
- (7) the real property management plan shall have been completed.

REGULATORY OVERVIEW

Before the post-completion sale of a commodity building, a real estate developer shall submit the Real Estate Development Project Manual and other documents evidencing the satisfaction of preconditions for post-completion sale to the real estate development authority.

According to the Regulations on Requisition of and Compensation for Buildings on State-owned Land (國有土地上房屋徵收與補償條例) promulgated and implemented on January 21, 2011 by the State Council, the building requisition authorities determined by municipal and county levels governments shall organize implementation of requisition of buildings and compensation within their administrative regions.

Notices on Accelerating a Stable and Healthy Development in the Real Estate Market

On January 7, 2010, the General Office of the State Council issued the Notice on Accelerating a Stable and Healthy Development in the Real Estate Market (關於促進房地產市場平穩健康發展的通知), which stipulates:

- (1) Increase the effective supply of security housing and common commercial housing;
- (2) Reasonably steer housing consumption and suppress speculative house purchasing demand;
- (3) Strengthen risk prevention and market supervision; and
- (4) Quicken the security comfort housing project construction.

According to the Guiding Opinions on Construction and Administration of Comfort Housing Project (關於保障性安居工程建設和管理的指導意見) promulgated by the General Office of the State Council on September 28, 2011, the comfort housing project includes public rental housing, affordable housing, price-restricted commodity housing, renovation of shantytowns and renovation of rural dilapidated housing.

On April 17, 2010, the State Council issued the Notice on Restraining Resolutely the Soaring of Housing Prices in Some Cities (關於堅決遏制部分城市房價過快上漲的通知), which requires that:

- (1) Each district and each department practically implement their duty to stabilize property prices and residential housing guarantees; and
- (2) Unreasonable housing demands should be strictly restricted and stricter differentiating credit policies should be implemented.

The Provisions on Sales of Commodity Properties at Clearly Marked Price (商品房銷售明碼標價規定) was promulgated by the NDRC on March 16, 2011 and became effective on May 1, 2011. According to such provisions, any real estate developer or real estate agency (collectively, “real estate operators”) is required to mark the selling price explicitly and clearly

REGULATORY OVERVIEW

for both newly-build and second-hand commodity properties. The provisions require real estate operators to clearly indicate the prices and relevant fees of commodity properties, as well as other factors affecting the prices of commodity properties to the public. With respect to the real estate development projects that have received property pre-sale permit or have completed the filing procedures for the sales of constructed properties, real estate operators shall announce all the commodity properties available for sales on at once within the specified time limit. Furthermore, with regard to a property that has been sold out, real estate operators are obliged to disclose this information and to disclose the actual transaction price. Real estate operators cannot sell commodity properties beyond the explicit marked price or charge any other fees not explicitly marked. Moreover, real estate operators may neither mislead properties purchasers with false or irregular price marking, nor engage in price fraud by using false or misleading price marking methods.

On February 26, 2013, the General Office of the State Council issued the Notice on Further Improving Regulation of the Real Estate Market (關於繼續做好房地產市場調控工作的通知) which requires, among other restrictive measures:

- (1) Firmly restraining purchases of residential housing for investment and speculation purposes. Non-local residents who possess one or more residential properties and fail to provide one-year or longer tax payment certificates or social insurance payment certificates are to be barred from purchasing any residential properties located in the administrative area. For cities where housing prices are increasing at an excessively high rate, local branches of the PBOC may further raise the down-payment rate and mortgage interest rate for the purchase of a second residential property. In addition, the state will strictly enforce a 20% individual income tax on home sale profits; and
- (2) Expanding ordinary commodity housing units and increasing the supply of land. The overall housing land supply in 2013 shall not be lower than the average actual land supply in the past five years.

On September 24, 2015, PBOC and CBRC jointly issued the Notice of the People's Bank of China and the China Banking Regulatory Commission on Further Improving the Relevant Issues concerning the Differential Housing Credit Policy (中國人民銀行、中國銀行業監督管理委員會關於進一步完善差別化住房信貸政策有關問題的通知), which provides that in cities where “property purchase control measures” are not implemented the minimum down payment ratio of a personal housing commercial loan obtained by a household to finance the purchase of the first ordinary residential property is adjusted to 25%.

According to the Notice on Certain Matters Concerning Individual Housing Loan Policies (關於個人住房貸款政策有關問題的通知), promulgated by PBOC, MOHURD and CBRC on March 30, 2015 and effective on the same date, and the Notice on Adjusting the Business Tax Policies Concerning Transfer of Individual Housing (關於調整個人住房轉讓營業稅政策的通通知) promulgated by MOF and SAT on March 30, 2015 and effective on March 31, 2015, where a household, which has already owned a home and has not paid off the relevant housing loan,

REGULATORY OVERVIEW

applies for another commercial personal housing loan to purchase another ordinary housing property for the purpose of improving living conditions, the minimum down payment is adjusted to 40%. The actual down payment ratio and loan interest rate should be determined by the banking financial institution concerned based on the borrower's credit record and financial condition.

For working households that have contributed to the housing provident fund, when they use the housing provident fund loans to purchase an ordinary residential house as their first house, the minimum down payment shall be 20% of the house price; for working households that have contributed to the housing provident fund and that have already owned a home and have paid off the corresponding home loans, when they apply for the housing provident fund loans for the purchase of an ordinary residential house as their second property to improve their housing conditions, the minimum down payment shall be 30% of the property price. In addition, where an individual sells a property purchased within two years, business tax shall be levied on the full amount of the sales income; where an individual sells a non-ordinary property that was purchased more than two years ago, business tax shall be levied on the difference between the sales income and the original purchase price of the house; the sale of an ordinary residential property purchased by an individual more than two years ago is not subject to such business tax.

On February 1, 2016, PBOC and CBRC jointly issued The Notice on Adjustments in Respect of Certain Matters Concerning Individual Housing Loans Policies (關於調整個人住房貸款政策有關問題的通知) which provides that in cities where property purchase control measures are not being implemented, the minimum down payment ratio for a personal housing commercial loan obtained by a household for purchasing its first ordinary residential property is, in principle, 25% of the property price, which can be adjusted downward by 5% by local authorities. For existing residential property household owners which have not fully repaid the previous loan and are obtaining further personal housing commercial loan to purchase an additional ordinary residential property for the purpose of improving living conditions, the minimum down payment ratio shall be not less than 30% which is lower than the previous requirement of not less than 40%.

Notice on Adjusting the Preferential Policies on Deed Tax and Business Tax During Real Estate Transactions (關於調整房地產交易環節契稅、營業稅優惠政策的通知) was jointly promulgated by MOF, SAT and MOHURD on February 17, 2016 and implemented on February 22, 2016. The business tax policy subject to the notice are as follows: when an individual sells his/her house to an external party within the two-year period from the purchase, he/she shall pay the full amount of business tax; when an individual sells his/her house to an external party after two years (including the second anniversary) from the purchase, he/she is exempted from paying business tax.

In accordance with the Circular of the MOHURD and the MLR on Strengthening the Administration and Regulation of Recent Housing and Land Supply (住房城鄉建設部、國土資源部關於加強近期住房及用地供應管理和調控有關工作的通知), promulgated and implemented on April 1, 2017 by the MOHURD and the MLR, in cities that have prominent

REGULATORY OVERVIEW

contradictions between housing supply and demand or that face overheating markets, the supply of residential land, in particular those lands for ordinary commercial houses, shall be increased reasonably. In cities with heavy workloads of destock housing inventory, the supply of residential land shall be reduced or even suspended. All the local authorities shall build an inspection system to ensure that the real estate developers are using their own legal funds to purchase land.

Mortgage on Real Estate

Under the Urban Real Estate Law, the Guarantee Law of the People's Republic of China (中華人民共和國擔保法) promulgated by the SCNPC on June 30, 1995 and implemented on October 1, 1995, and the Measures on the Administration of Mortgages of Real Estate in Urban Areas (城市房地產抵押管理辦法) issued by the Ministry of Construction on May 9, 1997, effective on June 1, 1997 and amended on August 15, 2001, when a mortgage is created on a building legally obtained, a mortgage shall be simultaneously created on the land use rights of the land on which the building is situated. When the land use rights of State-owned land acquired through means of grant are being mortgaged, the buildings on the land shall also be mortgaged at the same time. The land use rights of town and village enterprises cannot be solely mortgaged. When buildings owned by town and village enterprises are mortgaged, the land use rights occupied by the buildings shall also be mortgaged at the same time. The mortgager and the mortgagee shall sign a mortgage contract in writing.

Lease of Buildings

Pursuant to the Administrative Measures for Commodity Housing Leasing (商品房屋租賃管理辦法) promulgated on December 1, 2010 and effective as of February 1, 2011, the parties to a real estate lease shall apply for lease registration with the competent construction (real estate) departments of the municipalities directly under the Central Government, cities and counties where the housing is located within 30 days after the lease contract is signed. There will be a fine below RMB1,000 on individuals who fail to make corrections within the specified time limit, and a fine between RMB1,000 and RMB10,000 on enterprises when fail to make corrections within the specified time limit.

New Property Law

On March 16, 2007, the 5th Session of the 10th NPC adopted the Property Rights Law of the People's Republic of China (中華人民共和國物權法) (the "New Property Law"), which took effect on October 1, 2007.

REGULATORY OVERVIEW

There are various clauses in the New Property Law to strengthen the protection on the rights of the house owners:

- (1) Article 89 of the New Property Law requests that “the construction of a building shall not violate the relevant provisions of the State on project construction, nor obstruct the air circulation, sunlight or daylight of any neighboring building”, which protects house owners’ right to enjoy sunlight and prevents house developers from illegal constructions; and
- (2) Article 81 of the New Property Law grants house owners the right to manage by themselves the building and its ancillary facilities and replace the property management company or any other manager engaged by the house developer. This clause reinforces the independent rights of house owners to manage their own community.

The New Property Law further widens the scope of assets that can be mortgaged, allowing for any asset associated with property rights to be mortgaged as collateral unless a specific prohibition under another law or regulation applies.

Real Estate Registration

The Interim Regulations on Real Estate Registration (不動產登記暫行條例) promulgated by the State Council on November 24, 2014, enforced on March 1, 2015 and newly amended on March 24, 2019, and the Implementation Rules of the Interim Regulations on Real Estate Registration (不動產登記暫行條例實施細則) promulgated by the MLR on January 1, 2016 and newly amended on July 16, 2019, provide that, among other things, the State implements a uniform real estate registration system and the registration of real estate shall be strictly managed and shall be carried out in a stable and continuous manner that provides convenience for people.

REGULATIONS ON REAL ESTATE FINANCING

Financing Real Estate Development and Acquisition

Pursuant to the Guidance on Risk Management of Real Estate Loans of Commercial Banks (商業銀行房地產貸款風險管理指引) issued by the CBRC on August 30, 2004, any real estate developer applying for real estate development loans shall have at least 35 percent of capital required for the development.

On July 29, 2008, PBOC and CBRC jointly issued the Notice on Promoting Economical and Intensive Use of Land through Finance (關於金融促進節約集約用地的通知). Banks shall provide financial support preferentially to the projects with economical and intensive use of land, such as the development of low-rent housing, economically affordable housing, price-capped housing and small to medium-sized ordinary commercial housing with a total

REGULATORY OVERVIEW

GFA of less than 90 sq.m.. The banks are prohibited from granting loans to the property developers for payment of land premium. This notice emphasizes tightening the policy requirements and management of loans to certain projects, including:

- (1) the management of loans for construction projects. The banks are prohibited from providing loans to (a) the projects which do not meet the relevant planning and control requirements, (b) the projects which have illegal land use and (c) the projects for which the relevant land falls into the catalog of banned land use projects. Where a loan has already been granted to such a project, it must be gradually recovered provided that necessary protection measures have been taken. A financial institution must exercise caution in granting a loan to the projects which falls into the catalog of restricted land use projects;
- (2) the examination of loans for municipal infrastructures and industrial land use projects;
- (3) the management of loans for rural collective construction land use projects. The banks are prohibited from providing loans to the commercial projects which use rural collective land; and
- (4) the management of credit for commercial property development projects.

With respect to loans provided for land reservation in the form of mortgage, a land use rights certificate must be obtained. In addition, the maximum mortgage ratio must not exceed 70% of the appraised value of the underlying collateral and, in principle, the term of loan must not exceed two years. When the relevant land and resource authority confirms that an enterprise has developed less than 1/3 of the site area of land or has invested less than 1/4 of the total investment for the project or hasn't commenced the project after one year from the date of construction commencement as stipulated in the land grant contract, the banks must exercise caution in granting loans to the enterprise and strictly control extended loans or rolling credits to it. The banks restricts granting loans to the real estate developer whose land has been idle for more than two years.

Trust Financing

On March 1, 2007, The Measures for Administration of Trust Companies (信託公司管理辦法), which was promulgated by the CBRC on January 23, 2007, came into effect. For the purposes of these measures, "Trust Financing Company" shall mean any financial institution established pursuant to the PRC Company Law and these Measures, and that primarily engages in trust activities.

From October 2008 to November 2010, the CBRC issued several regulatory notices in relation to real estate activities conducted by Trust Financing Companies, including a Circular on Relevant Matters Regarding Strengthening the Supervision of the Real Estate and Securities Businesses of Trust Companies (關於加強信託公司房地產、證券業務監管有關問題的通知),

REGULATORY OVERVIEW

promulgated by the CBRC on October 28, 2008 and effective beginning the same date, pursuant to which Trust Financing Companies are restricted from providing trust loans, in form or in nature, to property projects that have not obtained the requisite land use rights certificates, construction land planning permits, construction work planning permits and construction work commencement permits and the property, projects of which less than 35% of the total investment is funded by the property developers' own capital (the 35% requirement was changed to 20% for affordable housing and ordinary commodity apartments, and to 30% for other property projects as provided by the Notice on Adjusting the Capital Ratio of Fixed Assets Investment Projects).

Housing Loans to Individual Buyers

On April 17, 2010, the State Council issued the Notice on Strictly Restraining the Excessive Growth of the Property Prices in Some Cities (關於堅決遏制部分城市房價過快上漲的通知), pursuant to which, a stricter differential housing credit policy shall be enforced. It provides that, among other things, (a) for a family member who is a first-time home buyer (including the debtors, their spouses and their juvenile children, similarly hereinafter) of the apartment with gross floor area more than 90 sq.m., a minimum 30% down payment shall be paid; (b) for a family who applies loans for its second house, the down payment requirement is raised to at least 50% from 40% and also provides that the applicable mortgage rate must be at least 1.1 times of that of the corresponding benchmark interest rate over the same corresponding period published by the PBOC; and (c) for those who purchase three or more houses, even higher requirements on both down payments and interest rates shall be levied. In addition, the banks may suspend housing loans to third or more home buyers in places where house prices are excessively high, rise excessively rapidly and housing supply is insufficient.

The Notice on Certain Matters Concerning Individual Housing Loan Policies (關於個人住房貸款政策有關問題的通知) promulgated by PBOC, MOHURD and CBRC on March 30, 2015 and implemented on the same date provides that where a household, which has already owned a house and has not paid off the relevant housing loan, applies for another commercial personal housing loan to purchase another ordinary housing property for the purpose of improving living conditions, the minimum down payment is adjusted to 40% of the property price. The actual down payment ratio and loan interest rate should be determined by the banking financial institution concerned based on the borrower's credit record and financial condition. For working households that have contributed to the housing provident fund, when they use the housing provident fund loans to purchase an ordinary residential house as their first home, the minimum down payment shall be 20% of the house price; for working households that have contributed to the housing provident fund and that have already owned a home and have paid off the corresponding home loans, when they apply for the housing provident fund loans for the purchase of an ordinary residential house as their second property to improve their housing conditions, the minimum down payment shall be 30% of the property price.

REGULATORY OVERVIEW

The Notice on Further Improving Differentiated Housing Credit Lending Policies (關於進一步完善差別化住房信貸政策有關問題的通知) issued by the PBOC and the CBRC on September 24, 2015, provides that in cities that control measures on property purchase are not imposed, where a household applies for the commercial personal housing loan to purchase its first ordinary housing property, the minimum down payment shall be adjusted to 25% of the house price. The minimum down payment ratio for the commercial personal housing loan of each city will be independently determined by each provincial pricing self-disciplinary mechanism of market interest based on the actual situation of each city under the guidance of the PBOC and the CBRC local office.

The Notice on Adjustments in Respect of Certain Matters Concerning Individual Housing Loan Policies (關於調整個人住房貸款政策有關問題的通知), promulgated by the PBOC and the CBRC on February 1, 2016, provides that in the cities that control measures on property purchase are not imposed, where a household applies for the commercial personal housing loan to purchase its first ordinary housing property, the minimum down payment, in principle, shall be 25% of the property price and each city could adjust such ratio downwards by 5%; and where a household which has already owned a house and has not paid off the relevant housing loan, applies for another commercial personal housing loan to purchase another ordinary housing property for the purpose of improving living conditions, the minimum down payment is adjusted to 30% of the property price. In the cities that control measures on property purchase are imposed, the individual housing loan policies shall be adopted in accordance with the original regulations, and the actual down payment ratio and loan interest rate shall be determined reasonably by the banking financial institutions based on the requirements of minimum down payment ratio determined by provincial pricing self-disciplinary mechanism of market interest, the loan-issuance policies and the risk control for commercial personal housing loan adopted by such banking financial institutions and other factors such as the borrower's credit record and capacity of repayment.

The Notice of Taxation on Overall Implementation of the Pilot Program of Replacing Business Tax with Value-added Tax (關於全面推開營業稅改徵增值稅試點的通知), promulgated by the MOF and State Administration of Taxation on March 23, 2016 and implemented on May 1, 2016, provides that upon approval by the State Council, the pilot program of replacing business tax with value-added tax shall be implemented nationwide effective from May 1, 2016 and all business tax payers in construction industry, real estate industry, finance industry and consumer service industry, etc. shall be included in the scope of the pilot program and pay value-added tax instead of business tax. According to the appendix of this notice (銷售服務、無形資產、不動產註釋), entities and individuals engaging in the sale of services, intangible assets or real property within the territory of the People's Republic of China shall be the taxpayers of value-added tax ("VAT") and shall, instead of business tax, pay VAT in accordance with Measures for Implementation of the Pilot Program of Replacing Business Tax with Value-added Tax (營業稅改徵增值稅試點實施辦法). The sale of real property and the secondhand housing transaction shall adopt this notice.

REGULATORY OVERVIEW

REGULATIONS ON FIRE PREVENTION MANAGEMENT

According to the Fire Prevention Law of the People's Republic of China (中華人民共和國消防法) promulgated by the SCNPC on April 29, 1998 and implemented on September 1, 1998, later amended on October 28, 2008 and implemented on May 1, 2009, and newly amended on April 23, 2019, fire prevention facilities design and works for construction projects shall conform to state's fire prevention technical standards for engineering construction.

Pursuant to Supervision and Administration of Fire Prevention of Construction Projects (建設工程消防監督管理規定) promulgated by the Ministry of Public Security of the People's Republic of China (中華人民共和國公安部) on April 30, 2009, implemented on May 1, 2009 and later amended on July 17, 2012 and implemented on November 1, 2012, shall apply to the fire prevention supervision and administration of new construction, expansion, reconstruction (including indoor and outdoor improvement, thermal insulation in buildings and modification of uses) and other construction projects. This provision also specifies the procedure and standard for review of fire facilities design and acceptance of fire prevention facilities.

REGULATIONS ON CIVIL AIR DEFENSE PROPERTY

Pursuant to the PRC Law on National Defense (中華人民共和國國防法) promulgated by the SCNPC on March 14, 1997, as amended on August 27, 2009, national defense assets are owned by the State. Pursuant to the PRC Law on Civil Air Defense (中華人民共和國人民防空法), or the Civil Air Defense Law, promulgated by the SCNPC on October 29, 1996, as amended on August 27, 2009, civil air defense is an integral part of national defense. The Civil Air Defense Law encourages the public to invest in construction of civil air defense property and investors in civil air defense are permitted to use (including lease), manage the civil air defense property in time of peace and profit therefrom. However, such use may not impair their functions as air defense property. The design, construction and quality of the civil air defense properties must conform to the protection and quality standards established by the State. On November 1, 2001, the National Civil Air Defense Office issued the Administrative Measures for Developing and Using the Civil Air Defense Works at Ordinary Times (人民防空工程平時開發利用管理辦法) and the Administrative Measures for Maintaining the Civil Air Defense Works (人民防空工程維護管理辦法), which specify how to use, manage and maintain the civil air defense property.

REGULATIONS ON ENVIRONMENTAL PROTECTION

The laws and regulations governing the environmental requirements for real estate development in the PRC include the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法), the Prevention and Control of Noise Pollution Law of the People's Republic of China (中華人民共和國環境噪聲污染防治法), the Environmental Impact Assessment Law of Peoples Republic of China (中華人民共和國環境影響評價法) the Administrative Regulations on Environmental Protection of Construction Projects (2017 revision) (建設項目環境保護管理條例)(2017年修訂) and the Administrative Regulations on

REGULATORY OVERVIEW

Environmental Protection for Acceptance Examination Upon Completion of Buildings (建設項目竣工環境保護驗收管理辦法). Pursuant to these laws and regulations, depending on the impact of the project on the environment, an environmental impact study report, an environmental impact analysis table or an environmental impact registration form shall be submitted by a developer before the relevant authorities will grant approval for the commencement of construction of the property development. In addition, upon completion of the property development, the relevant environmental authorities will also inspect the property to ensure compliance with the applicable environmental standards and regulations before the property can be delivered to the purchasers.

REGULATIONS ON LABOR AND SOCIAL SECURITY

On June 29, 2007, the PRC government promulgated the PRC Labor Contract Law (中華人民共和國勞動合同法), which became effective on January 1, 2008, amended on December 28, 2012 and became effective on July 1, 2013. Pursuant to the PRC Labor Contract Law and the PRC Labor Law (中華人民共和國勞動法), which became effective on January 1, 1995, amended on August 27, 2009 and newly amended on December 29, 2018, (a) employers must execute written labor contracts with full-time employees, (b) employers are prohibited from forcing employees to work overtime unless they pay overtime payment to the employees and the hours worked beyond the standard working hours are within the statutory limits, (c) employers are required to pay salaries to employees on time and the salaries paid to employees shall not be lower than the local minimum salary standard, and (d) employers shall establish its work safety and sanitation system, and provide employees with workplace safety training. In addition, in accordance with the relevant laws and regulations on social security, employers in the PRC are required to make contributions to various social insurances (including medical, pension, unemployment, work-related injury and maternity insurance) and the housing fund on behalf its employees.

Pursuant to the Social Insurance Law of the PRC (中華人民共和國社會保險法) (the “New Social Insurance Law”) promulgated on October 28, 2010 by the SCNPC and implemented on July 1, 2011, and amended on December 29, 2018, the Interim Regulations Concerning the Collection and Payment of Social Insurance Premiums (社會保險費徵繳暫行條例) promulgated and implemented on January 22, 1999 and amended on March 24, 2019 by the State Council, the Interim Measures Concerning the Maternity Insurance of Employees of Enterprises (企業職工生育保險試行辦法) promulgated on December 14, 1994 and implemented on January 1, 1995 by former Ministry of Labor, the Regulation on the Administration of Housing Provident Fund (住房公積金管理條例) promulgated and implemented on April 3, 1999 and amended on March 24, 2002 and March 24, 2019 by the State Council, the Regulation on Occupational Injury Insurances (工傷保險條例) promulgated on April 27, 2003 by the State Council and implemented on January 1, 2004 and amended on December 20, 2010 by the State Council, and regulations on pension insurance, medical insurance and unemployment insurance in the provincial and municipal level, the employer shall pay pension insurance fund, basic medical insurance fund, unemployment insurance fund, occupational injury insurance fund, maternity insurance fund and housing fund for the employees. After the New Social Insurance Law became effective, where an employer fails to

REGULATORY OVERVIEW

pay social insurance premiums on time or in full amount, it will be ordered by the collection agency of social insurance premiums to pay or make up the deficit of premiums within a prescribed time limit, and a daily late fee at the rate of 0.05% of the outstanding amount from the due date will be imposed; and if it still fails to pay the premiums within the prescribed time limit, a fine of 1 to 3 times the outstanding amount might be imposed by the relevant administrative department.

REGULATIONS ON TAXATION

Income Tax

According to the Enterprise Income Tax Law of the People's Republic of China (中華人民共和國企業所得稅法)("EIT Law") enacted by the NPC on March 16, 2007, amended on February 24, 2017 and newly amended on December 29, 2018, a unified income tax rate of 25% will be applied towards foreign investment and foreign enterprises which have set up institutions or facilities in the PRC as well as PRC enterprises. Under the EIT Law, enterprises established outside of China whose "de facto management bodies" are located in China are considered "resident enterprises" and will generally be subject to the unified 25% enterprise income tax rate as to their global income.

Furthermore, pursuant to the EIT Law and the Implementation Rules on the Enterprise Income Tax (企業所得稅法實施條例) promulgated by the State Council on December 6, 2007 and effective on January 1, 2008, and amended on April 23, 2019, a withholding tax rate of 10% will be applicable to any dividend payable by foreign-invested enterprises to their non-PRC enterprise investors. In addition, pursuant to the Arrangement between Mainland China and Hong Kong for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) signed on August 21, 2006 and applicable in Hong Kong to income derived in any year of assessment commencing on or after April 1, 2007 and in mainland China to any year commencing on or after January 1, 2007, a company incorporated in Hong Kong will be subject to withholding income tax at a rate of 5% on dividends it receives from its PRC subsidiaries if it holds a 25% or more of equity interest in each such PRC subsidiary at the time of the distribution, or 10% if it holds less than a 25% equity interest in that subsidiary. According to the Notice of the State Administration of Taxation, or SAT on issues regarding the Administration of Dividend Provisions in Tax Treaties (國家稅務總局關於執行稅收協定股息條款有關問題的通知), which was promulgated on February 20, 2009, recipients of dividends paid by PRC enterprises must satisfy certain requirements in order to obtain a preferential income tax rate pursuant to a tax treaty. One such requirement is that the taxpayer must be the "beneficiary owner" of relevant dividends. In order for a corporate recipient of dividends paid by a PRC enterprise to enjoy preferential tax treatment pursuant to a tax treaty, such recipient must be the direct owner of a certain proportion of the share capital of the PRC enterprise at all times during the 12 months preceding its receipt of the dividends. On August 27, 2015, SAT issued the Announcement of the State Administration of Taxation on Promulgation of the "Administrative Measures on Entitlement of Non-residents to Treatment under Tax Treaties" (國家稅務總局關於發佈《非居民納稅人享受稅收協定待遇管理辦法》的公告), effective on

REGULATORY OVERVIEW

November 1, 2015, and revised on June 15, 2018, which applies to entitlement to tax treaty benefits by non-resident taxpayers incurring tax payment obligation in the PRC. According to the Administrative Measures on Entitlement of Non-residents to Treatment under Tax Treaties, non-resident taxpayers who make their own declaration shall make self-assessment regarding whether they are entitled to tax treaty benefits and submit the relevant reports, statements and materials stipulated in Article 7 of the Measures. Also, all levels of tax authorities shall, through strengthening follow-up administration for non-resident taxpayers' entitlement to tax treaty benefits, implement tax treaties and international transport agreements accurately, and prevent abuse of tax treaties and tax evasion and tax avoidance risks.

Value-added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (中華人民共和國增值稅暫行條例) promulgated on December 13, 1993 and last amended on November 19, 2017 and its implementation rules, all entities or individuals in the PRC engaging in the sale of goods, the provision of processing services, repairs and replacement services, and the importation of goods are required to pay value-added tax.

According to the Interim Administrative Measures on the Management of Levying and Collection of Value-Added Tax on sale of Self-developed Real Estate Project by the Real Estate Developers (房地產開發企業銷售自行開發的房地產項目增值稅徵收管理暫行辦法) issued on March 31, 2016, implemented on May 1, 2016 and revised on June 15, 2018 by SAT, real estate developer shall pay value-added tax for the sales of its self-developed real estate project.

Land Appreciation Tax

In accordance with the requirements of the Provisional Regulations of the PRC on Land Appreciation Tax (中華人民共和國土地增值稅暫行條例) (the "Land Appreciation Tax Provisional Regulations") promulgated on December 13, 1993, implemented on January 1, 1994 and amended on January 8, 2011, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on Land Appreciation Tax (中華人民共和國土地增值稅暫行條例實施細則) which were promulgated and implemented on January 27, 1995, land appreciation tax is payable on the appreciation value derived from the transfer of land use rights and buildings or other facilities on such land, after deducting the deductible items.

Deed Tax

Pursuant to the Interim Regulations of the People's Republic of China on Deed Tax (中華人民共和國契稅暫行條例) promulgated by the State Council on July 7, 1997 and implemented on October 1, 1997, and amended on March 2, 2019, the transferee, whether an individual or otherwise, of the title to a land site or building in the PRC shall be subject to the payment of deed tax. The rate of deed tax is 3 percent to 5 percent. The governments of provinces, autonomous regions and municipalities directly under the central government may, within the aforesaid range, determine and report their effective tax rates to the MOF and the SAT for record.

REGULATORY OVERVIEW

The Notice of the MOF, the SAT and the MOHURD on Adjusting the Preferential Policies on Deed Tax and Business Tax during Real Estate Transactions (財政部、國家稅務總局、住房城鄉建設部關於調整房地產交易環節契稅、營業稅優惠政策的通知) promulgated on February 17, 2016 and effective on February 22, 2016 provides that:

- (1) the purchase of a property by an individual as the only house for his/her family (covering the purchaser and the spouse and minor children thereof) is subject to deed tax at a reduced rate of 1% if the area of the house is 90 square meters or less, or 1.5% if the area is over 90 square meters; and
- (2) the purchase of a second house by an individual for making house improvements for his/her family is subject to deed tax at a reduced rate of 1% if the area of the house is 90 square meters or less, or 2% if the area is over 90 square meters.

Urban Land Use Tax

Pursuant to the Provisional Regulations of the People's Republic of China Governing Land Use Tax in Urban Areas (中華人民共和國城鎮土地使用稅暫行條例) promulgated by the State Council on September 27, 1988, implemented on November 1, 1988 and last amended on March 2, 2019, land use tax in respect of urban land is levied according to the area of relevant land.

Building Tax

In accordance with the PRC Provisional Regulations on Real Estate Tax (中華人民共和國房產稅暫行條例) promulgated by the State Council on September 15, 1986 and amended on January 8, 2011 and the PRC State Council Order 546 (中華人民共和國國務院令2008第546號), for enterprises in PRC, no matter domestic or foreign-invested, the building tax is calculated at the rate of 1.2% on the value of self-owned real estate or at the rate of 12% on rental income derived from real estate.

REGULATIONS ON FOREIGN EXCHANGE REGISTRATION AND FOREIGN CURRENCY EXCHANGE

Foreign Currency Exchange

Under the PRC Foreign Currency Administration Rules (中華人民共和國外匯管理條例) promulgated in January 29, 1996 and revised in January 14, 1997 and August 5, 2008 and various regulations issued by SAFE and other relevant PRC government authorities, RMB is convertible into other currencies for the purpose of current account items, such as trade related receipts and payments and the payment interest and dividend. The conversion of RMB into other currencies and remittance of the converted foreign currency outside China for the purpose of capital account items, such as direct equity investments, loans and repatriation of investment, requires the prior approval from SAFE or its local office. Payments for transactions that take place within China must be made in RMB. Unless otherwise approved,

REGULATORY OVERVIEW

PRC companies may repatriate foreign currency payments received from abroad or retain the same abroad. Foreign-invested enterprises may retain foreign exchange in accounts with designated foreign exchange banks subject to a cap set by SAFE or its local office. Foreign exchange proceeds under the current accounts may be either retained or sold to a financial institution engaging in settlement and sale of foreign exchange pursuant to relevant rules and regulations of the State. For foreign exchange proceeds under the capital accounts, approval from SAFE is required for its retention or sale to a financial institution engaging in settlement and sale of foreign exchange, except where such approval is not required under the rules and regulations of the State.

Pursuant to the Circular on Relevant Issues concerning Foreign Exchange Administration of Overseas Investment and Financing and Round-tripping Investments Conducted by Domestic Residents through Overseas Special Purpose Vehicles (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the “SAFE Circular No. 37”), which was promulgated by SAFE and became effective on July 4, 2014, (a) a PRC resident (“PRC Resident”) shall register with the local SAFE branch before he or she contributes assets or equity interests in an overseas special purpose vehicle (“Overseas SPV”), that is directly established or controlled by the PRC Resident for the purpose of conducting investment or financing; and (b) following the initial registration, the PRC Resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among other things, a change of the Overseas SPV’s PRC Resident shareholder(s), name of the Overseas SPV, term of operation, or any increase or reduction of the Overseas SPV’s registered capital, share transfer or swap, and merger or division. Pursuant to SAFE Circular No. 37, failure to comply with these registration procedures may result in penalties. According to the Circular on Further Simplifying and Improving the Direct-investment-related Foreign Exchange Administration Policies (關於進一步簡化和改進直接投資外匯管理政策的通知) (the “Circular 13”) which was promulgated on February 13, 2015 and became effective on June 1, 2015, the above mentioned registration will be handled directly by the bank that has obtained the financial institution identification codes issued by the foreign exchange regulatory authorities and has opened the capital account information system at the foreign exchange regulatory authorities in the place where it is located and the foreign exchange regulatory authorities shall perform indirect regulation over the direct investment-related foreign exchange registration via banks.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

HISTORY AND DEVELOPMENT

Overview

We are a property developer in the PRC, focusing on the development of quality residential properties in the Yangtze River Delta Region, the Greater Bay Region and the Central and Western China Core Cities and Other Regions with High-Growth Potential.

The origins of our Company can be traced back to the establishment of Jiangxi Sinic Properties in March 2010, when we acquired our first land parcel in Nanchang, Jiangxi Province and subsequently developed it into our first residential property project, Nanchang Dibo Wan (南昌帝泊灣). Since then, we have expanded our residential property development business into different cities across the PRC and further established our “Sinic” brand of properties. In addition to residential properties development, we commenced to engage in the development, operation and management of commercial properties in 2013 and we hold a portion of such commercial properties for further investment purpose. Prior to the establishment of Jiangxi Sinic Properties in March 2010, Mr. Zhang, our chairman of the Board, executive Director and one of our Controlling Shareholders, was working in a company which provided construction services to property developers in the PRC for years, where he had become familiar with and accumulated extensive experience in the property development industry in the PRC. Having seen the great potential for growth in the PRC real estate industry, Mr. Zhang entered into the property development industry to commence the development of residential properties in Fengcheng City in Jiangxi Province of the PRC by setting up Jiangxi Fengcheng Hilton Properties Co., Ltd. (江西省豐城市希爾頓置地有限公司) in August 2007. For further information about Mr. Zhang, please refer to “Directors and Senior Management — Board of Directors — Executive Directors” in this prospectus. Using the funds generated from his prior business engagements, Mr. Zhang established Jiangxi Sinic Properties with other business partners and became the sole beneficial owner of Jiangxi Sinic Properties in March 2014. For details, please refer to “— Our Corporate Development — Jiangxi Sinic Properties” in this section.

As of July 31, 2019, we had a total of 110 property projects at various stages of development, 55 of which were located in Jiangxi Province, 13 in Yangtze River Delta Region and 20 in Greater Bay Region, and 22 in Central and Western China Core Cities and Other Regions with High-Growth Potential.

Key Business Milestones

The following table sets out a summary of our Company’s key business development milestones:

<u>Year</u>	<u>Milestone Event</u>
2010 . . .	• Jiangxi Sinic Properties was established and acquired our first land parcel in Nanchang, Jiangxi Province.
2012 . . .	• We developed our first residential property project, Nanchang Dibo Wan (南昌帝泊灣), in Nanchang, Jiangxi Province.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

<u>Year</u>	<u>Milestone Event</u>
2013 . . .	<ul style="list-style-type: none">• We launched our three residential property series, namely, Yue (悅), Yuan (園), and Wan (灣).• We commenced to develop our first commercial property project, Nanchang Sinic Center (南昌新力中心), in Nanchang, Jiangxi Province.
2016 . . .	<ul style="list-style-type: none">• Our Nanchang Sinic Center (南昌新力中心) received the 2015 Best Office Building Award (2015年最佳寫字樓) from the National Real Estate Commercial Association (全國房地產商會聯盟) and Jiangxi Real Estate Association (江西省地產協會).• We strategically expanded into Suzhou, Huizhou and Wuhan in the PRC to solidify our presence in the Yangtze River Delta Region, the Greater Bay Region, and the Central and Western China Core Cities and Other Regions with High-Growth Potential, respectively.
2017 . . .	<ul style="list-style-type: none">• We relocated our corporate headquarters to Shanghai.• We were recognized as one of “2017 China’s Top 100 Real Estate Developers (2017中國房地產開發企業100強)” by China Real Estate Industry Associate (中國房地產業務協會), Shanghai Yiju Real Estate Research Institution (上海易居房地產研究院) and China Real Estate Appraisal (中國房地產測評中心).
2018 . . .	<ul style="list-style-type: none">• We were recognized as one of the “2018 China’s Top 50 Real Estate Developers (2018中國房地產開發企業50強)” by China Real Estate Industry Association (中國房地產業協會), Shanghai Yiju Real Estate Research Institution (上海易居房地產研究院) and China Real Estate Appraisal (中國房地產測評中心).• We received the “2018 China’s Top 100 Real Estate Developers – Growth Top 10 (2018中國房地產百強企業–成長性Top 10)” and “China Characteristic Properties Outstanding Operation Enterprises – Ecological Properties (中國特色地產運營優秀企業–生態地產)” awards.
2019 . . .	<ul style="list-style-type: none">• We were ranked 31st among the top 100 property developers in the PRC according to CREIS, and ranked 39th among the top 500 property developers according to the China Real Estate Association in terms of comprehensive property development ability.• We were recognized as one of the “2019 China’s Top 50 Real Estate Developers (2019中國房地產開發企業50強)” by China Real Estate Industry Association (中國房地產業協會), Shanghai Yiju Real Estate Research Institution (上海易居房地產研究院) and China Real Estate Appraisal (中國房地產測評中心).• We received the “2019 China’s Top 100 Real Estate Developers – Growth Top 10 (2019中國房地產百強企業–成長性Top 10)” and “China Characteristic Properties Outstanding Operation Enterprises – Ecological Properties (中國特色地產運營優秀企業–生態地產)” awards.

Our Corporate Development

As of the Latest Practicable Date, our Group had either established or acquired operating subsidiaries in the PRC to carry out our business. The major corporate developments of members of our Group which were material to the performance of our Group during the Track Record Period are set out below:

Sinic Real Estate

Sinic Real Estate is the centralized management platform for our property development projects. It was established as a limited liability company in the PRC on March 14, 2017 with an initial registered capital of RMB200 million. As of the date of its establishment, Sinic Real Estate was wholly owned by Sinic Technology. On September 19, 2017, the registered capital of Sinic Real Estate was increased to RMB3 billion through a capital injection in the aggregate amount of RMB2.8 billion by Sinic Technology.

On January 23, 2019, as part of the Reorganization, Sinic Technology transferred the entire equity interest in Sinic Real Estate to Jiangxi Yuejing Industrial Co., Ltd. (江西悅璟實業有限公司) (“**Jiangxi Yuejing**”), a limited liability company established in the PRC and wholly owned by Sinic Technology. On January 31, 2019, as part of the Reorganization, Sinic Management acquired the entire equity interest in Sinic Real Estate from Jiangxi Yuejing. For details, please refer to “— Reorganization — Acquisition of our PRC holding company” in this section.

Jiangxi Sinic Properties

Jiangxi Sinic Properties is the holding company for our project companies in Jiangxi Province. Jiangxi Sinic Properties was established in the PRC on March 25, 2010 with an initial registered capital of RMB100 million. As of the date of its establishment, Jiangxi Sinic Properties was owned as to 35% by Jiangxi Shengkai Investment Co., Ltd. (江西省盛開投資有限公司) (“**Jiangxi Shengkai**”) (an Independent Third Party), 33% by Mr. Zhang, 20% by Mr. Wan Qi (萬奇) (an Independent Third Party) and 12% by Mr. Shen Linghua (沈令華) (“**Mr. Shen**”) who held such interest in Jiangxi Sinic Properties on trust for Mr. Zhang in consideration of the benefits that would be brought to our Group by Mr. Shen with his extensive experience and network in the PRC real estate industry.

On August 18, 2010, Mr. Wan Qi transferred his 20% equity interest in Jiangxi Sinic Properties to Jiangxi Shengkai (as to 5%), Mr. Zhang (as to 7%) and Mr. Shen (as to 8%, who held such interest on trust for Mr. Zhang at the relevant time) at a total consideration of RMB20 million, which was determined after arm’s length negotiations with reference to the registered capital of Jiangxi Sinic Properties at the time of such transfers. Upon completion of such transfers, Jiangxi Sinic Properties became owned as to 40% by Jiangxi Shengkai, 40% by Mr. Zhang and 20% by Mr. Shen, who held such interest on trust for Mr. Zhang.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

On March 27, 2014, Jiangxi Shengkai transferred its 40% equity interest in Jiangxi Sinic Properties to Mr. Zhang at a consideration of RMB40 million, which was determined after arm's length negotiations with reference to the registered capital of Jiangxi Sinic Properties at the time of such transfer. Upon completion of such transfer, Jiangxi Sinic Properties became owned as to 80% by Mr. Zhang and 20% by Mr. Shen, who held such interest on trust for Mr. Zhang.

With a view to facilitating the financing activities of Jiangxi Sinic Properties, on August 26, 2016, Jiangxi Sinic Properties undertook an internal restructuring, pursuant to which Mr. Zhang and Mr. Shen (at the instruction and direction of Mr. Zhang) transferred their respective equity interests in Jiangxi Sinic Properties to Sinic Technology (as to 80%) and Jiangxi Tongze Industrial Co., Ltd. (江西通澤實業有限公司) ("**Jiangxi Tongze**") (as to 20% who held such interest on trust for Mr. Zhang) at a consideration of RMB80 million and nil consideration, respectively. Such consideration in respect of the transfer of 80% equity interest was determined with reference to the then registered capital of Jiangxi Sinic Properties. On August 26, 2016, the registered capital of Jiangxi Sinic Properties was increased to RMB2.5 billion through a capital injection in the aggregate amount of RMB2.4 billion by Sinic Technology and Jiangxi Tongze in proportion to their respective equity interest in Jiangxi Sinic Properties. Upon completion of the equity transfers and the increase in registered capital, Jiangxi Sinic Properties became owned as to 80% by Sinic Technology and 20% by Jiangxi Tongze, who held such interest on trust for Mr. Zhang.

On March 29, 2017, Sinic Technology transferred its 80% equity interest in Jiangxi Sinic Properties to Sinic Real Estate at a consideration of RMB2.0 billion, which was determined after arm's length negotiations with reference to the then registered capital of Jiangxi Sinic Properties. Upon completion of such transfer, Jiangxi Sinic Properties became owned as to 80% by Sinic Real Estate and 20% by Jiangxi Tongze, who held such interest on trust for Mr. Zhang.

On October 11, 2018, at the instruction and direction of Mr. Zhang, Jiangxi Tongze transferred its 20% equity interest in Jiangxi Sinic Properties to Nanchang Ruixing Industrial Co., Ltd. (南昌瑞興實業有限公司) ("**Nanchang Ruixing**"), who held such interest on trust for Mr. Zhang, at nil consideration. Upon completion of such transfer, Jiangxi Sinic Properties became owned as to 80% by Sinic Real Estate and 20% by Nanchang Ruixing, who held such interest on trust for Mr. Zhang.

On April 29, 2019, at the instruction and direction of Mr. Zhang, Nanchang Ruixing transferred its 20% equity interest in Jiangxi Sinic Properties to Shanghai Daichuang Industrial Co., Ltd. (上海戴創實業有限公司) ("**Shanghai Daichuang**"), a company wholly-owned by Sinic Real Estate at nil consideration. Upon completion of such transfer, Jiangxi Sinic Properties became owned as to 80% by Sinic Real Estate and 20% by Shanghai Daichuang, and the entrustment arrangement between Mr. Zhang and Nanchang Ruixing was terminated accordingly.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Chengdu Sinic

Chengdu Sinic is the regional holding company for our project companies in Chengdu, Sichuan Province. It was established in the PRC on May 11, 2017 with an initial registered capital of RMB100 million. As of the date of its establishment, Chengdu Sinic was wholly owned by Sinic Real Estate. There has been no change in the shareholding of Chengdu Sinic since then.

Fengcheng Gantie

Fengcheng Gantie was established in the PRC on December 28, 2011 with an initial registered capital of RMB6 million. As of the date of its establishment, Fengcheng Gantie was owned as to 51% by Jiangxi Gantie Properties Co., Ltd. (江西贛鐵置業有限公司) (“**Jiangxi Gantie**”) and 49% by Fengchengshi Investment Co. (豐城市投資公司), each an Independent Third Party.

Subsequent to a series of equity transfers between August 2013 and March 2014, Fengcheng Gantie became owned as to 90% by Jiangxisheng Electronics Group Co., Ltd. (江西省電子集團有限公司) (“**Jiangxisheng Electronics**”) and 10% by Jiangxi Gantie, each an Independent Third Party, with a registered capital of RMB6 million. On March 28, 2014, Jiangxisheng Electronics transferred its entire equity interest in Fengcheng Gantie to Nanchang Tianju Industrial Co., Ltd. (南昌天巨實業有限公司) (“**Nanchang Tianju**”), a non-wholly owned subsidiary of our Company, at a consideration of RMB32 million, which was determined after arm’s length negotiations with reference to the net asset value of Fengcheng Gantie. Upon completion of such transfer, Fengcheng Gantie became owned as to 90% by Nanchang Tianju and 10% by Jiangxi Gantie.

On October 28, 2015, Jiangxi Gantie transferred its entire equity interest in Fengcheng Gantie to Jiangxi Chenda Industrial Co., Ltd. (江西晨達實業有限公司) (“**Jiangxi Chenda**”), an Independent Third Party, at a consideration of RMB6.05 million, which was determined after arm’s length negotiations with reference to the net asset value of Fengcheng Gantie. Upon completion of such transfer, Fengcheng Gantie became owned as to 90% by Nanchang Tianju and 10% by Jiangxi Chenda.

On April 2, 2019, Jiangxi Chenda transferred its entire equity interest in Fengcheng Gantie to Jiangxi Xinwan Real Estate Development Co., Ltd. (江西新灣房地產開發有限公司) (“**Jiangxi Xinwan**”), a company wholly-owned by Jiangxi Sinic Properties, at nil consideration. Upon completion of such transfer, Fengcheng Gantie became owned as to 90% by Nanchang Tianju and 10% by Jiangxi Xinwan.

Fengcheng Gantie is the project company for Fengcheng Dibo Wan (豐城帝泊灣).

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Guangzhou Sinic

Guangzhou Sinic is the regional holding company for our project companies in Guangzhou, Guangdong Province. It was established in the PRC on April 17, 2017 with an initial registered capital of RMB200 million. As of the date of its establishment, Guangzhou Sinic was wholly owned by Sinic Real Estate. There has been no change in the shareholding of Guangzhou Sinic since then.

Huizhou Lichuang

Huizhou Lichuang is a regional holding company for most of our project companies in Huizhou, Guangdong Province. It was established in the PRC on September 26, 2016 with an initial registered capital of RMB2 billion. As of the date of its establishment, Huizhou Lichuang was wholly owned by Sinic Technology.

On April 11, 2017, Sinic Technology transferred its entire equity interest in Huizhou Lichuang to Sinic Real Estate at a consideration of RMB1, which was determined after arm's length negotiations with reference to the registered capital of Huizhou Lichuang, none of which had been paid up at the time of such transfer. Upon completion of such transfer, Huizhou Lichuang became wholly owned by Sinic Real Estate.

Hunan Zaiyue

Hunan Zaiyue is the regional holding company for our project companies in Hunan Province. It was established in the PRC on March 13, 2017 with an initial registered capital of RMB200 million. As of the date of its establishment, Hunan Zaiyue was wholly owned by Sinic Technology.

On March 23, 2017, Sinic Technology transferred its entire equity interest in Hunan Zaiyue to Sinic Real Estate at nil consideration, which was determined after arm's length negotiations with reference to registered capital of Hunan Zaiyue, none of which had been paid up at the time of such transfer. Upon completion of such transfer, Hunan Zaiyue became wholly owned by Sinic Real Estate.

Jiangxi Aositun

Jiangxi Aositun was established in the PRC on July 27, 2002 with an initial registered capital of RMB20 million. As of the date of its establishment, Jiangxi Aositun was owned as to 96% by Australia Sea Dragon Pty. Ltd. (澳大利亞海龍有限公司) and 4% by Jiangxi Guolong Industrial Co., Ltd. (江西國龍實業有限公司), each an Independent Third Party.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Subsequent to a series of transfers between the years of 2004 and 2013, Jiangxi Aositun became owned as to 50% by Guangzhoushi Xiaoshan Investment Co., Ltd. (廣州市小山投資有限公司) (“**Guangzhoushi Xiaoshan**”) and 50% by Nanchangshi Xubao Properties Co., Ltd. (南昌市旭保實業有限公司) (“**Nanchangshi Xubao**”), each an Independent Third Party. On December 22, 2015, Guangzhoushi Xiaoshan and Nanchangshi Xubao transferred their respective 50% and 1% equity interests in Jiangxi Aositun to Jiangxi Sinic Properties at a consideration of RMB10 million and RMB0.2 million, respectively. Such consideration was determined after arm’s length negotiations with reference to the registered capital of Jiangxi Aositun at the time of such transfers. Upon completion of such transfers, Jiangxi Aositun became owned as to 51% by Jiangxi Sinic Properties and 49% by Nanchangshi Xubao.

On January 19, 2016, the registered capital of Jiangxi Aositun was increased to RMB50 million through a capital injection in the aggregate amount of RMB30 million by Jiangxi Sinic Properties and Nanchangshi Xubao in proportion to their respective equity interest in Jiangxi Aositun.

On February 18, 2016, Jiangxi Sinic Properties transferred its equity interest in Jiangxi Aositun to Jiangxi Xinzhuo Investment Management Co., Ltd. (江西新卓投資管理有限公司)(“**Jiangxi Xinzhuo**”), a wholly-owned subsidiary of our Company at a consideration of RMB25.5 million, which was determined with reference to the paid-up registered capital of Jiangxi Aositun at the time of such transfer. Upon completion of such transfer, Jiangxi Aositun became owned as to 51% by Jiangxi Xinzhuo and 49% by Nanchangshi Xubao.

On April 26, 2016, Nanchangshi Xubao transferred its entire equity interest in Jiangxi Aositun to Shanghai Jinshuo Asset Management Co., Ltd. (上海晉燦資產管理有限公司) (“**Shanghai Jinshuo**”), an Independent Third Party, at a consideration of RMB24.5 million which was determined with reference to the paid-up registered capital of Jiangxi Aositun at the time of such transfer. Upon completion of such transfer, Jiangxi Aositun became owned as to 51% by Jiangxi Xinzhuo and 49% by Shanghai Jinshuo.

On May 25, 2016, Shanghai Jinshuo transferred its entire equity interest in Jiangxi Aositun to Jiangxi Xinzhuo, at a consideration of RMB24.5 million which was determined with reference to the paid-up registered capital of Jiangxi Aositun at the time of such transfer. Upon completion of such transfer, Jiangxi Aositun became wholly owned by Jiangxi Xinzhuo, an indirect wholly-owned subsidiary of our Company.

Jiangxi Aositun is the project company which holds Nanchang Jinsha Wan (南昌金沙灣).

Jiangxi Hengwang

Jiangxi Hengwang was established in the PRC on July 12, 2012 with an initial registered capital of RMB2 million. As of the date of its establishment, Jiangxi Hengwang was wholly owned by Jiangxi Hengwang Qichecheng Co., Ltd. (江西恒望汽車城股份有限公司) (“**Jiangxi Hengwang Qichecheng**”), an Independent Third Party.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Subsequent to a series of changes in registered capital between January 2013 and November 2013, Jiangxi Hengwang became owned as to 51% by Jiangxi Hengwang Qichecheng and 49% by Jiangxisheng Huayin Investment Development Co., Ltd. (江西省華銀投資發展有限公司) (“**Jiangxisheng Huayin**”), an Independent Third Party, with a registered capital of RMB102.04 million. On July 28, 2014, Jiangxi Hengwang Qichecheng transferred its entire equity interest in Jiangxi Hengwang to Jiangxi Sinic Properties at a consideration of RMB52.04 million, which was determined after arm’s length negotiations with reference to the registered capital of Jiangxi Hengwang at the time of such transfer. Upon completion of such transfer, Jiangxi Hengwang became owned as to 51% by Jiangxi Sinic Properties and 49% by Jiangxisheng Huayin.

Jiangxi Hengwang is the project company for Nanchang Yulong Wan (南昌鈺瓏灣).

Jiangxi Hezhixin

Jiangxi Hezhixin was established in the PRC on April 6, 2011 with an initial registered capital of RMB12 million. As of the date of its establishment, Jiangxi Hezhixin was owned as to 95% by Mr. Min Xi (閔熙) and 5% by Ms. Li Jiaqin (李佳琴), each an Independent Third Party.

Subsequent to a series of equity transfers and changes in registered capital, as of December 2015, Jiangxi Hezhixin was owned as to 99% by Jiangxi Nanyang Kaiguan Co., Ltd. (江西南洋開關有限公司) (“**Nanyang Kaiguan**”) and 1% by Ms. Huang Rui (黃蕊), each an Independent Third Party at the relevant time, with a registered capital of RMB50 million. On December 7, 2015, Jiangxi Sinic Properties entered into an equity transfer agreement with Mr. Wang Xueping (王雪平), an Independent Third Party, to acquire 60% equity interest in Nanyang Kaiguan at a consideration of RMB140 million (the “**2015 Acquisition**”). The consideration was determined after arm’s length of negotiations with reference to the then carrying value of land held by Jiangxi Hezhixin. The purpose of Jiangxi Sinic Properties in making the 2015 Acquisition was to enable it to obtain the control of Jiangxi Hezhixin through Nanyang Kaiguan. The 2015 Acquisition was completed on December 16, 2015 and since then Jiangxi Sinic Properties has acquired control over Jiangxi Hezhixin including but not limited to the full decision-making rights in business operation and management of Jiangxi Hezhixin. Jiangxi Hezhixin became a subsidiary of Jiangxi Sinic Properties upon completion of the 2015 Acquisition.

The registered capital of Jiangxi Hezhixin was increased to RMB150 million in 2016 and as of March 21, 2018, Jiangxi Hezhixin was owned as to 99.67% by Nanyang Kaiguan and 0.33% by Ms. Huang Rui. On March 21, 2018, Nanyang Kaiguan and Ms. Huang Rui transferred their entire equity interests in Jiangxi Hezhixin to Jiangxi Sinic Properties at nil consideration taking into account that Jiangxi Sinic Properties had paid up RMB140 million to get the entire interest in Jiangxi Hezhixin in December 2015. Upon completion of such transfers, Jiangxi Hezhixin became wholly owned by Jiangxi Sinic Properties. Subsequent to the equity interest transfers in Jiangxi Hezhixin, Jiangxi Sinic Properties disposed of 60% equity interest in Nanyang Kaiguan to Mr. Wang Xueping, an Independent Third Party.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Jiangxi Hezhixin is the project company for Nanchang Yinhu Wan (南昌銀湖灣).

Jiangxi Junyu

Jiangxi Junyu was established in the PRC on May 24, 2007 with an initial registered capital of US\$12 million. As of the date of its establishment, Jiangxi Junyu was owned as to 45% by Jiangxi Jiaying Industrial Development Co., Ltd. (江西嘉盈實業發展有限公司), 21.67% by Zhuhaishi Shengchuang Jingmao Co., Ltd. (珠海市勝創經貿有限公司) and 33.33% by Mr. Chang Hoi Chun (曾海泉), each an Independent Third Party.

Subsequent to a series of equity transfers and changes in registered capital between September 2011 and January 2014, Jiangxi Junyu became owned as to 50% by Mr. Xiong Jun (熊俊) and 50% by Ms. Wu Dongxiang (鄔冬香), each an Independent Third Party, with a registered capital of RMB30 million. On April 26, 2016, Ms. Wu Dongxiang and Mr. Xiong Jun transferred their respective 50% and 40% equity interest in Jiangxi Junyu to Jiangxi Xinjue Properties Investment Co., Ltd. (江西新爵置業投資有限公司) (“**Jiangxi Xinjue**”), an indirect wholly-owned subsidiary of our Company, at a total consideration of RMB27 million, which was determined after arm’s length negotiations with reference to the registered capital of Jiangxi Junyu at the time of such transfers. Upon completion of such transfers, Jiangxi Junyu became owned as to 90% by Jiangxi Xinjue and 10% by Mr. Xiong Jun.

On September 9, 2016, Jiangxi Xinjue transferred its 80% equity interest in Jiangxi Junyu to Wuhu Ganxin Investment Center (Limited Partnership) (蕪湖贛新投資中心(有限合夥)) (“**Wuhu Ganxin**”) at a consideration of RMB24 million, which was determined after arm’s length negotiations with reference to the registered capital of Jiangxi Junyu at the time of such transfer. As Jiangxi Xinjue is the only deferred limited partner in Wuhu Ganxin, the Group has a 100% variable interest in Wuhu Ganxin which is accounted for as a subsidiary of the Company. Upon completion of such transfer, Jiangxi Junyu became owned as to 80% by Wuhu Ganxin, 10% by Mr. Xiong Jun and 10% by Jiangxi Xinjue.

On February 27, 2017, Mr. Xiong Jun transferred its 10% equity interest in Jiangxi Junyu to Jiangxi Xinjue at a consideration of RMB3 million, which was determined after arm’s length negotiations with reference to the registered capital of Jiangxi Junyu at the time of such transfer. Upon completion of such transfer, Jiangxi Junyu became owned as to 80% by Wuhu Ganxin and 20% by Jiangxi Xinjue.

Jiangxi Junyu is the project company for Nanchang Amber Yuan (南昌琥珀園).

Nanchang Baohulu

Nanchang Baohulu was established in the PRC on May 10, 2007 with an initial registered capital of RMB10 million. As of the date of its establishment, Nanchang Baohulu was owned as to 92% by Mr. Chen Zongwei (陳宗偉), 5% by Mr. Song Zhiyu (宋徵玉) and 3% by Mr. Wang Junhua (王俊華), each an Independent Third Party.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Subsequent to a series of changes in registered capital between April 2008 and November 2012, Nanchang Baohulu became owned as to 77.5% by Mr. Chen Zongwei, 0.3% by Mr. Song Zhiyu, 0.2% by Mr. Wang Junhua and 22% by Jiangxi Jianxin Jinniu Xinxing Industrial Investment Fund Enterprise (Limited Partnership) (江西建信金牛新興產業投資基金企業(有限合夥)) (“**Jiangxi Jianxin**”), each an Independent Third Party, with a registered capital of RMB179.62 million. On November 11, 2015, Nanchang Baohulu was ordered by Jiangxi Higher People’s Court (江西省高級人民法院) to carry out debt restructuring due to the fact that its total assets were insufficient to pay off its debts due at the relevant time. Jiangxi Sinic Properties acquired through public bidding the entire equity interest in Nanchang Baohulu from the then Shareholders, all Independent Third Parties, through the provision of RMB1.1 billion by Jiangxi Sinic Properties to Nanchang Baohulu to pay off its debts and settle the relevant fees incurred for its debt restructuring. Such debt restructuring plan together with the termination of Nanchang Baohulu’s bankruptcy and liquidation process were approved by Jiangxi Higher People’s Court on May 10, 2016. The relevant registration of Jiangxi Sinic Properties as the new sole shareholder of Nanchang Baohulu was completed on June 13, 2016. As advised by our PRC Legal Advisor, such debt restructuring did not result in any material adverse impact on the legal title over the land use rights of relevant land parcels held by Nanchang Baohulu at the relevant time.

On July 18, 2016, Jiangxi Sinic Properties transferred its entire equity transfer in Nanchang Baohulu to Jiangxi Xinmiao Properties Investment Co., Ltd. (江西新淼置業投資有限公司) (“**Jiangxi Xinmiao**”), an indirect wholly-owned subsidiary of our Company, at a consideration of RMB179.62 million which was determined after arm’s length negotiations with reference to the registered capital of Nanchang Baohulu at the time of such transfer. Upon completion of such transfer, Nanchang Baohulu became wholly owned by Jiangxi Xinmiao.

Nanchang Baohulu is the project company for Nanchang Long Wan (南昌龍灣).

Nanchang Shuntai

Nanchang Shuntai was established in the PRC on April 21, 2014 with an initial registered capital of RMB300 million. As of the date of its establishment, Nanchang Shuntai was wholly owned by Mr. Li Haiwen (李海文), a director of Nanchang Shuntai.

On May 22, 2014, Mr. Li Haiwen transferred his 70% equity interest in Nanchang Shuntai to Jiangxi Sinic Properties at nil consideration, which was determined after arm’s length negotiations with reference to the registered capital of Nanchang Shuntai, none of which had been paid up at the time of such transfer. On November 26, 2014, the registered capital of Nanchang Shuntai was decreased from RMB300 million to RMB100 million. Upon completion of such transfer and change in registered capital, Nanchang Shuntai became owned as to 70% by Jiangxi Sinic Properties and 30% by Mr. Li Haiwen.

Nanchang Shuntai is the project company for Nanchang Yujing Wan (南昌愉景灣).

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Suzhou Sinic

Suzhou Sinic is the regional holding company for our project companies in Suzhou, Jiangsu Province. It was established in the PRC on December 8, 2016 with an initial registered capital of RMB2 billion. As of the date of its establishment, Suzhou Sinic was wholly owned by Sinic Lichuang Industrial Co., Ltd. (新力力創實業有限公司) (“**Sinic Lichuang**”), a company wholly owned by Sinic Technology.

On March 24, 2017, Sinic Lichuang transferred its entire equity interest in Suzhou Sinic to Sinic Real Estate at nil consideration, which was determined after arm’s length negotiations with reference to the registered capital of Suzhou Sinic, none of which had been paid up at the time of such transfer. Upon completion of such transfer, Suzhou Sinic became wholly owned by Sinic Real Estate.

Wuhan Zaihe

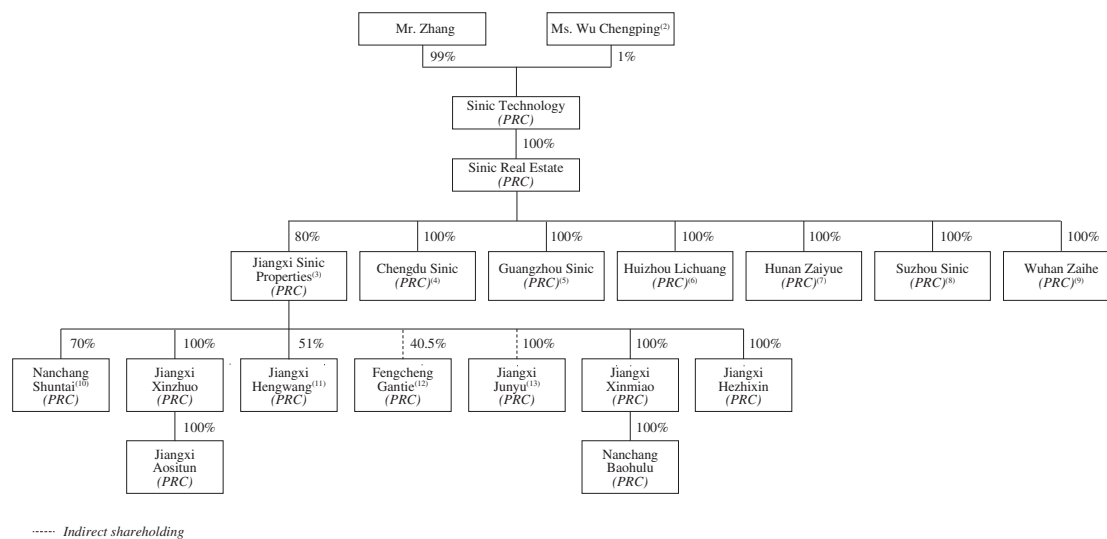
Wuhan Zaihe is a regional holding company for most of our project companies in Wuhan, Hubei Province. It was established in the PRC on March 10, 2017 with an initial registered capital of RMB50 million. As of the date of its establishment, Wuhan Zaihe was wholly owned by Sinic Technology.

On March 23, 2017, Sinic Technology transferred its entire equity interest in Wuhan Zaihe to Sinic Real Estate at nil consideration, which was determined after arm’s length negotiations with reference to the registered capital of Wuhan Zaihe, none of which had been paid up at the time of such transfer. Upon completion of such transfer, Wuhan Zaihe became wholly owned by Sinic Real Estate.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

CORPORATE STRUCTURE BEFORE THE REORGANIZATION

The following chart sets forth the simplified corporate structure⁽¹⁾ of our Group before the Reorganization:



Notes:

- (1) The above chart includes shareholding information related to our major subsidiaries. For details of our major subsidiaries, please refer to “— Our Corporate Development” in this section above. For details of our principal subsidiaries, please refer to note 1 of the Accountant’s Report set out in the Appendix I to this prospectus.
- (2) Ms. Wu Chengping is the spouse of Mr. Zhang.
- (3) The remaining 20% equity interest in Jiangxi Sinic Properties was held by Jiangxi Tongze on trust for Mr. Zhang at the relevant time. Jiangxi Sinic Properties is a regional holding company which held 30 project companies at the relevant time.
- (4) Chengdu Sinic is a regional holding company which held two project companies at the relevant time.
- (5) Guangzhou Sinic is a regional holding company which held one project company at the relevant time.
- (6) Huizhou Lichuang is a regional holding company which held eight project companies at the relevant time.
- (7) Hunan Zaiyue is a regional holding company which held four project companies at the relevant time.
- (8) Suzhou Sinic is a regional holding company which held one project company at the relevant time.
- (9) Wuhan Zaihe is a regional holding company which held one project company at the relevant time.
- (10) The remaining 30% equity interest in Nanchang Shuntai was held by Mr. Li Haiwen (李海文), a director of Nanchang Shuntai.
- (11) The remaining 49% equity interest in Jiangxi Hengwang was held by Jiangxisheng Huayin, an Independent Third Party save for its shareholding in Jiangxi Hengwang.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (12) The beneficial equity interest indirectly held by the Company in Fengcheng Gantie is 40.5%. Fengcheng Gantie was owned as to 90% by Nanchang Tianju and 10% by Jiangxi Chenda, an Independent Third Party upon transfer of its equity interest in Fengcheng Gantie to Jiangxi Xinwan on April 2, 2019. Nanchang Tianju was owned as to 45% by Jiangxi Sinic Properties, 25% by Mr. Xia Jun (夏軍), 15% by Mr. Chen Chen (陳晨) and 15% by Mr. Wang Hongbin (王洪斌). Each of Mr. Xia Jun, Mr. Chen Chen and Mr. Wang Hongbin is an Independent Third Party save for their respective shareholdings in Nanchang Tianju.
- (13) Jiangxi Junyu was owned as to 20% by Jiangxi Xinjue and 80% by Wuhu Ganxin. As Jiangxi Xinjue was the only deferred limited partner in Wuhu Ganxin, the Group had a 100% variable interest in Wuhu Ganxin which was accounted for as a subsidiary of the Company.

REORGANIZATION

In anticipation of the Listing, we undertook a restructuring exercise whereupon our Company became the holding company of our subsidiaries.

Incorporation and shareholding changes of our Company

Our Company was incorporated in the Cayman Islands on September 18, 2018. The initial authorized share capital of our Company was HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each. Upon incorporation, one Share was allotted and issued to an initial subscriber, an Independent Third Party, and such Share was transferred to Xin Hong, a company incorporated in the BVI and wholly owned by Mr. Zhang on September 18, 2018. On the same day, 94 Shares and five Shares were allotted and issued to Xin Hong and Xin Heng, then wholly owned by Mr. Zhang, respectively. Upon completion of such allotments, our Company became owned as to 95% and 5% by Xin Hong and Xin Heng, respectively.

On April 3, 2019, Mr. Zhang transferred all the issued shares in Xin Hong by way of gift to Honoured Ever Oriental Holdings Limited (榮恒東方控股有限公司) (“**Honoured Ever Oriental**”), a company incorporated in the BVI by TMF (Cayman) Ltd. (the “**Family Trustee**”), the trustee of the Family Trust, as the holding vehicle for the administration of the Family Trust which is a discretionary trust. The beneficiaries of the Family Trust are Mr. Zhang and his family members.

On April 3, 2019, Mr. Zhang transferred all the issued shares in Xin Heng by way of gift to Glory Victory Holdings Limited (“**Glory Victory**”), a company incorporated in the BVI by TMF Trust (HK) Limited (the “**Employee Trustee**”), the trustee of the Employee Incentive Trust, as the holding vehicle for the administration of the Employee Incentive Trust which is a discretionary trust. The beneficiaries of the Employee Incentive Trust are employees of our Group to be named from time to time pursuant to a share incentive scheme to be adopted by Mr. Zhang. Dividends declared before the actual vesting of the Shares to the grantees under the proposed share incentive scheme will become part of the trust assets and subject to administration under the Employee Incentive Trust. As of the Latest Practicable Date, Mr. Zhang, our executive Director and Controlling Shareholder, was the sole member of the advisory committee of the Employee Incentive Trust and the detailed terms of the share incentive scheme and the relevant grantees had yet to be confirmed.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

On May 13, 2019, Xin Hong transferred all of the issued Shares it held in our Company to Sinic Holdings, a company wholly owned by Sinic Group which in turn is wholly owned by Xin Hong.

Upon completion of the above transfers, our Company became owned as to 95% and 5% by Sinic Holdings and Xin Heng, respectively. Mr. Zhang (as the director of Sinic Holdings and Xin Heng, respectively) has power to exercise the voting rights attached to the underlying Shares held by Sinic Holdings and Xin Heng, respectively. Since Sinic Holdings and Xin Heng are controlled by Mr. Zhang, the Shares held by them will not be counted towards the public float of the Company upon Listing.

Incorporation of our BVI subsidiaries

On September 21, 2018, Li Cheng, Li He, Li Rui and Li Yue (together referred to as the “**BVI Subsidiaries**”) were incorporated by our Company in the BVI. Upon incorporation, one share of each of the BVI Subsidiaries was allotted and issued to our Company and each of the BVI Subsidiaries became a wholly-owned subsidiary of our Company.

Incorporation of our Hong Kong subsidiary

On October 25, 2018, Li Yue (HK) was incorporated in Hong Kong. Upon incorporation, 100 shares of Li Yue (HK) were allotted and issued to an initial subscriber, an Independent Third Party, and such shares were transferred to Li Yue on October 30, 2018 and Li Yue (HK) became a wholly-owned subsidiary of our Company.

Establishment of Jiangxi Yuejing and Sinic Management

On November 14, 2018, Jiangxi Yuejing was established in the PRC with an initial registered capital of RMB100 million. Since its establishment, Jiangxi Yuejing has been wholly owned by Sinic Technology.

On January 22, 2019, Sinic Management was established by Jiangxi Yuejing in the PRC with an initial registered capital of RMB100 million. On March 13, 2019, Icons Electronics made a capital injection of RMB34.12 million into Sinic Management. Upon completion of such capital injection, Sinic Management became owned as to 99% by Jiangxi Yuejing and 1% by Icons Electronics and was converted into a sino foreign joint venture. See “— Pre-IPO Investment” below for further details.

Acquisition of our PRC holding company

On January 23, 2019, Sinic Technology transferred the entire equity interest in Sinic Real Estate to Jiangxi Yuejing at a nominal consideration of RMB1, which was determined with reference to the fact that both Sinic Technology and Jiangxi Yuejing were beneficially owned by Mr. Zhang at the relevant time and such consideration was fully settled on May 17, 2019. On January 31, 2019, Jiangxi Yuejing transferred the entire equity interest in Sinic Real Estate to Sinic Management at a nominal consideration of RMB1, which was determined with

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

reference to the fact that both Sinic Management and Jiangxi Yuejing were beneficially owned by Mr. Zhang at the relevant time and such consideration was fully settled on May 17, 2019. Upon completion of such transfers, Sinic Real Estate became a wholly-owned subsidiary of Sinic Management.

Establishment of Sinic Business Consultancy to acquire 99% equity interest in Sinic Management

On February 28, 2019, Sinic Business Consultancy was established in the PRC as a wholly foreign-owned enterprise with an initial registered capital of RMB100 million. Upon its establishment, Sinic Business Consultancy was wholly owned by Li Yue (HK). On May 17, 2019, Jiangxi Yuejing transferred its 99% equity interest in Sinic Management to Sinic Business Consultancy at a consideration of RMB100 million, which was determined with reference to the registered capital of Sinic Management at the time of such transfer. Upon completion of such transfer, Sinic Management became owned as to 99% by Sinic Business Consultancy and 1% by Icons Electronics.

Allotment of new Shares and the acquisition of Forest Resources

On May 17, 2019, our Company further allotted and issued 845 Shares and 45 Shares to Sinic Holding and Xin Heng, respectively. On the same day, Forever Elite transferred all the issued shares of Forest Resources to our Company in exchange for the allotment and issue by our Company of 10 Shares to Forever Elite. Upon completion of such allotments, our Company became held as to 94% by Sinic Holdings, 5% by Xin Heng and 1% by Forever Elite.

Reorganization of PRC Subsidiaries

As part of the Reorganization, to avoid potential competition between businesses engaged by our Controlling Shareholders and that of our Group, on April 26, 2019, Sinic Technology transferred its entire equity interest in Huizhoushi Wanji Industrial Co., Ltd. (惠州市萬基實業有限公司) (“**Huizhoushi Wanji**”), a property development company, to Huizhou Sinic Hongxing Real Estate Development Co., Ltd. (惠州新力弘興房地產開發有限公司) (“**Huizhou Sinic Hongxing**”), our indirect wholly-owned subsidiary, at a nominal consideration of RMB1. Upon completion of such transfer, Huizhoushi Wanji became wholly owned by Huizhou Sinic Hongxing.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Disposal of certain subsidiaries

As part of the Reorganization, we disposed of certain subsidiaries, all of which had not carried out any substantive business operations and not made substantial financial contribution to our Group during the Track Record Period, and/or had been set up for purposes not related to the core business of our Group. The following table sets forth the details of such disposals:

Name of disposed company ⁽¹⁾	Transferor	Transferee	Date of transfer	Interest being disposed of	Consideration ⁽³⁾	Reasons for disposal
1. Huizhou Xinyue Lihe Real Estate Development Co., Ltd. (惠州新悅力和房地產開發有限公司)	Huizhou Lichuang and Huizhou Sinic Hongshun Real Estate Co., Ltd. (惠州新力弘順房地產開發有限公司) (“ Huizhou Hongshun ”), an indirect wholly-owned subsidiary of our Company	Shanghai Hongqi Xincailiao Co., Ltd. (上海鴻綦新材料有限公司) (“ Shanghai Hongqi ”), a company wholly-owned by Sinic Technology	November 12, 2018	100%	RMB2	The company was set up for the purpose of primary land development business, which was not related to the core business of our Group, and it had not had any substantive business prior to the time of disposal ⁽⁵⁾
2. Huizhou Sinic Quality Real Estate Development Co., Ltd. (惠州新力品質房地產開發有限公司) (“ Huizhou Sinic Quality ”) ⁽²⁾	Huizhou Lichuang	Shanghai Hongqi	November 13, 2018	75% ⁽⁴⁾	RMB1	The company was set up for the purpose of primary land development business, which was not related to the core business of our Group, and it had not had any substantive business prior to the time of disposal ⁽⁵⁾

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Name of disposed company ⁽¹⁾	Transferor	Transferee	Date of transfer	Interest being disposed of	Consideration ⁽³⁾	Reasons for disposal
3. Huizhou Sinic Hongxuan Real Estate Development Co., Ltd. (惠州新力泓軒房地產開發有限公司)	Huizhou Lichuang	Shanghai Hongqi	November 2, 2018	100%	RMB1	The company was set up for the purpose of primary land development business, which was not related to the core business of our Group, and it had not had any substantive business prior to the time of disposal ⁽⁵⁾
4. Huizhou Sinic Hongfeng Real Estate Development Co., Ltd. (惠州新力泓豐房地產開發有限公司)	Huizhou Lichuang	Shanghai Hongqi	November 2, 2018	100%	RMB1	The company was set up for the purpose of primary land development business, which was not related to the core business of our Group, and it had not had any substantive business prior to the time of disposal ⁽⁵⁾

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Name of disposed company ⁽¹⁾	Transferor	Transferee	Date of transfer	Interest being disposed of	Consideration ⁽³⁾	Reasons for disposal
5. Huizhou Sinic Lihong Real Estate Development Co., Ltd. (惠州新力力鴻房地產開發有限公司)	Sinic Real Estate	Shanghai Hongqi	November 21, 2018	70% ⁽⁴⁾	RMB1	The company was set up for the purpose of primary land development business, which was not related to the core business of our Group, and it had not had any substantive business prior to the time of disposal ⁽⁵⁾
6. Jiangxi Menglong Real Estate Development Co., Ltd. (江西夢龍房地產開發有限公司)	Sinic Real Estate	Sinic Lichuang Industrial Co., Ltd. (新力力創實業有限公司), a company wholly owned by Sinic Technology	November 20, 2018	100%	Nil	The company was inactive and had no business operation
7. Jiangxi Lvyang Construction Co., Ltd. (江西綠洋建築工程有限公司)	Jiangxi Sinic Properties	Nanchang Dingfeng Investment Consultation Co., Ltd (南昌市頂豐投資諮詢有限公司), a company wholly owned by Ms. Wu Chengping, the spouse of Mr. Zhang	April 27, 2018	100%	Nil	The company was inactive and had no business operation

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Name of disposed company ⁽¹⁾	Transferor	Transferee	Date of transfer	Interest being disposed of	Consideration ⁽³⁾	Reasons for disposal
8. Huizhou Sinic Hongyue Real Estate Development Co., Ltd. (惠州新力泓悦房地產開發有限公司)	Huizhou Lichuang	Shanghai Hongqi	November 2, 2018	100%	RMB1	The company was set up for the purpose of primary land development business, which was not related to the core business of our Group, and it had not had any substantive business prior to the time of disposal ⁽⁵⁾
9. Huizhou Lixin Zaiyue Real Estate Development Co., Ltd. (惠州力新在悦房地產開發有限公司)	Huizhou Lichuang and Huizhou Hongshun	Shanghai Hongqi	November 12, 2018	100%	RMB2	The company was set up for the purpose of primary land development business, which was not related to the core business of our Group, and it had not had any substantive business prior to the time of disposal ⁽⁵⁾

Notes:

- As confirmed by our Directors, each of the disposed companies had complied with the applicable laws and regulations in all material respects, and had not been involved in any material legal, regulatory, arbitral or administrative proceedings, investigations or claims before its disposal. As confirmed by our PRC Legal Advisor, (i) the relevant SAIC procedures and steps involved in the aforesaid disposals had been properly and legally completed; and (ii) each of the disposed companies did not have any material non-compliance with the relevant and applicable PRC laws and regulations.
- Due to the disposal of Huizhou Sinic Quality, four companies which were owned as to 80% by Huizhou Sinic Quality, including Huizhou Baoli Kaijin Real Estate Development Co., Ltd. (惠州市保利凱進房地產開發有限公司), Huizhou Baoli Yijia Real Estate Development Co., Ltd. (惠州市保利億嘉房地產開發有限公司), Huizhou Baoli Yifeng Real Estate Development Co., Ltd. (惠州市保利溢豐房地產開發有限公司) and Huizhou Baoli Hengtong Real Estate Development Co., Ltd. (惠州市保利恒通房地產開發有限公司), also ceased to be subsidiaries of our Group on November 13, 2018.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

3. All the consideration in respect of each of the disposals has been properly settled. The nominal consideration of each of the transfers was determined after arm's length negotiations between the parties with reference to the fact that the registered capital of the relevant company had not been paid up at the time of the transfer. The registered capital of each of the disposed companies was not paid in full before their respective disposal, as the payment time provided in the articles of association of the relevant disposed companies had not become due yet as of the date of the relevant disposal. Based on the review of the articles of association of each of the disposed companies, our PRC Legal Advisor confirms that the registered capital of each of the disposed companies was not required to be fully paid up at the relevant time of disposal, and the transfer of equity interests in each of the disposed companies without full payment of the registered capital did not violate PRC laws and regulations.
4. The remaining shareholding in this company is held by an Independent Third Party.
5. For more details of primary land development business, including reasons for exclusion of this business, please refer to the section headed "Relationship with Controlling Shareholders — Delineation of Business — Primary land development business not included in our Group" in this prospectus.

Deregistration of certain subsidiaries

As part of the Reorganization, we deregistered a number of inactive companies. For the details of such companies which were deregistered as part of the Reorganization, please refer to the section headed "Statutory and General Information — A. Further Information about our Company — Reorganization" in Appendix V to this prospectus.

PRE-IPO INVESTMENT

On March 13, 2019, Icons Electronics made a capital injection of RMB34.12 million into Sinic Management. Icons Electronics is a limited liability company incorporated in Hong Kong and wholly owned by Forest Resources. At the time of such capital injection, Forest Resources was wholly owned by Forever Elite, a company incorporated in the BVI, which in turn is wholly owned by Mr. Chen Kang (陳康) ("Mr. Chen"). Upon completion of such capital injection, Icons Electronics became interested in 1% of the equity interest in Sinic Management. On May 17, 2019, as part of the Reorganization, Forever Elite transferred all its issued shares in Forest Resources to our Company in exchange for the issue of 10 Shares in our Company to Forever Elite. Details of the above investment by Forever Elite (the "Pre-IPO Investment") are set forth below:

Name of the Investor	:	Forever Elite
Amount of cash consideration paid	:	RMB34.12 million
Basis of determination of the consideration	:	Based on an independent valuation after arm's length negotiations between the parties

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Date of settlement of the consideration	:	April 3, 2019
Cost per Share ⁽¹⁾	:	HK\$1.33
Discount to mid-point of the indicative Offer Price range	:	64.7%
Use of proceeds	:	Contribution to the registered capital of Sinic Management and for working capital and general corporate purposes
Shareholding in our Company immediately after the Pre-IPO Investment	:	1%
Shareholding in our Company immediately after the Global Offering ⁽²⁾	:	0.85%
Strategic benefits to the Company	:	Our Directors are of the view that the Pre-IPO Investment is beneficial to our Group as it can assist us in broadening our shareholder base. In addition, Mr. Chen's positioning as a strategic investor of our Company, coupled with his business network and extensive investment experience, among which included a shopping arcade in Nanchang, Jiangxi Province, will add value to the profile of our Company. With his experience, our Directors believe that Mr. Chen could provide industry-specific insights and advice on our business development and expansion in the PRC
Special rights	:	None of Mr. Chen and Forever Elite is entitled to any special rights under the Pre-IPO Investment

Notes:

1. Being the cost of the Pre-IPO Investment per Share held by Forever Elite immediately after the Capitalization Issue.
2. Assuming that the Over-allotment Option is not exercised.

As of the Latest Practicable Date, none of the proceeds from the Pre-IPO Investment had been utilized.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Information regarding Forever Elite and Mr. Chen

Forever Elite is an investment holding company incorporated in the BVI and is wholly owned by Mr. Chen. Mr. Chen is an experienced investor with over 10 years of experience in equity investment in the PRC. He has been making investments in a number of enterprises engaged in catering, trading, property leasing and property management in the PRC since 2001. Mr. Chen became acquainted with Mr. Zhang, through business and social events in around 1999 and they maintained regular contact thereafter. In or around 2018, Mr. Zhang and Mr. Chen started to explore investment opportunities in our Group and Mr. Chen reached an agreement and concluded his investment in our Group as described above. Other than the shareholding in our Group, Forever Elite and Mr. Chen are independent from our Group.

Lock-up and public float

The Shares held by Forever Elite will be subject to lock-up for a period of six months after Listing. As neither Mr. Chen nor Forever Elite is a core connected person of our Company, Shares held by Forever Elite will be counted towards the public float upon Listing.

Compliance with interim guidance

On the basis that (i) the consideration for the Pre-IPO Investment has been settled more than 28 clear days before the date of our first submission of the listing application to the Stock Exchange; and (ii) none of Mr. Chen nor Forever Elite is entitled to any special rights under the Pre-IPO Investment, the Joint Sponsors have confirmed that the terms of the Pre-IPO Investment by Forever Elite are in compliance with (i) the Guidance Letter HKEx-GL-29-12 issued by the Stock Exchange in January 2012 and as updated in March 2017; and (ii) the Guidance Letter HKEx-GL43-12 issued by the Stock Exchange in October 2012 and as updated in July 2013 and March 2017.

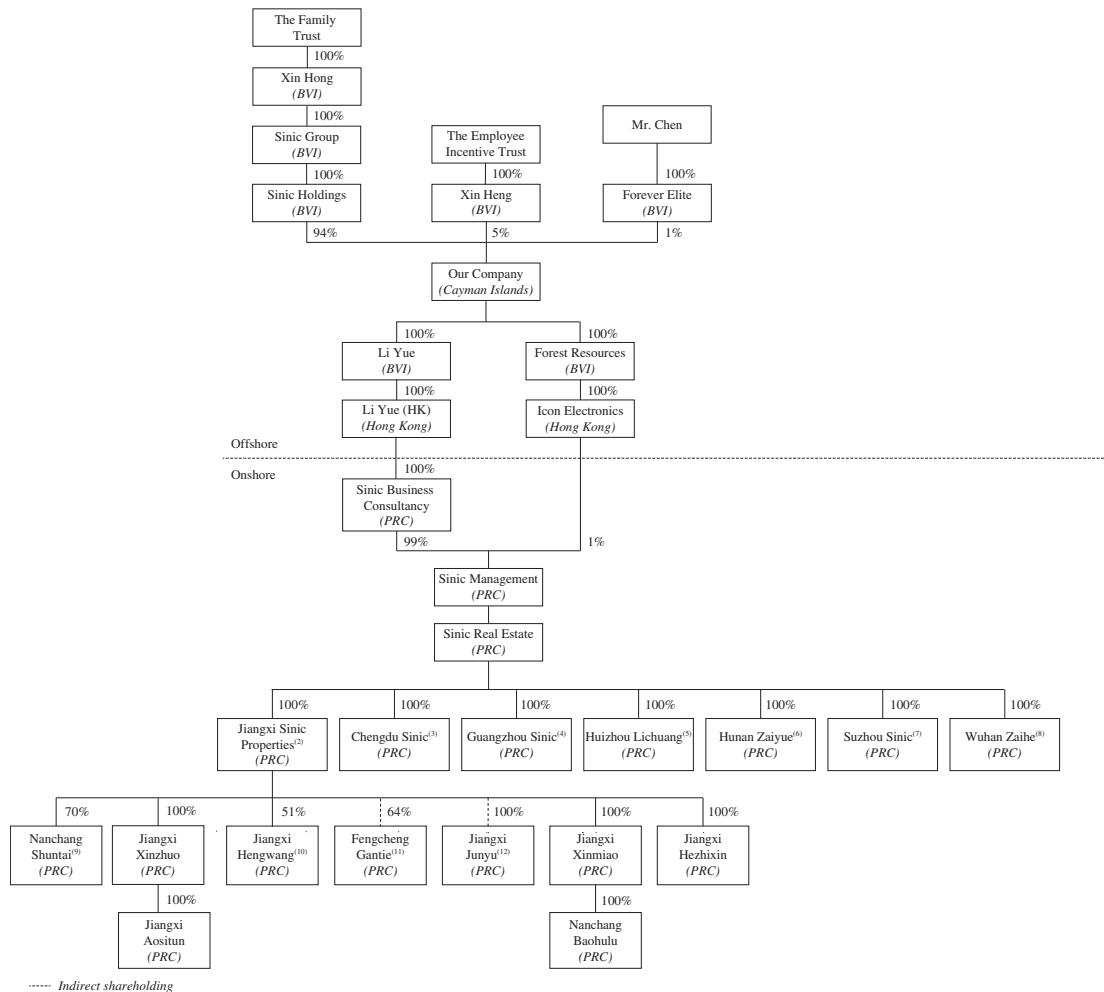
ACQUISITIONS AFTER THE TRACK RECORD PERIOD

Since the end of the Track Record Period, for the purpose of expanding its business, the Group has acquired or entered into agreements to acquire the equity interest of certain companies. For details, see “Waivers from Strict Compliance with the Requirements under the Listing Rules — Equity Interests Acquired After the Track Record Period”.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

CORPORATE STRUCTURE AFTER THE REORGANIZATION AND IMMEDIATELY BEFORE COMPLETION OF THE GLOBAL OFFERING

The following chart sets forth a simplified corporate structure⁽¹⁾ of our Group after the Reorganization and immediately before the completion of the Global Offering:



Notes:

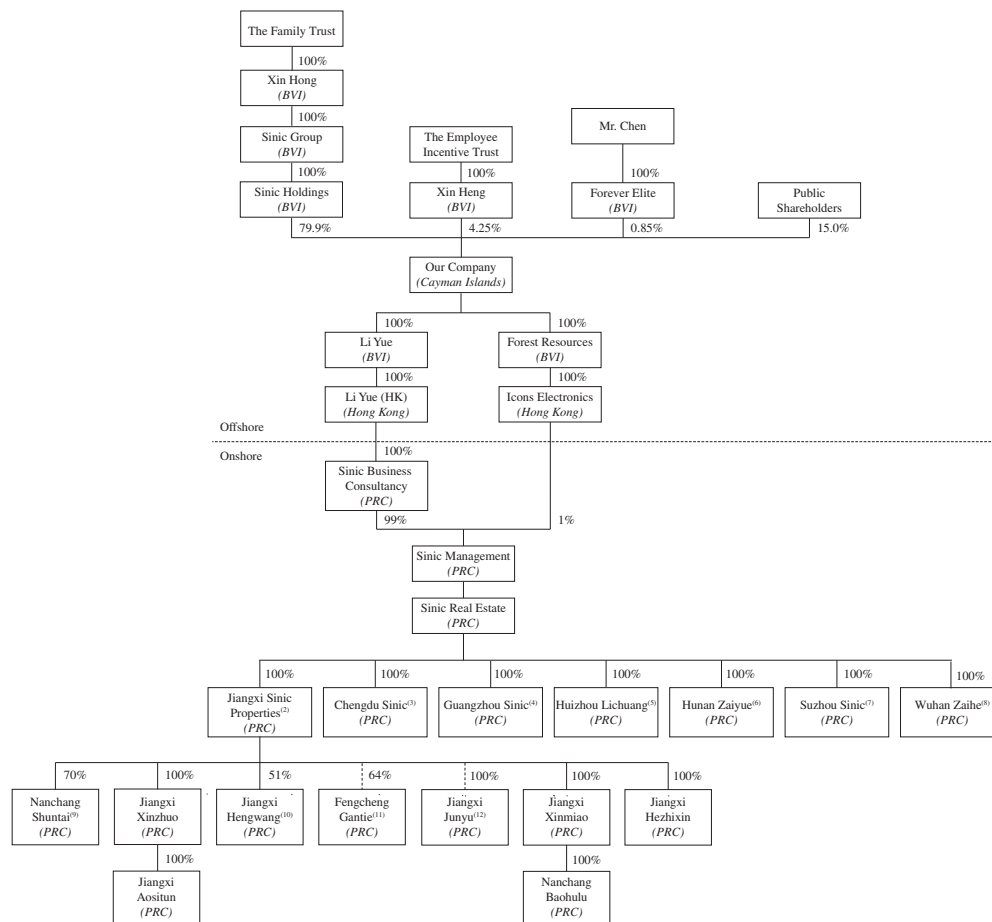
- (1) The above chart includes shareholding information related to our major subsidiaries, details of which are set out in “— Our Corporate Development” above in this section. For details of our principal subsidiaries, please refer to note 1 of the Accountant’s Report set out in the Appendix I to this prospectus.
- (2) Jiangxi Sinic Properties is a regional holding company which held 34 project companies at the relevant time.
- (3) Chengdu Sinic is a regional holding company which held three project companies at the relevant time.
- (4) Guangzhou Sinic is a regional holding company which held two project companies at the relevant time.
- (5) Huizhou Lichuang is a regional holding company which held nine project companies at the relevant time.
- (6) Hunan Zaiyue is a regional holding company which held five project companies at the relevant time.
- (7) Suzhou Sinic is a regional holding company which held two project companies at the relevant time.
- (8) Wuhan Zaihe is a regional holding company which held one project company at the relevant time.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (9) The remaining 30% equity interest in Nanchang Shuntai was held by Mr. Li Haiwen.
- (10) The remaining 49% equity interest in Jiangxi Hengwang was held by Jiangxisheng Huayin, an Independent Third Party save for its shareholding in Jiangxi Hengwang.
- (11) The beneficial equity interest indirectly held by the Company in Fengcheng Gantie is 64%. Fengcheng Gantie was owned as to 90% by Nanchang Tianju and 10% by Jiangxi Xinwan, which was wholly owned by Jiangxi Sinic Properties. Nanchang Tianju was owned as to 60% by Jiangxi Sinic Properties, 25% by Ms. Xia Hongxia (夏紅霞) and 15% by Mr. Chen Chen (陳晨), all Independent Third Parties save for their shareholding in Nanchang Tianju.
- (12) Jiangxi Junyu was owned as to 20% by Jiangxi Xinjue and 80% by Wuhu Ganxin. As Jiangxi Xinjue was the only deferred limited partner in Wuhu Ganxin, the Group had a 100% variable interest in Wuhu Ganxin which was accounted for as a subsidiary of the Company.

CORPORATE STRUCTURE UPON COMPLETION OF THE GLOBAL OFFERING

The following chart sets forth a simplified corporate structure⁽¹⁾ of our Group upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account of any Shares to be issued upon the exercise of any options that may be granted under the Share Option Scheme):



..... Indirect shareholding

Notes: Please refer to the notes under “— Corporate Structure After the Reorganization and Immediately Before Completion of the Global Offering” in this section above.

PRC REGULATORY REQUIREMENTS

Our PRC Legal Advisors have confirmed that all necessary government approvals and permits from the relevant PRC authorities in respect of the equity transfers and changes in registered capital of the PRC companies in our Group under “— Our Corporate Development” in this section above have been obtained, and all the relevant legal procedures were completed in compliance with the relevant PRC laws and regulations. Our PRC Legal Advisors have further advised that, we have obtained all necessary approvals from the relevant PRC authorities required for the implementation of the Reorganization.

The Rules on the Mergers and Acquisitions of Domestic Enterprises by Foreign Investors in the PRC

Our PRC Legal Advisors advised that the acquisition of 1% equity interest in Sinic Management by Icons Electronics from Jiangxi Yuejing (the “**First Transfer**”) is subject to “Provisions Regarding Mergers and Acquisitions of Domestic Enterprises by Foreign Investors” (《關於外國投資者併購境內企業的規定》) (the “**Circular No. 10**”) and the Interim Administrative Measures for the Record-filing of the Incorporation and Change of Foreign-invested Enterprises (the “**Circular 3**”) (外商投資企業設立及變更備案管理暫行辦法). Sinic Management has obtained the record-filing receipt for the incorporation of foreign-invested enterprises (外商投資企業設立備案回執) and the new business license for the First Transfer pursuant to the Circular No. 10 and the Circular 3. After the First Transfer, Sinic Management became a sino-foreign joint venture enterprise. For the acquisition of 99% equity interest in Sinic Management by Sinic Business Consultancy from Jiangxi Yuejing (the “**Second Transfer**”), our PRC Legal Advisors advised that since Jiangxi Yuejing transferred 99% equity interest in Sinic Management to Sinic Business Consultancy after Sinic Management was converted into a sino-foreign joint venture enterprise, the Second Transfer is the equity transfer in a foreign invested enterprise, and thus, the Circular No. 10 is not applicable to the Second Transfer. Instead, the Second Transfer shall comply with the Rules on the Changes of Shareholding of Foreign-invested Enterprise Investor (外商投資企業投資者股權變更的若干規定) (the “**Rules**”) and the Circular 3, and Sinic Management has obtained the record-filing receipts for the change of foreign-invested enterprises (外商投資企業變更備案回執) and the new business license for Second Transfer pursuant to the Rules and the Circular 3. Our PRC Legal Advisors are of the view that the First Transfer has been completed in accordance with the Circular No. 10 and the Circular 3, the Second Transfer has been completed in accordance with the Rules and the Circular 3.

SAFE Registration in the PRC

Pursuant to the Circular on the Administration of Foreign Exchange Involved in the Investment and Financing and Round-trip Investment Conducted by PRC Residents via Special Purpose Vehicles (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the “**SAFE Circular No. 37**”) issued by SAFE on July 4, 2014, Circular on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (關於進一步簡化和改進直接投資外匯管理政策的通知) (the “**Circular 13**”), where the PRC individual residents conduct investment in offshore special purpose vehicles with their legitimate onshore and offshore assets or equities, they must register with local SAFE branches with respect to their investments. The SAFE Circular No. 37 also requires the PRC residents to file changes to their registration where their offshore special purpose vehicles undergo material events such as the change of basic information including PRC residence, name and operation period, as well as capital increase or decrease, share transfer or exchange, merger or division.

As advised by our PRC Legal Advisors, Mr. Zhang completed the registration in accordance with the SAFE Circular No. 37 and the Circular 13 on January 21, 2019.

OVERVIEW

We are a large-scale and comprehensive property developer in the PRC, focusing on the development of residential and commercial properties. Through nearly 10 years of operations, we have successfully established a leading position among residential property developers in Jiangxi Province and, by leveraging our success and experience in Jiangxi Province, expanded our property development business into the Yangtze River Delta Region, the Greater Bay Region and the Central and Western China Core Cities and Other Regions with High-Growth Potential. In 2019, in terms of comprehensive property development ability, we were ranked 31st among the top 100 property developers in the PRC according to CREIS, and ranked 39th among the top 500 property developers according to the China Real Estate Association. During the Track Record Period, we have won various industrial accolades and recognitions. We were recognized, among others, as one of the China's Top 50 Real Estate Developers by the China Real Estate Industry Association, Shanghai Yiju Real Estate Research Institution and China Real Estate Appraisal in 2018 and 2019, and one of the China's Top 100 Real Estate Developers – Growth Top 10 by the China Real Estate Top 10 Research Committee in 2018 and 2019. For more of our awards and recognitions, see “— Awards and Recognitions” below.

We strive to distinguish ourselves from our competitors by developing properties that suit the needs and preferences of our target customers featuring quality designs, convenience and comfort. We have developed three major project series for residential properties, namely, the “Wan” Series (灣系), targeting first-time home buyers, the “Yuan” Series (園系), targeting purchasers seeking to purchase a second home or upgrade their home, and the “Yue” Series (悅系), targeting extended families or high-income households. We place a great emphasis on the quality of our products, and set detailed standards on a number of design and construction requirements, such as style, landscape, construction materials and interior designs. As a result, we have received numerous awards in recognition of our product quality. In 2018, we received the “China Real Estate Gold Brick Award – 2018 Quality Property Comprehensive Award (中國地產金磚獎 — 2018年度品質地產綜合大獎)” on Bo’Ao 21st Century Real Estate Forum. Our first residential property project, Nanchang Dibo Wan in Nanchang, received the National Scenic Garden Construction Project Silver Prize from China Garden Network (中國園林網) in 2013.

In addition, in order to maximize investment returns, improve cash flow and achieve sustainable growth, we strive to standardize our project development cycle. We develop our properties through standardized operating procedures which not only help us to plan, design, construct and deliver properties on schedule, but also enable us to bring consistency in quality across our properties while maintaining relatively low costs.

We develop and sell quality properties. As of July 31, 2019, we had 110 property projects under various stages of development, comprising 84 projects developed by our subsidiaries, 26 projects developed by joint ventures and associates. As of July 31, 2019, our property projects had an aggregate GFA attributable to us of approximately 15.0 million sq.m., including (i) the total GFA available for sale and total leasable GFA for completed properties of approximately 275,887.3 sq.m., (ii) the total GFA for properties under development of approximately 11.7 million sq.m. and (iii) the total GFA for properties held for future development of

BUSINESS

approximately 3.0 million sq.m. In addition to residential property development business, since August 2013, we started engaging in the development, operation and management of commercial properties and hold a portion of such commercial properties for investment purpose, with a view to not only diversifying our source of income but also enhancing the attractiveness of and facilitate demand for our residential properties. As of July 31, 2019, we had seven commercial properties, with an aggregate GFA of approximately 268,266.7 sq.m.

Our overall market position in the PRC, quality product offerings and strong brand name have all contributed to our past financial success. In 2016, 2017 and 2018, we recorded revenue of RMB2,223.0 million, RMB5,241.1 million and RMB8,415.7 million, respectively, representing a CAGR of approximately 94.6%; and our revenue increased by 278.4% from RMB1,508.9 million for the four months ended April 30, 2018 to RMB5,709.4 million for the same period in 2019. In 2016, 2017 and 2018, our net profit was RMB130.9 million, RMB278.2 million and RMB555.0 million, respectively, representing a CAGR of approximately 105.9%; and our net profit increased by 515.8% from RMB45.8 million for the four months ended April 30, 2018 to RMB282.2 million for the same period in 2019.

OUR BUSINESS STRENGTHS

We believe that our market position is principally attributable to the following competitive strengths:

Leading, Large-scale and Comprehensive Property Developer in Jiangxi Province with A Strategic and National Expansion Plan

We are a large-scale and comprehensive property developer in the PRC, focusing on the development of residential and commercial properties. Since our inception in Nanchang, Jiangxi Province in 2010, we have expanded our property development business to the Yangtze River Delta Region, the Greater Bay Region and the Central and Western Core China Cities and Other Regions with High-Growth Potential. In June 2017, we moved our headquarters from Nanchang to Shanghai in furtherance of our national expansion plan and to attract more talents. We have established a leading market position in Jiangxi Province and are growing into a national property developer. According to C&W Report, based on the contracted sales amount of properties in 2017, 2018, and the first quarter of 2019, we were ranked first among all property developers in Jiangxi Province. In 2018 and 2019, we were recognized as one of the China's Top 100 Real Estate Enterprises — Growth Top 10 (中國房地產百強企業 — 成長性 Top 10) based on our sales growth. In 2019, in terms of comprehensive property development ability, we were ranked 31st among the top 100 property developers in the PRC according to CREIS, and ranked 39th among the top 500 property developers according to the Chinese Real Estate Association. We were recognized as one of the China's Top 10 Real Estate Development Enterprises in Regional Operation jointly by the China Real Estate Industry Association, Shanghai Yiju Real Estate Research Institution and China Real Estate Appraisal in 2018. See the section entitled “— Awards and Recognitions” for more details of our awards and recognitions.

BUSINESS

As of July 31, 2019, we had a total of 110 property projects at various stages of development, 55 of which were located in Jiangxi Province, 13 in Yangtze River Delta Region and 20 in Greater Bay Region, and 22 in Central and Western China Core Cities and Other Regions with High-Growth Potential. As of July 31, 2019, these 110 projects had an aggregate site area of approximately 7.7 million sq.m., and an aggregate GFA attributable to us of approximately 15.0 million sq.m., of which approximately 275,887.3 sq.m. of the GFA was completed available for sale, approximately 11.7 million sq.m. of the GFA was under development and approximately 3.0 million sq.m. of the GFA was held for future development.

In selecting the cities to develop in Jiangxi Province and these three targeted regions, we generally assess a wide range of factors, including but not limited to, the conditions of local economy, population concentration and economic growth potential. We believe our footprint and entrance in these strategically selected cities and regions provide us with a solid foundation to carry out our national expansion plan.

We have developed three major series for residential property products, namely, the “Wan” Series (灣系), the “Yuan” Series (園系) and the “Yue” Series (悅系) targeting different customers. We also engage in the development, operation and management of commercial properties including integrated commercial complexes, shopping center, apartments and office buildings, and hold a portion of such commercial properties for investment purposes. As of July 31, 2019, we had seven commercial properties, with a total gross floor area of 268,266.7 sq.m. We do not have a pre-determined ratio of rentable GFA to saleable GFA of our properties. During the Track Record Period, the ratios of rentable GFA to saleable GFA of our properties were approximately 6.9%, 3.4%, 2.2% and 2.0% as of December 31, 2016, 2017 and 2018 and April 30, 2019, respectively.

We believe our strong market position in Jiangxi Province and strategic expansion into other targeted cities and regions in China will help us to grow into a major national property developer in the PRC real estate market.

Quality Products and Services Maximizing Customer Satisfaction and Enhancing Our Brand Name

We believe that we have established a strong brand name in the PRC markets by bringing quality residential property projects to market, and providing well-rounded services to our customers.

Since our first project, Nanchang Dibo Wan, in 2010, we have placed a great emphasis on quality throughout the entire development cycle. We have designed and implemented quality control standards and procedures for every property project, including but not limited to, standardized quality control on design, procurement, construction and delivery. Our quality control team also regularly inspects our property projects and hires third-party inspectors to conduct regular checks to ensure quality.

In order to offer distinctive and quality designs, our product research and development teams work closely with domestic architecture and design firms, such as Shanghai Xinwaijian Construction Design and Consultancy Company Limited (上海新外建工程設計與顧問有限公司), Yijing (Shanghai) Construction Design Company Limited (意境(上海)建築設計有限公司),

BUSINESS

and Daiwen Construction Design (Shanghai) Company Limited (戴文工程設計(上海)有限公司). As of April 30, 2019, we had over 190 team members who are responsible for our product designs and implementation. Our quality control team conducts detailed and routine checks on our construction contractors by themselves or through third-party inspectors to ensure consistent quality of our property projects. Our construction management team oversees the implementation of our quality control standards, and strictly follows our standard procedures to follow up on and solve any quality issues that may arise during the construction process. We also utilize a centralized information system on our suppliers, which helps us to keep track of the latest information and feedbacks on the suppliers. In addition, we conduct regular and random checks on our suppliers to control quality. Before delivering our properties, our property maintenance and sales team members conduct walk-throughs to help ensure the quality. We adhere to a “zero tolerance” principle with respect to quality issues on materials, design work, brand name and management of our properties and strictly implement our quality control measures, requirements and procedures. The high quality of our properties has been recognized in the property market in the PRC. In 2018, we were awarded the China Real Estate Gold Brick Award — 2018 Quality Property Comprehensive Award on Bo’Ao • 21st Century Real Estate Forum held by 21st Century Business Herald for overall quality control management of our projects.

We believe quality service is essential to enhancing our brand image. We have developed and implemented our “360 Happiness” customer service that centers on delivering a well-rounded and customer-oriented experience from pre-purchase to after-sales services. Our “360 Happiness” customer services include “Happy Purchase” (悦買房), “Happy Delivery” (悦交房) and “Happy Living” (悦居家) services:

- “Happy Purchase” service provides professional consulting services to potential customers;
- “Happy Delivery” service is a one-on-one service provided to customers at the time of delivery, which includes a walk-through with our delivery manager, who helps to record and follows up on issues that may be identified by customers; and
- “Happy Living” service mainly includes property management services provided to residents of our properties by property management companies arranged by us. Such services include various community activities, maintenance work, other value-added services and 12-hour hotline to monitor such services and solve relevant issues.

We rely on our customers value center and relevant property management companies we engage to provide after-sales services. Our customers value center is responsible for collecting and analyzing customer data through customer satisfaction surveys in order to improve service quality, identify customer preferences and provide such feedback to our other departments to improve our operations, including product design and marketing strategies. Our after-sales services are also evaluated by third-party surveyors, such as Beijing FG Consulting Co., Ltd. According to a survey conducted by FG Consulting (賽惟諮詢), we were ranked 9th in overall

customer satisfaction among 80 PRC property developers in 2018. Among these 80 property developers surveyed, approximately 48 of them were among the top 100 Chinese property developers ranked by CRIC in 2018.

We believe that our quality products and services will continue to help us maximize customer satisfaction, enhance brand name and achieve sustainable long-term growth.

Standardized Operating Procedures Enabling Us to Achieve Operating Efficiency While Maintaining High Quality

We believe a key contributor to our growth is our focus on developing quality properties using our standardized operating procedures, which cover the entire cycle of the property development process from site selection, land acquisition, product planning and design to sales and marketing. We believe that our standardized operating procedures enable us to achieve consistent quality and replicate our operating success into new markets in a cost-effective manner.

To achieve standardization of our procedures, we have relied on our historical property development experience and proven track record in formulating operating manuals that set out our specified requirements and execution processes for activities at every stage of the property development.

With respect to land acquisitions, we set detailed timetables, goals and requirements for different land acquisition methods in order to evaluate land acquisition opportunities and complete such acquisition in a timely manner.

With respect to product designs, we have developed three major series of residential products to cater to different needs of customers. Our “Wan” Series mainly target first-time home purchasers; “Yuan” Series mainly targets second-home purchasers seeking to upgrade their homes; and “Yue” Series mainly targets extended families or high-income households. These products offer comfortable living experiences through, among others, appealing landscaping, comprehensive ancillary facilities and tasteful interior designs. The product model of these products are fine-tuned by our product design teams to fit specific customer preferences in different markets through standardized review and amendment process.

With respect to procurement, we have established a centralized information system that regularly collects relevant information and feedbacks on our suppliers, helping us to better assess their suitability for our procurement needs.

With respect to construction management, we conduct checks at different stages of the construction process according to different sets of standardized quality requirements. The results of such checks are collected through a centralized system to allow different departments to closely follow up on the progress and solve any issues.

BUSINESS

With respect to operations management, we have formulated different guidelines and goals for different cities or projects based on, among others, the specific market conditions and internal requirements. We apply standardized procedures to sales activities across different property projects to ensure effective implementation of our sales and marketing messages in the PRC market.

In addition, we employ a centralized information platform to manage our property projects. The platform helps our team members at the Group, city and project levels to seamlessly exchange information on various aspects of property development and better identify and control our operational risks.

We believe that our standardized operating procedures have enhanced our operating efficiency and reduced overall costs and will continue to help us to achieve success in the future.

Flexible Land Acquisition Methods and Sizeable and Quality Land Bank

We adopt a flexible approach toward the selection and acquisition of land for future development to sustain our continued growth. We adopt diversified land acquisition methods depending on the prevailing market conditions to control our land cost including land tenders, acquisition of project companies which possess land parcels, and the establishment of joint ventures with other property developers. We assess the local market conditions, PRC regulation or policy change and our development goals and adjust our land acquisition methods accordingly. By acquiring land through multiple channels and flexible approach, together with our market foresight and in-depth understanding of property market dynamics, we are able to quickly react to changing market conditions and seek and capitalize on land acquisition opportunities by employing the land acquisition methods which could enable us to acquire the land at a relatively low cost. We aim to capture opportunities in China's fluctuating land market by avoiding acquisitions when the land market overheats and by engaging in land acquisitions when a low cost opportunity becomes available. We generally acquire land based on stringent evaluations on market demand, financial and return criteria. We participate in land auctions if proper opportunities emerge but bid cautiously with strict price limit to ensure that our acquired land prices are not overly expensive. In December 2018, we cooperated with two property developers which are Independent Third Parties to obtain the land parcel, Nanjing Jiangning 110 Mu, through public land tenders. By leveraging our developer partners' reputation, industrial experience and financial resources in the local market, we won the bid and achieved a land premium rate of 0% on the land parcel, as the bidding price offered by us was the same as the value priced by the local government.

We believe that our extensive experience in and flexible approach towards land acquisitions have enabled us to build a successful track record in identifying and acquiring land parcels with long-term investment value, which allows us to maintain attractive unit land costs relative to the market value for our property projects. As of July 31, 2019, we had a total of land bank of approximately 15.0 million sq.m. of planned GFA attributable to us located in 27 cities. In 2016, 2017 and 2018 and the four months ended April 30, 2018 and 2019, our land

BUSINESS

acquisition cost was approximately RMB418.5 million, RMB872.3 million, RMB1,263.6 million, RMB232.5 million and RMB945.2 million, respectively, which accounted for 25.0%, 25.1%, 24.0%, 24.5% and 25.2%, respectively, of our total cost of sales in the same periods; and for the same periods, our average land acquisition cost per sq.m. was approximately RMB1,184 per sq.m., RMB1,274 per sq.m., RMB1,129 per sq.m., RMB1,275 per sq.m. and RMB1,618 per sq.m., respectively. We recorded relatively higher average land acquisition cost for the first four months of 2019 during the Track Record Period, mainly due to our acquisition of land parcels in the Yangtze River Delta Region since the second half of 2018 which generally had higher land prices as compared to those in other regions we operate, as a result of our continued business expansion. During the same periods, our construction cost was approximately RMB1,092.0 million, RMB2,233.6 million, RMB3,255.3 million, RMB592.1 million and RMB2,346.9 million, respectively, which accounted for 65.3%, 64.3%, 61.7%, 62.4% and 62.7%, respectively, of our total cost of sales in 2016, 2017 and 2018 and the four months ended April 30, 2018 and 2019; and for the same periods, our average construction cost per sq.m. was approximately RMB3,089 per sq.m., RMB3,262 per sq.m., RMB2,908 per sq.m., RMB3,247 per sq.m. and RMB4,018 per sq.m., respectively. We recorded relatively higher average construction cost per sq.m. for the first four months of 2019 during the Track Record Period, mainly due to an increase in delivery of properties under the “Yuan” series, which generally had relatively higher construction costs with upgraded units and facilities as compared to “Wan” series.

Prudent Financial Policy and Proactive Management of Our Capital Structure

We adopt a prudent and systematic approach to financial management and grow our business in a prudent manner.

We focus on managing two aspects of our financial activities, namely, cash flow management and cost control. On cash flow management, we closely monitor our capital and cash positions through regular liquidity assessment and monthly cash balance assessment on our subsidiaries in accordance with our business development plan. Through effective implementation of our standardized operating procedures covering various phases of our property development process, we strive to shorten the property development cycle from project planning and construction, pre-sale and delivery of property projects. In addition, we have diversified financing channels to optimize capital structure and liquidity, including bank and other borrowings and corporate bonds. We have cultivated stable relationships with reputable PRC banks and large financial institutions, such as Minsheng Bank and Pingan Bank. We issued the 7.90% private corporate bonds due 2021 in the aggregate principal amount of RMB313.0 million in the PRC in October 2018 and the 7.50% private corporate bonds due 2021 in the aggregate principal amount of RMB276.0 million in the PRC in December 2018. In April 2019, we issued the 7.50% private corporate bonds due 2022 in the aggregate principal amount of RMB417.0 million in the PRC.

We believe that by adhering to prudent cost management, we will be able to utilize our working capital more efficiently and maintain healthy profit margins. We employ standardized cost control procedures and requirements to manage our land acquisition, construction and

operational costs. For example, we generally centralize our procurement with selected suppliers to better control our costs. We have designed and implemented a series of construction and procurement guidelines and procedures that are designed to strategically manage and control costs in a number of ways, including but not limited to, the use of invite-only bids from suppliers for certain procurement activities. In 2018, we were able to achieve centralized procurement for over 80% of materials required by us for the development of our residential property projects. We plan to continue to proactively monitor our capital structure, carefully manage our land acquisition costs, construction costs and operating expenses, the maturity profiles of our borrowings and any relevant changes to the applicable PRC laws to ensure sufficient cash flows to service our indebtedness, meet cash and regulatory requirements, adhere to our investment plans and maintain a healthy level of liquidity. For details on our internal control measures in relation to our liquidity management, see “— Risk Management.”

We believe that, through our prudent financial management and cost control measures, we will continue to effectively utilize our capital and sustain long-term growth and be less susceptible to market fluctuations.

Visionary and Experienced Management Team and Capable Operational Team with Proven Execution Capabilities

We believe that our past success and future prospects depend on the quality and experience of our management and operation teams. In the last few years, we have assembled a professional and experienced management team, with an average work experience of 10 years in the real estate industry, who possess in-depth industry knowledge and share a strategic vision and positive outlook for the future of our Company. See “Directors and Senior Management — Board of Directors” for more details. We believe that our visionary and experienced management team has contributed to our success and will continue to be critical to our expansion and long-term growth.

We place a great emphasis on attracting talents. In June 2017, we moved our headquarters from Shenzhen to Shanghai as part of our efforts to attract more talents in the market in furtherance of our national expansion plan. We have attracted scores of talented and capable employees from a number of reputable property developers in the PRC.

We focus on offering valuable training programs to help our employees to develop their skills at different stages in their careers, including but not limited to:

- “New talent plan”(新力量計劃) — attract the talented students from elite schools who can become capable new employees;
- “Orientation plan”(蓄力計劃) — help new joiners to quickly familiarize themselves with the company culture, operational procedures and work assignments;

BUSINESS

- “Growth plan” (鑄力計劃) — equip employees with better operational and management skills in their respective work areas;
- “Advanced plan” (聚力計劃) — cultivate selected employees to become valuable experts in their respective work areas; and
- “Tutor plan” (竹林計劃) — train certain employees to become tutors who can then pass their knowledge to other employees through training sessions.

We have introduced five “Sinic Growth Values” which include the values of staying customer-oriented with our product offerings, being result-oriented while having a cost-efficient mindset, setting a good example for team members, working together to meet challenges in any circumstances, and establishing transparency and trustworthiness within our Group and with our customers and business partners. We consider that our “Sinic Growth Values” represent the core values of our corporate culture and competitive strength, and enable us to maintain our competitive strength.

OUR BUSINESS STRATEGIES

Our goal is to become a national comprehensive property developer offering quality products and services in the PRC. To achieve our goal, we intend to implement the following strategies:

Continue Our Strategic Expansion into the Selected Cities and Regions and Further Solidify Our Position in the PRC Market

We will continue to develop our property projects in Jiangxi Province, the Yangtze River Delta Region, the Greater Bay Region and the Central and Western China Core Cities and Other Regions with High-Growth Potential in the future. We plan to further solidify our existing market position and expand into selected cities in Jiangxi Province and the three regions which we consider to be of high growth potential. We believe that, with our experience and success, particularly in Jiangxi Province, we are well positioned to advance our footprint, further expand in the national market and obtain greater market share in our existing markets.

In selecting cities for future development, we generally assess (i) local economic indicators, population, GDP growth rate and average disposable income and macroeconomic trends, (ii) local laws and regulations on property development sector, (iii) supply and demand conditions of the local property market, pricing trends, sell-through rates and other related factors and (iv) sales record of comparable projects in the same local market, assessment of future market performance and the size of our potential customer base. We plan to continue to monitor and research quality sites in high-growth cities to identify opportunities to develop projects with high potential returns.

BUSINESS

Further Elevate Our Customer-Oriented Products and Services to Increase Our Brand Recognition

We have primarily focused our property development on residential properties and intend to continue doing so in the future. However, we believe that there is an opportunity for us to create additional value for our property portfolio through value-added property services provided by the property management companies arranged by us and the development of commercial properties that are complementary to our selected residential properties. We plan to further develop and enhance our “360 Happiness” services through continued studies and feedbacks on our existing services, including “Happy Purchase” (悦购房), “Happy Delivery” (悦收房) and “Happy Living” (悦居家) services in order to elevate our customer experience. We believe that our customer-oriented approach to our product offerings and services will continue to help us to attract customers and elevate their living experience and, in turn, promote customer loyalty to our brand.

Continue to Implement Our Standardized Operating Procedures to Increase Operating Efficiency

We will continue to utilize our standardized operating procedures to enhance our operating efficiency and ensure consistency in the quality of our products. We believe that the implementation of our standardized operating procedures is key to our offering of quality products which, in turn, helps us to gain greater customer satisfaction and loyalty. We also believe that such approach will continue to enable us to capture market shares in our existing and new markets. We intend to conduct in-depth studies of target customers in new markets and increase the feedback collection from customers at our existing properties, as well as assessment of cost control measures used for our existing property projects, to further improve our standardized operating procedures in terms of quality and cost management.

Continue to Employ Prudent Financial Policies and Optimize Capital Structure

The property development business is capital intensive. We plan to continue to employ prudent financial policies and optimize our capital structure through close monitor and control of cash flows, implementation of cost control measures, and maintenance of prudent financial policies. For example, we plan to further strengthen our cost control through more detailed assessments on property development costs, to formulate additional procedures to further lower costs while increasing operating efficiency and to obtain additional funding by accessing the international and domestic capital markets. We believe that by adhering to prudent cost management, we will be able to utilize our working capital more efficiently and maintain healthy profit margins.

OUR BUSINESS

Overview

Since our inception in 2010, we have grown rapidly into a comprehensive real estate developer with presence in a number of provinces and cities across the PRC including but not limited to, Jiangxi Province, Huizhou, Guangdong Province and Wuhan, Hubei Province. We primarily develop quality residential properties under three main product series, namely, “Wan” Series (灣系), “Yuan” Series (園系) and “Yue” Series (悅系).

- “Wan” Series (灣系): Our Wan properties generally target first-time home buyers. Wan properties usually aim to offer a comfortable living environment through, among others, appealing landscaping, comprehensive ancillary facilities and quality product designs. Examples of such properties include Huizhou Dibo Wan, Wuhan Jinsha Wan and Nanchang Dibo Wan.
- “Yuan” Series (園系): Our Yuan properties generally target customers who are seeking to upgrade their homes. Yuan properties usually offer upgraded residential units or houses, with tasteful decorations and designs, well-rounded and upgraded ancillary facilities and community gardens or landscaping. Examples of such properties include our Huizhou Sinic City and Nanchang Dong Yuan.
- Yue Series (悅系): Our Yue properties generally target customers seeking a luxury living experience. Yue properties usually offer large living spaces, with first-class decorations and ancillary facilities and property management services. An example of such property is our Nanchang Ya Yuan Zhou Yue.

We also develop commercial properties, which include office buildings, hotel and others commercial complexes. Our commercial complexes usually comprise first-rate office buildings, multi-use apartments and/or shopping centers at different scales. Such commercial properties are generally integrated with or in the vicinity of our residential properties.

Classification of Our Properties

We generally classify our property projects into the following three categories:

- completed projects or project phases;
- projects or project phases under development; and
- projects or project phases held for future development.

BUSINESS

A project or project phase is classified as completed when the required land use rights certificate issued by the relevant government authorities and the completed construction works certified reports/completion certificates have been obtained from the relevant government construction authorities.

A project or a project phase is classified as under development when the required construction work commencement permits have been obtained but a completion certificate has not been obtained for all phases of the project.

A project or a project phase is considered to be held for future development when (i) we have obtained the land use rights certificate, but have not obtained the requisite construction work commencement permits or (ii) we have signed a land grant contract for the underlying parcel of land with relevant government authorities, but have not obtained the relevant land use rights certificate.

As some of our projects comprise multiple-phase developments that are completed on a rolling basis, a project may fall into one or more of the above categories.

Detailed descriptions of each of our projects as set forth in this prospectus are as of July 31, 2019, unless otherwise dated. The commencement date relating to each project or each phase of a project refers to the date construction commenced on the first building of the project or phase. The completion date set out in the descriptions of our completed projects or phases refers to the date on which the last completed construction works certified report/completion certificate was obtained for each project or each phase of a multi-phase project.

For projects or phases under development or for future development, the completion date reflects our best estimate based on our current development plans.

The site area information in this prospectus is derived on the following basis:

- when we have received the land use rights certificates, as specified in such land use rights certificates; and
- before we have received the land use rights certificates, as specified in the relevant land grant contracts related to the projects excluding, however, areas earmarked for public infrastructure such as roads and community recreation zones.

BUSINESS

The total GFA information in this prospectus is derived on the following basis:

- for completed projects and phases, based upon relevant property completion certificate or property inspection report;
- for projects and phases that are under development, based upon the relevant construction work commencement permits, or based upon other documentation issued by relevant government authorities if the construction work commencement permits are not available; and
- for projects and phases that are held for future development, based upon the total estimated GFA indicated in property master plans or based on our internal records and development plans, which may be subject to change.

Total GFA as used in this prospectus is comprised of saleable GFA and non-saleable GFA. Non-saleable GFA as used in this prospectus refers to certain communal facilities and ancillary facilities, such as certain underground GFA and spaces for security offices or club-houses, management offices and utility rooms for which pre-sales permits will not be issued. Saleable GFA as used in this prospectus refers to the internal floor areas exclusive of non-saleable GFA. Saleable GFA is further divided into saleable GFA pre-sold/sold and saleable GFA unsold. A property is pre-sold when we have executed the purchase agreement but not yet delivered to the customer. A property is considered sold when we have executed the purchase agreement with the customer and delivered the property to the customer.

Total saleable GFA is calculated as follows:

- for projects and phases that are completed, based on the relevant property ownership certificate, completion certificate or property inspection report;
- for projects and phases under development, based upon the relevant pre-sales permit, or based on other construction work planning documentation issued by relevant government authorities if the pre-sales permit is not available; and
- for projects and phases that are held for future development, based upon our internal records and development plans. The total estimated GFA we intend to sell does not exceed the multiple of site area and the maximum permissible plot ratio as specified in the relevant land grant contracts or other approval documents from the local governments relating to the project.

BUSINESS

The classification of our properties reflect the basis on which we operate our business and may differ from classification employed by other developers. Each property project or project phase may require multiple land use rights certificates, construction land planning permits, construction work planning permits, construction work commencement permits, pre-sales permits and other permits and certificates, which may be issued different from classification of properties in the Property Valuation Report as set out in Appendix III and Accountants' Report as set out in Appendix I to this prospectus.

The table below sets forth our classification of properties and the corresponding classifications of properties in the Property Valuation Report and the Accountant's Report:

This Prospectus	Property Valuation Report	Accountants' Report
<ul style="list-style-type: none"> • Completed projects or project phases 	Group I — Property held by the Group for sale in the PRC	Completed properties held for sale
	Group II — Property held by the Group for investment in the PRC	Investment properties
<ul style="list-style-type: none"> • Projects or project phases under development 	Group III — Properties under development in the PRC	Properties under development
		Investment properties
<ul style="list-style-type: none"> • Projects or project phases held for future development 	Group IV — Properties held for future in the PRC	Prepayment and other receivables

As of July 31, 2019, we had developed 110 property projects under various development stages, comprising 84 projects developed by our subsidiaries, 26 projects developed by our joint ventures and associates, through partnership with other developers which are the Independent Third Parties except for Nanchang Lizhou. As of the same date, we had projects in 27 cities and 11 provinces across our four business regions in China. As of July 31, 2019, our property projects had an aggregate GFA attributable to us of approximately 15.0 million sq.m., including (i) the total GFA available for sale and total leasable GFA for completed properties of approximately 275,887.3 sq.m., (ii) the total GFA for properties under development of approximately 11.7 million sq.m. and (iii) the total GFA for properties held for future development of approximately 3.0 million sq.m.

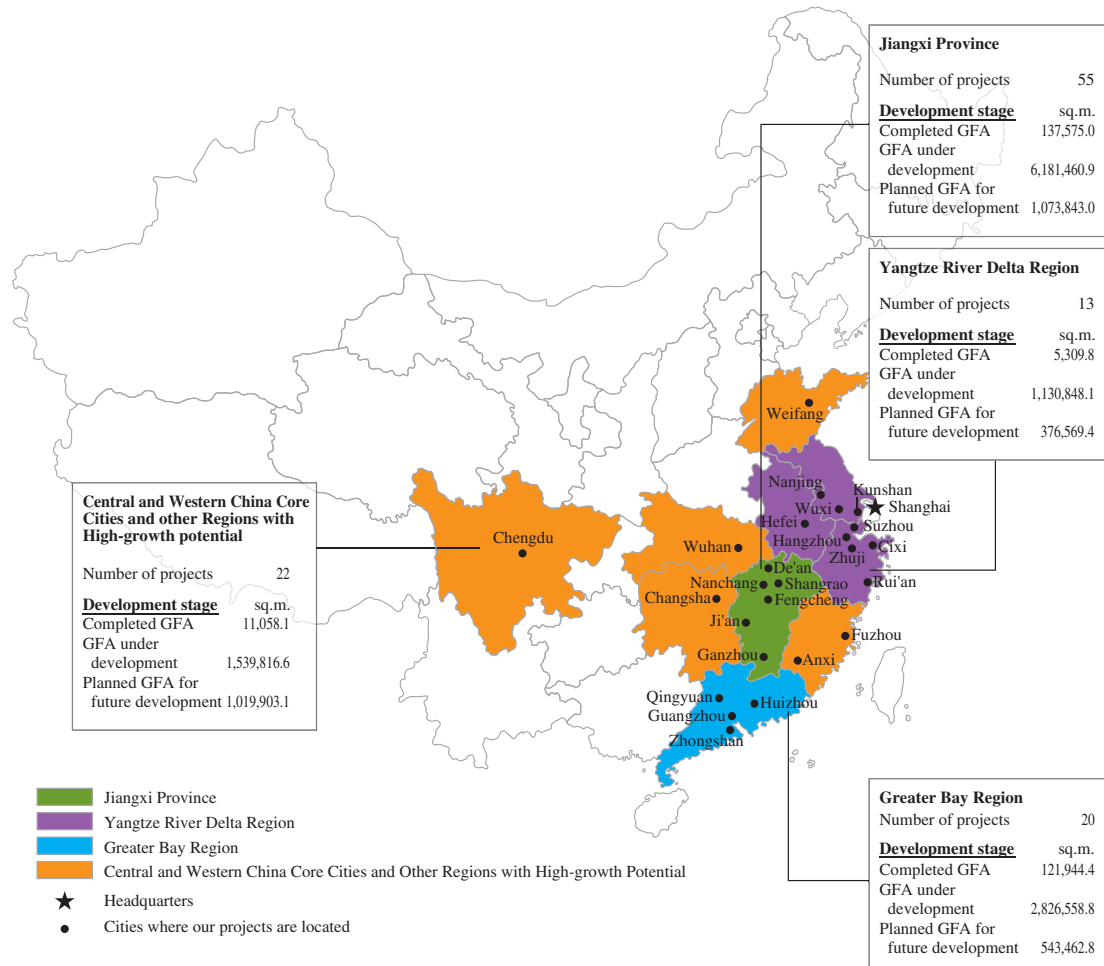
BUSINESS

As of July 31, 2019, we had an aggregate GFA of 12.9 million sq.m. for property projects that were developed by our subsidiaries, comprising completed properties available for sale or lease with an aggregate GFA of approximately 270,638.6 sq.m., properties under development with an aggregate GFA of approximately 10.0 million sq.m., and properties held for future development with an aggregate GFA of approximately 2.6 million sq.m. As of the same date, we had an aggregate GFA attributable to us of 2.1 million sq.m. for property projects developed by our joint ventures and associates, comprising completed properties available for sale or lease with an aggregate of approximately 5,248.7 sq.m., properties under development with an aggregate GFA attributable to us of approximately 1.6 million sq.m. and properties held for future development with an aggregate GFA attributable to us of approximately 444,700.4 sq.m. As of the same date, we had completed investment properties with a total GFA attributable to us of approximately 30,570.9 sq.m., investment properties under development with a total GFA attributable to us of approximately 55,065.1 sq.m. and investment properties held for future development with a total GFA attributable to us of approximately 170,000.0 sq.m., which were owned and managed by us.

As of July 31, 2019, properties held for future development included an aggregate estimated GFA attributable to us of approximately 444,824.9 sq.m., for which we had not obtained land use rights certificates, but had entered into land grant contracts and had either (i) paid the relevant land premiums and were awaiting the relevant government agencies to issue the land use rights certificates, or (ii) had not paid the relevant land premiums. The reasons for such cases include: (a) the relevant local governments had extended the relevant payment period as they had not completed resettlement and infrastructure work in relation to the land parcels or (b) the relevant land premiums had not become due. See the section headed “Risk Factors — Risks Relating to Our Business — We may fail to obtain or experience delays in obtaining the relevant PRC governmental approvals, licenses or permits for our property development projects.”

BUSINESS

The following map shows the geographical locations and key information of our property development as of July 31, 2019:



Land Bank and Property Portfolio

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

BUSINESS

The following table sets forth the breakdown of total land bank attributable to us of our property portfolio as of July 31, 2019 in terms of geographical location:

Property Projects Developed by Our Subsidiaries

	Number of Projects	Completed GFA Available for Sale/ Leasable GFA ⁽¹⁾ <i>(sq.m.)</i>	GFA Under Development <i>(sq.m.)</i>	Planned GFA for Future Development <i>(sq.m.)</i>	Total Land Bank <i>(sq.m.)</i>	% of Total Land Bank
<i>Jiangxi Province</i>						
Nanchang	32	128,668.4	4,120,020.7	839,056.4	5,087,745.5	34.0
Ganzhou	4	1,790.6	692,893.7	100,929.8	795,614.1	5.3
Ji'an	1	—	152,080.3	—	152,080.3	1.0
Jingdezhen	1	—	118,717.4	—	118,717.4	0.8
Fengcheng	1	1,867.3	58,615.0	—	60,482.3	0.4
Sub-total	39	132,326.3	5,142,327.1	939,986.2	6,214,639.6	41.5
<i>Yangtze River Delta Region</i>						
Wuxi	3	5,309.8	239,982.0	211,432.7	456,724.5	3.1
Kunshan	2	—	213,708.6	—	213,708.6	1.4
Suzhou	1	—	124,662.3	—	124,662.3	0.8
Zhuji	1	—	240,228.5	—	240,228.5	1.6
Cixi	1	—	55,561.1	—	55,561.1	0.4
Rui'an	1	—	86,394.8	—	86,394.8	0.6
Sub-total	9	5,309.8	960,537.3	211,432.7	1,177,279.8	7.9
<i>Greater Bay Region</i>						
Huizhou	15	121,944.4	2,448,924.6	447,704.6	3,018,573.6	20.2
Qingyuan	1	—	95,251.8	—	95,251.8	0.6
Guangzhou	1	—	121,289.0	74,714.0	196,003.0	1.3
Zhongshan	1	—	126,041.9	—	126,041.9	0.8
Sub-total	18	121,944.4	2,791,507.3	522,418.6	3,435,870.3	22.9
<i>Central and Western China Core Cities and Other Regions with High-Growth Potential</i>						
Changsha	7	—	580,270.8	318,122.7	898,393.5	6.0
Wuhan	3	11,058.1	368,828.0	—	379,886.1	2.6
Chengdu	3	—	193,694.2	181,883.1	375,577.3	2.5
Weifang	1	—	—	62,680.0	62,680.0	0.4
Fuzhou	2	—	—	123,192.7	123,192.7	0.8
Hefei	2	—	—	209,361.8	209,361.8	1.4
Sub-total	18	11,058.1	1,142,793.0	895,240.3	2,049,091.4	13.7
Attributable — Total	84	270,638.6	10,037,164.7	2,569,077.8	12,876,881.1	86.0

BUSINESS

Property Projects Developed by Our Joint Ventures and Associates

	Number of Projects	Completed GFA		Planned GFA for Future Development (sq.m.)	Total Land Bank Attributable to Us ⁽²⁾ (sq.m.)	% of Total Land Bank
		Available for Sale/ Leasable GFA ⁽¹⁾ (sq.m.)	GFA Under Development (sq.m.)			
<i>Jiangxi Province</i>						
Nanchang	13	5,248.7	800,903.7	133,856.8	940,009.2	6.3
De'an	1	—	89,633.7	—	89,633.7	0.6
Fuzhou	1	—	83,037.9	—	83,037.9	0.6
Shangrao	1	—	65,558.5	—	65,558.5	0.4
Subtotal	16	5,248.7	1,039,133.8	133,856.8	1,178,239.3	7.9
<i>Yangtze River Delta Region</i>						
Wuxi	1	—	34,887.0	81,846.0	116,733.0	0.8
Suzhou	1	—	40,568.6	30,477.5	71,046.1	0.5
Nanjing	1	—	17,364.7	52,813.2	70,177.9	0.5
Shanghai	1	—	77,490.5	—	77,490.5	0.5
Sub-total	4	—	170,310.8	165,136.7	335,447.5	2.3
<i>Greater Bay Region</i>						
Qingyuan	1	—	35,051.5	—	35,051.5	0.2
Zhongshan	1	—	—	21,044.2	21,044.2	0.1
Sub-total	2	—	35,051.5	21,044.2	56,095.7	0.3
<i>Central and Western China Core Cities and Other Regions with High-Growth Potential</i>						
Wuhan	2	—	364,557.6	108,767.3	473,324.9	3.2
Anxi	1	—	32,466.0	—	32,466.0	0.2
Chengdu	1	—	—	15,895.5	15,895.5	0.1
Subtotal	4	—	397,023.6	124,662.8	521,686.4	3.5
Attributable — Total	26	5,248.7	1,641,519.7	444,700.5	2,091,468.9	14.0
Total Land Bank	110	275,887.3	11,678,684.4	3,013,778.3	14,968,350.0	100.0

Notes:

- (1) Includes saleable GFA remaining unsold, which include properties for which we have not executed any sales and purchase agreement, and leasable GFA.
- (2) For projects held by our joint ventures or our associates, total GFA will be adjusted by our equity interest in the respective project.

BUSINESS

As of July 31, 2019, 77 of our projects have commenced to pre-sale and the total GFA was approximately 975,107.4 sq.m. As of the Latest Practicable Date, some of our property projects have civil air defense properties, which are primarily used or to be used for car parks. As of the same date, the total GFA of such civil air defense properties were primarily accounted for based on the application approval issued by the relevant local authorities and were approximately 922,083.9 sq.m., representing an insignificant portion of our property portfolio. According to the Civil Air Defense Law, as a property developer, we own the relevant right to use the civil defense areas managed by us. Based on the confirmations issued by the relevant governmental authorities, which are the competent governmental authorities as advised by our PRC Legal Advisor, we have the right to use the civil defense areas managed by us during the Track Record Period and generate income from the transfer of right to use and/or lease of such civil defense areas to third parties. Given that the civil defense areas can bring economic benefits to us, we have recognized them as assets according to IFRS 1 *Presentation of Financial Statements*. Same as our other properties, given that the acquisition and value realization of such assets are in our property development operation cycles, they are included under properties under development or completed properties held for sale on the combined statements of financial position as of the end of relevant year or period according to the relevant project's construction status. We recognized revenues from the sales of such assets at the point of which the right to use the civil defense areas were transferred from us to third parties, according to the accounting treatment for lessors in relation to finance leases under IFRS 16 *Lease*. As part of our day-to-day operations, we monitor our business practice related to the civil air defense properties to ensure compliance with the Civil Air Defense Law of the PRC. As of the Latest Practicable Date, we have obtained the required permits or approvals relating to our civil air defense properties for all of our projects under construction in accordance with the relevant laws and regulations. See “Regulatory Overview — Regulations on Civil Air Defense Property” for details. For details of the civil defense areas of each project, see details set forth in the relevant project description below.

Our Property Projects

The following table sets forth a summary of the portfolio of our property projects and project phases at various development stages as of July 31, 2019, save as otherwise indicated:

Project/Phases	Completed			Under Development			Held for Future Development			Actual/estimated commencement date for pre-sale of properties ⁽⁹⁾	Actual/estimated completion date for construction ⁽¹⁰⁾	Development costs incurred ⁽¹¹⁾	Total development costs ⁽¹²⁾	Group's attributable market value ⁽¹⁴⁾	Group's Interests ⁽¹⁵⁾	Ref to property valuation report ⁽¹⁵⁾	
	Total completed GFA ⁽²⁾	Total saleable GFA ⁽³⁾	Total saleable GFA unsold ⁽⁴⁾	Percentage of total saleable GFA sold ⁽⁵⁾	GFA under development ⁽²⁾	Saleable/rentable GFA ⁽⁶⁾	Total saleable pre-sold GFA	Percentage of total saleable pre-sold ⁽⁷⁾	Planned GFA ⁽¹⁾								GFA without land use rights certificate construction ⁽⁸⁾
	(in sq.m.)	(in sq.m.)	(in sq.m.)	(%)	(in sq.m.)	(in sq.m.)	(in sq.m.)	(%)	(in sq.m.)	(in sq.m.)	(in sq.m.)	(in sq.m.)	(in RMB million)	(in RMB million)	(in RMB million)	(in RMB million)	
Property projects developed by subsidiaries																	
Jiangxi Province																	
Nanchang																	
1	Nanchang Ya Yuan Zhen Yue (南昌雅园悦)	131,383.0	125,826.2	13,898.8	89	59,150.9	—	—	—	—	August 2013	July 2015	March 2017	1,977.8	2,180.4	800.0	6
	Residential	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Commercial	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Car parks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Ancillary	5,556.8	—	—	—	4,154.5	—	—	—	—	—	—	—	—	—	—	—
2	Nanchang Jin Yuan (南昌锦园)	—	—	—	—	141,238.8	106,674.4	33,861.3	32	—	June 2018	September 2018	October 2020	1,069.5	1,679.5	1,100.0	51
	Residential	—	—	—	—	84,149.7	84,149.7	33,861.3	40	—	—	—	—	—	—	—	—
	Commercial	—	—	—	—	11,679.8	11,679.8	—	—	—	—	—	—	—	—	—	—
	Office	—	—	—	—	10,844.9	10,844.9	—	—	—	—	—	—	—	—	—	—
	Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Car parks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Ancillary	—	—	—	—	1,076.9	—	—	—	—	—	—	—	—	—	—	—
3	Nanchang Jiarui Yuan (南昌聚源)	—	—	—	—	87,594.1	69,647.3	7,723.6	11	—	July 2018	June 2019	June 2021	680.6	982.2	750.0	52
	Residential	—	—	—	—	66,345.1	66,345.1	7,723.6	12	—	—	—	—	—	—	—	—
	Commercial	—	—	—	—	3,302.2	3,302.2	—	—	—	—	—	—	—	—	—	—
	Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Car parks	—	—	—	—	17,485.0	—	—	—	—	—	—	—	—	—	—	—
	Ancillary	—	—	—	—	371.8	—	—	—	—	—	—	—	—	—	—	—
4	Nanchang Park No. 1 (南昌公园壹号)	—	—	—	—	288,545.2	202,474.0	166,091.7	82	—	August 2017	September 2017	December 2020	838.5	2,182.4	1,280.0	54
	Residential	—	—	—	—	147,444.0	147,444.0	139,200.0	94	—	—	—	—	—	—	—	—
	Commercial	—	—	—	—	10,340.6	10,340.6	2,416.1	23	—	—	—	—	—	—	—	—
	Office	—	—	—	—	20,113.8	20,113.8	—	—	—	—	—	—	—	—	—	—
	Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Car parks	—	—	—	—	24,575.7	24,575.7	—	100	—	—	—	—	—	—	—	—
	Ancillary	—	—	—	—	51,516.0	—	—	—	—	—	—	—	—	—	—	—
	Ancillary	—	—	—	—	14,555.2	—	—	—	—	—	—	—	—	—	—	—

BUSINESS

Project/Phases	Completed				Under Development				Held for Future Development				Group's attributable market value ⁽¹⁴⁾ (in RMB million)	Ref to property valuation report ⁽¹⁵⁾			
	Total completed GFA ⁽²⁾ (in sq.m.)	Total saleable GFA ⁽³⁾ (in sq.m.)	Total saleable GFA unsold ⁽⁴⁾ (in sq.m.)	Percentage of total saleable GFA sold ⁽⁵⁾ (%)	GFA under development ⁽²⁾ (in sq.m.)	Saleable/rentable GFA ⁽⁶⁾ (in sq.m.)	Total saleable pre-sold GFA (in sq.m.)	Percentage of total saleable pre-sold ⁽⁷⁾ (%)	Planned GFA ⁽¹⁾ (in sq.m.)	GFA without land use rights certificate (in sq.m.)	Actual/estimated commencement date for sale of properties ⁽⁸⁾	Actual/estimated commencement date for pre-construction ⁽⁹⁾			Actual/estimated completion date for construction ⁽¹⁰⁾ (in RMB million)	Development costs incurred ⁽¹¹⁾ (in RMB million)	Total development costs ⁽¹²⁾ (in RMB million)
5 Nanchang Times Square (南昌時代廣場)																	
Phase I																	
Residential	80,203.0	—	—	—	55,065.1	—	—	—	—	August 2018	N/A	August 2020	—	—	—	100%	285.0
Commercial	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Ancillary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Phase II																	
Residential	92,085.8	—	—	—	326,912.5	251,661.5	135,770.9	54	—	—	July 2018	March 2021	1,683.1	6,828.0	—	100%	1,900.0
Commercial	—	—	—	—	250,535.0	250,535.0	135,770.9	54	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	62,760.4	—	—	—	—	—	—	—	—	—	—	—	—
Ancillary	—	—	—	—	14,117.2	1,126.5	—	—	—	—	—	—	—	—	—	—	—
Phase II																	
Residential	88,084.2	—	—	—	—	—	—	—	521,579.2	—	December 2019	March 2020	—	—	—	100%	1,000.0
Commercial	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	175,5613.0	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	161,9065.0	—	—	—	—	—	—	—	—
Serviced Apartment	—	—	—	—	—	—	—	—	340,007.0	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Ancillary	—	—	—	—	—	—	—	—	137,271.4	—	—	—	—	—	—	—	—
Phase II																	
Residential	63,846.0	—	—	—	170,494.0	107,318.0	106,213.5	99	—	—	June 2017	July 2017	1,293.5	1,856.5	1,856.5	100%	1,370.0
Commercial	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Ancillary	—	—	—	—	—	—	—	—	16,781.2	—	—	—	—	—	—	—	—
Phase II																	
Residential	193,167.0	270,531.3	265,395.1	99	79,598.7	—	—	—	—	—	April 2016	June 2016	1,314.1	2,670.6	2,670.6	100%	40.6
Commercial	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Ancillary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Phase II																	
Residential	244,813.9	244,813.9	1,935.0	99	79,598.7	—	—	—	—	—	—	—	—	—	—	—	—
Commercial	20,581.3	20,581.3	1,078.5	95	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Ancillary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

BUSINESS

Project/Phases	Completed				Under Development				Held for Future Development				Group's attributable market value ⁽¹⁴⁾ <i>(in RMB million)</i>	Ref to property valuation report ⁽¹⁵⁾				
	Site Area ⁽¹⁾ <i>(in sq.m.)</i>	Total completed GFA ⁽²⁾ <i>(in sq.m.)</i>	Total saleable GFA ⁽³⁾ <i>(in sq.m.)</i>	Total saleable GFA unsold ⁽⁴⁾ <i>(in sq.m.)</i>	Percentage of total saleable GFA sold ⁽⁵⁾ <i>(%)</i>	GFA under development ⁽²⁾ <i>(in sq.m.)</i>	Saleable/rentable GFA ⁽⁶⁾ <i>(in sq.m.)</i>	Total saleable pre-sold <i>(in sq.m.)</i>	Percentage of total saleable pre-sold ⁽⁷⁾ <i>(%)</i>	Planned GFA ⁽¹⁾ <i>(in sq.m.)</i>	GFA without land use rights certificate <i>(in sq.m.)</i>	Actual/estimated commencement date for sale of properties ⁽⁹⁾			Actual/estimated completion date for construction ⁽¹⁰⁾ <i>(in RMB million)</i>	Development costs incurred ⁽¹¹⁾ <i>(in RMB million)</i>	Total development costs ⁽¹²⁾ <i>(in RMB million)</i>	Group's Interest ⁽¹³⁾ <i>(in RMB million)</i>
8 Nanchang Yinhui Wan (南昌銀海灣)	132,533.0	290,955.9	280,960.4	969.3	100	147,993.5	61,577.5	61,574.2	100	—	—	June 2016	October 2019	1,230.2	3,382.7	680.8	100%	92,257
Residential		193,901.1	193,901.1	—	100	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial		16,998.4	16,998.4	969.3	94	2,207.1	2,207.1	2,203.8	100	—	—	—	—	—	—	—	—	—
Office		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment		70,060.9	70,060.9	—	100	59,370.4	59,370.4	59,370.4	100	—	—	—	—	—	—	—	—	—
Car parks		—	—	—	—	85,297.0	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary		9,635.6	—	—	—	1,119.0	—	—	—	—	—	—	—	—	—	—	—	—
9 Nanchang Long Wan (南昌龍灣)	144,478.6	291,516.5	277,973.3	36,768.5	87	70,288.8	4,605.0	—	—	—	—	November 2016	December 2019	3,241.2	5,375.2	3,067.0	100%	11/60
Residential		226,307.4	226,307.4	—	100	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial		24,930.5	24,930.5	10,433.2	58	4,605.0	4,605.0	—	—	—	—	—	—	—	—	—	—	—
Office		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks		—	—	—	—	63,884.2	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary		39,868.6	26,335.3	26,335.3	—	1,799.6	—	—	—	—	—	—	—	—	—	—	—	—
Phase II	64,601.4	65,792.7	55,768.9	—	—	92,611.9	59,920.1	59,689.6	100	—	—	March 2017	December 2019	—	—	—	100%	60
Residential		55,768.9	55,768.9	—	—	56,492.4	56,492.4	56,492.4	100	—	—	—	—	—	—	—	—	—
Commercial		—	—	—	—	3,427.7	3,427.7	3,197.2	95	—	—	—	—	—	—	—	—	—
Office		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks		—	—	—	—	31,567.5	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary		10,023.8	—	—	—	1,124.4	—	—	—	—	—	—	—	—	—	—	—	—
Phase III	50,999.5	—	—	—	—	127,099.6	91,303.9	91,303.9	100	—	—	May 2017	December 2019	—	—	—	100%	60
Residential		—	—	—	—	90,077.2	90,077.2	90,077.2	100	—	—	—	—	—	—	—	—	—
Commercial		—	—	—	—	1,226.7	1,226.7	1,226.7	100	—	—	—	—	—	—	—	—	—
Office		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks		—	—	—	—	25,730.3	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary		—	—	—	—	10,086.4	—	—	—	—	—	—	—	—	—	—	—	—
Phase IV	73,271.2	—	—	—	—	171,823.4	126,327.2	110,785.6	88	—	—	August 2017	December 2019	—	—	—	100%	60
Residential		—	—	—	—	99,970.3	99,970.3	99,970.3	100	—	—	—	—	—	—	—	—	—
Commercial		—	—	—	—	10,450.3	1,288.4	1,288.4	12	—	—	—	—	—	—	—	—	—
Office		—	—	—	—	15,906.6	15,906.6	9,526.9	60	—	—	—	—	—	—	—	—	—
Hotel		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary		—	—	—	—	45,496.2	—	—	—	—	—	—	—	—	—	—	—	—

BUSINESS

Project/Phases	Completed				Under Development				Held for Future Development				Group's attributable market value ⁽¹⁴⁾ (in RMB million)	Ref to property valuation report ⁽¹⁵⁾					
	Site Area ⁽¹⁾ (in sq.m.)	Total completed GFA ⁽²⁾ (in sq.m.)	Total saleable GFA ⁽³⁾ (in sq.m.)	Total saleable GFA unsold ⁽⁴⁾ (in sq.m.)	Percentage of total saleable GFA sold ⁽⁵⁾ (%)	GFA under development ⁽²⁾ (in sq.m.)	Saleable/rentable GFA ⁽⁶⁾ (in sq.m.)	Total saleable GFA pre-sold (in sq.m.)	Percentage of total saleable GFA pre-sold ⁽⁷⁾ (%)	Planned GFA ⁽¹⁾ (in sq.m.)	GFA without land use rights certificate (in sq.m.)	Actual/estimated commencement date for sale of properties ⁽⁹⁾			Actual/estimated completion date for construction ⁽¹⁰⁾	Development costs incurred ⁽¹¹⁾ (in RMB million)	Total development costs ⁽¹²⁾ (in RMB million)	Group's Interest ⁽¹³⁾	
																			Development costs incurred ⁽¹¹⁾ (in RMB million)
10 Nanchang Anher Yuan (南昌安和園)																			
Phase I	96,728.8	295,381.6	237,149.9	17,900.4	93	8,657.9	—	—	—	—	—	November 2016	December 2019	3,087.9	5,539.0	100%	2,842.0	12/61	
Residential		158,797.6	222	166,791	100	—	—	—	—	—	—	—	—	—	—	—	—	—	12
Commercial		24,732.3	—	689.1	33	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office		53,619.9	—	—	99	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks		48,170.7	—	—	—	8,657.9	—	—	—	—	—	—	—	—	—	—	—	—	—
Ancillary		10,061.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Phase II	120,027.7	46,441.9	39,402.7	4,120	99	319,993.1	245,713.6	225,989.9	92	—	—	—	—	—	—	—	—	—	—
Residential		39,402.7	39,402.7	4,120	99	162,982.8	162,982.8	162,982.8	100	—	—	—	—	—	—	—	—	—	—
Commercial		—	—	—	—	29,589.8	29,589.8	29,589.8	33	—	—	—	—	—	—	—	—	—	—
Office		—	—	—	—	53,141.0	53,141.0	53,141.0	100	—	—	—	—	—	—	—	—	—	—
Hotel		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks		7,089.2	—	—	—	66,452.1	—	—	—	—	—	—	—	—	—	—	—	—	—
Ancillary		—	—	—	—	7,827.4	—	—	—	—	—	—	—	—	—	—	—	—	—
11 Nanchang Dong Yuan (南昌東園)																			
Residential	112,316.7	—	—	—	—	239,235.7	171,616.0	170,854.7	100	87,138.3	—	—	—	—	—	—	—	—	—
Commercial		—	—	—	—	—	—	—	—	24,900.1	—	—	—	—	—	—	—	—	—
Office		—	—	—	—	—	—	—	—	49,460.3	—	—	—	—	—	—	—	—	—
Hotel		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Ancillary		—	—	—	—	—	—	—	—	12,777.9	—	—	—	—	—	—	—	—	—
12 Nanchang Lan Wan (南昌蘭灣)																			
Residential	63,060.0	—	—	—	—	180,902.5	133,413.9	70,745.5	53	—	—	—	—	—	—	—	—	—	—
Commercial		—	—	—	—	120,426.5	120,426.5	70,745.5	59	—	—	—	—	—	—	—	—	—	—
Office		—	—	—	—	12,987.5	12,987.5	—	—	—	—	—	—	—	—	—	—	—	—
Hotel		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks		—	—	—	—	39,816.2	—	—	—	—	—	—	—	—	—	—	—	—	—
Ancillary		—	—	—	—	7,132.3	—	—	—	—	—	—	—	—	—	—	—	—	—
13 Nanchang Kong Yuan (南昌崧園)																			
Residential	22,196.0	—	—	—	—	63,823.7	48,301.2	14,384.6	30	—	—	—	—	—	—	—	—	—	—
Commercial		—	—	—	—	46,844.5	46,844.5	13,963.9	30	—	—	—	—	—	—	—	—	—	—
Office		—	—	—	—	1,456.7	1,456.7	420.7	29	—	—	—	—	—	—	—	—	—	—
Hotel		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks		—	—	—	—	12,507.1	—	—	—	—	—	—	—	—	—	—	—	—	—
Ancillary		—	—	—	—	3,015.4	—	—	—	—	—	—	—	—	—	—	—	—	—

BUSINESS

Project/Phases	Completed				Under Development				Held for Future Development				Group's attributable market value ⁽¹⁴⁾ (in RMB million)	Ref to property valuation report ⁽¹⁵⁾					
	Site Area ⁽¹⁾ (in sq.m.)	Total completed GFA ⁽²⁾ (in sq.m.)	Total saleable GFA ⁽³⁾ (in sq.m.)	Percentage of total saleable GFA sold ⁽⁵⁾ (%)	GFA under development ⁽²⁾ (in sq.m.)	Saleable/rentable GFA ⁽⁶⁾ (in sq.m.)	Total saleable pre-sold GFA ⁽⁷⁾ (in sq.m.)	Percentage of total saleable pre-sold ⁽⁷⁾ (%)	Planned GFA ⁽¹⁾ (in sq.m.)	GFA without land use rights certificate ⁽⁸⁾ (in sq.m.)	Actual/estimated commencement date for sale of properties ⁽⁹⁾	Actual/estimated completion date for construction ⁽¹⁰⁾ (in RMB million)			Development costs incurred ⁽¹¹⁾ (in RMB million)	Total development costs ⁽¹²⁾ (in RMB million)	Group's Interest ⁽¹³⁾ (in RMB million)		
14 Nanchang Saic Center (南昌新力中心)	15,813.0	90,027.2	55,113.7	26,074.3	26,074.3	53	—	—	—	—	August 2013	June 2015	April 2019	703.6	94.9	100%	671.0	13	
Residential.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office.....	—	55,113.7	55,113.7	26,074.3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	34,681.9	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary.....	—	231.6	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15 Nanchang Qiangwan (南昌强湾)	29,168.1	—	—	—	83,617.3	66,617.7	62,875.8	94	—	—	May 2018	June 2018	November 2019	374.6	545.9	100%	410.0	65	
Residential.....	—	—	—	—	66,324.5	66,324.5	62,875.8	95	—	—	—	—	—	—	—	—	—	—	—
Commercial.....	—	—	—	—	197.0	197.0	—	—	—	—	—	—	—	—	—	—	—	—	—
Office.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	—	—	—	13,202.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary.....	—	—	—	—	3,833.9	96.2	—	—	—	—	—	—	—	—	—	—	—	—	—
16 Nanchang Xi Yuan (南昌禧园)	461,741.0	174,332.0	164,685.7	125.9	287,929.5	151,851.6	132,890.8	88	230,338.9	—	February 2017	April 2017	November 2022	3,872.2	4,355.1	100%	3,760.0	14,668.85	
Residential.....	—	164,685.7	164,685.7	125.9	137,140.8	137,140.8	119,415.8	87	230,338.9	—	—	—	—	—	—	—	—	—	—
Commercial.....	—	—	—	—	14,710.8	14,710.8	13,475.1	92	—	—	—	—	—	—	—	—	—	—	—
Office.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	—	—	—	106,585.5	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary.....	—	9,646.2	—	—	29,492.4	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17 Nanchang Saic City (南昌新力城)	247,862.0	—	—	—	741,859.6	575,986.1	221,999.1	38	—	—	November 2018	November 2018	October 2020	1,711.6	7,312.5	100%	2,780.0	68	
Residential.....	—	—	—	—	495,251.1	495,251.1	221,393.0	45	—	—	—	—	—	—	—	—	—	—	—
Commercial.....	—	—	—	—	24,123.3	24,123.3	106.1	—	—	—	—	—	—	—	—	—	—	—	—
Office.....	—	—	—	—	56,611.7	56,611.7	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	—	—	—	145,257.9	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary.....	—	—	—	—	20,615.6	—	—	—	—	—	—	—	—	—	—	—	—	—	—
18 Nanchang Jiang Yue (南昌江悦)	17,050.0	—	—	—	55,544.4	43,370.8	—	—	—	—	March 2019	July 2019	December 2020	371.0	756.9	100%	398.0	69	
Residential.....	—	—	—	—	43,019.8	43,019.8	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial.....	—	—	—	—	351.0	351.0	—	—	—	—	—	—	—	—	—	—	—	—	—
Office.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	—	—	—	11,477.7	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary.....	—	—	—	—	695.9	—	—	—	—	—	—	—	—	—	—	—	—	—	—

BUSINESS

Project/Phases	Completed				Under Development				Held for Future Development				Group's attributable market value ⁽¹⁴⁾ <i>(in RMB million)</i>	Ref to property valuation report ⁽¹⁵⁾				
	Total completed GFA ⁽²⁾ <i>(in sq.m.)</i>	Total saleable GFA ⁽³⁾ <i>(in sq.m.)</i>	Total saleable GFA unsold ⁽⁴⁾ <i>(in sq.m.)</i>	Percentage of total saleable GFA sold ⁽⁵⁾ <i>(%)</i>	GFA under development ⁽²⁾ <i>(in sq.m.)</i>	Saleable/rentable GFA ⁽⁶⁾ <i>(in sq.m.)</i>	Total saleable pre-sold <i>(in sq.m.)</i>	Percentage of total saleable pre-sold ⁽⁷⁾ <i>(%)</i>	Planned GFA ⁽¹⁾ <i>(in sq.m.)</i>	GFA without land use rights certificate <i>(in sq.m.)</i>	Actual/estimated commencement date for sale of properties ⁽⁹⁾	Actual/estimated completion date for construction ⁽¹⁰⁾ <i>(in RMB million)</i>			Development costs incurred ⁽¹¹⁾ <i>(in RMB million)</i>	Total development costs ⁽¹²⁾ <i>(in RMB million)</i>	Group's Interest ⁽¹³⁾	
19 Nanchang Jibo Wan (南昌吉埠灣)																		
Residential	399,852	276,461.9	880.6	100	560.5	—	—	—	—	—	November 2012	July 2018	1,711.8	1,785.2	100%	14.4	1625	
Commercial	—	—	—	—	—	—	—	—	—	—	June 2012	—	—	—	—	—	—	—
Office	273,894	273,509.4	880.6	100	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	2,952.5	2,952.5	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	109,352.6	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	13,870.7	—	—	—	560.5	—	—	—	—	—	—	—	—	—	—	—	—	—
20 Nanchang Yulong Wan (南昌裕龍灣)																		
Residential	306,156.7	283,948.5	14,610.5	95	55,971.1	22,335.0	22,335.0	100	—	—	January 2015	December 2019	1,183.8	1,798.1	51%	243.9	152467	
Commercial	255,458.4	255,458.4	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	18,913.2	18,213.2	333.6	98	3,578.0	3,578.0	3,578.0	100	—	—	—	—	—	—	—	—	—	—
Hotel	14,276.9	14,276.9	14,276.9	—	18,757.1	18,757.1	18,757.0	100	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	9,881.1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	8,627.1	—	—	—	984.8	—	—	—	—	—	—	—	—	—	—	—	—	—
21 Nanchang Xingfang Wan (南昌星方灣)																		
Residential	—	—	—	—	121,299.3	91,865.3	87,078.3	95	—	—	February 2018	March 2020	302.3	480.7	51%	168.3	58	
Commercial	—	—	—	—	75,797.5	75,797.5	75,611.9	100	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	3,643.7	3,643.7	2,372.1	66	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	12,424.2	12,424.2	9,094.3	73	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	26,196.3	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	3,197.6	—	—	—	—	—	—	—	—	—	—	—	—	—
22 Nanchang Yujing Wan (南昌御景灣)																		
Phase I																		
Residential	64,827.9	64,827.9	81.9	100	—	—	—	—	—	—	December 2014	June 2016	—	—	70%	361.3	1023	
Commercial	64,827.9	64,827.9	81.9	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	100.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Phase II																		
Residential	66,562.6	63,382.6	46.7	100	—	—	—	—	—	—	March 2015	April 2015	—	—	70%	361.3	1023	
Commercial	63,382.6	63,382.6	46.7	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	2,880.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

BUSINESS

Project/Phases	Completed				Under Development				Held for Future Development				Group's attributable market value ⁽¹⁴⁾ (in RMB million)	Ref to property valuation report ⁽¹⁵⁾		
	Total completed GFA ⁽²⁾ (in sq.m.)	Total saleable GFA ⁽³⁾ (in sq.m.)	Total saleable GFA unsold ⁽⁴⁾ (in sq.m.)	Percentage of total saleable GFA sold ⁽⁵⁾ (%)	GFA under development ⁽²⁾ (in sq.m.)	Saleable/rentable GFA ⁽⁶⁾ (in sq.m.)	Total saleable GFA pre-sold (in sq.m.)	Percentage of total saleable pre-sold ⁽⁷⁾ (%)	Planned GFA ⁽¹⁾ (in sq.m.)	GFA without land use rights certificate (in sq.m.)	Actual/estimated commencement date for sale of properties ⁽⁸⁾	Actual/estimated commencement date for construction ⁽⁹⁾			Development costs incurred ⁽¹⁰⁾ (in RMB million)	Total development costs ⁽¹²⁾ (in RMB million)
Phase III																
Residential	110,822.5	108,943.0	4,035.2	96	65,018.0	—	—	—	—	September 2015	September 2015	—	—	70%	10	
Commercial	108,943.0	108,943.0	4,035.2	96	—	—	—	—	—	—	—	—	—	—	—	
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Car parks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Auxiliary	1,579.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Phase IV																
Residential	95,700.1	82,321.2	26,813.2	67	—	—	—	—	—	November 2015	January 2016	—	—	70%	10/23	
Commercial	22,471.7	22,471.7	1,844.5	92	—	—	—	—	—	—	—	—	—	—	—	
Office	59,849.6	59,849.6	24,968.7	58	—	—	—	—	—	—	—	—	—	—	—	
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Car parks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Auxiliary	11,378.9	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
23 Nanchang Wo Yuan (南昌灣園)																
Residential	—	—	—	—	187,191.0	143,354.2	—	—	—	July 2019	July 2019	1,012.5	1,682.4	100%	59	
Commercial	—	—	—	—	143,354.2	143,354.2	—	—	—	—	—	—	—	—	—	
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Car parks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Auxiliary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
24 Jingdezhon Dibo Wan (景德鎮帝泊灣)																
Residential	—	—	—	—	124,965.7	106,655.9	15,261.7	14	—	—	December 2018	March 2019	210.8	696.4	95%	70
Commercial	—	—	—	—	82,788.7	82,788.7	14,200.7	17	—	—	—	—	—	—	—	
Office	—	—	—	—	4,038.2	4,038.2	1,061.0	26	—	—	—	—	—	—	—	
Hotel	—	—	—	—	19,809.0	19,809.0	—	—	—	—	—	—	—	—	—	
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Car parks	—	—	—	—	18,229.8	—	—	—	—	—	—	—	—	—	—	
Auxiliary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Garzhoou Dibo Wan (廣州帝泊灣)																
Phase I	—	—	—	—	346,545.7	330,263.7	257,924.3	78	—	—	September 2017	September 2017	1,547.8	1,986.6	100%	46
Residential	—	—	—	—	255,746.0	255,746.0	255,746.0	100	—	—	—	—	—	—	—	
Commercial	—	—	—	—	10,629.1	10,629.1	2,178.3	20	—	—	—	—	—	—	—	
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Car parks	—	—	—	—	73,372.6	63,888.6	—	—	—	—	—	—	—	—	—	
Auxiliary	—	—	—	—	6,798.0	—	—	—	—	—	—	—	—	—	—	

Garzhoou

BUSINESS

Project/Phases	Completed				Under Development				Held for Future Development				Group's attributable market value ⁽¹⁴⁾ <i>(in RMB million)</i>	Ref to property valuation report ⁽¹⁵⁾					
	Total completed GFA ⁽²⁾ <i>(in sq.m.)</i>	Total saleable GFA ⁽³⁾ <i>(in sq.m.)</i>	Total saleable GFA unsold ⁽⁴⁾ <i>(in sq.m.)</i>	Percentage of total saleable GFA sold ⁽⁵⁾ <i>(%)</i>	GFA under development ⁽²⁾ <i>(in sq.m.)</i>	Saleable/rentable GFA ⁽⁶⁾ <i>(in sq.m.)</i>	Total saleable GFA pre-sold <i>(in sq.m.)</i>	Percentage of total saleable pre-sold ⁽⁷⁾ <i>(%)</i>	Planned GFA ⁽¹⁾ <i>(in sq.m.)</i>	GFA without land use rights certificate <i>(in sq.m.)</i>	Actual/estimated commencement date for pre-sale of properties ⁽⁹⁾	Actual/estimated commencement date for construction ⁽⁸⁾			Actual/estimated completion date for construction ⁽¹⁰⁾	Development costs incurred ⁽¹¹⁾ <i>(in RMB million)</i>	Total development costs ⁽¹²⁾ <i>(in RMB million)</i>	Group's Interest ⁽¹³⁾	
Phase II																			
Residential	83,934.0	26,761.5	1,790.6	93	186,742.0	169,306.8	71,802.6	42	—	—	September 2017	September 2017	December 2020	844.5	1,159.0	100%	1,024.0	5/17	
Commercial	26,761.5	26,761.5	1,790.6	93	119,733.7	119,733.7	71,802.6	60	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	4,460.3	4,460.3	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	6,653.6	45,112.8	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	894.4	—	—	—	—	—	—	—	—	—	—	—	—	—	—
26 Garzhan Yulong Wan (廣州紅雲灣)	75,709.0	—	—	—	179,317.1	162,291.2	102,877.9	63	—	—	September 2017	September 2017	December 2020	749.4	1,065.1	60%	474.0	48	
Residential	—	—	—	—	127,743.8	127,743.8	102,877.9	81	—	—	—	—	—	—	—	—	—	—	—
Commercial	—	—	—	—	1,147.6	1,147.6	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	48,346.8	33,399.8	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	2,078.9	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
27 Garzhan Yinhu Wan (廣州銀湖灣)	60,732.9	—	—	—	52,015.8	50,966.6	11,207.1	22	100,929.8	—	December 2018	December 2018	March 2022	203.7	567.4	100%	221.0	49/82	
Residential	—	—	—	—	50,966.6	50,966.6	11,207.1	22	61,359.7	—	—	—	—	—	—	—	—	—	—
Commercial	—	—	—	—	—	—	—	—	3,541.5	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	—	—	—	33,543.7	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	1,049.1	—	—	—	2,484.9	—	—	—	—	—	—	—	—	—	—
Ji'an																			
28 Ji'an Dihou Wan (吉安帝后灣)	52,390.0	—	—	—	152,080.3	151,450.9	48,743.9	32	—	—	November 2018	December 2018	October 2020	653.2	1,023.4	100%	690.0	50	
Residential	—	—	—	—	116,160.1	116,160.1	48,743.9	42	—	—	—	—	—	—	—	—	—	—	—
Commercial	—	—	—	—	354.2	354.2	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	34,756.6	34,756.6	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	629.4	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fengcheng																			
29 Fengcheng Dihou Wan (豐城帝后灣)	121,850.9	267,849.4	2,917.6	99	91,586.0	47,137.7	47,137.7	100	—	—	April 2015	December 2015	August 2019	1,057.3	1,427.5	64%	174.7	7/53	
Residential	261,691.4	261,691.4	2,749	100	44,797.4	44,797.4	44,797.4	100	—	—	—	—	—	—	—	—	—	—	—
Commercial	5,670.3	5,670.3	2,642.7	53	2,340.3	2,340.3	2,340.3	100	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	41,307.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	487.7	3,141.3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

BUSINESS

Project/Phases	Completed				Under Development				Held for Future Development				Group's attributable market value ⁽¹⁴⁾ (in RMB million)	Ref to property valuation report ⁽¹⁵⁾				
	Total completed GFA ⁽²⁾ (in sq.m.)	Total saleable GFA ⁽³⁾ (in sq.m.)	Total saleable GFA unsold ⁽⁴⁾ (in sq.m.)	Percentage of total saleable GFA sold ⁽⁵⁾ (%)	GFA under development ⁽²⁾ (in sq.m.)	Saleable/rentable GFA ⁽⁶⁾ (in sq.m.)	Total saleable GFA pre-sold (in sq.m.)	Percentage of total saleable pre-sold ⁽⁷⁾ (%)	Planned GFA ⁽¹⁾ (in sq.m.)	GFA without land use rights certificate (in sq.m.)	Actual/estimated commencement date for sale of properties ⁽⁹⁾	Actual/estimated completion date for construction ⁽¹⁰⁾ (in RMB million)			Development costs incurred ⁽¹¹⁾ (in RMB million)	Total development costs ⁽¹²⁾ (in RMB million)	Group's Interest ⁽¹³⁾	
Yangtze River Delta Region																		
30 Wuxi Dibo Wan (無錫帝道灣)																		
Phase I	55,830.0	24,216.0	5,309.8	78	—	—	—	—	—	August 2014	December 2014	May 2016	1,356.0	2,223.8	100%	260.0	4	
Residential	24,216.0	24,216.0	5,309.8	78	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	11,614.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Phase II	—	—	—	—	239,982.0	166,917.9	165,578.7	99	—	August 2017	November 2017	November 2019	—	—	100%	1,650.0	39	
Residential	—	—	—	—	164,641.3	164,641.3	164,641.3	100	—	—	—	—	—	—	—	—	—	—
Commercial	—	—	—	—	2,276.6	2,276.6	937.4	41	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	62,631.0	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	10,443.2	—	—	—	—	—	—	—	—	—	—	—	—	—
31 Wuxi Binhu 120 Mu (無錫濱湖120畝)																		
Residential	—	—	—	—	—	—	—	—	211,432.7	211,432.7	November 2019	December 2019	June 2022	N/A	2,111.2	100%	N/A	95
Commercial	—	—	—	—	—	—	—	—	154,706.2	154,706.2	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	2,223.7	2,223.7	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	—	—	—	54,502.8	54,502.8	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Kanshan																		
32 Kuanshan Chenghu (昆山漭湖城)																		
Residential	—	—	—	—	137,729.8	95,234.9	94,989.4	100	—	—	January 2018	September 2018	March 2020	832.7	1,655.1	100%	880.0	40
Commercial	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	95,234.9	95,234.9	94,989.4	100	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	7,932.5	—	—	—	—	—	—	—	—	—	—	—	—	—

BUSINESS

Project/Phases	Completed				Under Development				Held for Future Development				Group's attributable market value ⁽¹⁴⁾ (in RMB million)	Ref to property valuation report ⁽¹⁵⁾											
	Site Area ⁽¹⁾ (in sq.m.)	Total completed GFA ⁽²⁾ (in sq.m.)	Total saleable GFA ⁽³⁾ (in sq.m.)	Total saleable GFA unsold ⁽⁴⁾ (in sq.m.)	Percentage of total saleable GFA sold ⁽⁵⁾ (%)	GFA under development ⁽²⁾ (in sq.m.)	Saleable/rentable GFA ⁽⁶⁾ (in sq.m.)	Total saleable GFA pre-sold (in sq.m.)	Percentage of total saleable pre-sold ⁽⁷⁾ (%)	Planned GFA ⁽¹⁾ (in sq.m.)	GFA without land use rights certificate construction ⁽⁸⁾ (in sq.m.)	Actual/estimated commencement date for sale of properties ⁽⁹⁾			Actual/estimated completion date for construction ⁽¹⁰⁾	Development costs incurred ⁽¹¹⁾ (in RMB million)	Total development costs ⁽¹²⁾ (in RMB million)	Group's Interest ⁽¹³⁾							
																			Development costs incurred ⁽¹¹⁾ (in RMB million)	Total development costs ⁽¹²⁾ (in RMB million)	Group's Interest ⁽¹³⁾				
33 Kushiwan Central Park (昆山中央公園)	25,980.0	—	—	—	—	75,978.8	54,775.9	53,308.2	98	—	—	November 2018	April 2021	793.6	1,509.9	100%	850.0	41							
Residential.....																									
Commercial.....																									
Office.....																									
Hotel.....																									
Serviced Apartment.....																									
Car parks.....																									
Auxiliary.....																									
34 Zhiji Dibo Wan (積善帝泊灣)	74,527.8	—	—	—	—	240,228.5	171,135.9	30,299.7	18	—	—	January 2019	March 2019	454.7	1,540.6	100%	610.0	43							
Residential.....																									
Commercial.....																									
Office.....																									
Hotel.....																									
Serviced Apartment.....																									
Car parks.....																									
Auxiliary.....																									
35 Cixi Dibo Wan (溪善帝泊灣)	23,822.0	—	—	—	—	55,561.1	38,770.4	—	—	—	—	May 2019	November 2019	133.9	425.2	100%	261.0	44							
Residential.....																									
Commercial.....																									
Office.....																									
Hotel.....																									
Serviced Apartment.....																									
Car parks.....																									
Auxiliary.....																									
36 Rai'an Dibo Wan (瑞安帝泊灣)	26,319.0	—	—	—	—	86,394.8	64,563.7	—	—	—	—	April 2019	October 2019	—	904.8	100%	483.0	45							
Residential.....																									
Commercial.....																									
Office.....																									
Hotel.....																									
Serviced Apartment.....																									
Car parks.....																									
Auxiliary.....																									
37 Suzhou Bo Yuan (蘇州泊園)	90,890.8	—	—	—	—	178,089.0	130,237.8	—	—	—	—	May 2019	September 2019	1,237.0	2,480.0	70%	883.4	42							
Residential.....																									
Commercial.....																									
Office.....																									
Hotel.....																									
Serviced Apartment.....																									
Car parks.....																									
Auxiliary.....																									

BUSINESS

Project/Phases	Completed				Under Development				Held for Future Development				Group's attributable market value ⁽¹⁴⁾ (in RMB million)	Group's Interest ⁽¹³⁾	Total development costs ⁽¹²⁾ (in RMB million)	Development costs incurred ⁽¹⁰⁾ (in RMB million)	Actual/estimated commencement date for sale of properties ⁽⁹⁾	Actual/estimated completion date for construction ⁽¹⁰⁾ (in RMB million)	Ref to property valuation report ⁽¹⁵⁾	
	Total completed GFA ⁽²⁾ (in sq.m.)	Total saleable GFA ⁽³⁾ (in sq.m.)	Total saleable GFA unsold ⁽⁴⁾ (in sq.m.)	Percentage of total saleable GFA sold ⁽⁵⁾ (%)	GFA under development ⁽²⁾ (in sq.m.)	Saleable/rentable GFA ⁽⁶⁾ (in sq.m.)	Total saleable pre-sold (in sq.m.)	Percentage of total saleable pre-sold ⁽⁷⁾ (%)	Planned GFA ⁽¹⁾ (in sq.m.)	GFA without land use rights certificate (in sq.m.)	Actual/estimated commencement date for construction ⁽⁸⁾	Actual/estimated commencement date for sale of properties ⁽⁹⁾								
Greater Bay Region																				
Huizhou																				
38	82,338.0	90,430.7	86,050.2	22,018.8	74	212,762.9	192,846.1	150,285.0	78	—	—	June 2017	June 2017	November 2019	1,755.0	3,029.6	100%	1,485.0	1/26	
惠州榮園																				
Residential	—	64,031.4	64,031.4	—	—	148,522.3	148,522.3	147,974.5	100	—	—	—	—	—	—	—	—	—	—	—
Commercial	—	—	—	—	—	2,310.5	2,310.5	2,310.5	100	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	22,018.8	—	22,018.8	—	—	5,013.2	42,013.2	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	4,380.5	—	—	—	—	10,916.8	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Xiangshan Ju (香山居)																				
Residential	22,940.0	—	—	—	—	99,345.1	91,251.7	77,371.7	85	—	—	—	—	—	855.7	1,017.2	100%	960.0	29	
Commercial	—	—	—	—	—	75,532.0	75,532.0	72,844.8	99	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	4,426.9	4,426.9	4,426.9	100	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	18,503.9	13,292.9	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	—	2,882.4	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Huizhou Amber Yuan																				
Residential	37,560.0	—	—	—	—	138,647.1	129,796.2	102,891.3	79	—	—	—	—	—	806.8	1,371.3	75%	810.0	27	
Commercial	—	—	—	—	—	103,088.3	103,088.3	102,891.3	100	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	350.0	350.0	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	30,744.3	26,357.9	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	—	4,464.4	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Huizhou Upper Yuan																				
Residential	36,516.0	—	—	—	—	122,622.2	115,539.4	91,231.8	79	—	—	—	—	—	861.4	1,393.6	100%	900.0	28	
Commercial	—	—	—	—	—	89,991.2	89,991.2	89,991.2	100	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	1,845.1	1,845.1	1,240.6	67	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	27,510.7	23,703.1	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	—	3,275.1	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Huizhou Lan Wan																				
Residential	19,520.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
惠州藍灣																				
Residential	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
惠州藍灣																				
Residential	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
惠州藍灣																				
Residential	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
惠州藍灣																				
Residential	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

BUSINESS

Project/Phases	Completed				Under Development				Held for Future Development				Group's attributable market value ⁽¹⁴⁾ (in RMB million)	Group's Interest ⁽¹³⁾	Ref to property valuation report ⁽¹⁵⁾				
	Total completed GFA ⁽²⁾ (in sq.m.)	Total saleable GFA ⁽³⁾ (in sq.m.)	Total saleable GFA unsold ⁽⁴⁾ (in sq.m.)	Percentage of total saleable GFA sold ⁽⁵⁾ (%)	GFA under development ⁽²⁾ (in sq.m.)	Saleable/rentable GFA ⁽⁶⁾ (in sq.m.)	Total saleable GFA pre-sold (in sq.m.)	Percentage of total saleable pre-sold ⁽⁷⁾ (%)	Planned GFA ⁽¹⁾ (in sq.m.)	GFA without land use rights certificate (in sq.m.)	Actual/estimated commencement date for sale of properties ⁽⁹⁾	Actual/estimated commencement date for construction ⁽⁸⁾				Actual/estimated completion date for construction ⁽¹⁰⁾	Development costs incurred ⁽¹¹⁾ (in RMB million)	Total development costs ⁽¹²⁾ (in RMB million)	
43 Huzhou Ya Yuan (惠州雅園)	—	—	—	—	—	—	—	—	94,078.7	—	December 2019	February 2020	March 2021	204.5	1,230.9	100%	393.0	79	
Residential.....	—	—	—	—	—	—	—	—	65,838.0	—	—	—	—	—	—	—	—	—	—
Commercial.....	—	—	—	—	—	—	—	—	2,078.0	—	—	—	—	—	—	—	—	—	—
Office.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Ancillary.....	—	—	—	—	—	—	—	—	24,864.7	—	—	—	—	—	—	—	—	—	—
									1,298.0										
44 Huzhou Dibo Wan (惠州帝泊灣)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Phase I.....	193,482.2	168,134.8	30,965.4	82	205,397.2	202,199.5	74,076.8	37	—	—	—	—	—	—	—	—	—	—	—
Residential.....	134,894.6	134,894.6	326.2	100	134,430.4	134,430.4	70,478.0	52	—	—	—	—	—	—	—	—	—	—	—
Commercial.....	3,736.4	3,736.4	1,135.4	70	5,118.8	5,118.8	3,598.8	70	—	—	—	—	—	—	—	—	—	—	—
Office.....	—	—	—	—	20,623.0	20,623.0	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	47,485.8	29,503.8	29,503.8	—	42,027.2	42,027.2	—	—	—	—	—	—	—	—	—	—	—	—	—
Ancillary.....	7,365.5	—	—	—	3,197.8	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Phase II.....	—	—	—	—	153,679.0	145,331.4	—	—	—	—	—	—	—	—	—	—	—	—	—
Residential.....	—	—	—	—	100,956.0	100,956.0	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial.....	—	—	—	—	11,788.0	11,788.0	—	—	—	—	—	—	—	—	—	—	—	—	—
Office.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment.....	—	—	—	—	39,775.0	31,807.4	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	—	—	—	180.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Ancillary.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
					149,835.0	137,360.8	45,353.5	33	—	—	—	—	—	—	—	—	—	—	—
45 Huzhou Long Wan (惠州龍灣)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Residential.....	—	—	—	—	98,718.7	98,718.7	39,677.3	40	—	—	—	—	—	—	—	—	—	—	—
Commercial.....	—	—	—	—	2,525.5	2,525.5	1,545.1	61	—	—	—	—	—	—	—	—	—	—	—
Office.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment.....	—	—	—	—	4,536.6	4,536.6	4,171.1	92	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	—	—	—	37,600.0	31,500.0	—	—	—	—	—	—	—	—	—	—	—	—	—
Ancillary.....	—	—	—	—	6,364.2	—	—	—	—	—	—	—	—	—	—	—	—	—	—
					202,815.0	190,216.0	—	—	—	—	—	—	—	—	—	—	—	—	—
46 Huzhou Rui Yuan (惠州睿園)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Residential.....	—	—	—	—	150,050.0	150,050.0	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial.....	—	—	—	—	2,175.0	2,175.0	—	—	—	—	—	—	—	—	—	—	—	—	—
Office.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	—	—	—	50,430.0	37,991.0	—	—	—	—	—	—	—	—	—	—	—	—	—
Ancillary.....	—	—	—	—	160.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—
					202,815.0	190,216.0	—	—	—	—	—	—	—	—	—	—	—	—	—
					1,065.6	2,494.2	—	—	—	—	—	—	—	—	—	—	—	—	—

BUSINESS

Project/Phases	Completed				Under Development				Held for Future Development				Group's attributable market value ⁽¹⁴⁾ (in RMB million)	Ref to property valuation report ⁽¹⁵⁾					
	Site Area ⁽¹⁾ (in sq.m.)	Total completed GFA ⁽²⁾ (in sq.m.)	Total saleable GFA ⁽³⁾ (in sq.m.)	Total saleable GFA unsold ⁽⁴⁾ (in sq.m.)	Percentage of total saleable GFA sold ⁽⁵⁾ (%)	GFA under development ⁽²⁾ (in sq.m.)	Saleable/rentable GFA ⁽⁶⁾ (in sq.m.)	Total saleable GFA pre-sold (in sq.m.)	Percentage of total saleable GFA pre-sold ⁽⁷⁾ (%)	Planned GFA ⁽¹⁾ (in sq.m.)	GFA without land use rights certificate (in sq.m.)	Actual/estimated commencement date for sale of properties ⁽⁹⁾			Actual/estimated commencement date for construction ⁽¹⁰⁾	Development costs incurred ⁽¹¹⁾ (in RMB million)	Total development costs ⁽¹²⁾ (in RMB million)	Group's Interest ⁽¹³⁾	
																			(in sq.m.)
47 Huzhou Xi Yuan (惠州巽園)	23,891.0	—	—	—	—	64,171.0	60,661.0	—	—	—	—	December 2019	September 2021	347.8	626.6	100%	355.0	34	
Residential.....	—	—	—	—	—	—	40,800.0	—	—	—	—	—	—	—	—	—	—	—	—
Commercial.....	—	—	—	—	—	—	121.0	—	—	—	—	—	—	—	—	—	—	—	—
Office.....	—	—	—	—	—	—	3,150.0	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	—	—	—	—	20,100.0	16,590.0	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
48 Huzhou Shic City (惠州誓力城)	126,485.4	191,169.7	177,553.4	68,960.2	61	140,528.3	135,091.7	121,543.2	90	—	—	August 2017	November 2017	4,676.4	10,853.4	100%	5,380.0	335	
Residential.....	—	108,795.2	108,795.2	—	—	130,431.4	130,431.4	116,822.9	90	—	—	—	December 2019	—	—	—	—	—	—
Commercial.....	—	—	—	—	—	4,660.3	4,660.3	4,660.3	100	—	—	—	—	—	—	—	—	—	—
Office.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	79,090.2	68,960.2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary.....	—	3,184.3	—	—	—	5,436.6	—	—	—	—	—	—	—	—	—	—	—	—	—
Phase I.....	—	—	—	—	—	486,883.0	453,757.5	182,869.8	40	—	—	—	—	—	—	—	—	—	—
Residential.....	—	—	—	—	—	328,868.5	328,868.5	182,869.8	56	—	—	—	—	—	—	—	—	—	—
Commercial.....	—	—	—	—	—	7,529.8	7,529.8	—	—	—	—	—	—	—	—	—	—	—	—
Office.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	—	—	—	—	140,664.2	117,359.2	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary.....	—	—	—	—	—	9,920.5	—	—	—	—	—	—	—	—	—	—	—	—	—
Phase II.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Residential.....	—	—	—	—	—	506,800.6	474,669.5	29,644.9	6	—	—	—	—	—	—	—	—	—	—
Commercial.....	—	—	—	—	—	360,612.8	359,952.7	29,644.9	8	—	—	—	—	—	—	—	—	—	—
Office.....	—	—	—	—	—	4,679.0	4,679.0	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	—	—	—	—	134,780.8	110,037.8	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary.....	—	—	—	—	—	6,728.0	—	—	—	—	—	—	—	—	—	—	—	—	—
49 Huzhou Gaoting Village (惠州高塘村)	71,212.0	—	—	—	—	—	—	—	—	272,065.0	—	December 2019	February 2020	690.2	1,950.2	100%	980.0	80	
Residential.....	—	—	—	—	—	—	—	—	—	184,523.4	—	—	—	—	—	—	—	—	—
Commercial.....	—	—	—	—	—	—	—	—	—	20,502.6	—	—	—	—	—	—	—	—	—
Office.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	—	—	—	—	—	—	—	—	55,832.0	—	—	—	—	—	—	—	—	—
Auxiliary.....	—	—	—	—	—	—	—	—	—	11,207.0	—	—	—	—	—	—	—	—	—

BUSINESS

Project/Phases	Completed				Under Development				Held for Future Development				Group's attributable market value ⁽¹⁴⁾ (in RMB million)	Ref to property valuation report ⁽¹⁵⁾				
	Total completed GFA ⁽¹⁾	Total saleable GFA ⁽³⁾	Total saleable GFA unsold ⁽⁴⁾	Percentage of total saleable GFA sold ⁽⁵⁾	GFA under development ⁽²⁾	Saleable/rentable GFA ⁽⁶⁾	Total saleable pre-sold	Percentage of total saleable pre-sold ⁽⁷⁾	Planned GFA ⁽¹⁾	GFA without land use rights certificate	Actual/estimated commencement date for pre-sale of properties ⁽⁹⁾	Actual/estimated completion date for construction ⁽¹⁰⁾			Development costs incurred ⁽¹¹⁾	Total development costs ⁽¹²⁾	Group's Interest ⁽¹³⁾	
	(in sq.m.)	(in sq.m.)	(in sq.m.)	(%)	(in sq.m.)	(in sq.m.)	(in sq.m.)	(%)	(in sq.m.)	(in sq.m.)	(in sq.m.)	(in sq.m.)			(in RMB million)	(in RMB million)	(in RMB million)	
Guangdong																		
50	15,473.4	—	—	—	95,251.8	89,588.9	38,553.6	43	—	—	May 2018	August 2018	376.0	727.6	100%	440.0	36	
Qingyuan Feicui Wan (清遠翡翠灣)																		
Residential	—	—	—	—	66,618.6	66,618.6	38,553.6	58	—	—	—	—	—	—	—	—	—	—
Commercial	—	—	—	—	2,444.9	2,444.9	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	24,499.4	20,525.4	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	1,688.9	—	—	—	—	—	—	—	—	—	—	—	—	—
Guangzhou																		
51	56,502.7	—	—	—	121,289.0	91,869.2	—	—	74,714.0	—	March 2019	September 2019	932.1	2,799.0	100%	1,810.0	37/81	
Guangzhou Amber Yuan (廣州琥珀園)																		
Residential	—	—	—	—	54,600.6	54,600.6	—	—	48,406.0	—	—	—	—	—	—	—	—	—
Commercial	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	52,161.6	37,208.6	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	14,466.8	—	—	—	26,308.0	—	—	—	—	—	—	—	—	—
Zhongshan																		
52	48,519.3	—	—	—	126,041.9	109,481.5	33,362.0	30	—	—	September 2018	March 2019	740.8	1,283.3	100%	775.0	38	
Zhongshan Feicui Wan (中山翡翠灣)																		
Residential	—	—	—	—	88,772.0	88,366.8	33,362.0	38	—	—	—	—	—	—	—	—	—	—
Commercial	—	—	—	—	3,311.8	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	25,914.6	21,114.6	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	8,443.5	—	—	—	—	—	—	—	—	—	—	—	—	—
Central and Western China Core Cities and Other Regions with High-Growth Potential																		
Wuhan																		
53	33,351.1	—	—	—	135,116.1	132,600.6	74,285.8	56	—	—	September 2018	October 2018	507.1	991.4	100%	350.0	71	
Wuhan Jinchu Wan (武漢金湖灣)																		
Residential	—	—	—	—	102,087.6	102,087.6	73,548.3	72	—	—	—	—	—	—	—	—	—	—
Commercial	—	—	—	—	3,337.3	3,337.3	737.5	22	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	27,175.7	27,175.7	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	2,515.6	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
54	110,445.6	97,882.7	97,379.2	1,590.2	233,711.8	140,264.4	126,754.2	90	—	—	March 2017	December 2019	2,134.5	2,948.3	100%	1,578.0	18/72	
Wuhan Dibo Wan (武漢帝泊灣)																		
Residential	—	92,434.8	92,434.8	1,164.7	128,335.4	128,335.4	120,959.0	94	—	—	—	—	—	—	—	—	—	—
Commercial	—	4,944.4	4,944.4	425.6	11,929.0	11,929.0	5,795.2	49	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	88,148.6	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	403.5	—	—	5,298.8	—	—	—	—	—	—	—	—	—	—	—	—	—

BUSINESS

Project/Phases	Completed				Under Development				Held for Future Development				Group's attributable market value ⁽¹⁴⁾ <i>(in RMB million)</i>	Ref to property valuation report ⁽¹⁵⁾				
	Total completed GFA ⁽²⁾ <i>(in sq.m.)</i>	Total saleable GFA ⁽³⁾ <i>(in sq.m.)</i>	Total saleable GFA unsold ⁽⁴⁾ <i>(in sq.m.)</i>	Percentage of total saleable GFA sold ⁽⁵⁾ <i>(%)</i>	GFA under development ⁽²⁾ <i>(in sq.m.)</i>	Saleable/rentable GFA ⁽⁶⁾ <i>(in sq.m.)</i>	Total saleable GFA pre-sold <i>(in sq.m.)</i>	Percentage of total saleable GFA pre-sold ⁽⁷⁾ <i>(%)</i>	Planned GFA ⁽¹⁾ <i>(in sq.m.)</i>	GFA without land use rights certificate <i>(in sq.m.)</i>	Actual/estimated commencement date for sale of properties ⁽⁹⁾	Actual/estimated completion date for construction ⁽¹⁰⁾ <i>(in RMB million)</i>			Development costs incurred ⁽¹¹⁾ <i>(in RMB million)</i>	Total development costs ⁽¹²⁾ <i>(in RMB million)</i>	Group's Interest ⁽¹³⁾ <i>(in RMB million)</i>	
	Site Area ⁽¹⁾ <i>(in sq.m.)</i>	59,960.0	544,207.7	11,984.7	78	—	—	—	—	—	December 2016	September 2018			367.6	585.5	79% ^{**}	
55 Wuhan Amber Yuan (武漢紫雲園)	17,373.9	59,960.0	544,207.7	11,984.7	78	—	—	—	—	—	December 2016	September 2018	367.6	585.5	79% ^{**}	13.3	17	
Residential.....	28,621.1	28,622.1	—	—	100	—	—	—	—	—	November 2016	—	—	—	—	—	—	—
Commercial.....	6,266.0	6,266.0	694.2	—	89	—	—	—	—	—	—	—	—	—	—	—	—	—
Office.....	8,312.4	8,312.4	70.3	—	99	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	13,770.1	11,220.1	11,220.1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary.....	2,893.3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Changsha																		
56 Changsha Zi Yuan (長沙紫園)	13,490.4	—	—	—	—	62,612.1	32,794.7	32,794.7	81	1,870.1	—	August 2020	580.8	1,577.0	99%	454.7	73.86	
Phase I.....	—	—	—	—	—	40,712.6	40,712.6	40,712.6	81	1,870.1	—	—	—	—	—	—	—	—
Residential.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	—	—	—	—	18,197.3	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary.....	—	—	—	—	—	3,702.2	—	—	—	—	—	—	—	—	—	—	—	—
Phase II*	8,269.0	—	—	—	—	—	—	—	—	29,859.8	25,326.8	December 2021	—	—	99%	134.3	87	
Residential.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	—	—	—	—	—	—	—	—	3,633.9	—	—	—	—	—	—	—	—
Auxiliary.....	—	—	—	—	—	—	—	—	—	891.1	—	—	—	—	—	—	—	—
Changsha Dibo Wan (長沙帝泊灣)	86,946.5	—	—	—	—	238,498.7	187,885.0	157,947.4	84	95,653.3	—	November 2021	526.9	928.1	99%	524.7	90	
Residential.....	—	—	—	—	—	—	—	—	—	72,424.8	—	—	—	—	—	—	—	—
Commercial.....	—	—	—	—	—	—	—	—	—	629.7	—	—	—	—	—	—	—	—
Office.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	—	—	—	—	—	—	—	—	19,400.0	—	—	—	—	—	—	—	—
Auxiliary.....	—	—	—	—	—	—	—	—	—	3,198.8	—	—	—	—	—	—	—	—
Changsha Yulong Wan (長沙龍灣)	68,583.3	—	—	—	—	238,498.7	187,885.0	157,947.4	84	—	—	August 2020	541.9	1,105.8	99%	603.9	74	
Residential.....	—	—	—	—	—	181,537.1	181,537.1	157,947.4	87	—	—	—	—	—	—	—	—	—
Commercial.....	—	—	—	—	—	6,347.9	6,347.9	—	—	—	—	—	—	—	—	—	—	—
Office.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	—	—	—	—	44,490.7	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary.....	—	—	—	—	—	6,122.9	—	—	—	—	—	—	—	—	—	—	—	—

BUSINESS

Project/Phases	Completed				Under Development				Held for Future Development				Group's attributable market value ⁽¹⁴⁾ <i>(in RMB million)</i>	Group's Interest ⁽¹³⁾	Total development costs ⁽¹²⁾ <i>(in RMB million)</i>	Development costs incurred ⁽¹⁰⁾ <i>(in RMB million)</i>	Actual/estimated commencement date for sale of properties ⁽⁹⁾	Actual/estimated completion date for construction ⁽¹⁰⁾ <i>(in RMB million)</i>	Ref to property valuation report ⁽¹⁵⁾		
	Total completed GFA ⁽²⁾ <i>(in sq.m.)</i>	Total saleable GFA ⁽³⁾ <i>(in sq.m.)</i>	Total saleable GFA unsold ⁽⁴⁾ <i>(in sq.m.)</i>	Percentage of total saleable GFA sold ⁽⁵⁾ <i>(%)</i>	GFA under development ⁽²⁾ <i>(in sq.m.)</i>	Saleable/rentable GFA ⁽⁶⁾ <i>(in sq.m.)</i>	Total saleable GFA pre-sold <i>(in sq.m.)</i>	Percentage of total saleable pre-sold ⁽⁷⁾ <i>(%)</i>	Planned GFA ⁽¹⁾ <i>(in sq.m.)</i>	GFA without land use rights certificate <i>(in sq.m.)</i>	Actual/estimated commencement date for construction ⁽⁸⁾	Actual/estimated commencement date for sale of properties ⁽⁹⁾									
59 Changsha Bo Yuan (长沙博园)																					
Phase I	56,186.9	—	—	—	282,171.2	227,493.6	5,283.1	2	3,378.9	—	March 2019	May 2019	March 2022	1,699.6	4,162.5	1,725.0	100%	—	—	75/88	
Residential	—	—	—	—	222,817.7	222,817.7	5,283.1	2	—	—	—	—	—	—	—	—	—	—	—	—	75/88
Commercial	—	—	—	—	4,675.9	4,675.9	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	—	—	—	3,378.9	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	54,677.6	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Phase II	19,766.0	—	—	—	—	—	—	—	43,997.9	—	—	—	—	—	—	—	—	—	—	—	88
Residential	—	—	—	—	—	—	—	—	26,845.0	—	—	—	—	—	—	—	—	—	—	—	—
Commercial	—	—	—	—	—	—	—	—	6,544.0	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	—	—	—	—	9,041.1	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	—	—	—	1,567.8	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
60 Changsha Amber Yuan (长沙黎园)																					
Residential	34,045.3	—	—	—	—	—	—	—	153,786.9	—	—	—	—	—	—	—	—	—	—	—	89
Commercial	—	—	—	—	—	—	—	—	88,340.6	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	28,571.1	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
61 Chengde Feicui Wan (成都翡翠湾)																					
Residential	29,503.4	—	—	—	134,010.4	133,310.4	71,448.9	54	—	—	—	—	—	—	—	—	—	—	—	—	76
Commercial	—	—	—	—	113,656.4	113,656.4	70,781.5	62	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	2,250.0	2,250.0	667.5	30	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	17,424.0	17,424.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	700.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	59,683.8	53,589.7	40,267.0	75	—	—	—	—	—	—	—	—	—	—	—	—	—
62 Chengde Amber Yuan (成都黎园)																					
Residential	11,079.5	—	—	—	39,818.7	39,818.7	39,818.7	100	—	—	—	—	—	—	—	—	—	—	—	—	77
Commercial	—	—	—	—	448.3	448.3	448.3	100	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment	—	—	—	—	14,080.8	13,322.8	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	5,336.1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

BUSINESS

Project/Phases	Completed			Under Development			Held for Future Development				Group's attributable market value ⁽¹⁴⁾ (in RMB million)	Ref to property valuation report ⁽¹⁵⁾				
	Total completed GFA ⁽²⁾ (in sq.m.)	Total saleable GFA ⁽³⁾ (in sq.m.)	Total saleable GFA unsold ⁽⁴⁾ (in sq.m.)	Percentage of total saleable GFA sold ⁽⁵⁾ (%)	GFA under development ⁽²⁾ (in sq.m.)	Saleable/rentable GFA ⁽⁶⁾ (in sq.m.)	Total saleable pre-sold (in sq.m.)	Percentage of total saleable pre-sold ⁽⁷⁾ (%)	Planned GFA ⁽¹⁾ (in sq.m.)	GFA without land use rights certificate construction ⁽⁸⁾ (in sq.m.)			Actual/estimated commencement date for sale of properties ⁽⁹⁾	Actual/estimated commencement date for completion construction ⁽¹⁰⁾ (in RMB million)	Development costs incurred ⁽¹¹⁾ (in RMB million)	Total development costs ⁽¹²⁾ (in RMB million)
63 Chengta Shuanghu (成都雙湖坊)	—	—	—	—	—	—	—	—	181,883.1	181,883.1	December 2019	N/A	2,253.0	100%	—	96
Residential.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary.....	—	—	—	—	—	—	—	—	326.6	326.6	—	—	—	—	—	—
64 Weifang Dihou Yan (潍坊帝后園)	—	—	—	—	—	—	—	—	104,466.7	—	September 2019	94.8	746.8	60%	55.2	91
Residential.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial.....	—	—	—	—	—	—	—	—	80,047.6	—	—	—	—	—	—	—
Office.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	—	—	—	—	—	—	—	23,714.6	—	—	—	—	—	—	—
Auxiliary.....	—	—	—	—	—	—	—	—	704.5	—	—	—	—	—	—	—
65 Fuzhou Pingtan 33 Mu (福州平潭33畝)	—	—	—	—	—	—	—	—	74,195.1	74,195.1	December 2019	N/A	576.6	48%	—	97
Residential.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial.....	—	—	—	—	—	—	—	—	52,454.0	52,454.0	—	—	—	—	—	—
Office.....	—	—	—	—	—	—	—	—	1,623.0	1,623.0	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	—	—	—	—	—	—	—	18,733.1	18,733.1	—	—	—	—	—	—
Auxiliary.....	—	—	—	—	—	—	—	—	1,385.0	1,385.0	—	—	—	—	—	—
66 Fuzhou Pingtan 73 Mu (福州平潭73畝)	—	—	—	—	—	—	—	—	182,456.2	—	September 2019	N/A	1,555.6	48%	393.6	92
Residential.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial.....	—	—	—	—	—	—	—	—	132,297.4	—	—	—	—	—	—	—
Office.....	—	—	—	—	—	—	—	—	6,939.0	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	—	—	—	—	—	—	—	39,054.5	—	—	—	—	—	—	—
Auxiliary.....	—	—	—	—	—	—	—	—	4,165.3	—	—	—	—	—	—	—
67 Hebei Yaohai 49.6 Mu (河北姚海49.6畝)	—	—	—	—	—	—	—	—	84,888.1	—	August 2019	N/A	957.7	100%	541.0	93
Residential.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial.....	—	—	—	—	—	—	—	—	61,390.8	—	—	—	—	—	—	—
Office.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary.....	—	—	—	—	—	—	—	—	21,797.7	—	—	—	—	—	—	—
									1,699.6	—	—	—	—	—	—	—

BUSINESS

Project/Phases	Completed				Under Development				Held for Future Development				Group's attributable market value ⁽¹⁴⁾ <i>(in RMB million)</i>	Ref to property valuation report ⁽¹⁵⁾		
	Site Area ⁽¹⁾ <i>(in sq.m.)</i>	Total completed GFA ⁽²⁾ <i>(in sq.m.)</i>	Total saleable GFA ⁽³⁾ <i>(in sq.m.)</i>	Percentage of total saleable GFA sold ⁽⁴⁾ <i>(%)</i>	GFA under development ⁽²⁾ <i>(in sq.m.)</i>	Saleable/rentable GFA ⁽⁶⁾ <i>(in sq.m.)</i>	Total saleable GFA pre-sold <i>(in sq.m.)</i>	Percentage of total saleable GFA pre-sold ⁽⁷⁾ <i>(%)</i>	Planned GFA ⁽¹⁾ <i>(in sq.m.)</i>	GFA without land use rights certificate <i>(in sq.m.)</i>	Actual/estimated commencement date for sale of properties ⁽⁹⁾	Actual/estimated completion date for construction ⁽¹⁰⁾ <i>(in RMB million)</i>			Development costs incurred ⁽¹¹⁾ <i>(in RMB million)</i>	Total development costs ⁽¹²⁾ <i>(in RMB million)</i>
72 Nanchang Yuelong Fu (南昌悅龍府)	36,587.0	—	—	—	103,907.6	77,934.4	77,933.5	100	—	—	September 2018	July 2020	546.6	775.2	25%	N/A
Residential	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car Parks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
73 Nanchang Waihan No. 9 (南昌外灘號)	31,018.0	132,337.4	46,776.2	4,709.5	90	—	—	—	—	—	April 2016	July 2016	924.6	1,400.0	50%	N/A
Residential	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial	—	10,207.6	—	4,655.1	54	—	—	—	—	—	—	—	—	—	—	—
Office	—	36,588.6	—	34.4	100	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	46,023.1	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	38,393.6	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	944.5	—	—	—	—	—	—	—	—	—	—	—	—	—	—
74 Nanchang Yi Yuan (南昌怡園)	34,386.0	104,377.2	103,488.2	4,455.3	96	—	—	—	—	—	November 2016	December 2018	896.9	1,193.0	60%	N/A
Residential	—	99,032.9	—	—	100	—	—	—	—	—	—	—	—	—	—	—
Commercial	—	4,455.3	4,455.3	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	889.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
75 Nanchang Hongyang Fu (南昌弘陽府)	43,409.6	—	—	—	122,442.7	94,779.5	19,881.6	21	—	—	April 2019	June 2019	696.5	1,864.8	51%	N/A
Residential	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
76 Nanchang Jinqiao Fu (南昌錦樺府)	139,473.0	—	—	—	337,486.4	254,216.5	9,400.6	4	—	—	May 2019	June 2019	1,484.2	2,775.4	60%	N/A
Residential	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Auxiliary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

BUSINESS

Project/Phases	Completed				Under Development				Held for Future Development				Group's attributable market value ⁽¹⁴⁾ <i>(in RMB million)</i>	Ref to property valuation report ⁽¹⁵⁾				
	Site Area ⁽¹⁾ <i>(in sq.m.)</i>	Total completed GFA ⁽²⁾ <i>(in sq.m.)</i>	Total saleable GFA ⁽³⁾ <i>(in sq.m.)</i>	Total saleable GFA unsold ⁽⁴⁾ <i>(in sq.m.)</i>	Percentage of total saleable GFA sold ⁽⁵⁾ <i>(%)</i>	GFA under development ⁽²⁾ <i>(in sq.m.)</i>	Saleable/rentable GFA ⁽⁶⁾ <i>(in sq.m.)</i>	Total saleable pre-sold <i>(in sq.m.)</i>	Percentage of total saleable pre-sold ⁽⁷⁾ <i>(%)</i>	Planned GFA ⁽¹⁾ <i>(in sq.m.)</i>	GFA without land use rights certificate <i>(in sq.m.)</i>	Actual/estimated commencement date for sale of properties ⁽⁹⁾			Actual/estimated completion date for construction ⁽¹⁰⁾ <i>(in RMB million)</i>	Development costs incurred ⁽¹¹⁾ <i>(in RMB million)</i>	Total development costs ⁽¹²⁾ <i>(in RMB million)</i>	Group's Interest ⁽¹³⁾
77 Nanchang Gongyuan Tianxia (南昌公運天下)	—	—	—	—	—	217,179.3	217,179.3	8,653.6	4	—	—	—	—	—	—	—	N/A	
Residential	—	—	—	—	—	975.7	975.7	—	—	—	—	—	—	—	—	—	—	
Commercial	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Serviced Apartment	—	—	—	—	—	62,401.7	—	—	—	—	—	—	—	—	—	—	—	
Car parks	—	—	—	—	—	8,890.1	—	—	—	—	—	—	—	—	—	—	—	
Ancillary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
78 Nanchang He Yuan (南昌合源)	90,419.7	71,027.12	60,309.8	271.7	100	171,366.8	114,706.2	107,869.9	94	—	—	—	—	September 2017	November 2019	1,410.8	1,869.2	19%
Residential	—	—	—	—	—	107,369.9	107,369.9	107,869.9	100	—	—	—	—	—	—	—	—	—
Commercial	—	—	—	—	—	7,338.4	7,338.4	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment	—	—	—	—	—	49,659.1	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	6,999.4	—	—	—	—	—	—	—	—	—	—	—	—
Ancillary	10,717.3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
79 Nanchang Tang Yue (南昌棠约)	32,480.0	—	—	—	—	105,234.7	83,320.4	—	—	—	—	—	—	July 2019	September 2019	675.3	1,432.5	50%
Residential	—	—	—	—	—	83,028.8	83,028.8	—	—	—	—	—	—	—	—	—	—	—
Commercial	—	—	—	—	—	291.6	291.6	—	—	—	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	21,320.2	—	—	—	—	—	—	—	—	—	—	—	—
Ancillary	—	—	—	—	—	594.1	—	—	—	—	—	—	—	—	—	—	—	—
80 Nanchang Jialong Lake 141 Mu (南昌力龍湖141畝)	96,124.7	—	—	—	—	—	—	—	—	257,203.4	—	—	—	August 2019	September 2019	605.6	1,555.9	50%
Residential	—	—	—	—	—	—	—	—	—	203,460.0	—	—	—	—	—	—	—	—
Commercial	—	—	—	—	—	—	—	—	—	4,178.7	—	—	—	—	—	—	—	—
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks	—	—	—	—	—	—	—	—	—	49,564.8	—	—	—	—	—	—	—	—
Ancillary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

BUSINESS

Project/Phases	Completed				Under Development				Held for Future Development				Group's attributable market value ⁽¹⁴⁾ <i>(in RMB million)</i>	Ref to property valuation report ⁽¹⁵⁾				
	Site Area ⁽¹⁾ <i>(in sq.m.)</i>	Total completed GFA ⁽²⁾ <i>(in sq.m.)</i>	Total saleable GFA ⁽³⁾ <i>(in sq.m.)</i>	Total saleable GFA unsold ⁽⁴⁾ <i>(in sq.m.)</i>	Percentage of total saleable GFA sold ⁽⁵⁾ <i>(%)</i>	GFA under development ⁽²⁾ <i>(in sq.m.)</i>	Saleable/rentable GFA ⁽⁶⁾ <i>(in sq.m.)</i>	Total saleable pre-sold <i>(in sq.m.)</i>	Percentage of total saleable pre-sold ⁽⁷⁾ <i>(%)</i>	Planned GFA ⁽¹⁾ <i>(in sq.m.)</i>	GFA without land use rights certificate <i>(in sq.m.)</i>	Actual/estimated commencement date for sale of properties ⁽⁹⁾			Actual/estimated completion date for construction ⁽¹⁰⁾ <i>(in RMB million)</i>	Development costs incurred ⁽¹¹⁾ <i>(in RMB million)</i>	Total development costs ⁽¹²⁾ <i>(in RMB million)</i>	Group's Interest ⁽¹³⁾
Fuzhou																		
81 Fuzhou Yujing Wan (福州瑜景湾)	53,888.2	—	—	—	—	125,815.0	91,288.6	65,572.7	72	—	—	January 2019	November 2020	499.1	949.2	66%	N/A	
Residential						95,933.4	90,175.0	65,572.7	73									
Commercial						1,113.6	1,113.6	—	—									
Office						—	—	—	—									
Hotel						—	—	—	—									
Service Apartment						26,610.8	—	—	—									
Car Parks						2,157.2	—	—	—									
Auxiliary						—	—	—	—									
Shanghai																		
82 Shanghai Dibo Wan (上海帝泊湾)	82,855.2	—	—	—	—	198,662.2	146,385.4	64,594.5	44	—	—	September 2018	July 2020	479.2	1,089.0	33%	N/A	
Residential						143,075.3	143,075.3	64,594.5	45									
Commercial						3,310.1	3,310.1	—	—									
Office						—	—	—	—									
Hotel						—	—	—	—									
Service Apartment						49,024.0	—	—	—									
Car parks						3,252.8	—	—	—									
Auxiliary						—	—	—	—									
De'an																		
83 De'an Dibo Wan (德安帝泊湾)	59,932.5	—	—	—	—	179,267.5	143,472.9	39,432.1	27	—	—	August 2018	June 2020	274.0	733.8	50%	N/A	
Residential						137,063.2	137,063.2	39,432.1	29									
Commercial						6,409.7	6,409.7	—	—									
Office						—	—	—	—									
Hotel						—	—	—	—									
Service Apartment						3,136.0	—	—	—									
Car parks						4,638.6	—	—	—									
Auxiliary						—	—	—	—									
Yangtze River Delta Region																		
84 Shanghai Jiading Anting (上海嘉定安亭)	60,512.0	—	—	—	—	158,143.8	154,092.4	—	—	—	—	July 2019	June 2020	—	2,597.5	49%	N/A	
Residential						119,539.9	119,539.9	—	—									
Commercial						—	—	—	—									
Office						—	—	—	—									
Hotel						—	—	—	—									
Service Apartment						—	—	—	—									
Car parks						34,532.5	34,532.5	—	—									
Auxiliary						4,051.5	4,051.5	—	—									

BUSINESS

Project/Phases	Completed				Under Development				Held for Future Development				Group's attributable market value ⁽¹⁴⁾ (in RMB million)	Ref to property valuation report ⁽¹⁵⁾				
	Site Area ⁽¹⁾ (in sq.m.)	Total completed GFA ⁽²⁾ (in sq.m.)	Total saleable GFA ⁽³⁾ (in sq.m.)	Total saleable GFA unsold ⁽⁴⁾ (in sq.m.)	Percentage of total saleable GFA sold ⁽⁵⁾ (%)	GFA under development ⁽²⁾ (in sq.m.)	Saleable/rentable GFA ⁽⁶⁾ (in sq.m.)	Total saleable GFA pre-sold (in sq.m.)	Percentage of total saleable pre-sold ⁽⁷⁾ (%)	Planned GFA ⁽¹⁾ (in sq.m.)	GFA without land use rights certificate (in sq.m.)	Actual/estimated commencement date for pre-sale of properties ⁽⁹⁾			Actual/estimated completion date for construction ⁽¹⁰⁾	Development costs incurred ⁽¹¹⁾ (in RMB million)	Total development costs ⁽¹²⁾ (in RMB million)	Group's Interest ⁽¹³⁾
Nanjing																		
85 Nanjing Jiangning 110	73,538.4	—	—	—	—	51,072.7	48,933.4	—	—	153,332.8	—	May 2019	August 2019	September 2021	930.0	3,467.7	34%	N/A
Mu (南京江寧區江110號).....																		
Residential.....						43,194.8	43,194.8	—	—	97,785.7	—							
Commercial.....						4,635.0	4,635.0	—	—	—	—							
Office.....						—	—	—	—	—	—							
Hotel.....						—	—	—	—	—	—							
Service Apartment.....						2,139.3	—	—	—	—	—							
Car parks.....						1,103.5	1,103.5	—	—	8,149.6	—							
Auxiliary.....						—	—	—	—	—	—							
Suzhou																		
86 Suzhou Xiangcheng 71	47,434.0	—	—	—	—	81,137.3	43,110.7	—	—	60,955.0	—	July 2019	December 2019	May 2021	1,390.9	2,148.8	50%	N/A
Mu (蘇州相城區相71號).....																		
Residential.....						43,110.7	43,110.7	—	—	59,685.2	—							
Commercial.....						—	—	—	—	—	—							
Office.....						—	—	—	—	—	—							
Hotel.....						—	—	—	—	—	—							
Service Apartment.....						—	—	—	—	—	—							
Car parks.....						38,026.6	—	—	—	—	—							
Auxiliary.....						—	—	—	—	1,269.8	—							
Wuxi																		
87 Wuxi Binhu 219 Mu	146,285.1	—	—	—	—	63,431.0	46,104.0	—	—	148,810.9	—	June 2019	August 2019	June 2022	831.3	3,232.2	55%	N/A
(無錫濱湖區219號).....																		
Residential.....						46,104.0	46,104.0	—	—	95,009.9	—							
Commercial.....						—	—	—	—	743.9	—							
Office.....						—	—	—	—	—	—							
Hotel.....						—	—	—	—	—	—							
Service Apartment.....						16,915.0	—	—	—	—	—							
Car parks.....						412.0	—	—	—	—	—							
Auxiliary.....						—	—	—	—	—	—							
Greater Bay Region																		
Qingyuan																		
88 Qingyuan Long Wan	24,866.5	—	—	—	—	111,274.7	110,253.6	6,995.1	6,995.1	—	—	December 2018	April 2019	October 2020	405.4	1,066.8	32%	N/A
(清遠龍灣).....																		
Residential.....						81,546.5	81,546.5	6,995.1	6,995.1	—	—							
Commercial.....						1,759.7	1,759.7	—	—	—	—							
Office.....						—	—	—	—	—	—							
Hotel.....						—	—	—	—	—	—							
Service Apartment.....						26,947.4	—	—	—	—	—							
Car parks.....						1,021.1	26,947.4	—	—	—	—							
Auxiliary.....						—	—	—	—	—	—							

BUSINESS

Project/Phases	Completed				Under Development				Held for Future Development				Group's attributable market value ⁽¹⁴⁾ <i>(in RMB million)</i>	Ref to property valuation report ⁽¹⁵⁾				
	Site Area ⁽¹⁾ <i>(in sq.m.)</i>	Total completed GFA ⁽²⁾ <i>(in sq.m.)</i>	Total saleable GFA ⁽³⁾ <i>(in sq.m.)</i>	Total saleable GFA unsold ⁽⁴⁾ <i>(in sq.m.)</i>	Percentage of total saleable GFA sold ⁽⁵⁾ <i>(%)</i>	GFA under development ⁽²⁾ <i>(in sq.m.)</i>	Saleable/rentable GFA ⁽⁶⁾ <i>(in sq.m.)</i>	Total saleable GFA pre-sold <i>(in sq.m.)</i>	Percentage of total saleable GFA pre-sold ⁽⁷⁾ <i>(%)</i>	Planned GFA ⁽¹⁾ <i>(in sq.m.)</i>	GFA without land use rights certificate <i>(in sq.m.)</i>	Actual/estimated commencement date for sale of properties ⁽⁹⁾			Actual/estimated completion date for construction ⁽¹⁰⁾	Development costs incurred ⁽¹¹⁾ <i>(in RMB million)</i>	Total development costs ⁽¹²⁾ <i>(in RMB million)</i>	Group's Interest ⁽¹³⁾
Zhongshan																		
89	21,182.9	—	—	—	—	—	—	—	70,147.3	—	—	December 2019	March 2022	251.3	633.5	30%	N/A	
Zhongshan Dibo Yan (中山帝泊灣)																		
Residential	—	—	—	—	—	—	—	—	47,874.1	—	—	—	—	—	—	—	—	
Commercial	—	—	—	—	—	—	—	—	2,000.0	—	—	—	—	—	—	—	—	
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Serviced Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Car parks	—	—	—	—	—	—	—	—	15,980.2	—	—	—	—	—	—	—	—	
Auxiliary	—	—	—	—	—	—	—	—	4,293.0	—	—	—	—	—	—	—	—	
Central and Western China Core																		
Cities and Other Regions with High-Growth Potential																		
Wuhan																		
90	135,941.2	—	—	—	—	714,818.9	688,985.5	238,945.2	35	—	—	—	—	4,481.4	6,478.5	51%	N/A	
Wuhan Sinc City (武漢新力城)																		
Residential	—	—	—	—	—	487,543.7	487,543.7	236,296.8	48	—	—	—	—	—	—	—	—	
Commercial	—	—	—	—	—	9,698.6	9,698.6	2,648.4	27	—	—	—	—	—	—	—	—	
Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Serviced Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Car parks	—	—	—	—	—	191,743.3	191,743.3	—	—	—	—	—	—	—	—	—	—	
Auxiliary	—	—	—	—	—	25,833.3	—	—	—	—	—	—	—	—	—	—	—	
Wuhan Ya Yuan (武漢雅園)																		
Residential	—	—	—	—	—	—	—	—	—	213,266.3	—	December 2019	October 2022	400.0	3,049.5	51%	N/A	
Commercial	—	—	—	—	—	—	—	—	—	145,663.3	—	—	—	—	—	—	—	
Office	—	—	—	—	—	—	—	—	—	4,796.9	—	—	—	—	—	—	—	
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Serviced Apartment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Car parks	—	—	—	—	—	—	—	—	—	544,435.1	—	—	—	—	—	—	—	
Auxiliary	—	—	—	—	—	—	—	—	—	8,373.9	—	—	—	—	—	—	—	

BUSINESS

Project/Phases	Completed				Under Development				Held for Future Development				Group's attributable market value ⁽¹⁴⁾ <i>(in RMB million)</i>	Ref to property valuation report ⁽¹⁵⁾			
	Site Area ⁽¹⁾ <i>(in sq.m.)</i>	Total completed GFA ⁽²⁾ <i>(in sq.m.)</i>	Total saleable GFA ⁽³⁾ <i>(in sq.m.)</i>	Total saleable GFA unsold ⁽⁴⁾ <i>(in sq.m.)</i>	Percentage of total saleable GFA sold ⁽⁵⁾ <i>(%)</i>	GFA under development ⁽²⁾ <i>(in sq.m.)</i>	Saleable/rentable GFA ⁽⁶⁾ <i>(in sq.m.)</i>	Total saleable pre-sold GFA ⁽⁷⁾ <i>(in sq.m.)</i>	Percentage of total saleable pre-sold ⁽⁷⁾ <i>(%)</i>	Planned GFA ⁽¹⁾ <i>(in sq.m.)</i>	GFA without land use rights certificate ⁽⁸⁾ <i>(in sq.m.)</i>	Actual/estimated commencement date for sale of properties ⁽⁹⁾ <i>(in sq.m.)</i>			Actual/estimated completion date for construction ⁽¹⁰⁾ <i>(in sq.m.)</i>	Development costs incurred ⁽¹¹⁾ <i>(in RMB million)</i>	Total development costs ⁽¹²⁾ <i>(in RMB million)</i>
Chengde																	
92 Chengde Shuanghu 29/0																	
Mu (成都雙湖29/0區).....	19,793.6	—	—	—	—	—	—	—	—	48,168.1	48,168.1	December 2019	December 2021	—	687.9	33%	N/A
Residential.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Office.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	—	—	—	—	—	—	—	—	18,468.1	18,468.1	—	—	—	—	—	—
Auxiliary.....	—	—	—	—	—	—	—	—	—	153.0	153.0	—	—	—	—	—	—
Anzi																	
93 Anzi Dibo Wan																	
(安梓帝泊灣).....	49,081.7	—	—	—	—	162,330.0	127,582.0	13,105.9	10	—	—	March 2019	November 2020	299.3	994.5	20%	N/A
Residential.....	—	—	—	—	—	123,389.4	123,389.4	13,105.9	11	—	—	—	—	—	—	—	—
Commercial.....	—	—	—	—	—	4,192.6	4,192.6	—	—	—	—	—	—	—	—	—	—
Office.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Serviced Apartment.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Car parks.....	—	—	—	—	—	32,817.9	—	—	—	—	—	—	—	—	—	—	—
Auxiliary.....	—	—	—	—	—	1,930.2	—	—	—	—	—	—	—	—	—	—	—
Attributable total.....	6,409,522.9	3,479,238.4	3,075,853.8	275,887.3	11,678,684.4	9,167,397.4	4,332,339.5	3,013,778.3	444,824.9	444,824.9	444,824.9	June 2019	November 2020	75,864.8	156,920.2	20%	68,156.5
Total	7,662,988.3	4,147,880.0	3,652,707.9	300,939.8	14,100,452.2	11,057,055.8	4,961,498.6	3,782,255.3	515,679.0	515,679.0	515,679.0	—	—	91,294.0	189,001.8	—	—

BUSINESS

Notes:

- (1) Site area data should be derived from information contained in the relevant land use rights certificates and real estate title certificates, or the site area data in the land grant agreement if there is no relevant land use rights certificates. Planned GFA includes GFA without land use rights certificate.
 - (2) Data with respect to the GFA of completed projects should be derived from the information contained in the relevant inspection or completion certificates from the government authorities; data with respect to the projects under development and to be constructed should be derived from the information contained in the relevant construction planning permits, or the capacity building area data in the land grant agreements if there is no construction planning permits.
 - (3) Total saleable GFA of completed projects refer to the saleable GFA sold/unsold.
 - (4) Total saleable GFA unsold includes properties for which we have not executed any sales and purchase agreement.
 - (5) Percentage of total saleable GFA sold is calculated by dividing total saleable GFA sold by total saleable GFA.
 - (6) Saleable/rentable GFA of projects under development refers to the internal floor area of a property, which has been allocated with shared floor area. It comprises saleable GFA sold/unsold and GFA available for rent.
 - (7) Percentage of total saleable GFA pre-sold is calculated by dividing total saleable GFA pre-sold by saleable/rental GFA.
 - (8) Refers to the date on the construction work commencement permit or its estimated by the Group.
 - (9) Refers to the date our Group obtained or its estimated to obtain a pre-sale permit for the project based on the Group's internal records.
 - (10) Refers to the date of the completion certificate for each project when the projects are completed projects under development or to be constructed is based on our current estimation with reference to construction working plans.
 - (11) Actual development costs refer to direct (audited) costs incurred for the relevant projects as of April 30, 2019, including paid/to be paid land premium of relevant land use permits, construction costs and capitalized interest. N/A applies in the case where the actual development costs of the relevant project were not available.
 - (12) Actual/estimated costs refer to the total actual or budgeted costs based on our project development schedules and the development costs incurred as of April 30, 2019, subject to changes in the relevant market and our internal adjustments to the cost structure of projects.
 - (13) Calculation based on the effective equity interest in the respective project companies contained in the property valuation report as of the Valuation Date.
 - (14) Refers to the market value of the project in proportion to the Group's interest in the project as of the Valuation Date, which excludes the market value of projects that have been completed and delivered.
 - (15) Projects that are not included in the Property Valuation Report are marked as "N/A" in this item.
- * A small portion of the land for Changsha Zi Yuan Phase II with the site area of approximately 4,386.2 sq.m. is undergoing the process of resettlement and demolition as of the Latest Practicable Date. We expect to receive the land rights certificate of this portion of the land after completing the relevant procedures. Accordingly, we have not counted this portion of the land toward our land reserves. C&W also did not assign this portion of the land any commercial value.
- ** Wuhan Baohe Youcheng Real Estate Co., Ltd. (武漢保和優誠置業有限公司, the "Project Company") is 70% owned by Jiangxi Sinic Properties, our wholly owned PRC subsidiary, and 30% owned by Wuhan Changxin Lihe Real Estate Co., Ltd. (武漢長信力合置業有限公司), in which we hold a 30% equity interest. As a result, we hold an aggregate of 79% equity interest in the Project Company.

DESCRIPTION OF PROJECTS

Property projects developed by our subsidiaries

Jiangxi Province

Nanchang

1. Nanchang Ya Yuan Zhou Yue (南昌雅園洲悦)



Nanchang Ya Yuan Zhou Yue is located in Nanchang, Jiangxi. This project is offered under Yue series. The project occupies an aggregate site area of approximately 63,568.0 sq.m. and consists of residential properties and car parks. The project is developed by Jiangxi Sinic Properties. We entered into the relevant land grant contract and had fully paid the total land premium of RMB524.4 million. We obtained the relevant land use rights certificate in May 2013.

BUSINESS

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Project Type	Residential
Site area (in sq.m.)	63,568.0
Total GFA completed (in sq.m.)	131,383.0
Total saleable GFA completed (in sq.m.)	125,826.2
Total saleable GFA unsold (in sq.m.)	13,898.8
Actual commencement date	August 2013
Actual pre-sale commencement date or date of pre-sale permit	July 2015
Actual completion date	March 2017
Development costs incurred as of April 30, 2019 (in RMB million)	1,977.8
Total development costs (in RMB million)	2,180.4
Attributable interest to our Group	100%
Construction status	Completed

For further information, please refer to Property No. 6 of the Property Valuation Report in Appendix III to this prospectus.

2. Nanchang Jin Yuan (南昌錦園)

Nanchang Jin Yuan is located in Nanchang, Jiangxi. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 30,525.0 sq.m. and consists of residential properties, commercial properties, office buildings, car parks and ancillary. The project is developed by Jiangxi Xinteng Real Estate Development Co., Ltd. (江西新騰房地產開發有限公司). We entered into the relevant land grant contract in January 2018 and fully paid the total land premium of RMB790.6 million. We obtained the relevant land use rights certificate in April 2018. As of July 31, 2019, the property was still under construction.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Project Type	Residential/Commercial
Site area (in sq.m.)	30,525.0
Total saleable/rentable GFA to be completed (in sq.m.)	106,674.4
Total saleable GFA pre-sold (in sq.m.)	33,861.3
Actual commencement date	June 2018
Actual date of pre-sale commencement or pre-sale permit	September 2018
Estimated completion date	October 2020
Development costs incurred as of April 30, 2019 (in RMB million)	1,069.5
Total development costs (in RMB million)	1,679.5
Attributable interest to our Group	100%
Construction status	Under development

BUSINESS

For further information, please refer to Property No. 51 of the Property Valuation Report in Appendix III to this prospectus.

3. Nanchang Jinrui Yuan (南昌錦睿園)

Nanchang Jinrui Yuan is located in Nanchang, Jiangxi. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 27,499.0 sq.m. and consists of residential properties, commercial properties, ancillary and car parks. The project is developed by Jiangxi Xinxun Real Estate Development Co., Ltd. (江西新濤房地產開發有限公司). We acquired this project from a third party in March 2018 and had fully paid the total land premium of RMB529.3 million. We obtained the relevant land use rights certificate in May 2018.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	27,499.0
Total saleable/rentable GFA to be completed (in sq.m.)	69,647.3
Total saleable GFA pre-sold (in sq.m.)	7,723.6
Actual commencement date	July 2018
Actual date of pre-sale commencement or pre-sale permit	June 2019
Estimated completion date	June 2021
Development costs incurred as of April 30, 2019 (in RMB million)	680.6
Total development costs (in RMB million)	982.2
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 52 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

4. Nanchang Park No. 1 (南昌公園壹號)



Nanchang Park No. 1 located in Nanchang, Jiangxi. This project is offered under Wan series. The project includes two phases and occupies an aggregate site area of approximately 193,765.0 sq.m. It consists of residential properties, commercial properties, hotel, office buildings, serviced apartment ancillary and car parks. The project is developed by Nanchang Tianhua Real Estate Development Co., Ltd. (南昌天華置業有限公司). We acquired this project from a third party in August 2015 and had fully paid the total land premium of RMB203.5 million. We obtained the relevant land use rights certificates in August 2015.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Phase I

Project Type	Residential/Commercial
Site area (in sq.m.)	113,562.0
Total saleable/rentable GFA to be completed (in sq.m.)	202,474.0
Total saleable GFA pre-sold (in sq.m.)	166,191.7
Actual commencement date	August 2017
Actual date of pre-sale commencement or pre-sale permit	September 2017
Estimated completion date	December 2020
Attributable interest to our Group.	100%
Construction status	Under development

For further information, please refer to Property No. 54 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

Phase II

Project Type	Commercial
Site area (in sq.m.)	80,203.0
Total saleable/rentable GFA to be completed (in sq.m.)	—
Total saleable GFA pre-sold (in sq.m.)	—
Actual commencement date	August 2018
Actual/Estimated date of pre-sale commencement or pre-sale permit	N/A
Estimated completion date	August 2020
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 19 of the Property Valuation Report in Appendix III to this prospectus.

5. Nanchang Times Square (南昌時代廣場)

Nanchang Times Square is located in Nanchang, Jiangxi. This project is offered under Yuan series. The project includes two phases and occupies an aggregate site area of approximately 180,170.0 sq.m. and consists of residential properties, commercial properties, ancillary and car parks. As of July 31, 2019, Phase I was under construction and Phase II was held for future development. We held certain office, hotel and serviced apartment of Phase II for property investment. The project is developed by Jiangxi Xinhua Real Estate Co., Ltd. (江西新瀚置業有限公司). We entered into the relevant land grant contract and had fully paid the total land premium of RMB702.7 million. We obtained the relevant land use rights certificate in October 2016.

BUSINESS

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Phase I

Project Type	Residential
Site area (in sq.m.)	92,085.8
Total saleable/rentable GFA to be completed (in sq.m.)	251,661.5
Total saleable GFA pre-sold (in sq.m.)	135,770.9
Actual commencement date	July 2018
Actual date of pre-sale commencement or pre-sale permit	July 2018
Estimated completion date	March 2021
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 55 of the Property Valuation Report in Appendix III to this prospectus.

Phase II

Project Type	Residential
Site area (in sq.m.)	88,084.2
Planned GFA held for future development (in sq.m.)	521,579.2
Estimated commencement date	December 2019
Estimated pre-sale commencement date or date of pre-sale permit	May 2020
Estimated completion date	December 2022
Attributable interest to our Group	100%
Construction status	Held for future development

For further information, please refer to Property No. 20 and No. 83 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

6. Nanchang Bo Yuan (南昌鉞園)



Nanchang Bo Yuan located in Nanchang, Jiangxi. This project is offered under Yuan series. The project occupies a site area of approximately 63,846.0 sq.m. and consists of residential, car parks, and ancillary. As of July 31, 2019, the property was still under construction. The project is developed by Jiangxi Mingmen Shijia Real Estate Development Co., Ltd. (江西名門世家房產開發經營有限責任公司). We acquired this project from a third party in September 2016 and had fully paid the total land premium of RMB349.6 million. We obtained the relevant land use rights certificate in May 2017.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Project Type	Residential
Site area (in sq.m.)	63,846.0
Total saleable/rentable GFA to be completed (in sq.m.)	107,318.0
Total saleable GFA pre-sold (in sq.m.)	106,213.5
Actual commencement date	June 2017
Actual date of pre-sale commencement or pre-sale permit	July 2017
Estimated completion date	January 2020
Development costs incurred as of April 30, 2019 (in RMB million)	1,293.5
Total development costs (in RMB million)	1,956.5
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 56 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

7. Nanchang Jinsha Wan (南昌金沙灣)

Nanchang Jinsha Wan is located in Nanchang, Jiangxi. This project is offered under Wan series. The project occupies an aggregate site area of approximately 193,167.0 sq.m. and consists of residential, commercial, ancillary and car parks. The project is developed by Jiangxi Aositun. We entered into the relevant land grant contract and had fully paid the total land premium of RMB55.6 million. We obtained the relevant land use rights certificate in November 2013.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	193,167.0
Total GFA completed (in sq.m.)	270,531.3
Total saleable GFA completed (in sq.m.)	265,395.1
Total saleable GFA unsold (in sq.m.)	3,013.5
Actual commencement date	April 2016
Actual pre-sale commencement date or date of pre-sale permit	June 2016
Actual completion date	January 2019
Development costs incurred as of April 30, 2019 (in RMB million)	1,314.1
Total development costs (in RMB million)	2,670.6
Attributable interest to our Group	100%
Construction status	Completed

For further information, please refer to Property No. 8 and 21 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

8. Nanchang Yinhu Wan (南昌銀湖灣)



Nanchang Yinhu Wan is located in Nanchang, Jiangxi. This project is offered under Wan series. The project occupies an aggregate site area of approximately 132,533.0 sq.m. and consists of residential properties, commercial properties, serviced apartment, ancillary and car parks. As of July 31, 2019, some units of the property were still under construction. The project is developed by Jiangxi Hezhixin. We entered into the relevant land grant contract and had fully paid the total land premium of RMB95.1 million. We obtained the relevant land use rights certificate for this project in May 2015.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Project Type	Residential/Commercial
Site area (in sq.m.)	132,533.0
Total GFA completed (in sq.m.)	290,595.9
Total saleable GFA completed (in sq.m.)	280,960.4
Total saleable GFA unsold (in sq.m.)	969.3
Total saleable/rentable GFA to be completed (in sq.m.)	61,577.5
Total saleable GFA pre-sold (in sq.m.)	61,574.2
Actual commencement date	April 2016
Actual date of pre-sale commencement or pre-sale permit	June 2016
Actual completion date	October 2019
Development costs incurred as of April 30, 2019 (in RMB million)	1,230.2
Total development costs (in RMB million)	3,282.7
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 9, No. 22 and No. 57 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

9. Nanchang Long Wan (南昌龍灣)



Nanchang Long Wan is located in Nanchang, Jiangxi. This project is offered under Wan series. The project includes four phases and occupies an aggregate site area of approximately 333,350.7 sq.m. and consists of residential properties, commercial properties, office buildings, ancillary and car parks. As of July 31, 2019, Phase III and IV and some units of Phase I and II were still under construction. The project is developed by Nanchang Baohulu. We entered into the relevant land grant contract and had fully paid the total land premium of RMB548.6 million. We obtained the relevant land use rights certificates for this project in July 2014.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Phase I

Project Type	Residential/Commercial
Site area (in sq.m.)	144,478.6
Total GFA completed (in sq.m.)	291,536.5
Total saleable GFA completed (in sq.m.)	277,973.3
Total saleable GFA unsold (in sq.m.)	36,768.5
Total saleable/rentable GFA to be completed (in sq.m.)	4,605.0
Total saleable GFA pre-sold (in sq.m.)	—
Actual commencement date	November 2016
Actual date of pre-sale commencement or pre-sale permit	November 2016
Estimated completion date	December 2019
Attributable interest to our Group	100%
Construction status	Under development

BUSINESS

Phase II

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	64,601.4
Total GFA completed (in sq.m.)	65,792.7
Total saleable GFA completed (in sq.m.)	55,768.9
Total saleable/rentable GFA to be completed (in sq.m.)	59,920.1
Total saleable GFA pre-sold (in sq.m.)	59,689.6
Actual commencement date	March 2017
Actual date of pre-sale commencement or pre-sale permit	June 2017
Estimated completion date	December 2019
Attributable interest to our Group	100%
Construction status	Under development

Phase III

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	50,999.5
Total saleable/rentable GFA to be completed (in sq.m.)	91,303.9
Total saleable GFA pre-sold (in sq.m.)	91,303.9
Actual commencement date	May 2017
Actual date of pre-sale commencement or pre-sale permit	October 2017
Estimated completion date	December 2019
Attributable interest to our Group	100%
Construction status	Under development

BUSINESS

Phase IV

Project Type	Residential/Commercial
Site area (in sq.m.)	73,271.2
Total saleable/rentable GFA to be completed (in sq.m.)	126,327.2
Total saleable GFA pre-sold (in sq.m.)	110,785.6
Actual commencement date	August 2017
Actual date of pre-sale commencement or pre-sale permit	January 2018
Estimated completion date	December 2019
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 11 and No. 60 of the Property Valuation Report in Appendix III to this prospectus.

10. Nanchang Amber Yuan (南昌琥珀園)



Nanchang Amber Yuan is located in Nanchang, Jiangxi. This project is offered under Yuan series. The project includes two phases and occupies an aggregate site area of approximately 216,756.5 sq.m. and consists of residential properties, commercial properties, office buildings ancillary and car parks. As of July 31, 2019, some units of Phase I and Phase II were still under construction. The project is developed by Jiangxi Junyu. We entered into the relevant land grant contract and had fully paid the total land premium of RMB282.0 million. We obtained the relevant land use rights certificate for this project in December 2015.

BUSINESS

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Phase I

Project Type	Residential
Site area (in sq.m.)	96,728.8
Total GFA completed (in sq.m.)	295,381.6
Total saleable GFA completed (in sq.m.)	237,149.9
Total saleable GFA unsold (in sq.m.)	17,390.4
Actual commencement date	November 2016
Actual date of pre-sale commencement or pre-sale permit	November 2016
Estimated completion date	December 2019
Attributable interest to our Group	100%
Construction status	Completed

Phase II

Project Type	Residential/Commercial
Site area (in sq.m.)	120,027.7
Total GFA completed (in sq.m.)	46,441.9
Total saleable GFA completed (in sq.m.)	39,402.7
Total saleable GFA unsold (in sq.m.)	412.0
Total saleable/rentable GFA to be completed (in sq.m.)	245,713.6
Total saleable GFA pre-sold (in sq.m.)	225,898.9
Actual commencement date	March 2017
Actual date of pre-sale commencement or pre-sale permit	May 2017
Estimated completion date	December 2019
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 12 and No. 61 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

11. Nanchang Dong Yuan (南昌東園)

Nanchang Dong Yuan is located in Nanchang, Jiangxi. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 112,316.7 sq.m. and consists of residential properties, commercial properties, office buildings, car parks and ancillary. As of July 31, 2019, the project was still under development, and some units of the property were held for future development. We also expect to hold the car parks for rent. The project is developed by Nanchang Xinming Real Estate Development Co., Ltd. (南昌新銘房地產開發有限公司). We acquired this project from a third party in January 2018 and had fully paid the total land premium of RMB1,922.3 million. We obtained the relevant land use rights certificate in April 2018.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	112,316.7
Total saleable/rentable GFA to be completed (in sq.m.)	171,616.0
Total saleable GFA pre-sold (in sq.m.)	170,854.7
Planned GFA held for future development (in sq.m.)	87,138.3
Actual commencement date	May 2018
Actual pre-sale commencement date or date of pre-sale permit	June 2018
Estimated completion date	October 2021
Development costs incurred as of April 30, 2019 (in RMB million)	2,485.6
Total development costs (in RMB million)	3,935.8
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 62 and No. 84 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

12. Nanchang Lan Wan (南昌瀾灣)

Nanchang Lan Wan is located in Nanchang, Jiangxi. This project is offered under Wan series. The project occupies an aggregate site area of approximately 63,060.0 sq.m. and consists of residential properties, commercial properties, car parks and ancillary. As of July 31, 2019, the project was still under development. The project is developed by Nanchang Zidong Real Estate Development Co., Ltd. (南昌梓棟房地產開發有限公司). We acquired this project from a third party in May 2018 and had fully paid the total land premium of RMB597.1 million. We obtained the relevant land use rights certificate in May 2018.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	63,060.0
Total saleable/rentable GFA to be completed (in sq.m.)	133,413.9
Total saleable GFA pre-sold (in sq.m.)	70,745.5
Actual commencement date	June 2018
Actual date of pre-sale commencement or pre-sale permit	June 2018
Estimated completion date	February 2020
Development costs incurred as of April 30, 2019 (in RMB million)	888.0
Total development costs (in RMB million)	1,508.1
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 63 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

13. Nanchang Rong Yuan (南昌榕園)

Nanchang Rong Yuan is located in Nanchang, Jiangxi. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 22,196.0 sq.m. and consists of residential properties, commercial properties, car parks and ancillary. As of July 31, 2019, the project was still under construction, and we expect to hold the car parks for rent. The project is developed by Nanchang Taixin Real Estate Development Co., Ltd. (南昌泰新房地產開發有限公司). We acquired this project from a third party in June 2018 and had fully paid the total land premium of RMB539.0 million. We obtained the relevant land use rights certificate in June 2018.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	22,196.0
Total saleable/rentable GFA to be completed (in sq.m.)	48,301.2
Total saleable GFA pre-sold (in sq.m.)	14,384.6
Actual commencement date	August 2018
Actual date of pre-sale commencement or pre-sale permit	November 2018
Estimated completion date	March 2020
Development costs incurred as of April 30, 2019 (in RMB million)	661.8
Total development costs (in RMB million)	926.5
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 64 of the Property Valuation Report in Appendix III to this prospectus.

14. Nanchang Sinic Center (南昌新力中心)



Nanchang Sinic Center is located in Nanchang, Jiangxi. The project occupies an aggregate site area of approximately 15,813.0 sq.m. and consists of office buildings and car parks. As of July 31, 2019, the project was still under construction, and we expect to hold the car parks for rent. The project is developed by Jiangxi Sinic Properties. We entered into the relevant land grant contract and had fully paid the total land premium of RMB92.5 million. We obtained the relevant land use rights certificate in July 2011.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Project Type	Office
Site area (in sq.m.)	15,813.0
Total GFA completed (in sq.m.)	90,027.2
Total rentable GFA completed (in sq.m.)	55,113.7
Total saleable GFA unsold (in sq.m.)	26,074.3
Actual commencement date	August 2013
Actual date of pre-sale commencement or pre-sale permit	June 2015
Actual completion date	April 2019
Development costs incurred as of April 30, 2019 (in RMB million)	703.6
Total development costs (in RMB million)	914.9
Attributable interest to our Group	100%
Construction status	Completed

For further information, please refer to Property No. 13 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

15. Nanchang Qinglan Wan (南昌青嵐灣)

Nanchang Qinglan Wan is located in Nanchang, Jiangxi. This project is offered under Wan series. The project occupies an aggregate site area of approximately 29,168.1 sq.m. and consists of residential properties, commercial properties, car parks and ancillary. As of July 31, 2019, the project was still under construction, and we expect to hold the car parks for rent. The project is developed by Nanchang Xinying Real Estate Development Co., Ltd. (南昌新穎房地產開發有限公司). We acquired this project from a third party in March 2018 and had fully paid the total land premium of RMB177.3 million. We obtained the relevant land use rights certificate in April 2018.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	29,168.1
Total saleable/rentable GFA to be completed (in sq.m.)	66,617.7
Total saleable GFA pre-sold (in sq.m.)	62,875.8
Actual commencement date	May 2018
Actual date of pre-sale commencement or pre-sale permit	June 2018
Estimated completion date	November 2019
Development costs incurred as of April 30, 2019 (in RMB million)	374.6
Total development costs (in RMB million)	545.9
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 65 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

16. Nanchang Xi Yuan (南昌禧園)

Nanchang Xi Yuan is located in Nanchang, Jiangxi. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 461,741.0 sq.m. and consists of residential properties, commercial properties, car parks and ancillary. As of July 31, 2019, the project was still under construction, and we expect to hold the car parks for rent. The project is developed by Jiangxi Jinqiling Real Estate Co., Ltd. (江西金麒麟置業有限公司). We entered into the relevant land grant contract and had fully paid the total land premium of RMB299.4 million. We obtained the relevant land use rights certificate in January 2011.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	461,741.0
Total GFA completed (in sq.m.)	174,332.0
Total saleable GFA completed (in sq.m.)	164,685.7
Total saleable GFA unsold (in sq.m.)	125.9
Total saleable/rentable GFA to be completed (in sq.m.)	151,851.6
Total saleable GFA pre-sold (in sq.m.)	132,890.8
Planned GFA held for future development (in sq.m.) . .	230,338.9
Actual commencement date	February 2017
Actual pre-sale commencement date or date of pre-sale permit	April 2017
Estimated completion date	November 2022
Development costs incurred as of April 30, 2019 (in RMB million)	3,872.2
Total development costs (in RMB million)	4,355.1
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 14, No. 66 and No. 85 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

17. Nanchang Sinic City (南昌新力城)

Nanchang Sinic City is located in Nanchang, Jiangxi. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 247,862.0 sq.m. and consists of residential properties, commercial properties, office buildings, car parks and ancillary. As of July 31, 2019, the project was still under construction, and we expect to hold the car parks for rent. The project is developed by Jiangxi Yunfa Industrial Co., Ltd. (江西運發實業有限公司). We entered into the relevant land grant contract and had fully paid the total land premium of RMB803.77 million. We obtained the relevant land use rights certificate in February 2014.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	247,862.0
Total saleable/rentable GFA to be completed (in sq.m.)	575,986.1
Total saleable GFA pre-sold (in sq.m.)	221,499.1
Actual commencement date	November 2018
Actual date of pre-sale commencement or pre-sale permit	November 2018
Estimated completion date	October 2020
Development costs incurred as of April 30, 2019 (in RMB million)	1,711.6
Total development costs (in RMB million)	7,312.5
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 68 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

18. Nanchang Jiang Yue (南昌江悦)

Nanchang Jiang Yue is located in Nanchang, Jiangxi. This project is offered under Yue series. The project occupies an aggregate site area of approximately 17,030.0 sq.m. and consists of residential properties, commercial properties, car parks and ancillary. As of July 31, 2019, the project was under development. The project is developed by Nanchang Xinlan Real Estate Development Co., Ltd. (南昌新嵐房地產開發有限公司). We entered into the relevant land grant contract and had fully paid the total land premium of RMB346.4 million. We obtained the relevant land use rights certificate in March 2019.

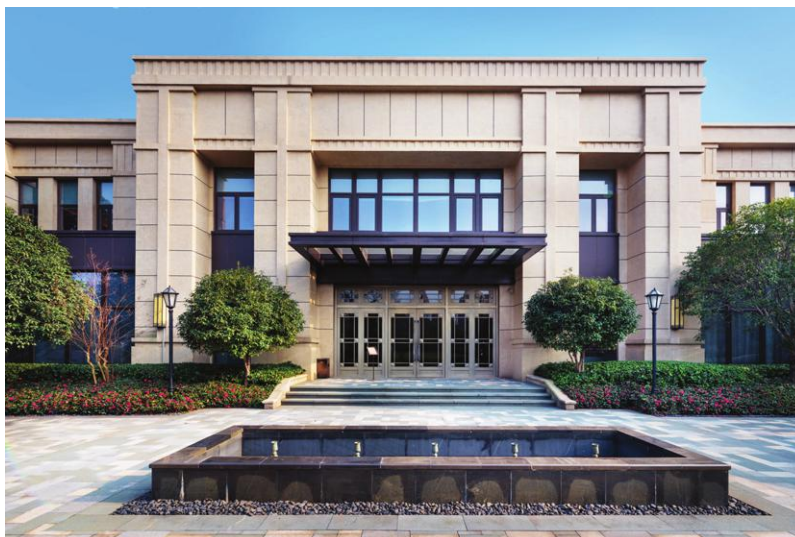
Based on our internal records, details of the project as of July 31, 2019 were as follows:

Project Type	Residential
Site area (in sq.m.)	17,030.0
Total saleable/rentable GFA to be completed (in sq.m.)	43,370.8
Actual commencement date	March 2019
Actual pre-sale commencement date or date of pre-sale permit	July 2019
Estimated completion date	December 2020
Development costs incurred as of April 30, 2019 (in RMB million)	371.0
Total development costs (in RMB million)	756.9
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 69 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

19. Nanchang Dibo Wan (南昌帝泊灣)



Nanchang Dibo Wan is located in Nanchang, Jiangxi. This project is offered under Wan series. The project occupies an aggregate site area of approximately 185,564.6 sq.m. and consists of residential properties, commercial properties, car parks and ancillary. As of July 31, 2019, the project has been completed in 2015 and the saleable commercial units have all been sold. The project is developed by Jiangxi Sinic Properties. We entered into the relevant land grant contract and had fully paid the total land premium of RMB228.2 million.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	185,564.6
Total GFA completed (in sq.m.)	399,685.2
Total saleable GFA completed (in sq.m.)	276,461.9
Total saleable GFA unsold (in sq.m.)	880.6
Actual commencement date	June 2012
Actual pre-sale commencement date or date of pre-sale permit	November 2012
Actual completion date	July 2018
Development costs incurred as of April 30, 2019 (in RMB million)	1,711.8
Total development costs (in RMB million)	1,785.2
Attributable interest to our Group	100%
Construction status	Completed

For further information, please refer to Property No. 16 and No. 25 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

20. Nanchang Yulong Wan (南昌鈺瓏灣)

Nanchang Yulong Wan is located in Nanchang, Jiangxi. This project is offered under Wan series. The project occupies an aggregate site area of approximately 163,009.7 sq.m. and consists of residential properties, commercial properties, office buildings, car parks and ancillary. As of July 31, 2019, the property was still under construction. The car parks will be held for rent. The project is developed by Jiangxi Hengwang. We entered into the relevant land grant contract for a consideration of RMB97.8 million. We obtained the relevant land use rights certificate in June 2013.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	163,009.7
Total GFA completed (in sq.m.)	306,156.7
Total saleable GFA completed (in sq.m.)	287,948.5
Total saleable GFA unsold (in sq.m.)	14,610.5
Total saleable/rentable GFA to be completed (in sq.m.)	22,335.0
Total saleable GFA pre-sold (in sq.m.)	22,335.0
Actual commencement date	January 2015
Actual date of pre-sale commencement or pre-sale permit	January 2015
Estimated completion date	December 2019
Development costs incurred as of April 30, 2019 (in RMB million)	1,183.8
Total development costs (in RMB million)	1,798.1
Attributable interest to our Group	51%
Construction status	Under development

For further information, please refer to Property No. 15, No. 24 and No. 67 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

21. Nanchang Xingtang Wan (南昌星塘灣)

Nanchang Xingtang Wan is located in Nanchang, Jiangxi. This project is offered under Wan series. The project occupies an aggregate site area of approximately 49,047.0 sq.m. and consists of residential properties, commercial properties serviced apartment, ancillary and car parks. As of July 31, 2019, this project was still under construction, and some units of the property have been pre-sold. The project is developed by Jiangxi Xirui Industrial Co., Ltd. (江西璽瑞實業有限公司). We acquired this project from a third party for a consideration of RMB9.7 million. We obtained the relevant land use rights certificate in January 2015.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	49,047.0
Total saleable/rentable GFA to be completed (in sq.m.)	91,865.3
Total saleable GFA pre-sold (in sq.m.)	87,078.3
Actual commencement date	February 2018
Actual date of pre-sale commencement or pre-sale permit	February 2018
Estimated completion date	March 2020
Development costs incurred as of April 30, 2019 (in RMB million)	302.3
Total development costs (in RMB million)	480.7
Attributable interest to our Group	51%
Construction status	Under development

For further information, please refer to Property No. 58 of the Property Valuation Report in Appendix III to this prospectus.

22. Nanchang Yujing Wan Duhui (南昌愉景灣都荟)



Nanchang Yujing Wan Duhui is located in Nanchang, Jiangxi. This project is offered under Wan series. The project occupies an aggregate site area of approximately 134,200.0 sq.m. and consists of residential properties, commercial properties, car parks and ancillary. As of July 31, 2019, all saleable units of Phase I and II and most units of Phase III and IV of the project have been completed. The project is developed by Nanchang Shuntai. We entered into the relevant land grant contract for a consideration of RMB603.9 million. We obtained the relevant land use rights certificate in September 2014.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Phase I

Project Type	Residential
Total GFA completed (in sq.m.)	64,927.9
Total saleable GFA completed (in sq.m.)	64,827.9
Total saleable GFA unsold (in sq.m.)	81.9
Actual commencement date	December 2014
Actual pre-sale commencement date or date of pre-sale permit	December 2014
Actual completion date	June 2016
Attributable interest to our Group	70%
Construction status	Completed

BUSINESS

Phase II

<u>Project Type</u>	<u>Residential</u>
Total GFA completed (in sq.m.)	66,562.6
Total saleable GFA completed (in sq.m.)	63,382.6
Total saleable GFA unsold (in sq.m.)	46.7
Actual commencement date	March 2015
Actual pre-sale commencement date or date of pre-sale permit	April 2015
Actual completion date	October 2016
Attributable interest to our Group	70%
Construction status	Completed

Phase III

<u>Project Type</u>	<u>Residential</u>
Total GFA completed (in sq.m.)	110,522.5
Total saleable GFA completed (in sq.m.)	108,943.0
Total saleable GFA unsold (in sq.m.)	4,035.2
Actual commencement date	September 2015
Actual pre-sale commencement date or date of pre-sale permit	September 2015
Actual completion date	November 2017
Attributable interest to our Group	70%
Construction status	Completed

Phase IV

<u>Project Type</u>	<u>Residential/Commercial</u>
Total GFA completed (in sq.m.)	93,700.1
Total saleable GFA completed (in sq.m.)	82,321.1
Total saleable GFA unsold (in sq.m.)	26,813.2
Actual commencement date	November 2015
Actual pre-sale commencement date or date of pre-sale permit	January 2016
Actual completion date	January 2018
Attributable interest to our Group	70%
Construction status	Completed

For further information, please refer to Property No. 10 and No. 23 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

23. Nanchang Wo Yuan (南昌渥園)

Nanchang Wo Yuan is located in Nanchang, Jiangxi. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 63,257.0 sq.m. and consists of residential properties, car parks and ancillary. As of July 31, 2019, the project was under development. The project is developed by Jiangxi Haiyue Real Estate Development Co., Ltd. (江西海越房地產開發有限公司). We acquired this project from a third party and had fully paid the land premium of RMB938.4 million. We obtained the relevant land use rights certificate in January 2019.

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	63,257.0
Total saleable/rentable GFA to be completed (in sq.m.)	187,191.0
Actual commencement date	July 2019
Actual pre-sale commencement date or date of pre-sale permit	July 2019
Estimated completion date	June 2022
Development costs incurred as of April 30, 2019 (in RMB million)	1,012.5
Total development costs (in RMB million)	1,682.4
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 59 of the Property Valuation.

BUSINESS

24. Jingdezhen Dibo Wan (景德鎮帝泊灣)

Jingdezhen Dibo Wan located in Jingdezhen, Jiangxi. This project is offered under Wan series. The project occupies an aggregate site area of approximately 28,017.9 sq.m. It consists of residential properties, commercial properties, office buildings and car parks. As of July 31, 2019, the property was still under construction. The car parks will be held for rent. The project is developed by Fuliang Jingyu Industrial Co., Ltd. (浮梁縣靜好實業有限公司). We entered into the relevant land grant contract and had fully paid the total land premium of RMB29.6 million. We obtained the relevant land use rights certificate in November 2018.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	28,017.9
Total saleable/rentable GFA to be completed (in sq.m.)	106,635.9
Total saleable GFA pre-sold (in sq.m.)	15,261.7
Actual commencement date	December 2018
Actual date of pre-sale commencement or pre-sale permit	March 2019
Estimated completion date	December 2020
Development costs incurred as of April 30, 2019 (in RMB million)	210.8
Total development costs (in RMB million)	696.4
Attributable interest to our Group	95%
Construction status	Under development

For further information, please refer to Property No. 70 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

Ganzhou

25. Ganzhou Dibo Wan (贛州帝泊灣)

Ganzhou Dibo Wan is located in Ganzhou, Jiangxi. This project is offered under Wan series. The project includes two phases and occupies an aggregate site area of approximately 173,772.0 sq.m. It consists of residential properties, commercial properties, ancillary, and car parks. Phase I of the project is developed by Ganzhou Xinli Lihe Property Co., Ltd. (贛州新力力合置業有限公司). Phase II of the project is developed by Ganzhou Xinli Future Property Co., Ltd (贛州新力未來置業有限公司). As of July 31, 2019, the project was still under construction, and we expect to hold certain car parks of Phase II for rent. For the Phase 1, we acquired this project from a third party in April 2017 and had fully paid the total land premium of RMB893.6 million. We obtained the relevant land use rights certificate in September 2017. For the Phase 2, we entered into the relevant land grant contract and had paid the total land premium of RMB512.2 million. We obtained the relevant land use rights certificate in September 2017.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Phase I

Project Type	Residential/Commercial
Site area (in sq.m.)	89,838.0
Total saleable/rentable GFA to be completed (in sq.m.)	330,263.7
Total saleable GFA pre-sold (in sq.m.)	257,924.3
Actual commencement date	September 2017
Actual date of pre-sale commencement or pre-sale permit	September 2017
Estimated completion date	December 2020
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 46 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

Phase II

Project Type	Residential
Site area (in sq.m.)	83,934.0
Total GFA completed (in sq.m.)	26,761.5
Total saleable GFA completed (in sq.m.)	26,761.5
Total saleable GFA unsold (in sq.m.)	1,790.6
Total saleable/rentable GFA to be completed (in sq.m.)	169,306.8
Total saleable GFA pre-sold (in sq.m.)	71,802.6
Actual commencement date	September 2017
Actual date of pre-sale commencement or pre-sale permit	September 2017
Estimated completion date	December 2020
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 5 and No. 47 of the Property Valuation Report in Appendix III to this prospectus.

26. Ganzhou Yulong Wan (贛州鈺瓏灣)

Ganzhou Yulong Wan is located in Ganzhou, Jiangxi. This project is offered under Wan series. The project occupies an aggregate site area of approximately 75,709.0 sq.m. and consists of residential properties, commercial properties, ancillary and car parks. As of July 31, 2019, the property was still under construction. The car parks will be held for rent. The project is developed by Ganzhou Huixin Real Estate Co., Ltd. (贛州市匯鑫置業有限公司). We entered into the relevant land grant contract for a consideration of RMB182.5 million. We obtained the relevant land use rights certificate in June 2017.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Project Type	Residential/Commercial
Site area (in sq.m.)	75,709.0
Total saleable/rentable GFA to be completed (in sq.m.)	162,291.2
Total saleable GFA pre-sold (in sq.m.)	102,887.9
Actual commencement date	September 2017
Actual date of pre-sale commencement or pre-sale permit	September 2017
Estimated completion date	December 2020
Development costs incurred as of April 30, 2019 (in RMB million)	749.4
Total development costs (in RMB million)	1,065.1
Attributable interest to our Group	60%
Construction status	Under development

For further information, please refer to Property No. 48 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

27. Ganzhou Yinhu Wan (贛州銀湖灣)

Ganzhou Yinhu Wan is located in Ganzhou, Jiangxi. This project is offered under Wan series. The project occupies an aggregate site area of approximately 60,732.9 sq.m. and consists of residential properties, commercial properties, ancillary and car parks. As of July 31, 2019, the property was still under construction, and some units are held for future development. The project is developed by Jiangxi Huitao Industrial Co., Ltd. (江西匯濤實業有限公司). We acquired this project from a third party in September 2017 and had fully paid the total land premium of RMB73.7 million. We obtained the relevant land use rights certificate in December 2017.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	60,732.9
Total saleable/rentable GFA to be completed (in sq.m.)	50,966.6
Total saleable GFA pre-sold (in sq.m.)	11,207.1
Planned GFA held for future development (in sq.m.)	100,929.8
Actual commencement date	December 2018
Actual pre-sale commencement date or date of pre-sale permit	December 2018
Estimated completion date	March 2022
Development costs incurred as of April 30, 2019 (in RMB million)	203.7
Total development costs (in RMB million)	567.4
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 49 and No. 82 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

28. Ji'an Dibo Wan (吉安帝泊灣)

Ji'an Dibo Wan is located in Ji'an, Jiangxi. This project is offered under Wan series. The project occupies an aggregate site area of approximately 52,390.0 sq.m. and consists of residential properties, commercial properties, ancillary and car parks. As of July 31, 2019, the project was still under construction. The project is developed by Ji'an Xinyue Lichuang Real Estate Development Co., Ltd. (吉安新悅力創房地產開發有限公司). We entered into the relevant land grant contract and had fully paid the total land premium of RMB493.5 million. We obtained the relevant land use rights certificate in November 2018.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Project Type	Residential/Commercial
Site area (in sq.m.)	52,390.0
Total saleable/rentable GFA to be completed (in sq.m.)	151,450.9
Total saleable GFA pre-sold (in sq.m.)	48,743.9
Actual commencement date	November 2018
Actual date of pre-sale commencement or pre-sale permit	December 2018
Estimated completion date	October 2020
Development costs incurred as of April 30, 2019 (in RMB million)	653.2
Total development costs (in RMB million)	1,023.4
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 50 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

Fengcheng

29. Fengcheng Dibo Wan (豐城帝泊灣)



Fengcheng Dibo Wan is located in Yichun, Jiangxi. This project is offered under Wan series. The project occupies an aggregate site area of approximately 121,850.9 sq.m. and consists of residential properties, commercial properties, car parks and ancillary. As of July 31, 2019, some units of the property was still under construction. The project is developed by Fengcheng Gantie. We entered into the relevant land grant contract and had fully paid the total land premium of RMB230.0 million. We obtained the relevant land use rights certificate in April 2014.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Project Type	Residential/Commercial
Site area (in sq.m.)	121,850.9
Total GFA completed (in sq.m.)	267,849.4
Total saleable GFA completed (in sq.m.)	267,361.7
Total saleable GFA unsold (in sq.m.)	2,917.6
Total saleable/rentable GFA to be completed (in sq.m.)	47,137.7
Total saleable GFA pre-sold (in sq.m.)	47,137.7
Actual commencement date	April 2015
Actual date of pre-sale commencement or pre-sale permit	December 2015
Actual completion date	August 2019
Development costs incurred as of April 30, 2019 (in RMB million)	1,057.3
Total development costs (in RMB million)	1,427.5
Attributable interest to our Group	64%
Construction status	Under development

For further information, please refer to Property No. 7 and No. 53 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

Yangtze River Delta Region

Wuxi

30. Wuxi Dibo Wan (無錫帝泊灣)

Wuxi Dibo Wan is located in Wuxi, Jiangsu. This project is offered under Wan series. The project includes two phases and occupies an aggregate site area of approximately 154,752.5 sq.m. The project consists of residential properties, commercial properties, ancillary and car parks. As of July 31, 2019, we still held certain residential properties for sale. The project is developed by Wuxi Fu'an Jindi Real Estate Co., Ltd. (無錫富安金邸房地產有限公司). We entered into the relevant land grant contract and had fully paid the total land premium of RMB350.0 million. We obtained the relevant land use rights certificate in June 2015.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Phase I

Project Type	Residential/Commercial
Site area (in sq.m.)	57,409.5
Total GFA completed (in sq.m.)	35,830.0
Total saleable GFA completed (in sq.m.)	24,216.0
Total saleable GFA unsold (in sq.m.)	5,309.8
Actual commencement date	August 2014
Actual pre-sale commencement date or date of pre-sale permit	December 2014
Actual completion date	May 2016
Attributable interest to our Group	100%
Construction status	Completed

For further information, please refer to Property No. 4 of the Property Valuation Report in Appendix III to this prospectus.

Phase II

Project type	Residential
Site area (in sq.m.)	97,343.0
Total saleable/rentable GFA to be completed (in sq.m.)	166,917.9
Total saleable GFA pre-sold (in sq.m.)	165,578.7
Actual commencement date	August 2017
Actual date of pre-sale commencement or pre-sale permit	November 2017
Estimated completion date	November 2019
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 39 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

31. Wuxi Binhu 120 Mu (無錫濱湖120畝)

Wuxi Binhu 120 Mu is located in Wuxi, Jiangsu. This project is offered under Wan series and occupies an aggregate site area of approximately 80,014.0 sq.m. It consists of residential properties, commercial properties, car parks and ancillary. The project is developed by Wuxi Xindai Real Estate Development Co., Ltd. (無錫新隸房地產開發有限公司). We entered into the relevant land grant contract in late July 2019 for a consideration of RMB967.8 million. As of the Latest Practicable Date, we were in the process of obtaining the relevant land use rights certificate for this land parcel, and we expect to obtain the same in November 2019. See “Business — Our Business — Our Property Projects” and “Risk Factors — Risks Relating to Our Business — We may fail to obtain or experience delays in obtaining the relevant PRC governmental approvals, licenses or permits for our property development projects” for related risks. As of July 31, 2019 this project is held for future development.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Project Type	Residential/Commercial
Site area (in sq.m.)	80,014.0
Planned GFA held for future development (in sq.m.) . .	211,432.7
Estimated commencement date	November 2019
Estimated pre-sale commencement date or date of pre-sale permit	December 2019
Estimated completion date	June 2022
Total development costs (in RMB million)	2,111.2
Attributable interest to our Group	100%
Construction status	Held for future development

For further information, please refer to Property No. 95 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

Suzhou

32. Kunshan Chenghu Yard No. 1 (昆山澄湖壹號院)



Kunshan Chenghu Yard No. 1 is located in Kunshan, Jiangsu. This project is offered under Wan series. The project occupies an aggregate site area of approximately 74,222.2 sq.m. The project consists of residential properties, ancillary and car parks. As of July 31, 2019, we still held certain residential properties for sale. The project is developed by Kunshan Laikesi Investment Co., Ltd. (昆山萊克斯投資有限公司). We entered into the relevant land grant contract and had fully paid the total land premium of RMB167.0 million. We obtained the relevant land use rights certificate in June 2016.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Project Type	Residential
Site area (in sq.m.)	74,222.2
Total saleable/rentable GFA to be completed (in sq.m.)	95,234.9
Total saleable GFA pre-sold (in sq.m.)	94,989.4
Actual commencement date	January 2018
Actual date of pre-sale commencement or pre-sale permit	September 2018
Estimated completion date	March 2020
Development costs incurred as of April 30, 2019 (in RMB million)	832.7
Total development costs (in RMB million)	1,055.1
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 40 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

33. Kunshan Central Park (昆山中央公園)

Kunshan Central Park is located in Kunshan, Jiangsu. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 25,980.0 sq.m. and consists of residential properties, commercial properties, serviced apartment, car parks and ancillary. As of July 31, 2019, we still held certain residential properties for sale. The project is developed by Jiangsu Zhongyuan Real Estate Development Co., Ltd. (江蘇中原置業有限公司). We entered into the relevant land grant contract and had fully paid the total land premium of RMB19.8 million. We obtained the relevant land use rights certificate in June 2016.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	25,980.0
Total saleable/rentable GFA to be completed (in sq.m.)	54,775.9
Total saleable GFA pre-sold (in sq.m.)	53,508.2
Actual commencement date	January 2018
Actual date of pre-sale commencement or pre-sale permit	November 2018
Estimated completion date	April 2021
Development costs incurred as of April 30, 2019 (in RMB million)	793.6
Total development costs (in RMB million)	1,509.9
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 41 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

Zhuji

34. Zhuji Dibo Wan (諸暨帝泊灣)

Zhuji Dibo Wan is located in Hangzhou, Zhejiang. This project is offered under Wan series. The project occupies an aggregate site area of approximately 74,527.8 sq.m. and consists of residential properties, commercial properties, ancillary and car parks. As of July 31, 2019, we still held certain residential and commercial properties for sale. The project is developed by Zhuji Lirui Real Estate Development Co., Ltd. (諸暨力睿房地產開發有限公司). We entered into the relevant land grant contract and had fully paid the total land premium of RMB295.5 million. We obtained the relevant land use rights certificate in January 2019.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	74,527.8
Total saleable/rentable GFA to be completed (in sq.m.)	171,135.9
Total saleable GFA pre-sold (in sq.m.)	30,299.7
Actual commencement date	January 2019
Actual date of pre-sale commencement or pre-sale permit	March 2019
Estimated completion date	October 2020
Development costs incurred as of April 30, 2019 (in RMB million)	454.7
Total development costs (in RMB million)	1,540.6
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 43 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

35. Cixi Dibo Wan (慈溪帝泊灣)

Cixi Dibo Wan is located in Ningbo, Zhejiang. This project is offered under Wan series. The project occupies an aggregate site area of approximately 23,822.0 sq.m. It consists of residential properties, commercial properties and car parks. The project is developed by Cixi Lichuang Real Estate Development Co., Ltd. (慈溪力創房地產開發有限公司). We entered into the relevant land grant contract and had fully paid the total land premium of RMB119.5 million. We obtained the relevant land use rights certificate in March 2019.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	23,822.0
Total saleable/rentable GFA to be completed (in sq.m.)	38,770.4
Actual commencement date	May 2019
Estimated pre-sale commencement date or date of pre-sale permit	November 2019
Estimated completion date	August 2020
Development costs incurred as of April 30, 2019 (in RMB million)	133.9
Total development costs (in RMB million)	425.2
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 44 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

36. Rui'an Dibo Wan (瑞安帝泊灣)

Rui'an Dibo Wan is located in Wenzhou, Zhejiang. This project is offered under Wan series. The project occupies an aggregate site area of approximately 26,319.0 sq.m. It consists of residential properties, commercial properties, car parks and ancillary. The project is developed by Wenzhou Lijing Real Estate Development Co., Ltd. (溫州力璟房地產開發有限公司). We entered into the relevant land grant contract in February 2019 and had fully paid the total land premium of RMB478.8 million. The land use rights certificate was obtained in May 2019.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	26,319.0
Total saleable/rentable GFA to be completed (in sq.m.)	64,563.7
Actual commencement date	April 2019
Actual pre-sale commencement date or date of pre-sale permit	October 2019
Estimated completion date	March 2021
Total development costs (in RMB million)	904.8
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 45 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

37. Suzhou Bo Yuan (蘇州鉞園)

Suzhou Bo Yuan is located in Suzhou, Jiangsu. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 90,890.8 sq.m. It consists of residential properties, commercial properties, car parks and ancillary. The project is developed by Suzhou Lichuang Properties Development Co., Ltd. (蘇州力創香谷置業發展有限公司). We entered into the relevant land grant contract for a consideration of RMB1,170.0 million. We obtained the relevant land use rights certificate in March 2019.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	90,890.8
Total saleable/rentable GFA to be completed (in sq.m.)	130,237.8
Actual commencement date	May 2019
Actual pre-sale commencement date or date of pre-sale permit	September 2019
Estimated completion date	February 2021
Development costs incurred as of April 30, 2019 (in RMB million)	1,237.0
Total development costs (in RMB million)	2,480.0
Attributable interest to our Group	70%
Construction status	Under development

For further information, please refer to Property No. 42 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

Greater Bay Region

Huizhou

38. Huizhou Dong Yuan (惠州東園)

Huizhou Dong Yuan is located in Huizhou, Guangdong. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 82,338.0 sq.m. The project consists of residential properties, commercial properties, ancillary and car parks. As of July 31, 2019, we still held certain residential properties for sale. This project is developed by Huizhou Daya Bay Xinji Real Estate Development Co., Ltd. (惠州大亞灣新際房地產開發有限公司). We acquired this project from a third party in July 2006 and had fully paid the total land premium of RMB30.3 million. We obtained the relevant land use rights certificate issued in June 2017.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Project Type	Residential/Commercial
Site area (in sq.m.)	82,338.0
Total GFA completed (in sq.m.)	90,430.7
Total saleable GFA completed (in sq.m.)	86,050.2
Total saleable GFA unsold (in sq.m.)	22,018.8
Total saleable/rentable GFA to be completed in (sq.m.)	192,846.1
Total saleable GFA pre-sold (in sq.m.)	150,285.0
Actual commencement date	June 2017
Actual date of pre-sale commencement or pre-sale permit	June 2017
Estimated completion date	November 2019
Development costs incurred as of April 30, 2019 (in RMB million)	1,735.0
Total development costs (in RMB million)	3,029.6
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 1 and 26 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

39. Xiangshan Ju (香山居)

Xiangshan Ju is located in Huizhou, Guangdong. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 22,940.0 sq.m. The project consists of residential property, commercial property and ancillary. As of July 31, 2019, the project is still under construction. This project is developed by Huizhou Shengyuan Investment Co., Ltd. (惠州市勝源投資有限公司). We acquired this project from a third party in 2012 and had fully paid the total land premium of RMB38.7 million. We obtained the relevant land use rights certificate in July 2017.

<u>Project type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	22,940.0
Total saleable/rentable GFA to be completed (in sq.m.)	91,251.7
Total saleable GFA pre-sold (in sq.m.)	77,371.7
Actual commencement date	June 2017
Actual date of pre-sale commencement or pre-sale permit	July 2017
Actual completion date	August 2019
Development costs incurred as of April 30, 2019 (in RMB million)	855.7
Total development costs (in RMB million)	1,017.2
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 29 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

40. Huizhou Amber Yuan (惠州琥珀園)



Huizhou Amber Yuan is located in Huizhou, Guangdong. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 37,560.0 sq.m. and consists of residential properties, commercial properties, ancillary and car parks. As of July 31, 2019, we still held certain residential properties for sale. The project is developed by Huizhou Langju Industrial Co., Ltd. (惠州市朗鉅實業有限公司). We acquired this project from a third party in December 2010 and had fully paid the total land premium of RMB0.39 million. We obtained the relevant land use rights certificate issued in January 2017.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Project Type	Residential/Commercial
Site area (in sq.m.)	37,560.0
Total saleable/rentable GFA to be completed (in sq.m.)	129,796.2
Total saleable GFA pre-sold (in sq.m.)	102,891.3
Actual commencement date	January 2018
Actual date of pre-sale commencement or pre-sale permit	January 2018
Estimated completion date	December 2019
Development costs incurred as of April 30, 2019 (in RMB million)	806.8
Total development costs (in RMB million)	1,371.3
Attributable interest to our Group	75%
Construction status	Under development

For further information, please refer to Property No. 27 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

41. Huizhou Upper Yuan (惠州上園)

Huizhou Upper Yuan is located in Huizhou, Guangdong. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 36,516.0 sq.m. and consists of residential properties, commercial properties, ancillary and car parks. As of July 31, 2019, we still held certain residential and commercial properties for sale. The project is developed by Huizhou Juncheng Investment Co., Ltd. (惠州市均城投資有限公司). We entered into the relevant land grant contract and had fully paid the total land premium of RMB18.3 million. We obtained the relevant land use rights certificate in December 2010.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Project Type	Residential/Commercial
Site area (in sq.m.)	36,516.0
Total saleable/rentable GFA to be completed (in sq.m.)	115,539.4
Total saleable GFA pre-sold (in sq.m.)	91,231.8
Actual commencement date	December 2017
Actual date of pre-sale commencement or pre-sale permit	December 2017
Estimated completion date	May 2020
Development costs incurred as of April 30, 2019 (in RMB million)	861.4
Total development costs (in RMB million)	1,393.6
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 28 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

42. Huizhou Lan Wan (惠州藍灣)



Huizhou Lan Wan is located in Huizhou, Guangdong. This project is offered under Wan series. The project occupies an aggregate site area of approximately 19,520.0 sq.m. and consists of residential properties, ancillary and car parks. The project is developed by Huizhou Jinxiu Wan Co., Ltd. (惠州市錦繡灣投資有限公司). We entered into the relevant land grant contract and had fully paid the total land premium of RMB32.5 million. We obtained the relevant land use rights certificate in November 2017.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Project Type	Residential
Site area (in sq.m.)	19,520.0
Planned GFA held for future development (in sq.m.)	81,560.9
Estimated commencement date	December 2019
Estimated pre-sale commencement date or date of pre-sale permit	February 2020
Estimated completion date	November 2020
Development costs incurred as of April 30, 2019 (in RMB million)	376.3
Total development costs (in RMB million)	794.9
Attributable interest to our Group	100%
Construction status	Held for future development

For further information, please refer to Property No. 78 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

43. Huizhou Ya Yuan (惠州雅園)

Huizhou Ya Yuan is located in Huizhou, Guangdong. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 34,362.0 sq.m. and consists of residential properties, commercial properties, ancillary and car parks. The project is developed by Huizhou Junlin Investment Co., Ltd. (惠州市均林實業有限公司). We entered into the relevant land grant contract and had fully paid the total land premium of RMB25.7 million. We obtained the relevant land use rights certificate in December 2013.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	34,362.0
Planned GFA held for future development (in sq.m.)	94,078.7
Estimated commencement date	December 2019
Estimated pre-sale commencement date or date of pre-sale permit	February 2020
Estimated completion date	March 2021
Development costs incurred as of April 30, 2019 (in RMB million)	204.5
Total development costs (in RMB million)	1,230.9
Attributable interest to our Group	100%
Construction status	Held for future development

For further information, please refer to Property No. 79 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

44. Huizhou Dibo Wan (惠州帝泊灣)

Huizhou Dibo Wan is located in Huizhou, Guangdong. This project is offered under Wan series. The project includes two phases and occupies an aggregate site area of approximately 166,592.6 sq.m. and consists of residential properties, commercial properties, office buildings, ancillary and car parks. As of July 31, 2019, we still held certain commercial properties for sale. Phase I of the project is developed by Huizhou Junrong Investment Co., Ltd. (惠州市均榮實業有限公司). We entered into the relevant land grant contract and had fully paid the total land premium of RMB72.2 million. We obtained the relevant land use rights certificate in August 2017. Phase II of the project is developed by Huizhou Tianhuayu Industrial Co., Ltd. (惠州市天華宇實業有限公司) We entered into the relevant land grant contract and had fully paid the total land premium of RMB72.2 million. We obtained the relevant land use rights certificate in November 2017.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Phase I

Project Type	Residential/Commercial
Site area (in sq.m.)	122,152.0
Total GFA completed (in sq.m.)	193,482.2
Total saleable GFA completed (in sq.m.)	168,134.8
Total saleable GFA unsold (in sq.m.)	30,965.4
Total saleable/rentable GFA to be completed (in sq.m.)	202,199.5
Total saleable GFA pre-sold (in sq.m.)	74,076.8
Actual commencement date	June 2017
Actual date of pre-sale commencement or pre-sale permit	August 2017
Estimated completion date	July 2021
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 2 and No. 30 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

Phase II

Project type	Residential/Commercial
Site area (in sq.m.)	44,440.6
Total saleable/rentable GFA to be completed (in sq.m.)	145,531.4
Total saleable GFA pre-sold (in sq.m.)	—
Actual commencement date	March 2018
Actual date of pre-sale commencement or pre-sale permit	September 2019
Estimated completion date	June 2021
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 31 of the Property Valuation Report in Appendix III to this prospectus.

45. Huizhou Long Wan (惠州龍灣)

Huizhou Long Wan is located in Huizhou, Guangdong. This project is offered under Wan series. The project occupies an aggregate site area of approximately 36,670.0 sq.m. and consists of residential properties, commercial properties, serviced apartment, car parks and ancillary. As of July 31, 2019, we still held certain residential and commercial properties and services apartments for sale. The project is developed by Huizhou Wangyou Industrial Co., Ltd. (惠州市旺友實業有限公司). We entered into the relevant land grant contract for a consideration of RMB29.9 million. We obtained the relevant land use rights certificate in July 2018.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Project Type	Residential/Commercial
Site area (in sq.m.)	36,670.0
Total saleable/rentable GFA to be completed (in sq.m.)	137,360.8
Total saleable GFA pre-sold (in sq.m.)	45,353.5
Actual commencement date	July 2018
Actual date of pre-sale commencement or pre-sale permit	September 2018
Estimated completion date	March 2021
Development costs incurred as of April 30, 2019 (in RMB million)	624.6
Total development costs (in RMB million)	1,281.7
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 32 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

46. Huizhou Rui Yuan (惠州睿園)

Huizhou Rui Yuan is located in Huizhou, Guangdong. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 37,025.0 sq.m. and consists of residential properties, commercial properties, car parks and ancillary. The project is developed by Huizhou Meili Properties Co., Ltd. (惠州市美麗置業有限公司). We entered into the relevant land grant contract and had fully paid the total land premium of RMB34.1 million. We obtained the relevant land use rights certificate in September 2018.

<u>Project type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	37,025.0
Total saleable/rentable GFA to be completed (in sq.m.)	190,216.0
Total saleable GFA pre-sold (in sq.m.)	—
Actual commencement date	October 2018
Actual date of pre-sale commencement or pre-sale permit	September 2019
Estimated completion date	June 2021
Development costs incurred as of April 30, 2019 (in RMB million)	1,065.6
Total development costs (in RMB million)	2,494.2
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 33 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

47. Huizhou Xi Yuan (惠州璽園)

Huizhou Xi Yuan is located in Huizhou, Guangdong. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 23,891.0 sq.m. and consists of residential properties, commercial properties, office buildings, car parks and ancillary. The project is developed by Huizhou Wanji Industrial Co., Ltd. (惠州市萬基實業有限公司). We entered into the relevant land grant contract for a consideration of RMB38.7 million. We obtained the relevant land use rights certificate in January 2011.

<u>Project type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	23,891.0
Total saleable/rentable GFA to be completed (in sq.m.)	60,661.0
Actual commencement date	March 2019
Estimated pre-sale commencement date or date of pre-sale permit	December 2019
Estimated completion date	September 2021
Development costs incurred as of April 30, 2019 (in RMB million)	347.8
Total development costs (in RMB million)	626.6
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 34 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

48. Huizhou Sinic City (惠州新力城)



Huizhou Sinic City is located in Huizhou, Guangdong. This project is offered under Yuan series. The project includes three phases and occupies an aggregate site area of approximately 452,346.7 sq.m. It consists of residential properties, commercial properties, serviced apartments, car parks and ancillary. As of July 31, 2019, we still held certain residential and commercial properties for sale. The project is developed by Huizhou Tangpu Industrial Co., Ltd. (惠州市湯普實業有限公司). We acquired this project from a third party in February 2017 and fully paid the total land premium of RMB312.4 million. The relevant land use rights certificate was obtained in September 2007.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Phase I

Project Type	Residential/Commercial
Site area (in sq.m.)	126,485.4
Total GFA completed (in sq.m.)	191,169.7
Total saleable GFA completed (in sq.m.)	177,755.4
Total saleable GFA unsold (in sq.m.)	68,960.2
Total saleable/rentable GFA to be completed (in sq.m.)	135,091.7
Total saleable GFA pre-sold (in sq.m.)	121,543.2
Actual commencement date	August 2017
Actual date of pre-sale commencement or pre-sale permit	November 2017
Estimated completion date	December 2019
Attributable interest to our Group	100%
Construction status	Under development

BUSINESS

Phase II

<u>Project type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	156,602.9
Total saleable/rentable GFA to be completed (in sq.m.)	453,757.5
Total saleable GFA pre-sold (in sq.m.)	182,869.8
Actual commencement date	March 2018
Actual date of pre-sale commencement or pre-sale permit	June 2018
Estimated completion date	February 2020
Attributable interest to our Group	100%
Construction status	Under development

Phase III

<u>Project type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	169,258.4
Total saleable/rentable GFA to be completed (in sq.m.)	474,669.5
Total saleable GFA pre-sold (in sq.m.)	29,644.9
Actual commencement date	June 2018
Actual date of pre-sale commencement or pre-sale permit	June 2019
Estimated completion date	June 2021
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 3 and No. 35 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

49. Huizhou Gaoling Village (惠州高嶺村)

Huizhou Gaoling Village is located in Huizhou, Guangdong. This project is offered under Wan series. The project occupies an aggregate site area of approximately 71,212.0 sq.m. It consists of residential properties, commercial properties, car parks and ancillary. The project is developed by Huizhou Fenghui Real Estate Development Co., Ltd. (惠州市豐匯房地產開發有限公司). We acquired this project from a third party in November 2018 and had fully paid the total land premium of RMB451.4 million. We obtained the relevant land use rights certificate in February 2019.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Project type	Residential/Commercial
Site area (in sq.m.)	71,212.0
Planned GFA held for future development (in sq.m.) . .	272,065.0
Estimated commencement date	December 2019
Estimated pre-sale commencement date or date of pre-sale permit	February 2020
Estimated completion date	August 2021
Development costs incurred as of April 30, 2019 (in RMB million)	690.2
Total development costs (in RMB million)	1,950.2
Attributable interest to our Group	100%
Construction status	Held for future development

For further information, please refer to Property No. 80 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

50. Qingyuan Feicui Wan (清遠翡翠灣)

Qingyuan Crystal Jade Wan is located in Qingyuan, Guangdong. This project is offered under Wan series. The project occupies an aggregate site area of approximately 15,473.4 sq.m. and consists of residential properties, commercial properties, car parks and ancillary. As of July 31, 2019, we still held certain residential and commercial properties for sale. The project is developed by Qingyuan Wanliyuan Real Estate Investment Co., Ltd. (清遠市萬力源投資置業有限公司). We acquired this project from a third party in February 2010 and had fully paid the total land premium of RMB28.3 million. We obtained the relevant land use rights certificate in March 2010.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	15,473.4
Total saleable/rentable GFA to be completed (in sq.m.)	89,588.9
Total saleable GFA pre-sold (in sq.m.)	38,553.6
Actual commencement date	May 2018
Actual date of pre-sale commencement or pre-sale permit	August 2018
Estimated completion date	May 2020
Development costs incurred as of April 30, 2019 (in RMB million)	376.0
Total development costs (in RMB million)	727.6
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 36 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

51. Guangzhou Amber Yuan (廣州琥珀園)

Guangzhou Amber Yuan is located in Guangzhou, Guangdong. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 56,562.7 sq.m. and consists of residential properties, car parks and ancillary. The project is developed by Guangdong Qiangke Real Estate Co., Ltd. (廣東強科地產有限公司). We acquired this project from a third party and had fully paid the total land premium of RMB20.7 million. We obtained the relevant land use rights certificate in January 2006.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential</u>
Site area (in sq.m.)	56,562.7
Total saleable/rentable GFA to be completed (in sq.m.)	91,869.2
Planned GFA held for future development (in sq.m.)	74,714.0
Actual commencement date	March 2019
Actual pre-sale commencement date or date of pre-sale permit	September 2019
Estimated completion date	September 2021
Development costs incurred as of April 30, 2019 (in RMB million)	932.1
Total development costs (in RMB million)	2,799.0
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 37 and No. 81 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

Zhongshan

52. Zhongshan Feicui Wan (中山翡翠灣)

Zhongshan Feicui Wan is located in Zhongshan, Guangdong. This project is offered under Wan series. The project occupies an aggregate site area of approximately 48,519.3 sq.m. It consists of residential properties, car parks and ancillary. As of July 31, 2019, we still held certain residential properties for sale. The project is developed by Zhongshan Dutou Real Estate Development Co., Ltd. (中山市渡頭房地產開發有限公司). We entered into the relevant land grant contract for a consideration of RMB12.1 million. We obtained the relevant land use rights certificate in December 2017.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Project type	Residential
Site area (in sq.m.)	48,519.3
Total saleable/rentable GFA to be completed (in sq.m.)	109,481.5
Total saleable GFA pre-sold (in sq.m.)	33,362.0
Actual commencement date	September 2018
Actual date of pre-sale commencement or pre-sale permit	March 2019
Estimated completion date	December 2020
Development costs incurred as of April 30, 2019 (in RMB million)	740.8
Total development costs (in RMB million)	1,283.3
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 38 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

Central and Western China Core Cities and other Regions with High-Growth Potential

Wuhan

53. Wuhan Jingsha Wan (武漢金沙灣)

Wuhan Jingsha Wan is located in Wuhan, Hubei. This project is offered under Wan series. The project occupies an aggregate site area of approximately 33,351.1 sq.m. and consists of residential properties, commercial properties and car parks. As of July 31, 2019, the project was still under construction, and some units of the property have been pre-sold. The project is developed by Wuhan Shengyang Real Estate Development Co., Ltd. (武漢市升陽房地產開發有限公司). We entered into the relevant land grant contract and had fully paid the total land premium of RMB35.5 million. We obtained the relevant land use rights certificate in March 2018.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	33,351.1
Total saleable/rentable GFA to be completed (in sq.m.)	132,600.6
Total saleable GFA pre-sold (in sq.m.)	74,285.8
Actual commencement date	September 2018
Actual date of pre-sale commencement or pre-sale permit	October 2018
Estimated completion date	July 2020
Development costs incurred as of April 30, 2019 (in RMB million)	507.1
Total development costs (in RMB million)	991.4
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 71 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

54. Wuhan Dibo Wan (武漢帝泊灣)

Wuhan Dibo Wan is located in Wuhan, Hubei. This project is offered under Wan series. The project occupies an aggregate site area of approximately 110,445.6 sq.m. and consists of residential properties, commercial properties, car parks, and ancillary. As of July 31, 2019, some units of the property were still under construction. The project is developed by Hubei Central China Panlong Collection Trading Market Development Co., Ltd. (湖北華中盤龍收藏品交易市場開發有限公司). We acquired this project from a third party in June 2011 and had fully paid the total land premium of RMB200.0 million. We obtained the relevant land use rights certificate in January 2017.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	110,445.6
Total GFA completed (in sq.m.)	97,782.7
Total GFA to be completed (in sq.m.)	140,264.4
Total saleable GFA completed (in sq.m.)	97,379.2
Total saleable GFA unsold (in sq.m.)	1,590.2
Total saleable GFA pre-sold (in sq.m.)	126,754.2
Actual commencement date	March 2017
Actual date of pre-sale commencement or pre-sale permit	March 2017
Estimated completion date	December 2019
Development costs incurred as of April 30, 2019 (in RMB million)	2,134.5
Total development costs (in RMB million)	2,948.3
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 18 and No. 72 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

55. Wuhan Amber Yuan (武漢琥珀園)

Wuhan Amber Yuan is located in Wuhan, Hubei. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 17,373.9 sq.m. and consists of residential properties, commercial properties, serviced apartments, car parks and ancillary. As of July 31, 2019, the project has been completed. The project is developed by Wuhan Baohe Youcheng Real Estate Co., Ltd. (武漢保和優誠置業有限公司). We entered into the relevant land grant contract for a consideration of RMB115.6 million. We obtained the relevant land use rights certificate in October 2016.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	17,373.9
Total GFA completed (in sq.m.)	59,960.0
Total saleable GFA completed (in sq.m.)	54,420.7
Total saleable GFA unsold (in sq.m.)	11,984.7
Actual commencement date	November 2016
Actual pre-sale commencement date or date of pre-sale permit	December 2016
Actual completion date	September 2018
Development costs incurred as of April 30, 2019 (in RMB million)	367.6
Total development costs (in RMB million)	585.5
Attributable interest to our Group	79%
Construction status	Completed

For further information, please refer to Property No. 17 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

Changsha

56. Changsha Zi Yuan (長沙紫園)

Changsha Zi Yuan is located in Changsha, Hu'nan. This project is offered under Yuan series. The project includes two phases and occupies an aggregate site area of approximately 21,759.4 sq.m. The project consists of residential properties, commercial properties, car parks and ancillary. As of July 31, 2019, Phase I of the project was still under construction and the commercial units of the property were held for future development. Phase II of the project is held for future development. The project is developed by Changsha Xinlixiang Real Estate Development Co., Ltd. (長沙新力湘房地產開發有限公司). We acquired the majority of the land for this project from a third party in June 2017. As of the Latest Practicable Date, we are in the process of obtaining the relevant land use rights certificate for a portion of the land for Phase II of the project. We paid a total land premium of RMB226.4 million in full, which excludes the portion of land for which we are still in the process of obtaining the settlement land use rights certificate.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Phase I

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	13,490.4
Total saleable/rentable GFA to be completed (in sq.m.)	40,712.6
Total Saleable GFA pre-sold (in sq.m.)	32,794.7
Planned GFA held for future development (in sq.m.)	1,870.1
Actual commencement date	May 2018
Actual date of pre-sale commencement or pre-sale permit	June 2018
Estimated completion date	August 2020
Attributable interest to our Group	99%
Construction status	Under development

BUSINESS

For further information, please refer to Property No. 73 and No. 86 of the Property Valuation Report in Appendix III to this prospectus.

Phase II

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	8,269.0
Planned GFA held for future development (in sq.m.) . .	29,859.8
Estimated commencement date	December 2019
Estimated pre-sale commencement date or date of pre-sale permit	March 2020
Estimated completion date	December 2021
Attributable interest to our Group.	99%
Construction status	Held for future development

A portion of the land for Phase II of the project with a total site area of approximately 4,386.2 sq.m. is undergoing the resettlement and demolition process. See “Summary — Our Business Model — Property Development Projects” in this prospectus for details. Due to the uncertainty in obtaining the land use rights certificate for this portion of the land, we have not counted the GFA for the relevant land toward our land reserve. Also see “Risk Factors — Risks Relating to Our Business — Our property development schedule may not realize or delay as a result of the resettlement and demolition process” for the related risks. Accordingly, the site area of this portion of land for which we are yet to obtain the relevant land use rights certificate has been excluded from the project details presented in the table above.

For further information, please refer to Property No. 87 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

57. Changsha Dibo Wan (長沙帝泊灣)

Changsha Dibo Wan is located in Changsha, Hu'nan. This project is offered under Wan series. The project occupies an aggregate site area of approximately 86,946.5 sq.m. and consists of residential properties, commercial properties, car parks and ancillary. As of July 31, 2019, the property was held for future development. The project is developed by Hu'nan Yuexi Real Estate Co., Ltd. (湖南悅禧置業有限公司). We acquired this project from a third party in July 2017 for a consideration of RMB2.3 million. The relevant land use rights certificate was obtained in September 2007.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	86,946.5
Planned GFA held for future development (in sq.m.)	95,653.3
Estimated commencement date	December 2019
Estimated pre-sale commencement date or date of pre-sale permit	February 2020
Estimated completion date	November 2021
Development costs incurred as of April 30, 2019 (in RMB million)	526.9
Total development costs (in RMB million)	928.1
Attributable interest to our Group	99%
Construction status	Held for future development

For further information, please refer to Property No. 90 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

58. Changsha Yulong Wan (長沙鈺瓏灣)

Changsha Yulong Wan located in Changsha, Hu'nan. This project is offered under Wan series. The project occupies an aggregate site area of approximately 68,585.3 sq.m. It consists of residential properties, commercial properties, car parks and ancillary. As of July 31, 2019, the project was still under construction, and commercial units of the property are held for future development. The project is developed by Changsha Xinliyuan Real Estate Development Co., Ltd. (長沙新力源房地產開發有限公司). We entered into the relevant land grant contract and had fully paid the total land premium of RMB166.8 million. We obtained the relevant land use rights certificate in November 2017.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	68,585.3
Total saleable/rentable GFA to be completed (in sq.m.)	187,885.0
Total saleable GFA pre-sold (in sq.m.)	157,947.4
Actual commencement date	November 2017
Actual pre-sale commencement date or date of pre-sale permit	April 2018
Estimated completion date	August 2020
Development costs incurred as of April 30, 2019 (in RMB million)	541.9
Total development costs (in RMB million)	1,105.8
Attributable interest to our Group	99%
Construction status	Under development

For further information, please refer to Property No. 74 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

59. Changsha Bo Yuan (長沙鉞園)

Changsha Bo Yuan located in Changsha, Hu'nan. This project is offered under Yuan series. The project includes two phases and occupies an aggregate site area of approximately 75,952.9 sq.m. It consists of residential properties, commercial properties, hotel, ancillary and car parks. As of July 31, 2019, the property was held for future development. The project is developed by Changsha Xinlihong Real Estate Development Co., Ltd. (長沙新力鴻房地產開發有限公司). We acquired this project from a third party in July 2013 and had fully the total land premium of RMB800.0 million. We obtained the relevant land use rights certificate in November 2018.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Phase I

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	56,186.9
Total saleable/rentable GFA to be completed (in sq.m.)	227,493.5
Total saleable GFA pre-sold (in sq.m.)	5,283.1
Planned GFA held for future development (in sq.m.)	3,378.9
Actual commencement date	March 2019
Actual pre-sale commencement date or date of pre-sale permit	May 2019
Estimated completion date	March 2022
Attributable interest to our Group	100%
Construction status	Under development

Phase II

<u>Project Type</u>	<u>Residential</u>
Site area (in sq.m.)	19,766.0
Planned GFA held for future development (in sq.m.)	43,997.9
Estimated commencement date	May 2020
Estimated pre-sale commencement date or date of pre-sale permit	October 2020
Estimated completion date	March 2022
Attributable interest to our Group	100%
Construction status	Held for future development

For further information, please refer to Property No. 88 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

60. Changsha Amber Yuan (長沙琥珀園)

Changsha Amber Yuan is located in Changsha, Hu'nan. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 34,045.3 sq.m. and consists of residential properties, commercial properties, ancillary and car parks. As of July 31, 2019, the property was held for future development. The project is developed by Changsha Wangguo Real Estate Co., Ltd. (長沙旺國置業有限公司). We acquired this project from a third party in 2017 for a consideration of RMB148.8 million. We obtained the relevant land use rights certificate in April 2017.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	34,045.3
Planned GFA held for future development (in sq.m.) . .	153,786.9
Actual commencement date	August 2019
Estimated pre-sale commencement date or date of pre-sale permit	December 2019
Estimated completion date	June 2021
Development costs incurred as of April 30, 2019 (in RMB million)	462.7
Total development costs (in RMB million)	1,452.3
Attributable interest to our Group	94%
Construction status	Held for future development

For further information, please refer to Property No. 89 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

Chengdu

61. Chengdu Feicui Wan (成都翡翠灣)

Chengdu Feicui Wan is located in Chengdu, Sichuan. This project is offered under Wan series. The project occupies an aggregate site area of approximately 29,503.4 sq.m. and consists of residential properties, commercial properties, car parks and ancillary. As of July 31, 2019, the property was still under construction. The project is developed by Chengdu Xinli Jinye Real Estate Development Co., Ltd. (成都新力錦業房地產開發有限公司). We acquired this project from a third party in May 2018 and had fully paid the total land premium of RMB298.8 million. We obtained the relevant land use rights certificate in January 2019.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	29,503.4
Total saleable/rentable GFA to be completed (in sq.m.)	133,310.4
Total saleable GFA pre-sold (in sq.m.)	71,448.9
Actual commencement date	August 2018
Actual date of pre-sale commencement or pre-sale permit	January 2019
Estimated completion date	April 2020
Development costs incurred as of April 30, 2019 (in RMB million)	507.3
Total development costs (in RMB million)	879.7
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 76 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

62. Chengdu Amber Yuan (成都琥珀園)

Chengdu Amber Yuan is located in Chengdu, Sichuan. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 11,079.5 sq.m. and consists of residential properties, commercial properties, car parks and ancillary. As of July 31, 2019, the property was still under construction. The project is developed by Chengdu Li Xin Miao Real Estate Development Co., Ltd. (成都力新淼房地產開發有限公司). We acquired this project from a third party in December 2017 and had fully the total land premium of RMB27.9 million. We obtained the relevant land use rights certificate in February 2018.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	11,079.5
Total saleable/rentable GFA to be completed (in sq.m.)	53,589.7
Total saleable GFA pre-sold (in sq.m.)	40,267.0
Actual commencement date	October 2018
Actual date of pre-sale commencement or pre-sale permit	January 2019
Estimated completion date	June 2020
Development costs incurred as of April 30, 2019 (in RMB million)	468.6
Total development costs (in RMB million)	652.5
Attributable interest to our Group	100%
Construction status	Under development

For further information, please refer to Property No. 77 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

63. Chengdu Shuangliu 92 Mu (成都雙流92畝)

Chengdu Shuangliu 92 Mu is located in Chengdu, Sichuan. This project is offered under Yuan series and occupies an aggregate site area of approximately 61,210.2 sq.m. It consists of residential properties, car parks and ancillary. The project is developed by Chengdu Lixi Real Estate Development Co., Ltd. (成都力璽房地產開發有限公司). We entered into the relevant land grant contract in June 2019 and fully paid the land premium of RMB1,230.1 million. The relevant land use rights certificate was obtained in August 2019, and as of July 31, 2019, this project is held for future development.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	61,210.2
Planned GFA held for future development (in sq.m.) . .	181,883.1
Estimated commencement date	November 2019
Estimated pre-sale commencement date or date of pre-sale permit	December 2019
Estimated completion date	January 2022
Total development costs (in RMB million)	2,253.0
Attributable interest to our Group	100%
Construction status	Held for future development

For further information, please refer to Property No. 96 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

Weifang

64. Weifang Dibo Wan (濰坊帝泊灣)

Weifang Dibo Wan located in Weifang, Shandong. This project is offered under Wan series. The project occupies an aggregate site area of approximately 30,387.0 sq.m. It consists of residential properties, ancillary and car parks, and is developed by Weifang Sinic Lihe Real Estate Development Co., Ltd. (濰坊新力力合房地產開發有限公司). As of July 31, 2019, the property was held for future development. We entered into the relevant land grant contract and had fully paid the total land premium of RMB91.2 million. The relevant land use rights certificate was obtained in June 2019.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Project Type	Residential
Site area (in sq.m.)	30,387.0
Planned GFA held for future development (in sq.m.) . .	104,466.7
Actual commencement date	September 2019
Estimated pre-sale commencement date or date of pre-sale permit	November 2019
Estimated completion date	July 2021
Attributable interest to our Group	60%
Construction status	Held for future development

For further information, please refer to Property No. 91 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

65. Fuzhou Pingtan 32 Mu (福州平潭32畝)

Fuzhou Pingtan 32 Mu is located in Fuzhou, Fujian. This project is offered under Wan series and occupies an aggregate site area of approximately 21,240.0 sq.m. It consists of residential properties, commercial properties, car parks and ancillary. The project is developed by PingtanLixin Properties Co., Ltd. (平潭立新地產有限公司). We acquired this project from a third party in February 2019 and fully paid the land premium of RMB267.0 million. The relevant land use rights certificate was obtained in August 2019, and as of July 31, 2019, this project is held for future development.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	21,240.0
Planned GFA held for future development (in sq.m.) . .	74,195.1
Actual commencement date	September 2019
Estimated pre-sale commencement date or date of pre-sale permit	December 2019
Estimated completion date	March 2021
Total development costs (in RMB million)	576.6
Attributable interest to our Group	48%
Construction status	Held for future development

For further information, please refer to Property No. 97 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

66. Fuzhou Pingtan 73 Mu (福州平潭73畝)

Fuzhou Pingtan 73 Mu is located in Fuzhou, Fujian. This project is offered under Wan series and occupies an aggregate site area of approximately 48,618.4 sq.m. It consists of residential properties, commercial properties, car parks and ancillary. The project is developed by Pingtan Luxin Properties Co., Ltd. (平潭魯新地產有限公司). We acquired this project from a third party in August 2018 and fully paid the land premium of RMB814.7 million. The relevant land use rights certificate was obtained in October 2018, and as of July 31, 2019, this project is held for future development.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	48,618.4
Planned GFA held for future development (in sq.m.) . .	182,456.2
Actual commencement date	September 2019
Estimated pre-sale commencement date or date of pre-sale permit	November 2019
Estimated completion date	December 2021
Total development costs (in RMB million)	1,555.6
Attributable interest to our Group	48%
Construction status	Held for future development

For further information, please refer to Property No. 92 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

67. Hefei Yaohai 49.6 Mu (合肥瑶海49.6畝)

Hefei Yaohai 49.6 Mu is located in Hefei, Anhui. This project is offered under Wan series and occupies an aggregate site area of approximately 33,052.6 sq.m. It consists of residential properties, car parks and ancillary. The project is developed by Hefei Liyao Real Estate Development Co., Ltd. (合肥力耀房地產開發有限公司). We entered into the relevant land grant contract in May 2019 and fully paid the land premium of RMB540.4 million. The relevant land use rights certificate was obtained in July 2019, and as of July 31, 2019, this project is held for future development.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	33,052.6
Planned GFA held for future development (in sq.m.) . .	84,888.1
Actual commencement date	August 2019
Actual pre-sale commencement date or date of pre-sale permit	September 2019
Estimated completion date	December 2021
Total development costs (in RMB million)	957.7
Attributable interest to our Group	100%
Construction status	Held for future development

For further information, please refer to Property No. 93 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

68. Hefei Xinzhan 102 Mu (合肥新站102畝)

Hefei Xinzhan 102 Mu is located in Hefei, Anhui. This project is offered under Wan series and occupies an aggregate site area of approximately 68,460.7 sq.m. It consists of residential properties, car parks and ancillary. The project is developed by Anhui Lihong Real Estate Development Co., Ltd. (安徽力弘房地產開發有限公司). We entered into the relevant land grant contract in May 2019 and fully paid the land premium of RMB1,073.1 million. The relevant land use rights certificate was obtained in July 2019, and as of July 31, 2019, this project is held for future development.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	68,460.7
Planned GFA held for future development (in sq.m.) . .	177,819.5
Actual commencement date	August 2019
Actual pre-sale commencement date or date of pre-sale permit	September 2019
Estimated completion date	December 2021
Total development costs (in RMB million)	1,939.0
Attributable interest to our Group	70%
Construction status	Held for future development

For further information, please refer to Property No. 94 of the Property Valuation Report in Appendix III to this prospectus.

BUSINESS

Property projects developed by our joint ventures and associates

Jiangxi Province

Nanchang

69. Nanchang Qingyun Fu (南昌青雲府)

Nanchang Qingyun Fu is located in Nanchang, Jiangxi. This project is offered under Wan series. The project occupies an aggregate site area of approximately 53,975.4 sq.m. and consists of residential properties, commercial properties, office buildings, ancillary and car parks. As of July 31, 2019, the property was still under construction. The project is developed by Nanchang Shengdu Real Estate Co., Ltd. (南昌盛都置業有限公司). We entered into the relevant land grant contract for a consideration of RMB613.7 million. We obtained the relevant land use rights certificate in February 2018.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	53,975.4
Total saleable/rentable GFA to be completed (in sq.m.)	134,236.1
Total saleable GFA pre-sold (in sq.m.)	65,329.2
Actual commencement date	May 2018
Actual date of pre-sale commencement or pre-sale permit	July 2018
Estimated completion date	October 2020
Development costs incurred as of April 30, 2019 (in RMB million)	974.9
Total development costs (in RMB million)	1,616.8
Attributable interest to our Group	18%
Construction status	Under development

BUSINESS

70. Nanchang Zhen Yuan (南昌臻園)

Nanchang Zhen Yuan is located in Nanchang, Jiangxi. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 116,665.5 sq.m. and consists of residential properties, commercial properties, office buildings, serviced apartment, car parks and ancillary. As of July 31, 2019, the property was still under construction and some of the residential units of the property has been pre-sold. The project is developed by Nanchang Jiangyue Real Estate Development Co., Ltd. (南昌江越房地產開發有限公司). We entered into the relevant land grant contract for a consideration of RMB1,806.0 million. We obtained the relevant land use rights certificate in November 2018.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	116,665.5
Total saleable/rentable GFA to be completed (in sq.m.)	404,012.0
Total saleable GFA pre-sold (in sq.m.)	107,211.9
Actual commencement date	December 2018
Actual date of pre-sale commencement or pre-sale permit	February 2019
Estimated completion date	December 2021
Development costs incurred as of April 30, 2019 (in RMB million)	2,174.2
Total development costs (in RMB million)	4,858.2
Attributable interest to our Group	50%
Construction status	Under development

BUSINESS

71. Nanchang Xianghu Wan (南昌象湖灣)

Nanchang Xianghu Wan is located in Nanchang, Jiangxi. This project is offered under Wan series. The project includes two phases and occupies an aggregate site area of approximately 82,770.0 sq.m. The project consists of residential properties, commercial properties, ancillary, serviced apartment and car parks. As of July 31, 2019, the project has been completed. The project is developed by Nanchang Lizhou. We entered into the relevant land grant contract for a consideration of RMB248.3 million. We obtained the relevant land use rights certificate in November 2015.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Phase I

Project Type	Residential
Site area (in sq.m.)	82,770.0
Total GFA completed (in sq.m.)	146,183.5
Total saleable GFA completed (in sq.m.)	144,902.3
Total saleable GFA unsold (in sq.m.)	747.2
Actual commencement date	December 2015
Actual pre-sale commencement date or date of pre-sale permit	December 2015
Actual completion date	May 2017
Attributable interest to our Group	20%
Construction status	Completed

Phase II

Project Type	Residential/Commercial
Total GFA completed (in sq.m.)	33,081.5
Total saleable GFA completed (in sq.m.)	31,553.8
Total saleable GFA unsold (in sq.m.)	98.1
Total saleable GFA to be completed (in sq.m.)	24,124.8
Planned GFA held for future development (in sq.m.)	26,275.5
Actual commencement date	December 2015
Actual date of pre-sale commencement or pre-sale permit	November 2016
Estimated completion date	September 2021
Attributable interest to our Group	20%
Construction status	Under development

BUSINESS

72. Nanchang Yuelong Fu (南昌悦隴府)

Nanchang Yuelong Fu is located in Nanchang, Jiangxi. The project occupies an aggregate site area of approximately 36,587.0 sq.m. and consists of residential properties, commercial properties, ancillary and car parks. As of July 31, 2019, the property was still under construction. The project is developed by Nanchang Junyue Real Estate Investment Co., Ltd. (南昌駿越房地產開發有限公司). We entered into the relevant land grant contract for a consideration of RMB375.9 million. We obtained the relevant land use rights certificate in September 2018.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	36,587.0
Total saleable/rentable GFA to be completed (in sq.m.)	77,934.4
Total saleable GFA pre-sold (in sq.m.)	77,933.5
Actual commencement date	September 2018
Actual date of pre-sale commencement or pre-sale permit	September 2018
Estimated completion date	July 2020
Development costs incurred as of April 30, 2019 (in RMB million)	546.6
Total development costs (in RMB million)	775.2
Attributable interest to our Group	25%
Construction status	Under development

BUSINESS

73. Nanchang Waitan No. 9 (南昌外灘9號)



Nanchang Waitan No. 9 is located in Nanchang, Jiangxi. The project occupies an aggregate site area of approximately 31,018.0 sq.m. and consists of hotels, commercial properties, office buildings, car parks and ancillary. As of July 31, 2019, the property has been completed. The project is developed by Nanchang Weiting Real Estate Co., Ltd. (南昌市威汀置業有限公司). We entered into the relevant land grant contract for a consideration of RMB161.0 million. We obtained the relevant land use rights certificate in October 2013.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	31,018.0
Total GFA completed (in sq.m.)	132,337.4
Total saleable GFA completed (in sq.m.)	46,776.2
Total saleable GFA unsold (in sq.m.)	4,709.5
Actual commencement date	April 2016
Actual date of pre-sale commencement or pre-sale permit	July 2016
Actual completion date	May 2019
Development costs incurred as of April 30, 2019 (in RMB million)	924.6
Total development costs (in RMB million)	1,400.0
Attributable interest to our Group	50%
Construction status	Completed

BUSINESS

74. Nanchang Yi Yuan (南昌怡園)

Nanchang Yi Yuan is located in Nanchang, Jiangxi. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 34,386.0 sq.m. and consists of residential properties, commercial properties, car parks and ancillary. As of July 31, 2019, the property was still under construction. The car parks will be held for rent. The project is developed by Jiangxi Baixing Real Estate Investment Co., Ltd. (江西百興房地產投資有限公司). We entered into the relevant land grant contract for a consideration of RMB379.0 million. We obtained the relevant land use rights certificate in October 2016.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	34,386.0
Total GFA completed (in sq.m.)	104,337.2
Total saleable GFA completed (in sq.m.)	103,488.2
Total saleable GFA unsold (in sq.m.)	4,455.3
Actual commencement date	November 2016
Actual date of pre-sale commencement or pre-sale permit	December 2016
Actual completion date	December 2018
Development costs incurred as of April 30, 2019 (in RMB million)	896.9
Total development costs (in RMB million)	1,139.0
Attributable interest to our Group	60%
Construction status	Completed

BUSINESS

75. Nanchang Hongyang Fu (南昌弘陽府)

Nanchang Hongyang Fu located in Nanchang, Jiangxi. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 43,409.6 sq.m. It consists of residential properties, commercial properties, ancillary and car parks. As of July 31, 2019, the property was under development. The project is developed by Jiangxi Xinyue Honglan Real Estate Development Co., Ltd. (江西新越弘嵐房地產開發有限公司). We entered into the relevant land grant contract for a consideration of RMB994.2 million. We obtained the relevant land use rights certificate in April 2019.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	43,409.6
Total saleable/rentable GFA to be completed (in sq.m.)	94,779.5
Total saleable GFA pre-sold (in sq.m.)	19,881.6
Actual commencement date	April 2019
Actual date of pre-sale commencement or pre-sale permit	June 2019
Estimated completion date	April 2021
Development costs incurred as of April 30, 2019 (in RMB million)	696.5
Total development costs (in RMB million)	1,864.8
Attributable interest to our Group	51%
Construction status	Under development

BUSINESS

76. Nanchang Jinyao Fu (南昌錦瑤府)

Nanchang Jinyao Fu located in Nanchang, Jiangxi. This project is offered under Wan series. The project occupies an aggregate site area of approximately 139,473.0 sq.m. It consists of residential properties, commercial properties, ancillary and car parks. As of July 31, 2019, the property was under development. The project is developed by Jiangxi Cheyue Real Estate Development Co., Ltd. (江西澈越房地產開發有限公司). We entered into the relevant land grant contract for a consideration of RMB1,351.5 million. We obtained the relevant land use rights certificate in April 2019.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	139,473.0
Total saleable/rentable GFA to be completed (in sq.m.)	254,216.5
Total saleable GFA pre-sold (in sq.m.)	9,400.6
Actual commencement date	May 2019
Actual date of pre-sale commencement or pre-sale permit	June 2019
Estimated completion date	January 2022
Development costs incurred as of April 30, 2019 (in RMB million)	1,484.2
Total development costs (in RMB million)	2,775.4
Attributable interest to our Group	60%
Construction status	Under development

BUSINESS

77. Nanchang Gongyuan Tianxia (南昌公園天下)

Nanchang Gongyuan Tianxia located in Nanchang, Jiangxi. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 89,966.5 sq.m. It consists of residential properties, commercial properties, ancillary and car parks. As of July 31, 2019, the property was under development. The project is developed by Nanchang Dimei Real Estate Development Co., Ltd. (南昌市地美房地產開發有限公司). We entered into the relevant land grant contract for a consideration of RMB1,415.6 million. We obtained the relevant land use rights certificate in February 2019.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	89,966.5
Total saleable/rentable GFA to be completed (in sq.m.)	218,155.0
Total saleable GFA pre-sold (in sq.m.)	8,653.6
Actual commencement date	March 2019
Actual date of pre-sale commencement or pre-sale permit	June 2019
Estimated completion date	December 2021
Development costs incurred as of April 30, 2019 (in RMB million)	1,547.8
Total development costs (in RMB million)	2,607.4
Attributable interest to our Group	40%
Construction status	Under development

BUSINESS

78. Nanchang He Yuan (南昌合園)

Nanchang He Yuan located in Nanchang, Jiangxi. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 90,419.7 sq.m. It consists of residential properties, commercial properties, ancillary and car parks. As of July 31, 2019, the property was still under construction. The project is developed by Nanchang Jianmei Real Estate Development Co., Ltd. (南昌建美房地產有限公司). We entered into the relevant land grant contract for a consideration of RMB728.3 million. We obtained the relevant land use rights certificate in April 2017.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	90,419.7
Total GFA completed (in sq.m.)	71,027.1
Total saleable GFA completed (in sq.m.)	60,309.8
Total saleable GFA unsold (in sq.m.)	271.7
Total saleable/rentable GFA to be completed (in sq.m.)	114,708.2
Total saleable GFA pre-sold (in sq.m.)	107,369.9
Actual commencement date	September 2017
Actual date of pre-sale commencement or pre-sale permit	September 2017
Estimated completion date	November 2019
Development costs incurred as of April 30, 2019 (in RMB million)	1,410.8
Total development costs (in RMB million)	1,869.2
Attributable interest to our Group	19%
Construction status	Under development

BUSINESS

79. Nanchang Tang Yue (南昌樞悦)

Nanchang Tang Yue located in Nanchang, Jiangxi. This project is offered under Yue series. The project occupies an aggregate site area of approximately 32,480.0 sq.m. It consists of residential properties, commercial properties, car parks and ancillary. As of July 31, 2019, the property was held for future development. The project is developed by Jiangxi Dongyi Property Co., Ltd. (江西東屹置業有限公司). We entered into the relevant land grant contract for a consideration of RMB675.3 million. We obtained the relevant land use rights certificate in January 2019.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	32,480.0
Total saleable/rentable GFA to be completed (in sq.m.)	83,320.4
Total saleable GFA pre-sold (in sq.m.)	—
Actual commencement date	July 2019
Actual pre-sale commencement date or date of pre-sale permit	September 2019
Estimated completion date	December 2021
Development costs incurred as of April 30, 2019 (in RMB million)	675.3
Total development costs (in RMB million)	1,432.5
Attributable interest to our Group	50%
Construction status	Under development

BUSINESS

80. Nanchang Jiulong Lake 144 Mu (南昌九龍湖144畝)

Nanchang Jiulong Lake 144 Mu located in Nanchang, Jiangxi. The project occupies an aggregate site area of approximately 96,124.7 sq.m. It consists of residential properties, commercial properties and car parks. The project is developed by Nanchang Hezhan Real Estate Co., Ltd. (南昌和展置業有限公司). We entered into the relevant land grant contract in March 2019 and had obtained the land use rights certificate in April 2019. The land premium is RMB605.6 million and as of July 31, 2019 this property was held for future development.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential</u>
Site area (in sq.m.)	96,124.7
Planned GFA held for future development (in sq.m.) . .	257,203.4
Actual commencement date	August 2019
Actual pre-sale commencement date or date of pre-sale permit	September 2019
Estimated completion date	December 2021
Development costs incurred as of April 30, 2019 (in RMB million)	605.6
Total development costs (in RMB million)	1,555.9
Attributable interest to our Group	50%
Construction status	Held for future development

BUSINESS

Fuzhou

81. Fuzhou Yujing Wan (撫州愉景灣)

Fuzhou Yujing Wan is located in Fuzhou, Jiangxi. This project is offered under Wan series. The project occupies an aggregate site area of approximately 53,888.2 sq.m. and consists of residential properties, commercial properties, car parks and ancillary. As of July 31, 2019, the property was still under construction. The car parks will be held for rent. The project is developed by Jiangxi Jinyue Real Estate Development Co., Ltd. (江西金越房地產開發有限公司). We entered into the relevant land grant contract for a consideration of RMB408.2 million. We obtained the relevant land use rights certificate in January 2019.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	53,888.2
Total saleable/rentable GFA to be completed (in sq.m.)	91,288.6
Total saleable GFA pre-sold (in sq.m.)	65,572.7
Actual commencement date	January 2019
Actual date of pre-sale commencement or pre-sale permit	January 2019
Estimated completion date	November 2020
Development costs incurred as of April 30, 2019 (in RMB million)	499.1
Total development costs (in RMB million)	949.2
Attributable interest to our Group	66%
Construction status	Under development

BUSINESS

Shangrao

82. Shangrao Dibo Wan (上饒帝泊灣)

Shangrao Dibo Wan is located in Shangrao, Jiangxi. This project is offered under Wan series. The project occupies an aggregate site area of approximately 82,855.2 sq.m. and consists of residential properties, commercial properties, car parks and ancillary. As of July 31, 2019, the property was still under construction. The car parks will be held for rent. The project is developed by Shangrao Meiyue Real Estate Development Co., Ltd. (上饒市美越房地產開發有限公司). We entered into the relevant land grant contract for a consideration of RMB326.0 million. We obtained the relevant land use rights certificate in August 2018.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	82,855.2
Total saleable/rentable GFA to be completed (in sq.m.)	146,385.4
Total saleable GFA pre-sold (in sq.m.)	64,594.5
Actual commencement date	September 2018
Actual date of pre-sale commencement or pre-sale permit	November 2018
Estimated completion date	July 2020
Development costs incurred as of April 30, 2019 (in RMB million)	479.2
Total development costs (in RMB million)	1,089.0
Attributable interest to our Group	33%
Construction status	Under development

BUSINESS

De'an

83. De'an Dibo Wan (德安帝泊灣)

De'an Dibo Wan located in De'an, Jiangxi. This project is offered under Wan series. The project occupies an aggregate site area of approximately 59,932.5 sq.m. It consists of residential properties, commercial properties, ancillary and car parks. As of July 31, 2019, the property was still under construction, and some of the residential properties have been pre-sold. The project is developed by De'an Zhongbang Property Co., Ltd. (德安眾邦置業有限公司). We entered into the relevant land grant contract and had fully paid the total land premium of RMB172.6 million. We obtained the relevant land use rights certificate in November 2018.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	59,932.5
Total saleable/rentable GFA to be completed (in sq.m.)	143,472.9
Total saleable GFA pre-sold (in sq.m.)	39,432.1
Actual commencement date	August 2018
Actual date of pre-sale commencement or pre-sale permit	October 2018
Estimated completion date	June 2020
Development costs incurred as of April 30, 2019 (in RMB million)	274.0
Total development costs (in RMB million)	733.8
Attributable interest to our Group	50%
Construction status	Under development

BUSINESS

Yangtze River Delta Region

84. Shanghai Jiading Anting (上海嘉定安亭)

Shanghai Jiading Anting is located in Shanghai. This project is offered under Yuan series and occupies an aggregate site area of approximately 60,512.0 sq.m. It consists of residential properties, car parks and ancillary. The project is developed by Shanghai Lianyou Properties Co., Ltd. (上海聯友置業有限公司). We acquired this project from a third party in January 2019 and fully paid the land premium of RMB1,688.3 million. The relevant land use rights certificate was obtained in June 2019, and as of July 31, 2019, this project is under development.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	60,512.0
Total saleable/rentable GFA to be completed (in sq.m.)	154,092.4
Actual commencement date	July 2019
Estimated pre-sale commencement date or date of pre-sale permit	June 2020
Estimated completion date	December 2022
Total development costs (in RMB million)	2,597.5
Attributable interest to our Group.	49%
Construction status	Under development

BUSINESS

Nanjing

85. Nanjing Jiangning 110 Mu (南京江寧區110畝)

Nanjing Jiangning 110 Mu is located in Nanjing, Jiangsu. The project occupies an aggregate site area of approximately 73,538.4 sq.m. It consists of residential properties, commercial properties, car parks and ancillary. The project is developed by Nanjing Jinmingxin Real Estate Development Co., Ltd. (南京金銘新房地產開發有限公司). We entered into the relevant land grant contract for a consideration of RMB1,900.0 million. We obtained the relevant land use rights certificate in April 2019.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Project type	Residential
Site area (in sq.m.)	73,538.4
Total saleable/rentable GFA to be completed (in sq.m.)	48,933.4
Planned GFA held for future development (in sq.m.)	155,332.8
Actual commencement date	May 2019
Actual pre-sale commencement date or date of pre-sale permit	August 2019
Estimated completion date	September 2021
Development costs incurred as of April 30, 2019 (in RMB million)	950.0
Total development costs (in RMB million)	3,467.7
Attributable interest to our Group	34%
Construction status	Under development

BUSINESS

Suzhou

86. Suzhou Xiangcheng 71 Mu (蘇州相城區71畝)

Suzhou Xiangcheng 71 Mu is located in Suzhou, Jiangsu. The project occupies an aggregate site area of approximately 47,434.0 sq.m. It consists of residential properties and car parks. The project is developed by Suzhou Liangheng Properties Co., Ltd. (蘇州市梁恒置業有限公司). We entered into the relevant land grant contract for a consideration of RMB1,390.9 million and obtained the land use rights certificate in May 2019. As of July 31, 2019, this property is held for future development.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Project type	Residential
Site area (in sq.m.)	47,434.0
Total saleable/rentable GFA to be completed (in sq.m.)	43,110.7
Planned GFA held for future development (in sq.m.)	60,955.0
Actual commencement date	July 2019
Estimated pre-sale commencement date or date of pre-sale permit	December 2019
Estimated completion date	May 2021
Development costs incurred as of April 30, 2019 (in RMB million)	1,390.9
Total development costs (in RMB million)	2,148.8
Attributable interest to our Group	50%
Construction status	Under development

BUSINESS

Wuxi

87. Wuxi Binhu 219 Mu (無錫濱湖區219畝)

Wuxi Binhu 219 Mu is located in Wuxi, Jiangsu. The project occupies an aggregate site area of approximately 146,285.1 sq.m. It consists of residential properties, commercial properties, car parks and ancillary. The project is developed by Wuxi Xinkun Langxu Real Estate Development Co., Ltd. (無錫新坤朗叙房地產開發有限公司). We entered into the relevant land grant contract in January 2019 and obtained the land use rights certificate in May 2019. The land premium is RMB1,662.6 million and as of July 31, 2019, this project is held for future development.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project type</u>	<u>Residential</u>
Site area (in sq.m.)	146,285.1
Total saleable/rentable GFA to be completed (in sq.m.)	46,104.0
Planned GFA held for future development (in sq.m.) . .	148,810.9
Actual commencement date	June 2019
Actual pre-sale commencement date or date of pre-sale permit	August 2019
Estimated completion date	June 2022
Development costs incurred as of April 30, 2019 (in RMB million)	831.3
Total development costs (in RMB million)	3,232.2
Attributable interest to our Group	55%
Construction status	Under development

BUSINESS

Greater Bay Region

Guangzhou

88. Qingyuan Long Wan (清遠龍灣)

Qingyuan Long Wan is located in Qingyuan, Guangdong. This project is offered under Wan series. The project occupies an aggregate site area of approximately 24,866.5 sq.m. and consists of residential properties, commercial properties, ancillary and car parks. As of July 31, 2019, this project was still under construction. The project is developed by Qingyuan Tianhe Real Estate Co., Ltd. (清遠天河房地產有限公司). We entered into the relevant land grant contract for a consideration of RMB315.4 million. We obtained the relevant land use rights certificate in January 2016.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

Project type	Residential/Commercial
Site area (in sq.m.)	24,866.5
Total saleable/rentable GFA to be completed (in sq.m.)	110,253.6
Total saleable GFA pre-sold (in sq.m.)	6,995.1
Actual commencement date	December 2018
Actual date of pre-sale commencement or pre-sale permit	April 2019
Estimated completion date	October 2020
Development costs incurred as of April 30, 2019 (in RMB million)	405.4
Total development costs (in RMB million)	1,066.8
Attributable interest to our Group	32%
Construction status	Under development

BUSINESS

Zhongshan

89. Zhongshan Dibo Wan (中山帝泊灣)

Zhongshan Dibo Wan is located in Zhongshan, Guangzhou. This project is offered under Wan series. The project occupies an aggregate site area of approximately 21,182.9 sq.m. and consists of residential properties, commercial properties, ancillary and car parks. The project is developed by Zhongshan Shengying Real Estate Development Co., Ltd. (中山市昇盈房地產開發有限公司). We entered into the relevant land grant contract for a consideration of RMB34.4 million. We obtained the relevant land use rights certificate in May 2014.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	21,182.9
Planned GFA held for future development (in sq.m.)	70,147.3
Estimated commencement date	November 2019
Estimated pre-sale commencement date or date of pre-sale permit	December 2019
Estimated completion date	March 2022
Development costs incurred as of April 30, 2019 (in RMB million)	251.3
Total development costs (in RMB million)	633.5
Attributable interest to our Group	30%
Construction status	Held for future development

BUSINESS

90. Wuhan Sinic City (武漢新力城)

Wuhan Sinic City is located in Wuhan, Hubei. This project is offered under Yuan series. The project occupies an aggregate site area of approximately 135,941.2 sq.m. and consists of residential properties, commercial properties, car parks and ancillary. As of July 31, 2019, the project was still under construction. The project is developed by Wuhan Furui Decheng Real Estate Development Co., Ltd. (武漢福瑞德成房地產開發有限公司). We acquired this project from a third party for a consideration of RMB3,200 million. We obtained the relevant land use rights certificate in January 2018.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	135,941.2
Total saleable/rentable GFA to be completed (in sq.m.)	688,985.5
Total saleable GFA pre-sold (in sq.m.)	238,945.2
Actual commencement date	May 2018
Actual date of pre-sale commencement or pre-sale permit	August 2018
Estimated completion date	December 2021
Development costs incurred as of April 30, 2019 (in RMB million)	4,481.4
Total development costs (in RMB million)	6,478.5
Attributable interest to our Group	51%
Construction status	Under development

BUSINESS

91. Wuhan Ya Yuan (武漢雅園)

Wuhan Ya Yuan is located in Wuhan, Hubei. This project is offered under Yuan series and occupies an aggregate site area of approximately 38,151.3 sq.m. It consists of residential properties, commercial properties, car parks and ancillary. The project is developed by Wuhan Furui Decheng Real Estate Development Co., Ltd. (武漢福瑞德成房地產開發有限公司). We entered into the relevant land grant contract in July 2019 and fully paid the land premium of RMB472.8 million. The relevant land use rights certificate was obtained in July 2019, and as of July 31, 2019, this project is under development.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	38,151.3
Planned GFA held for future development (in sq.m.) . .	213,269.3
Estimated commencement date	November 2019
Estimated pre-sale commencement date or date of pre-sale permit	December 2019
Estimated completion date	October 2022
Development costs incurred as of April 30, 2019 (in RMB million)	400.0
Total development costs (in RMB million)	3,049.5
Attributable interest to our Group	51%
Construction status	Held for future development

BUSINESS

92. Chengdu Shuangliu 29.69 Mu (成都雙流29.69畝)

Chengdu Shuangliu 29.69 Mu is located in Chengdu, Sichuan. This project is offered under Yuan series and occupies an aggregate site area of approximately 19,793.6 sq.m. It consists of residential properties, car parks and ancillary. The project is developed by Chengdu Lishun Real Estate Development Co., Ltd. (成都力順房地產開發有限公司). We entered into the relevant land grant contract in June 2019 and fully paid the land premium of RMB403.9 million. The relevant land use rights certificate was obtained in August 2019, and as of July 31, 2019, this project is held for future development.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	19,793.6
Planned GFA held for future development (in sq.m.) . .	48,168.1
Estimated commencement date	November 2019
Estimated pre-sale commencement date or date of pre-sale permit	December 2019
Estimated completion date	December 2021
Development costs incurred as of April 30, 2019 (in RMB million)	—
Total development costs (in RMB million)	687.9
Attributable interest to our Group	33%
Construction status	Held for future development

BUSINESS

Changsha

93. Anxi Dibo Wan (安溪帝泊灣)

Anxi Dibo Wan located in Anxi, Fujian. This project is offered under Wan series. The project occupies an aggregate site area of approximately 49,081.7 sq.m. It consists of residential properties, commercial properties, ancillary and car parks. As of July 31, 2019, the property was held for future development. The project is developed by Fujian Anxi Lianchuang Real Estate Development Co., Ltd. (福建安溪聯創房地產開發有限公司). We acquired this project from a third party for a consideration of RMB233 million, and the land use rights certificate was obtained in June 2018.

Based on our internal records, details of the project as of July 31, 2019 were as follows:

<u>Project Type</u>	<u>Residential/Commercial</u>
Site area (in sq.m.)	49,081.7
Total saleable/rentable GFA to be completed (in sq.m.)	127,582.0
Total saleable GFA pre-sold (in sq.m.)	13,105.9
Actual commencement date	March 2019
Actual date of pre-sale commencement or pre-sale permit	June 2019
Estimated completion date	November 2020
Development costs incurred as of April 30, 2019 (in RMB million)	299.3
Total development costs (in RMB million)	994.5
Attributable interest to our Group	20%
Construction status	Under development

OUR PROPERTY DEVELOPMENT OPERATIONS

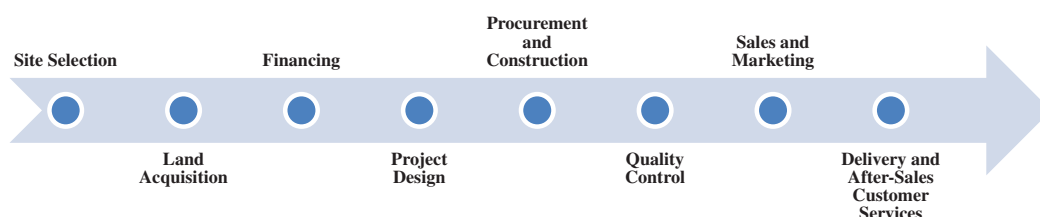
Property Development Management

We have established 15 functional departments at the Group level, namely, President's office, audit supervision center, strategic investment center, operations management center, product research and development center, financing management center, construction management center, cost management center, sales and marketing management center, client value center, human resources administration center, financial management center, brand management department, capital market department and legal affairs management center; and 13 city companies at the local level, to manage our property development operations.

Property Development Process

Our success in property development is attributable to our standardized operating procedures, which enable us to plan and execute preparation work within required time frame for each development stage after acquiring the land and improve our overall operating efficiency. Through the utilization of our standardized operating procedures, we have been able to complete our property projects within approximately 21 to 29 months on average from obtaining the construction works commencement permits to obtaining the completion certificates. We formulate and modify the procedures based on our operational experience and needs and sometimes on a case-by-case basis. Such procedures set out the guidelines for our employees in managing and developing our property projects, and provide detailed timing and evaluation targets and checklists for different types of projects developed in different cities.

The diagram below summarizes the major stages of our property development process:



Note:

- (1) The required time for each property development stage may vary among projects depending on the geographical location and the size of the projects. The sequence of specific planning and execution activities may also vary among projects due to the requirement of local laws and regulations.

Site Selection

In terms of site selection for our property projects, we focus on suitable locations in Jiangxi Province, the Yangtze River Delta Region, the Greater Bay Region, the Central and Western China Core Cities and Other Regions with High-Growth Potential.

BUSINESS

In selecting land parcels for acquisition, we primarily assess the land parcel through among others, studies of the economic and demographic conditions of the relevant district, city or province in which the land parcel is located assessment of the performance of the relevant property market and evaluation of the potential appreciation value of the land parcel. Our strategic investment center at the Group level is responsible for formulating our overall expansion strategies and plans, which include land acquisitions. Our selection process is generally led by our project company team, which is responsible for preparing an investment analysis report for internal teams' evaluation so the Group can make an informed decision about the investment opportunity. We devote a significant amount of management resources to the site selection process, which involves collaboration among and assessment by departments with different functions at different levels. Once an in-depth investment analysis report is available, strategic investment personnel at the Group level as well as personnel from different departments will participate in the evaluation and approval process to evaluate the investment opportunity. The results of such evaluation will then be submitted to general manager of core departments at the Group level to further review, and ultimately to our vice president and chairman of the Board for final approval.

We prudently carry out the site selection process in all projects with a strong focus on the quality and marketability. The factors we consider in assessing whether a site is suitable for development include, but are not limited to:

- the economic environment, population growth and development prospects;
- the relationship of volume and price of the local real estate market and the income level and purchase demand of target customers;
- basic fee standards for local taxes, design and cost;
- the central and local governments' industry policy and development strategies and relevant regulations;
- the economic environment and the physical and geological characteristics of the site, including historical features and natural landscape;
- any relevant ancillary facilities and other infrastructure in the areas surrounding the potential site, and transportation infrastructure; and
- the number and scale of potential competitors.

BUSINESS

Land Acquisition

During the Track Record Period, we obtained our land reserves primarily through the following methods:

- participation in public tender and listing-for-sale process;
- acquisition of equity interests in, or land parcels from, third parties which possess land parcels; and
- joint ventures with other property developers.

We select our land acquisition method based on prevailing market conditions and with the goal to control our land cost and manage related risks. A breakdown of our land reserves obtained as of July 31, 2019 by acquisition methods is set forth below:

	Year ended December 31,						Seven months ended	
	2016		2017		2018		July 31, 2019	
	Number of land parcels	Site area <i>(in sq.m.)</i>	Number of land parcels	Site area <i>(in sq.m.)</i>	Number of land parcels	Site area <i>(in sq.m.)</i>	Number of land parcels	Site area <i>(in sq.m.)</i>
Participation in public tender and listing-for-sale process	1	180,170.0	6	415,324.7	7	494,963.1	14	726,425.3
Acquisition of equity interest in, and land parcels from, third-parties	13	1,269,543.5	22	2,055,391.5	8	316,048.8	7	312,551.9
Joint ventures with other property developers . . .	—	—	1	90,419.7	4	326,947.3	5	387,112.5
Total	14	1,449,713.5	29	2,561,135.9	19	1,137,959.2	26	1,426,089.7

We employ standardized procedures with respect to our land acquisition work. For instance, we have established operating manuals that specify the detailed procedures and process to follow for each of the acquisition methods we choose to adopt. Guided by the procedures set out in our operating manuals, our project company teams, among others, prepare and complete required studies, analysis or application materials in accordance with specified timetable and detailed information requirements. Our standardized operating procedures provide an effective and consistent guidance on our project approval steps and help to ensure that we complete our internal evaluation process in an efficient manner.

BUSINESS

Under the current PRC laws and regulations, land use rights for the purpose of commercial use, industrial use, tourism, entertainment and commodity housing developments must be granted by the government through public tender, auction and listing-for-sale. For further details of the applicable PRC laws and regulations relating to land acquisition, see the section headed “Regulatory Overview — Regulations on Real Estate Transfer and Sale.” In conjunction with the acquisition of land use rights from the PRC government, real estate developers in the PRC are required to pay a land grant premium to the relevant government authority and apply for a land use rights certificate (if applicable, real estate right certificate) conferring land use rights. In general, upon the payment of the land grant premium to the relevant land authorities, land use rights are granted for a term of 70 years for residential properties, 40 years for commercial, tourism and recreation purposes and 50 years for industrial and other purposes. We have designed and implemented various internal measures to help ensure our obtaining of the relevant land use rights certificates. Where the land parcels are obtained through public land tenders, auction and listing-for-sale, we strictly follow the relevant local government procedures with respect to the signing of land grant contract and making payment in accordance with such contract. During the Track Record Period, none of our subsidiaries had experienced any material delays in making land premium payment pursuant to land grant contracts.

In addition to land acquisition through public tender, auction or listing-for-sale process, we acquire equity interests in, or land parcels from, companies that possess or have the rights to possess land use rights for certain land parcel. These methods allow us to obtain targeted land at competitive prices as it allows us to negotiate the terms and conditions directly with the targeted companies or the counter parties. Subsequent to the Track Record Period, for the purpose of expanding our business, we have acquired or entered into agreements to acquire the equity interest of certain companies. See “Waivers from Strict Compliance with the Requirements Under the Listing Rules — Equity Interests Acquired After the Track Record Period” for more details.

BUSINESS

The table below sets forth the land bank of the companies acquired (or to be acquired) by us subsequent to the Track Record Period and as of July 31, 2019.

No.	Company acquired (or to be acquired) by us	Percentage of equity interest acquired/ proposed to be acquired	Site area acquired (or to be acquired) upon completion <i>(sq.m.)</i>	Land bank attributable to us <i>(sq.m.)</i>
<i>Acquisition of business</i>				
1.	Shanghai Lianyou Properties Co., Ltd. (上海聯友置業有限公司) ⁽¹⁾	49%	60,511.8	29,650.8
2.	Haimen Shenghongxin Real Estate Development Co., Ltd. (海門市盛弘新房地產開發有限公司) ⁽¹⁾	33%	75,028.0	24,759.2
<i>Acquisitions of subsidiaries</i>				
3.	Pingtang Lixin Real Estate Co., Ltd. (平潭立新地產有限公司) ⁽²⁾	60%	21,240.0	21,240.0
4.	Pingtang Luxin Real Estate Co., Ltd. (平潭魯新地產有限公司) ⁽²⁾	60%	48,618.0	48,618.0

Notes:

- (1) Upon completion of the acquisition, the entity has become one of our joint ventures.
- (2) Upon completion of the acquisition, the entity has become one of our subsidiaries, and 100% of the equity interest of the entity has been attributed to us.

Where the land parcels are obtained through acquisition of equity of or directly from third-party project companies, we generally employ procedures from two aspects with efforts to ensure that we obtain the relevant land use rights: we conduct legal and financial due diligence with regard to the ownership of land use rights of the third-party property developer before entering into the acquisition agreement with such party; and we usually set forth certain terms in the acquisition agreement as safeguards to help ensure the transfer of the land use rights, which may include, but not limited to, certain payment criteria before we make relevant acquisition payments under the agreement and/or indemnification or other terms that set out the liabilities for either party to fulfil their respective obligations under the agreement such as the transfer of land use rights.

Financing

Based on our internal record and current plan and subject to changes resulting from changes of market condition and our adjustment of the development plan of the projects, we estimate the aggregate amount the future development cost of our property projects as of April 30, 2019 will be approximately RMB83.4 billion. We finance our projects primarily through internal cash flows including proceeds from the pre-sale of our properties, retained revenues, bank loans, trust financing, other borrowings and corporate bonds. Our financing management

BUSINESS

center is principally responsible for the financing of our property projects. We usually assess the required financing amount based on the financing purpose, the relevant property projects involved (if any) and the financing terms available to us. In selecting the financing method, we consider a number of factors, including but not limited to, financing amount and term, structure of the financing, financing terms such as interest rate, pledge or collateral required and related conditions and relevant risk management measures. In terms of process, financing plans are usually initiated by project companies and reported to responsible personnel at the Group level for approval. Once a financing plan is approved, the relevant project company carries out the required work to obtain the financing. As of April 30, 2019, our balance of bank loans and other borrowings and corporate bonds amounted to RMB26,469.4 million. On August 26 and October 9, 2019, we issued the Private Debt Financing in the aggregate principal amount of US\$169.9 million with an interest rate of 12.5%. See “Financial Information — Indebtedness — Private Debt Financing ” for more details. See the section headed “Financial Information — Indebtedness” in this prospectus for details of our financing and indebtedness. We utilize a number of project financing methods, which include proceeds from sales of its properties, bank loans, trust financing and other arrangements, and corporate bonds. Pre-sales and sales of properties form an integral source of our operating cash inflows. We generally use the proceeds from sales of properties to fund part of its development costs, make interest payments and repay debt obligations. According to the applicable PRC laws and regulations, certain criteria need to be met before we can commence pre-sales or sales activities for properties under development. Please refer to the disclosures under “Business — Our Property Development Operations — Sales and Marketing — Pre-sale” for more details on the relevant procedures.

Bank loans are a primary source of our external financing. As of December 31, 2016, 2017, 2018 and April 30, 2019, our bank loans balance amounted to approximately RMB1,445.0 million, RMB6,073.6 million, RMB9,072.2 million and RMB11,022.5 million, respectively. Our ability to obtain bank loans depends on a variety of factors, including but not limited to, general economic conditions, economic policies or measures adopted by the governmental authorities, bank’s internal requirements or guidelines, and our borrowing or banking records with the bank.

In addition to bank loans, we have also entered into financing arrangements with trust companies, asset management companies and other financial institutions and factoring arrangements in our ordinary course of business to finance our project property development. Compared with bank loans, these financing arrangements may offer greater flexibility in certain cases in terms of cash availability and repayment requirements. As of December 31, 2016, 2017, 2018 and April 30, 2019, we had such financings in the amount of approximately RMB4,992.5 million, RMB10,602.1 million, RMB12,438.5 million and RMB14,423.1 million, respectively.

BUSINESS

We also issued two private corporate bonds in 2018 and one private corporate bonds in 2019. We issued offshore private bonds in August and October 2019. See “Financial Information — Indebtedness — Corporate Bonds” and “Financial Information — Indebtedness — Private Debt Financing ” for more details. The issuance of corporate bonds and offshore private notes enabled us to diversify funding channels for our property development projects and extend our debt maturity profile.

PBOC and CBRC have issued respective guidelines in relation to granting loans to real estate developers. See the section headed “Regulatory Overview — Regulations on Real Estate Financing” in this prospectus for more details.

Project Design

As of April 30, 2019, we had 194 employees in our product development and design team at the Group and city levels. Our product research and development center at the Group level is primarily responsible for the product research and development of our property projects and standardized design work of our products and technical specifications. In addition, our product research and development team also monitors the implementation of our property projects through our standardized management process. We have developed a comprehensive standardization system with respect to the design of our residential products, which covers management from three aspects namely management standards, product standards and technical standards. From the management standard perspective, it includes the Group authorization manual as well as the management policies, specifications, and relevant management and control appendages of the product research and development center. We established our current management standardization documents in 2014 and refined them from time to time in order to satisfy our management and control requirements on our projects. With respect to the product standard, we have developed standardized manuals for our Wan series and Yuan series, which have a wide coverage of professional product modules including house type database, façade database, display area module database, scene module database, interior and landscaping. Our technical standard includes standardized specifications for our properties, such as professional design standard, structure and construction method, and component parts.

Our product research and development team at the relevant project companies is primarily responsible for the more detailed execution and modification of designs, including verifications of field construction, ensuring that problems encountered with proposed design during the construction are resolved in a timely manner.

In order to offer distinctive and quality designs, our product research and development teams work closely with domestic architecture and design firms, such as Shanghai Xinwaijian Construction Design and Consultancy Company Limited (上海新外建工程設計與顧問有限公司), Yijing (Shanghai) Construction Design Company Limited (意境(上海)建築設計有限公司), and Daiwen Construction Design (Shanghai) Company Limited (戴文工程設計(上海)有限公司).

BUSINESS

We have received a number of awards relating to the designs of our property projects, including:

- 2018 China Real Estate Fengshang Prize for our Huizhou Sinic City for Annual Investment Value from Boao Real Estate Forum (博鰲房地產論壇);
- 2017 Asia International Human Habitat Model Gold Prize for our Nanchang Amber Yuan from China Real Estate Industry Research Institution (中國房地產業研究會), China Science of Human Settlements (中國人居環境研究中心), China Real Estate Industry Association (中國房地產業聯合會) and China Market Brand Appraisal Center (中國市場品牌測評中心);
- 2015 Jiangxi Real Estate Annual Prize for our Nanchang Dibo Wan from Jiangxi Real Estate Association (江西省房地產協會);
- 2015 Best Office Building Award for our Nanchang Sinic Center from National Real Estate Commercial Association (全國房地產商會聯盟) and Jiangxi Real Estate Association (江西省房地產協會); and
- 2013 National Scenic Garden Construction Project Silver Prize for our Nanchang Dibo Wan from China Garden Network (中國園林網).

Construction and Procurement

Appointment of third-party construction contractors

We outsource all of the construction work of our property development projects to qualified construction contractors.

We usually engage a general contractor for the major construction of a project, including main structure construction, equipment installation and engineering work. We also engage specialized contractors in specific areas, such as landscaping and road construction. The contractors of our property developments are typically selected through an invite-only tender process. The tender process is managed by our cost management center at the Group level and cost control teams of respective city company, in accordance with our relevant procurement system. We conduct a number of due diligence procedures and only invite the contractors which have passed our due diligence checks to participate our tender. Our due diligence procedures include credential checks, on-site reviews, verification of relevant documentation such as construction and site management documents and review of a contractor's previous performance on similar projects. For certain specific projects, we hold interviews with core members of contractors and conduct in-depth review of their previous work experiences. We formulate and implement operating rules such as rules on purchase management system and cost control management system for our bidding process, and adopt a number of measures in our evaluation process, such as benchmarking the bid price against the prevailing market price, to help ensure that we achieve a reasonable price for our contracted work. In addition, we

BUSINESS

establish and maintain an information system on the contractors that we work with and regularly update the information regarding their services, such as their industry reputation, professional qualifications, track record with us and prices, and use such information in our assessment of the contractors for our potential assignments.

We identify and establish long-term strategic relationship with certain quality general contractors who can meet our quality, time and cost management requirements, and are familiar with our business model and corporate culture, so that we are able to better control development costs, improve operating efficiency and enhance the implementation of our standardized procedures. During the Track Record Period, we had engaged and maintained stable business relationships with a number of general construction contractors and specialized sub-contractors. Some of the strategic general contractors we worked with have an established relationship with us for an approximately five to six years, and the subcontractors we worked with during the Track Record Period are Independent Third Parties.

General contractors and sub-contractors generally enter into a construction agreement with us based on a standard template provided by the relevant government authority. In general, the agreement is tailored in accordance with the specific requirements and needs of the contracted work of each project. Pursuant to such agreements, the general contractors and sub-contractors are obligated to undertake the entire construction work in strict compliance with the laws and regulations as well as our design specifications and time schedules. Under the typical agreements with our contractors, we make payments to contractors in stages according to progress of construction works. We do not make advance payments. The percentage of each stage payment varies from project to project according to the terms stipulated in the relevant contract. In general, we pay approximately 95% of the total contract price at settlement and after the completion of the project, while holding back the remaining approximately 5% of the total contract price for quality warranties purpose. The contractors are generally required to provide us with a warranty period typically ranging from two to five years, for any losses we may incur as a result of not being able to meet contractually specified quality standards. The unused portion of the retention fee will be returned to the contractors after the warranty period. However, we will also be able to reclaim the differences from the contractors to cover any losses that we may incur that is greater than the retained retention fee, even after certain retention fee has been remitted. During the Track Record Period, we had not experienced any incidents where we had to reclaim any differences between losses incurred by us and the retained retention fee from our contractors. In addition, under circumstances where the construction schedules are delayed for more than the period of time as stipulated in the agreements, we are entitled to a pre-determined amount as a penalty payment and, in some cases, we will have the right to terminate the agreements. During the Track Record Period, we were not involved in any dispute with our contractors, nor were there any cases of material personal injury or death involving our contractors, that had a material adverse effect on our business.

Procurement

Our procurement activities fall into two categories: construction materials and equipment. Our construction contractors are generally responsible for procuring raw materials, notably steel and concrete. We are responsible for procuring certain building materials and equipment, such as doors, windows, kitchen appliances, directly from third-party suppliers through an invite-only tender process. For most of our projects, we generally invite bids from a list of qualified suppliers from our database to ensure quality. Our database collects information as to such suppliers, including quality of materials, pricing, reputation and track record of working with us, and is regularly updated by us.

To evaluate the bids, we consider a number of factors and standards from our operating rules on procurement management. Such factors include, among others, product and service quality, satisfaction of our product standard and technical standard suitability of the supplier to our potential property development project, brand and prices (as compared against the prevailing market standard and historical prices).

In addition, once a supplier is selected, we conduct follow-up and on-site visits with the supplier and even conduct limited supervision of production in some cases to ensure quality. We internally prepare evaluation reports as to how a supplier fulfills its contractual obligations and the reports are recorded into our database on the supplier for future use.

Most building construction materials, such as steel and cement, are procured by contractors we engage, although we typically designate the brands and quality requirements of these construction materials as part of our construction agreements. As a result, we will bear the risks or enjoy the benefits associated with such price increases or decreases outside this range. During the Track Record Period, fluctuations in the construction raw materials did not exceed the relevant materiality threshold in the relevant agreements we had with our construction contractors. Nonetheless, as we typically pre-sell our properties prior to their completion, we will not be able to pass the increased costs on to our customers if construction costs increase subsequent to the pre-sale. See the section headed “Risk Factors — Risks Relating to Our Business — We may experience fluctuations in our construction costs.”

Our construction materials are primarily purchased from suppliers in the PRC. Our cost management center and construction management center at our Group level and individual construction management teams at our project companies at the city level oversee the quality of each project development, conduct on-site inspection and pre-examine the construction materials before they are used in our property projects. For certain specialized building materials and equipment we procure on our own, we generally do not maintain construction materials inventory, but order these materials and equipment only on an as-needed basis. During the Track Record Period, we did not experience any shortage or delay in the supply of construction materials and equipment that had a material adverse effect on our business operation.

Quality Control

We place significant emphasis on quality control in the management of our property projects. As of April 30, 2019, we had 730 employees in our Group responsible for construction management and quality control of our property projects.

Quality control begins with the selection of quality construction contractors and suppliers, and we have already established detailed protocols to ensure that the performance of the constructions and quality of materials are up to our standards. See “— Our Property Development Operations — Construction and Procurement” above for more details. We also perform due diligence and reviews in the selection of other service providers, such as external architectural and design firms, to help ensure the quality of services to us.

We have established a comprehensive set of standardized technical and quality control guidelines and/or operating rules that provide detailed requirements as to quality standards and specifications for all major aspects of our construction processes. We have nearly 30 technical and quality control guidelines and/or operating rules in total which cover areas such as procurement management, construction and property management and before-delivery check management. To implement these guidelines and operating rules, we conduct periodic assessment of our service providers and inspections of products and materials, as well as risk assessments on each project. In 2018, we were awarded the China Real Estate Gold Brick Award — 2018 Quality Property Comprehensive Award on Bo’Ao • 21st Century Real Estate Forum held by 21st Century Business Herald for the overall quality control management of our projects.

Our Directors confirm that, during the Track Record Period, there were no non-compliance incidents relating to safety or accidents during the construction of our property projects that resulted in material injuries or fatalities of the construction workers. Our Directors further confirm that there was no material violation of currently applicable PRC labor and safety regulations nor were there any material employee safety issues involving our Group. During the Track Record Period, no fines or penalties for non-compliance of the PRC labor and safety laws and regulations were imposed on us.

Sales and Marketing*Sales and marketing plan*

We formulate and determine our sales and marketing strategies based on our careful studies of the local market in which our property project is situated and the preferences of our target customers. In this process, our sales and marketing teams at city companies prepare the relevant market studies that form the basis on which we evaluate and determine our sales and marketing strategies for any particular project. Before 2018, our sales and marketing teams at city companies led the efforts in formulating our sales and marketing strategies for property projects. In 2018, we changed to a more centralized approach under which our sales and marketing management center at the Group level took the leading role in determining our sales

BUSINESS

and marketing strategies. We believe that such change enables us to achieve greater cohesiveness in our sales across property projects in different regions and allowed us to better coordinate with local real estate sales agents. Our sales and marketing strategies are prepared in accordance with our standardized guidelines on sales and marketing to ensure consistency in terms of product positioning, promotional events, pricing and cost control on marketing expenses and management of local real estate agents for sales across our property projects.

Our approved sales and marketing strategies are carried out primarily by our sales and marketing teams at city companies as we rely on our own sales and marketing teams for property sales. Our own sales and marketing teams at city companies also provide valuable reports and feedback about the response from local markets to our sales campaigns, market trends, changes in customer tastes and other valuable information, which help us to further modify and optimize our sales and marketing strategies. In addition, our sales and marketing teams are well-positioned to work with local real estate agents to manage our property sales and ensuring that the sales process align with our overall sales and marketing strategies. During the Track Record Period, the sales commission rate of our external real estate agents generally ranged from 0.6% to 0.9% of the total contracted sales price of the property sold through such agents. We usually consider a number of factors in determining the sales commission rates, including but not limited to, (i) the number of external real estate agents assigned to the property for sales or marketing-related work, (ii) the contracted sales value achieved by the external real estate agents, where the agent receives a higher commission rate as it exceeds certain pre-agreed sales targets for the property based on a progressive scale under certain contracts, (iii) the competitiveness among comparable properties for sale in the local market, and (iv) the general market trend for sales commission for external real estate agents. In terms of sales and marketing costs, in 2016, 2017 and 2018 and the four months ended April 30, 2018 and 2019, our selling and distribution expenses were approximately RMB214.6 million, RMB458.4 million, RMB657.6 million, RMB143.4 million and RMB192.4 million, respectively. For the same periods, we incurred commissions to external real estate agents in the amount of RMB14.5 million, RMB31.4 million, RMB42.0 million, RMB7.5 million and RMB36.6 million, respectively.

Our marketing efforts generally begin in the early stage of a property project to ensure that our property development are well positioned and priced by providing relevant local market information, including pricing information, customer preferences and estimated sales trends, in our assessment reports to internal teams for evaluation. When our marketing teams carry out our overall marketing strategies formulated and approved by the Group, they may also tailor certain aspects of the marketing strategies to suit the conditions of local property market. In doing so, our marketing teams continue to adjust the marketing strategies based on customer preferences in a timely manner and effectively increase our brand awareness and customer satisfaction.

Our sales efforts are result-oriented and managed through a data-based system that records and evaluates the sales results of our sales teams at different city companies in a competition-like format. We incentivize our sales teams with performance-based bonuses. Our sales efforts are measured by various indicators used at different stages or aspects of the sales

BUSINESS

process, such as the rate at which sales contracts are signed for a particular project, the rate of introduction of potential new customer by existing customers and the cash collection rate. Project companies at the local level also regularly review such indicators and adjust them based on certain market factors, such as changes in market sales trend and local economies, to allow for a more reasonable and fair assessment of our sales results. Those indicators help provide valuable feedback on our sales and marketing efforts and allow us to effectively track and assess our sales performance. Throughout the sales process, we strictly implement our standardized sales procedures which provide detailed and well-established procedures for each stage of the process, and set forth quantifiable sales targets and specific goals that are designed to evaluate and ensure customer satisfaction. We also employ a variety of evaluation measures to further monitor or manage our sales efforts, including but not limited to, secret customer visits, on-topic trainings for our sales staff and internal sales ranking announcements.

Pre-sale

In line with the applicable laws and regulations of the PRC, we usually commence pre-sales of a property development project before completion of the entire project but after we have received the pre-sale permits for the project. Relevant PRC laws and regulations require property developers to fulfill certain conditions, including but not limited to payment of the land grant premium and obtaining the relevant land use rights certificate, construction works planning permit, construction works commencement permit and pre-sale permit before the commencement of pre-sales. See the section headed “Regulatory Overview — Regulations on Real Estate Transfer and Sale” for further details of the laws and regulations governing pre-sale. We must fulfill certain conditions before we can obtain the pre-sale permits, including but not limited to:

- the land premium is paid in full and the land use rights certificate must have been obtained;
- the construction work planning permit and the construction work commencement permit must have been obtained;
- in terms of the properties put into pre-sale, at least 25% of the total amount of the investment fund has been injected into the development and the progress of construction and the expected completion and delivery dates have been ascertained;
- the progress of the construction should meet the local governmental authority’s requirements for pre-sale; and
- the pre-sale has been registered with the relevant local entities.

Our Directors confirm that, during the Track Record Period, we have complied with all relevant and applicable PRC laws and regulations governing property pre-sales in the PRC in all material respects, and have obtained all necessary permits, certificates and approvals prior to the commencement of pre-sales activities.

BUSINESS

Our pre-sale contracts are prepared in accordance with applicable PRC laws and regulations. Purchasers are typically required to make a down-payment according to the schedule stipulated in the pre-sale contract. In accordance with the requirements of applicable PRC laws and regulations, we register such pre-sale with the relevant government authorities and provide quality warranties on the properties we construct or sell to our customers for periods no shorter than that for quality warranties we receive from our construction contractors under the relevant construction contracts, being generally one to five years. As of the Latest Practicable Date, we had not been subject to any penalty by the government authorities in relation to our pre-sales proceeds. See the section headed “Risk Factors — Risks Relating to Our Business — We are exposed to contractual and legal risks related to pre-sales” for further details regarding the associated risks.

Cancelled contracted sales are sales transactions cancelled after the down-payment and the signing of pre-sale contracts. Such incidents are rare. In the event that a sales contract is cancelled, down-payment paid to us is not refundable to the customer unless we have defaulted under certain terms of the relevant sales and purchase contract. Our Directors further confirm that any cancelled contracted sales did not have a material adverse effect on our financial condition.

Pricing

With respect to pricing of our properties, we determine our per-unit sales price with reference to the applicable local laws and regulations, the sales price of comparable properties in the local market, market conditions and our development costs. We also add a premium to the price based on our target rate of return and overall sales target for each product.

Due to the highly competitive and evolving nature of the real estate industry in China, we are required to constantly monitor the changing market conditions and changes to applicable laws and regulations, and adjust the sales prices of our property projects as appropriate. Our project management teams at the local level, with the assistance from other departments at the local level, such as cost management department, finance department, sales and marketing department and operations department, and oversight from our management teams at the city and Group levels, are generally responsible for formulating the sales prices for our properties. We take a number of factors into consideration in determining the sales prices of our properties, including but not limited to, product line, GFA of the property offered, neighborhood in which the property is located, sales prices for comparable properties and community landscape surrounding the property. In addition, we conduct quarterly reviews of the sales prices of all of our property projects and make adjustments as appropriate. Any downward price adjustments require approvals from our sales and marketing management center at the Group level and our Chairman. Any upward price adjustments require approvals from the general manager at the relevant city company.

In addition, as part of our pricing and sales strategy, we offer certain incentives to our employees or certain existing property owners as well as new buyers, where the new buyers who purchase our properties are introduced by our employee or existing property owners. For

BUSINESS

example, for our Sinic City property, the employee or exiting property owner and the new buyer receive awards or a discount on the new property when the new buyer enter into purchase contract with us. We believe that such offers were effective in attracting potential customers and improving our profitability in general and we consider that the discounts granted or incentives awards were in line with the then prevailing market practice.

Payment arrangement

Our customers may choose to pay the purchase price of our properties by one lump sum payment or by mortgage financing. Customers choosing to settle the purchase price by one lump sum payment will be required to fully settle the purchase price shortly after the execution of the sales contract. Customers choosing to settle the purchase price of residential properties by mortgage financing shall, according to the terms stipulated in the relevant sales contract, normally pay a down-payment of not less than 30% of the purchase price upon the execution of the sales contract. Depending on the processing time required by mortgagee banks, the balance of the purchase prices will typically be paid by the mortgagee banks shortly after the date of execution of the sales contracts.

In line with market practice in the PRC, we have arrangements with various banks for the provision of mortgage financing and where required, provide the banks with guarantees for our customers as security for mortgage loans. We do not conduct independent credit checks and due diligence as to our purchaser's credit history when providing guarantees but instead rely on the credit checks conducted by the mortgagee banks or other acceptable credit agencies. The terms of such guarantees typically last until the transfer of the building ownership certificate to the purchaser and the certificate is registered in favor of the bank. Before the building ownership certificate is transferred to the purchaser, the purchaser generally makes the pre-mortgage registration for the property according to the loan agreement. If the purchaser defaults in payment and after all collection means are exhausted by the mortgagee bank, we are obligated to repay all outstanding amounts owed by the purchaser to the mortgagee bank under the loan and have the right to claim such amount from the defaulting purchaser. As of December 31, 2016, 2017, 2018 and April 30, 2019, our outstanding guarantees in respect of the mortgages for purchasers of our properties amounted to approximately RMB3,560.6 million, RMB9,059.1 million, RMB27,465.9 million and RMB28,527.1 million, respectively.

Moreover, if a customer default on payment of its mortgage, the mortgagee bank may deduct the payment due from the deposited sum and require us to repay the defaulted amount pursuant to the guarantee after all collection means are exhausted by the mortgagee bank, and we also have the right to offset the defaulted amount with the relevant payments the purchaser has made with us according to the sale and purchase agreement with the defaulting customer. Upon fulfillment of our obligations under the guarantee, the mortgagee bank would then assign its rights under the mortgage to us and we would then have full recourse to the property, which we can resell to other purchasers. We believe that our guarantees on the mortgage loans of our purchasers are over-secured as we believe the aggregate fair value of the underlying properties exceeds the aggregate amount of outstanding guarantees. During the Track Record Period, we did not experience any material defaults by our purchasers on their mortgage loans that would

materially and adversely affect our business. Also see “Risk Factors — Risks Relating to Our Business — We guarantee the mortgage loans provided by financial institutions to our customers and, consequently, we are liable to the mortgagees if our customers default” in this prospectus.

Delivery of Properties and After-Sale Customer Service

Delivery of completed properties

We endeavor to deliver completed properties to our customers on a timely basis in accordance with the terms of the sales contracts. We closely monitor the progress of construction work at our projects under development. If we fail to deliver the completed properties within the stipulated time frame due to our default, we may be liable to pay a certain percentage of the purchase price as penalty in accordance with the terms of the relevant sales contracts. Under current PRC laws and regulations, we are required to obtain completion certificates before delivering properties to our customers. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we had not experienced any significant delays in the completion of our property projects which had any material adverse impact on our business, financial condition and results of operations.

We provide our customers with a warranty for the quality of the structure of the building pursuant to the Measures on the Sales of Commodity Housing (商品房銷售管理辦法) and Regulations for the Operations of Urban Property Development (城市房地產開發經營管理條例). In addition, we also provide quality warranties, if applicable, usually for a period for two years for certain fitting and fixtures and five years for certain waterproof fitting and fixtures, according to the published national standards. All warranty periods commence on the day of actual delivery of the relevant properties, or the day the properties are deemed as delivered in accordance with relevant sales contracts. We do not provide warranties with respect to defects caused by third parties or improper use or defects resulting from natural disasters. We usually provide quality warranties for periods no shorter than that for quality warranties we receive from our construction contractors under the relevant construction contracts. Our construction contractors are responsible for warranties in respect of the relevant quality standards and for the costs incurred for the relevant maintenance work. We do not maintain provisions with respect to the warranties.

In general, customers may return properties in circumstances where there are material delays of the property which exceed the periods stipulated in the relevant sales contracts, material quality defects that are tested as unqualified by relevant and qualified testing organizations, such as foundation and main structure of our properties.

We closely monitor the progress of the construction of our property projects and conduct pre-delivery property inspections to help ensure the timely delivery of our properties. Our quality control personnel at the city level inspect the properties before delivery to ensure that our quality standards have been met. In addition to conducting quality checks, we also examine

BUSINESS

the properties from the customer's point of view to prevent potential delivery issues. After a property development project has passed the requisite completion and acceptance inspections, we will notify our customers before the delivery date stipulated in the sale contracts, to arrange the delivery procedures.

Our customers will then come to our designated locations to conduct the delivery procedure with us. We may also assist our customers to obtain the individual building ownership certificates for our properties at our customers' expense. We may also be liable to compensate our customers for any delay in the delivery of properties. During the Track Record Period, we did not experience any significant delays in the completion of our property development projects or delivery of relevant title documents after sale during the Track Record Period.

After-sales services

Our client value center at the Group level and customer relations departments at the city company level are responsible for providing after-sale assistance to our customers. Our after-sales services are offered under our "360 Happiness" brand of customer service, which centers on delivering a well-rounded and satisfying customer experience, and includes a customer service hotline, repair services, handling of customer complaints and after-sales follow-up activities. We believe that our customer-centered services help us to foster a stable relationship with our customers, build customer loyalty, enhance brand awareness and better solicit timely customer feedbacks. According to a satisfaction survey conducted by an independent third party agency, Beijing FG Consulting Co., Ltd. (北京賽惟諮詢有限公司), we were ranked 9th among approximately 80 property developers in terms of overall customer satisfaction in 2018. Among the property developers surveyed by Beijing FG Consulting Co., Ltd., about 48 of them were included by CRIC in its list of top 100 Chinese property developers in 2018.

During the Track Record Period, we were not aware of any material complaints or product liability claims from our customers.

Our Other Businesses

During the Track Record Period, we also derived a small portion of revenue from other business, which primarily include revenue from provisions of consulting services to Independent Third Parties in connection with the development of certain property projects and, to a lesser extent, rental income of operating and leasing our investment properties. In 2016, 2017 and 2018 and the four months ended April 30, 2018 and 2019, revenue from our provision of consulting services amounted to approximately RMB15.2 million, RMB9.4 million, RMB23.6 million, nil and RMB22.6 million, respectively, representing approximately 0.7%, 0.2%, 0.3%, nil and 0.4% of our total revenue for the same periods, respectively. For the same periods, we recognized rental income from investment properties in the amount of nil, RMB1.2 million, RMB2.8 million, RMB0.9 million and RMB2.6 million, respectively.

BUSINESS

INVESTMENT PROPERTIES

Our Investment Properties

In line with our business expansion strategy, we hold and operate a portion of our investment properties for long-term investment. We hold such investment properties for capital appreciation and rental income. We developed our investment properties to increase our brand recognition and enhance the value of the residential properties to which they are connected.

During the Track Record Period, we leased a small portion of the investment properties developed near or within our residential property developments which had not been sold. For investment properties which are currently under development or to be developed, we intend to retain them to generate rental income and enjoy the benefit if any appreciation in property value. As of July 31, 2019, we had seven investment property projects with an aggregate GFA attributable to us of approximately 268,266.7 sq.m. See “— Our Business — Description of Projects.” for more details. The following table sets forth our investment properties as of July 31, 2019.

<u>City</u>	<u>Ref. to property valuation report</u>	<u>Project Name</u>	<u>Actual/Estimated Construction Completion Date</u>	<u>Actual/Planned Total GFA Held for Investment</u> <i>(sq.m.)</i>
Nanchang	No. 9	Nanchang Park No.1 Phase II (南昌公園壹號二期)	August 2020	55,065.1
Nanchang	No. 20	Nanchang Times Square Phase II (南昌時代廣場二期)	December 2022	170,000.0
Nanchang	No. 21	Nanchang Jinsha Wan (南昌金沙灣)	April 2016	224.5
Nanchang	No. 22	Nanchang Yinhu Wan (南昌銀湖灣)	April 2016	658.5
Nanchang	No. 25	Nanchang Dibo Wan (南昌帝泊灣)	June 2021	121.1
Nanchang	No. 23	Nanchang Yujing Wan, Duhui Phase IV (南昌愉景灣、都薈四期)	November 2015	42,102.3
Nanchang	No. 24	Nanchang Yulong Wan (南昌鈺龍灣)	January 2015	95.2
Total				268,266.7

Although we currently focus on the development of residential properties for sale, we intend to continue to develop our investment property portfolio in response to changing market conditions and customer demand in the future.

BUSINESS

Lease Agreements

We have commenced the development of investment properties during the Track Record Period and entered into lease agreements with tenants including mainly retail stores, a supermarket and a cinema operator. As of the Latest Practicable Date, we entered into four lease agreements pursuant to which we have rented our certain properties to third parties and failed to register one of those leases. Our lease agreements generally have a term of up to 20 years. The rent payments are calculated as the higher of (i) the fixed rates during a pre-determined period and then increases based on a pre-determined rate for the remainder of the lease term, generally with an annual percentage increase; or (ii) the performance premiums calculated based on a pre-determined percentage of the retail gross revenue of the tenants.

To maintain the competitiveness and profitability of our investment properties, we closely monitor the operation and performance of tenants to assess their ability to pay rent over time.

OWNED PROPERTIES FOR SELF-USE

Properties used by us mainly include offices. As of April 30, 2019, the offices owned and used by us accounted for an aggregate GFA of approximately 7,873.4 sq.m.

LEASED PROPERTIES FOR SELF-USE

As of April 30, 2019, we leased a number of properties of a total GFA of approximately 25,838.7 sq.m. which we occupied for our own use. Our leases generally have a term ranging from one to six years, and we expect to renew the leases upon their expiry. All of the landlords are independent third parties from us.

As of April 30, 2019, we failed to register 16 of the lease agreements under which we are the tenant with respect to properties with a total GFA of 9,246.6 sq.m. We sought cooperation from the landlords at the leased properties to register such executed lease agreements. Registration of lease agreements requires the submission of certain documents of landlords, including their identity documentation and property ownership certificates, to the relevant authorities and therefore the registration is subject to cooperation of landlords which is not within our control. Our PRC Legal Advisor has advised us that the lack of registration will not affect the validity and enforceability of these lease agreements. However, the relevant government authorities may require us to rectify these unregistered lease agreements within a certain period of time and, if we fail to so rectify, impose a fine of up to RMB10,000 for each unregistered lease agreement. See “Risk Factors — Risks Relating to Our Business — We may be subject to fines due to the lack of registration of our leases.” As of the Latest Practicable Date, we had not received any rectification order or been subject to any fines in respect of non-registration of any of our lease agreements. Our Directors believe these unregistered lease agreements would not have a material operational or financial impact on us. Accordingly, no provision was made in our financial statement. In order to ensure on-going compliance with the PRC law and regulations relating to the registration of executed lease agreements, where we are the tenant to an executed lease agreement, we will continue to seek cooperation from the

BUSINESS

landlords of the leased properties to register executed lease agreements with the relevant PRC government authorities and will adopt a variety of risk control measures to mitigate such regulatory risk in the future. We organize regular training of our relevant personnel regarding the relevant regulations and requirements on the registration of lease agreements. The first training session was held in February 2019. We have designated experienced staff to perform regular review on the design and implementation of the relevant internal guidelines. We believe we have implemented adequate and effective measures internally. However, as we do not control the landlords, there is no assurance whether and when our landlords will register the leases.

SUPPLIERS AND CUSTOMERS

Suppliers

In 2016, 2017 and 2018 and the four months ended April 30, 2019, our five largest suppliers, primarily comprising construction contractors, accounted for approximately 56.3%, 62.0%, 52.7% and 55.2% of our cost of sales, respectively, and our single largest supplier accounted for 18.0%, 41.2%, 29.8% and 36.9% of our total costs of sales during the same periods, respectively. None of our top five suppliers during the Track Record Period was our customer.

BUSINESS

The following tables set forth certain information of our five largest suppliers during the Track Record Period:

Supplier	Business activities	Duration of business relationship (year)	Total purchase amount	Percentage of our total cost of sales	Independent Third Party
			<i>(RMB'000)</i>		
<i>For the four months ended April 30, 2019</i>					
1. Supplier A	General Contractor	Three	1,387,702	36.9%	Yes
2. Supplier B	General Contractor	Two	271,611	7.2%	Yes
3. Jiangxi Province Fifth Construction Group Co., Ltd. ⁽¹⁾	General Contractor	Eight	159,655	4.2%	No
4. Guangxi Lugang Construction Group Co., Ltd. ⁽²⁾	General Contractor	Three	136,671	3.6%	No
5. Supplier C	General Contractor	Five	118,892	3.2%	Yes
<i>For the year ended December 31, 2018</i>					
1. Supplier A	General Contractor	Three	2,302,256	29.8%	Yes
2. Jiangxi Province Fifth Construction Group Co., Ltd. ⁽¹⁾	General Contractor	Eight	800,132	10.4%	No
3. Supplier C	General Contractor	Five	455,398	5.9%	Yes
4. Guangxi Lugang Construction Group Co., Ltd. ⁽²⁾	General Contractor	Three	263,579	3.4%	No
5. Supplier B	General Contractor	Two	246,519	3.2%	Yes
<i>For the year ended December 31, 2017</i>					
1. Supplier A	General Contractor	Three	2,547,143	41.2%	Yes
2. Supplier C	General Contractor	Five	531,705	8.6%	Yes
3. Jiangxi Province Fifth Construction Group Co., Ltd. ⁽¹⁾	General Contractor	Eight	410,523	6.6%	No
4. Guangxi Lugang Construction Group Co., Ltd. ⁽²⁾	General Contractor	Three	187,537	3.0%	No
5. Supplier D	General Contractor	Six	155,655	2.5%	Yes

BUSINESS

Supplier	Business activities	Duration of business relationship (year)	Total purchase amount	Percentage of our total cost of sales	Independent Third Party
<i>(RMB'000)</i>					
<i>For the year ended December 31, 2016</i>					
1. Supplier A	General Contractor	Three	421,258	18.0%	Yes
2. Jiangxi Province Fifth Construction Group Co., Ltd. ⁽¹⁾	General Contractor	Eight	382,495	16.3%	No
3. Supplier D	General Contractor	Six	251,628	10.7%	Yes
4. Supplier C	General Contractor	Five	209,232	8.9%	Yes
5. Supplier E	General Contractor	Five	56,493	2.4%	Yes

Notes:

- (1) Jiangxi Province Fifth Construction Group Co., Ltd. is owned as to approximately 80.4% by Mr. Zhang Guoyin (張國印), the brother of Mr. Zhang, and one of our executive Directors and Controlling Shareholders. During the Track Record Period, Jiangxi Province Fifth Construction Group Co., Ltd. mainly provided engineering, construction and painting services for our property development projects. For the years ended December 31, 2016, 2017 and 2018 and the four months ended April 30, 2019, our purchases from Jiangxi Province Fifth Construction Group Co., Ltd. amounted to approximately RMB382.5 million, RMB410.5 million, RMB800.1 million and RMB159.7 million, respectively, representing approximately 16.3%, 6.6%, 10.4% and 4.2% of our total cost of sales, respectively. During the Track Record Period, the pricing of the transactions between our Group and Jiangxi Province Fifth Construction Group Co., Ltd. were comparable to that of similar services provided by independent suppliers or contractors to our Group. See “Connected Transactions – Continuing Connected Transactions Subject to the Reporting, Annual Review, Announcement and Independent Shareholders’ Approval Requirements – Provision of Construction Services by Jiangxi 5th Construction” in this prospectus for further details.
- (2) Guangxi Lugang Construction Group Co., Ltd. is owned as to 97.65% by Mr. Zhang Guojin (張國金), the brother of Mr. Zhang, and 2.35% by Mr. Chen Mo (陳墨), an Independent Third Party. For the years ended December 31, 2017 and 2018, Guangxi Lugang Construction Group Co., Ltd. provided construction services to our property development projects. For the years ended December 31, 2017 and 2018 and the four months ended April 30, 2019, our purchases from Guangxi Lugang Construction Group Co., Ltd. amounted to approximately RMB187.5 million, RMB263.6 million and RMB136.7 million, respectively, representing approximately 3.0%, 3.4% and 3.6% of our total purchases, respectively. During the Track Record Period, the pricing of the transactions between our Group and Lugang Construction Group Co., Ltd. were comparable to that of similar services provided by independent suppliers or contractors to our Group. See “Connected Transactions – Continuing Connected Transactions Subject to the Reporting, Annual Review, Announcement and Independent Shareholders’ Approval Requirements – Provision of Construction Services by Guangxi Lugang” in this prospectus for further details.

The credit terms that we have with our top five suppliers are generally the same as those we have with our other general and sub-contractors. For more details, see “Business — Our Property Development Operations — Construction and Procurement — Appointment of third-party construction contractors.” To the best of the knowledge of our Directors, except for Jiangxi Province Fifth Construction Group Co., Ltd. Guangxi Lugang Construction Group Co., Ltd., none of our Directors, their respective associates or any shareholder who owns more than 5% of our issued share capital had any interest in any of our five largest suppliers during the Track Record Period.

BUSINESS

Customers

We primarily target customers who are looking to purchase their first home or to upgrade their living environment. In 2016 and 2017 and 2018 and the four months ended April 30, 2019, our five largest customers accounted for approximately 4.1%, 1.9%, 1.2% and 1.6% of our revenue, respectively, and our single largest customer accounted for approximately 2.1%, 0.5%, 0.3% and 0.4% of our revenue during the same periods, respectively. None of our top five customers during the Track Record Period was our supplier.

The following tables set forth certain information of our top five customers during the Track Record Period:

<u>Customer</u>	<u>Business activities</u>	<u>Year(s) in which the customer established the business relationship with us</u>	<u>Total sales amount</u>	<u>Percentage of our total revenue</u>	<u>Independent Third Party</u>
			<i>(RMB'000)</i>		
<i>For the four months ended April 30, 2019</i>					
1. Customer A	Property owner	2017	22,288	0.4%	Yes
2. Customer B	Property owner	2017	19,530	0.3%	Yes
3. Mr. Zhang Guoyin ⁽¹⁾	Property owner	2018	19,372	0.3%	No
4. Customer C	Principally engaged in real estate investment and development	2018	18,374	0.3%	Yes
5. Customer D	Property owner	2018	9,981	0.2%	Yes
<i>For the year ended December 31, 2018</i>					
1. Customer E	Principally engaged in sales of health and other insurances and health-insurance related consulting services	2018	25,280	0.3%	Yes
2. Mr. Zhang Zhitao ⁽²⁾	Property owner	2018	24,387	0.3%	No
3. Customer C	Principally engaged in real estate investment and development	2018	21,984	0.3%	Yes
4. Customer F	Property owner	2018	17,597	0.2%	Yes
5. Ms. Shen Lifang ⁽³⁾	Property owner	2018	12,159	0.1%	No

BUSINESS

Customer	Business activities	Year(s) in which the customer established the business relationship with us	Total sales amount	Percentage of our total revenue	Independent Third Party
<i>(RMB'000)</i>					
<i>For the year ended December 31, 2017</i>					
1. Customer G	Property owner	2015	25,316	0.5%	Yes
2. Customer H	Principally engaged in investment and asset management	2017	19,531	0.4%	Yes
3. Customer I	Property owner	2016	18,905	0.4%	Yes
4. Customer J	Property owner	2016	16,894	0.3%	Yes
5. Customer K	Property owner	2015	16,635	0.3%	Yes
<i>For the year ended December 31, 2016</i>					
1. Customer L	Principally engaged in the sales of automobile and automobile parts, car leasing, housing rental and automobile exhibitions	2016	47,619	2.1%	Yes
2. Customer M	Principally engaged in the sales of automobile and automobile parts, car leasing, housing rental and automobile exhibitions	2016	15,243	0.7%	Yes
3. Customer N	Property owner	2015	12,505	0.6%	Yes
4. Customer O	Property owner	2015	11,549	0.5%	Yes
5. Customer P	Property owner	2016	3,173	0.1%	Yes

Notes:

- (1) Mr. Zhang Guoyin (張國印) is the brother of Mr. Zhang, one of our Executive Directors and Controlling Shareholders. During the Track Record Period, Mr. Zhang Guoyin purchased residential properties from us for personal use. For the four months ended April 30, 2019, Mr. Zhang Guoyin's purchases from us amounted to approximately RMB19.4 million, representing approximately 0.3% of our total sales for the period. During the four months ended April 30, 2019, the pricing of the transactions between our Group and Mr. Zhang Guoyin was comparable to that of similar transactions between us and independent purchasers to our Group.

BUSINESS

- (2) Mr. Zhang Zhitao (張志濤) is the nephew of Mr. Zhang, one of our Executive Directors and Controlling Shareholders. During the Track Record Period, Mr. Zhang Zhitao purchased residential properties from us for personal use. For the year ended December 31, 2018, Mr. Zhang Zhitao's purchases from us amounted to approximately RMB24.4 million, representing approximately 0.3% of our total sales for the year. During 2018, the pricing of the transactions between our Group and Mr. Zhang Zhitao was comparable to that of similar transactions between us and independent purchasers to our Group.
- (3) Ms. Shen Lifang (沈麗芳) is the daughter of Shen Linghua, a director of one of our subsidiaries. During the Track Record Period, Ms. Shen Lifang purchased residential properties from us for personal use. For the year ended December 31, 2018, Ms. Shen Lifang's purchases from us amounted to approximately RMB12.2 million, representing approximately 0.1% of our total sales for the year. During 2018, the pricing of the transactions between our Group and Ms. Shen Lifang was comparable to that of similar transactions between us and independent purchasers to our Group.

All of our top five customers during the Track Record Period purchased our properties through the pre-sale process and had entered into pre-sales contracts with us, which generally contained the same terms as our typical sales contracts with our other customers. For more details, see "Business — Our Property Development Operations — Sales and Marketing — Payment arrangement."

Our five largest customers for the years ended December 31, 2016, 2017 and 2018 and the four months ended April 30, 2019 include individual and corporate purchasers of our properties, and all of them are Independent Third Parties except for Mr. Zhang Guoyin, Mr. Zhang Zhitao and Ms. Shen Lifang.

AWARDS AND RECOGNITIONS

Over the past years, we have received recognition from various industry associations, government authorities and the public. The table below sets out certain of the awards we received in respect of our property development business:

<u>Year</u>	<u>Award/Recognition</u>	<u>Awarding Body</u>
2019	China's Top 50 Real Estate Developers (中國房地產開發企業50強)	China Real Estate Industry Association (中國房地產業協會), Shanghai Yiju Real Estate Research Institution (上海易居房地產研究院) and China Real Estate Appraisal (中國房地產測評中心)
2019	China's Top 100 Real Estate Developers — Growth Top 10 (中國房地產百強企業 — 成長性Top 10)	China Real Estate TOP 10 Research Committee (中國房地產TOP10研究組)

BUSINESS

<u>Year</u>	<u>Award/Recognition</u>	<u>Awarding Body</u>
2019	China Characteristic Properties Outstanding Operation Enterprises — Ecological Properties (中國特色地產運營優秀企業 — 生態地產)	China Real Estate TOP 10 Research Committee (中國房地產TOP10研究組)
2018	China's Top 40 Real Estate Enterprises Brand Value (中國房地產企業品牌價值TOP 40)	Yihan Think Tank (億瀚智庫)
2018	China's Top 50 Real Estate Enterprises Comprehensive Strength (中國房地產企業綜合實力TOP 50)	Yihan Think Tank (億瀚智庫)
2018	China's Top 100 Real Estate Enterprises — Growth Top 10 (中國房地產百強企業 — 成長性Top 10)	China Real Estate TOP 10 Research Committee (中國房地產TOP10研究組)
2018	China's Top 50 Real Estate Developers (中國房地產開發企業50強)	China Real Estate Industry Association (中國房地產業協會), Shanghai Yiju Real Estate Research Institution (上海易居房地產研究院) and China Real Estate Appraisal (中國房地產測評中心)
2018	China Characteristic Properties Outstanding Operation Enterprises — Ecological Properties (中國特色地產運營優秀企業 — 生態地產)	China Real Estate TOP 10 Research Committee (中國房地產TOP10研究組)
2018	China Real Estate Gold Brick Award — 2018 Quality Property Comprehensive Award (中國地產金磚獎 — 2018年度品質地產綜合大獎)	Bo' Ao • 21st Century Real Estate Forum Committee (博鰲•21世紀房地產論壇組委會)

BUSINESS

<u>Year</u>	<u>Award/Recognition</u>	<u>Awarding Body</u>
2018	China's Top 10 Real Estate Development Enterprises in Regional Operation (中國房地產開發企業區域運營十強)	China Real Estate Industry Association (中國房地產業協會), Shanghai Yiju Real Estate Research Institution (上海易居房地產研究院) and China Real Estate Appraisal (中國房地產測評中心)
2018	China Real Estate Fengshang Prize for Annual Investment Value — Sinic City (中國地產風尚大獎之2018中國年度投資價值典範項目 — 新力城)	Boao Real Estate Forum (博鰲房地產論壇)
2018	Best PRC Real Estate Enterprise to Work for (中國房地產最佳僱主企業)	China Real Estate Industry Association (中國房地產業協會), Shanghai Yiju Real Estate Research Institution (上海易居房地產研究院) and China Real Estate Appraisal (中國房地產測評中心)
2017	China's Top 100 Real Estate Development Enterprises (中國房地產開發企業100強)	China Real Estate Industry Association (中國房地產業協會), Shanghai Yiju Real Estate Research Institution (上海易居房地產研究院) and China Real Estate Appraisal (中國房地產測評中心)
2017	China Real Estate Development Enterprises Brand Value Top 10 in Central China (中國房地產開發企業品牌價值華中十強)	China Real Estate Industry Association (中國房地產業協會), Shanghai Yiju Real Estate Research Institution (上海易居房地產研究院) and China Real Estate Appraisal (中國房地產測評中心)

BUSINESS

<u>Year</u>	<u>Award/Recognition</u>	<u>Awarding Body</u>
2017	China's Top 10 Real Estate Development Enterprises in Regional Operation (中國房地產開發企業區域運營十強)	China Real Estate Industry Association (中國房地產業協會), Shanghai Yiju Real Estate Research Institution (上海易居房地產研究院) and China Real Estate Appraisal (中國房地產測評中心)
2017	Asia International Human Habitat Model Gold Prize — Nanchang Amber Yuan (亞洲國際人居環境範例金獎-南昌琥珀園)	China Real Estate Industry Research Institution (中國房地產業研究會), China Science of Human Settlements (中國人居环境研究中心), China Real Estate Industry Association (中國房地產業聯合會) and China Market Brand Appraisal Center (中國市場品牌測評中心)
2016	China's Top 10 Real Estate Regional Enterprises Brand Value (中國房地產區域公司品牌價值十強)	China Real Estate TOP 10 Research Committee (中國房地產TOP10研究組)
2016	Central China's Top 10 Real Estate Enterprises Brand Value (中國中部房地產公司品牌價值十強)	Enterprises Research Institution of Development Research Center of the State Council (國務院發展研究中心企業研究所), Real Estate Research Institution of Tsinghua University (清華大學房地產研究所) and China Index Academy (中國指數研究院)
2015	Jiangxi Real Estate Annual Prize — Nanchang Dibo Wan (江西地產年度名盤 — 南昌帝泊灣)	Jiangxi Real Estate Association (江西省地產協會)
2015	2015 Best Office Building Award — Nanchang Sinic Center (2015年最佳寫字樓 — 南昌新力中心)	National Real Estate Commercial Association (全國房地產商會聯盟) and Jiangxi Real Estate Association (江西省房地產協會)

BUSINESS

COMPETITION

The PRC real estate industry is highly fragmented and competitive. As a leading comprehensive real estate developer in Jiangxi province, China, we primarily compete with domestic national comprehensive developers, regional developers and other developers with strategies that are similar to ours, which have business operations in the markets where we operate or intend to enter. We compete on many fronts, including product quality, service quality, price, financial resources, brand recognition, ability to acquire land and other factors.

In particular, most of the local property markets in Jiangxi Province, the Yangtze River Delta Region, the Greater Bay Region and the Central and Western China Core Cities and Other Regions with High-Growth Potential have been increasingly competitive in recent years. An increasing number of property developers from the PRC and overseas have entered the property development markets in the cities where we have operations or plan to have operations, resulting in increased competition for land available for development. Moreover, the PRC government has implemented a series of policies to control the growth and curtail the overheating of, and foreign investment in, the PRC property sector. We believe major entry barriers into the PRC property development industry include a potential entrant's limited knowledge of local property market conditions and potentially less well-known brand recognition in these markets. There is no assurance that we will be able to continue to compete effectively in the new markets that we have entered. See "Risk Factors — Risks Relating to Our Industry — The real estate industry is closely monitored by the PRC Government and we may fail to adapt to new laws and regulations in ways that are profitable to our business" and "Risk Factors — Risks Relating to Our Business — We may not be successful in managing our growth and expansion into new regions and cities." However, we believe that, with our proven property development capabilities, quality product offerings and service, we have demonstrated resiliency to market changes and competition.

INTELLECTUAL PROPERTY

We place emphasis on developing and protecting our brand, "Sinic" (新力). We have built up our brand primarily through consistent delivery of high-quality properties to our customers. We will use all reasonable and proper measures to protect our proprietary rights with regard to intellectual property developed in the process of our business development. As of the Latest Practicable Date, we owned two trademarks and four domain names which were registered in the PRC and one trademark which was registered in Hong Kong. In addition, we have registered the domain name of <http://www.sinicdc.com/> for the website of our Group on the Internet. See further details of our intellectual property rights are set out in the "Statutory and General Information — B. Further Information About Our Business — 2. Intellectual property rights of our Group" in the Appendix V to this prospectus.

We rely to a certain extent on our brand name in marketing our properties but our business is otherwise not materially dependent on any intellectual property rights. We believe that we did not suffer from any infringement of our intellectual property rights by any third parties or violate any intellectual property rights of third parties during the Track Record Period.

INSURANCE

According to applicable PRC laws and regulations, property developers are not required to maintain insurance coverage in respect of their property development operations. We have not maintained insurance in respect of litigation risks, business termination risks, product liability or important personnel of our Group, as such is not required under the applicable PRC laws and regulations.

Our Directors consider that our practice is in line with the industry norms. However, there are risks that we may incur uninsured losses, damage or liabilities. See the section headed “Risk Factors — Risks Relating to Our Business — Our insurance coverage may not sufficiently cover the risks related to our business.”

HEALTH, WORK SAFETY, SOCIAL AND ENVIRONMENTAL MATTERS

Environmental Matters

We are subject to a number of environmental and safety laws and regulations in the PRC including the PRC Environmental Protection Law (《中華人民共和國環境保護法》), the PRC Prevention and Control of Noise Pollution Law (《中華人民共和國環境噪聲污染防治法》), the PRC Environmental Impact Assessment Law (《中華人民共和國環境影響評價法》) and the Administrative Regulations on Environmental Protection for Development Projects (《建設項目環境保護管理條例》). See the section headed “Regulatory Overview — Regulations on Environmental Protection” for details of these laws and regulations. Pursuant to these laws and regulations, upon completion of construction works, we are required to be examined by a third-party inspector designated by the relevant governmental authorities and are subject to governmental authorities’ acceptance. Only property development projects which have passed such examination and acceptance can be delivered.

Under our typical construction contracts, we require our contractors to strictly comply with relevant environmental and safety laws and regulations. We inspect the construction sites regularly and require our contractors to immediately rectify any default or non-compliance identified.

In 2016, 2017 and 2018 and the four months ended April 30, 2019, we incurred approximately RMB6.6 million, RMB11.0 million, RMB13.2 million and RMB4.4 million, respectively, as cost for compliance with applicable environmental rules and regulations. In 2016, 2017 and 2018 and the four months ended April 30, 2019, we were fined the total amount of approximately RMB14.7 million for certain non-compliance incidents relating to violation of certain environmental regulations. We have paid such fines in full as of the Latest Practicable Date. See “— Legal Proceedings and Compliance — Compliance with Laws and Regulations — Non-compliance Incidents — Commencement of construction works prior to obtaining the requisite work permit/approval” for more details. Our Directors expect that we will continue to incur compliance costs with respect to applicable environmental rules and regulations at a similar level.

BUSINESS

As of the Latest Practicable Date, we had not encountered any material issues in passing inspections conducted by the relevant environmental authorities upon completion of our property development projects. During the Track Record Period, no material fines or penalties were imposed on us for non-compliance of PRC environmental laws and regulations, save as disclosed in “— Legal Proceedings and Compliance — Compliance with Laws and Regulations — Non-compliance Incidents,” and we had obtained all required material approvals in relation to the environmental impact reports, where applicable, for our projects under development.

Social, Health and Work Safety

In respect of social responsibilities, in particular health, work safety and social insurance, we have entered into employment contracts with our employees in accordance with the applicable PRC laws and regulations.

We maintain social welfare insurance for our full-time employees in the PRC, including pension insurance, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance, in accordance with relevant PRC laws and regulations.

We are currently establishing and refining policies and procedures regarding work safety and occupational health issues, including necessary safety training policies. Our construction sites are equipped with safety equipment. Our construction management center at the Group level, and construction management personnel at the city companies together with our construction contractors, are responsible for recording and handling work accidents as well as maintaining health and work safety compliance records.

During the Track Record Period, we did not encounter any material safety accident, there were no claims for personal or property damages and no compensation was paid to employees in respect of claims for personal or property damages related to safety accident.

BUSINESS

EMPLOYEES

As of April 30, 2019, we had a total of 2,948 employees. Substantially all of our employees are located in the PRC. There had been no complaints or claims from employees that materially affected our operations during the Track Record Period and up to the Latest Practicable Date. A breakdown of our employees by function as of April 30, 2019 is set forth below:

<u>Function</u>	<u>Number of employees</u>
Sales	844
Construction Management and Quality Control	730
Administration	256
Finance	271
Product Development and Design	194
Cost Management	186
Customer Relationship	182
Investment	134
Operations	86
Management	24
Legal	21
Audit	20
Total	<u><u>2,948</u></u>

We believe that the successful implementation of our growth and business strategies relies on a team of experienced, motivated and well-trained managers and employees at all levels. We recruit employees, both through internal human resource personnel and external recruiters and recruiting platforms, from well-known universities, reputable property developer companies and large corporations in the PRC. As of April 30, 2019, approximately 91.4% of our employees had a master's degree, a bachelor's degree or an associate degree. Company provides our employees with orientation sessions, system trainings and specialized skill training on a regular basis.

We enter into individual employment contracts with our employees to cover matters such as wages, salaries, benefits and terms for termination. We generally formulate our employees' remuneration package to include a salary, bonus and various allowances. We determine salary levels based on each employee's qualification, position, seniority and periodic performance reviews. In our performance reviews, we mainly assess two main aspects of their performance, namely the value that the employee has created for our Group during the performance period and any other meaningful contributions that the employee has made to our Group. We adjust the benefit package based on the assessments from the performance reviews. In 2016, 2017 and

BUSINESS

2018 and the four months ended April 30, 2018 and 2019, we incurred employee benefit expense (including directors' and chief executives' remuneration) of RMB75.9 million, RMB150.0 million, RMB252.4 million, RMB64.2 million and RMB108.5 million, respectively.

In addition, as of April 30, 2019, approximately 0.8% of our employees belonged to an employee union, which is responsible for negotiating employee contracts of its members and facilitating communication between our employees and us. During the Track Record Period and up to the Latest Practicable Date, there were no material disputes arising between the employee union and us.

As required by PRC regulations, we make contributions to mandatory social security funds for the benefit of our PRC employees that provide for pension insurance, medical insurance, unemployment insurance, personal injury insurance, maternity insurance and housing funds. During the Track Record Period, we failed to make sufficient social insurance fund and housing provident fund contributions on certain occasions. See “— Legal Proceedings and Compliance — Compliance with Laws and Regulations — Non-compliance Incidents — Failure to make adequate social security insurance and housing provident fund contributions” for more details.

As of the Latest Practicable Date, no labor dispute had occurred which materially and adversely affected or was likely to have a material and adverse effect on our operations.

LEGAL PROCEEDINGS AND COMPLIANCE

Ongoing Legal Proceedings

From time to time, we are involved in legal proceeding or disputes in the ordinary course of business, including contract disputes with purchasers of our properties. As of the Latest Practicable Date, we were involved in the following material legal disputes:

Dispute with a contractor

In April 2014, one of our PRC subsidiaries, Fengcheng Gantie entered into a construction contract with one of our contractors, Jiangxi Construction Group Co., Ltd. (“Jiangxi Construction”). In December 2017, Jiangxi Construction filed a lawsuit with Yichun City Intermediate People’s Court in Jiangxi Province against Fengcheng Gantie, alleging that Fengcheng Gantie owed construction payments, overdue interests and other related damages in an aggregate amount of approximately RMB38.8 million under the construction contract. In April 2018, Fengcheng Gantie filed a countersuit against Jiangxi Construction on the basis that Jiangxi Construction failed to meet the agreed construction schedule. In January 2018, the Yichun City Intermediate People’s Court decided to freeze the ownership rights of certain properties at Fengcheng Dibo Wan belonging to Fengcheng Gantie in an aggregate GFA of approximately 3,388.4 sq.m. for a period of three years at the request of Jiangxi Construction, as such properties were unsold at the time and therefore could be subjected to such order, even

BUSINESS

though the properties were not contracted to Jiangxi Construction for construction work previously. As of the Latest Practicable Date, the freeze order had not been lifted and we had not sold or pre-sold the properties. The rest of the properties at Fengcheng Dibo Wan that were not subject to the freeze order have been sold and the majority of them have been delivered as of the Latest Practice Date. Accordingly, there had been no material impact on any pre-sold area at Fengcheng Dibo Wan. As of the Latest Practicable Date, Fengcheng and Jiangxi Construction were in mediation to resolve the alleged disputes outside the court. Through mediation, Jiangxi Construction and we agreed that only approximately RMB1.9 million in principal amount were owed to Jiangxi Construction, instead of the RMB38.8 million claimed by Jiangxi Construction in its original court filings. As of the Latest Practicable Date, we made provision in the total amount of RMB3.3 million for this lawsuit. The provision amount of approximately RMB3.3 million was calculated based on the agreed amount in dispute, which was approximately RMB1.9 million, plus accrued interest of approximately RMB1.4 million calculated by us based on the relevant advice from the external PRC counsel for this lawsuit. Based on the legal advice of our external PRC counsel and the agreements with Jiangxi Construction in mediation, our Directors considered that the provision made for this dispute was sufficient to cover the potential payout given the circumstances, and are of the view that the lawsuit would not have a material adverse effect on our business, financial condition or results of operations.

Equity acquisition dispute

In June 2018, one of our PRC subsidiaries, Sinic Property Group Co., Ltd. (“Sinic Property”), entered into an agreement with Zhejiang Bokang Property Co., Ltd. and Anji Xingshang Holding Investment Enterprise Co., Ltd. (together, “Bokang Anji”) to acquire certain equity interest in a project company in Anji County, Zhejiang Province (“Anji Project Company”), for an aggregate amount of RMB475.0 million. In October 2018, Sinic Property issued a letter to Bokang Anji to dissolve the agreement on the ground that Bokang Anji had failed to fulfill the terms of the agreement to allow Sinic Property to develop the relevant land parcels held by Anji Project Company. In November 2018, Bokang Anji filed a lawsuit with Anji County People’s Court against Sinic Property for an aggregate amount of approximately RMB24.7 million, alleging that Sinic Property caused damages to Bokang Anji by terminating the agreement. In December 2018, Sinic Property filed a countersuit against Bokang Anji for an aggregate amount of approximately RMB47.5 million. On July 25, 2019, the Anji County People’s Court issued its decision in which it held that the agreement between Sinic Property and Bokang Anji was terminated on December 26, 2018 and that Bokang Anji owed damages and legal fees totaling approximately RMB3.2 million to Sinic Property for breaching the relevant terms of the agreement. Bokang Anji has appealed the decision to the Intermediate People’s Court of Huzhou City, arguing that Sinic Property owed Bokang Anji damages. Sinic Property claimed on the appeal that Bokang Anji owed Sinic Property approximately RMB47.5 million. As of the Latest Practicable Date, the appeals are pending before the local court. Our external PRC counsel for the lawsuit advised us that it was of the view that Bokang Anji had a relatively low likelihood of success in claiming damages from Sinic Property on the appeal because, as Anji County People’s Court has held, Bokang Anji failed to fulfill its obligations under the agreement which were precondition to our making payments to them as set forth in

BUSINESS

the agreement and because Bokang Anji did not raise any new evidence on the appeal. Accordingly, we have not made any provision for this lawsuit because our Directors consider the likelihood of being found having to pay damages by the local court remote based on the advice. As such, our Directors believe that the lawsuit would not have a material adverse effect on our business, financial condition or results of operations.

Xiangshan Ju selling and marketing dispute

As of the Latest Practicable Date, there were a total of 84 lawsuits filed by some of the purchasers of Xiangshan Ju, one of our property projects, with the People's Court of Huizhou Daya Bay Economic and Technology Development District ("Daya Bay Court"), alleging their decisions to purchase the property units at Xiangshan Ju were based on the misleading claims and/or certain sales and marketing materials of Xiangshan Ju shared the same facilities and ancillary resources with Huizhou Dong Yuan, another one of our property projects which is adjacent to Xiangshan Ju (the "Alleged Claims"). We consider that the Alleged Claims were borne out of the fact that Sinic Dong Yuan Phase I and Phase II were used for Xiangshan Ju and Huizhou Dong Yuan in limited marketing context, as one generic marketing name is often used for property projects located adjacent to each other, which is in line with the industry practice in the PRC market according to C&W, our industry consultant. The average selling price of Huizhou Dong Yuan is higher than that of Xiangshan Ju. As of the Latest Practicable Date, of these 84 lawsuits, two were settled, 82 lawsuits are pending before the Daya Bay Court. Of the two lawsuits that were settled, one was first decided by the Daya Bay Court on July 5, 2019 before the settlement agreement was reached between the plaintiffs and us. In the decision of July 5, 2019, the Daya Bay Court held that (i) there was no ground to support the plaintiffs' request to terminate the relevant sales agreement between the plaintiffs and us, because (x) the plaintiffs entered into the agreement as natural persons with full capacity, and therefore the agreement is legal, valid and binding on such plaintiffs, and (y) the conditions for termination under the PRC Contract Law were not met, which require, among others, mutual consent by the contracting parties to terminate or failure of or breach by a contracting party that prevents the purpose of the agreement from being achieved, and the Daya Bay Court found that the purpose of the agreement has been achieved when the relevant property unit was delivered to the plaintiffs in the conditions set forth in the agreement; (ii) notwithstanding the above, the Alleged Claims had a material impact on the conclusion of the relevant sales agreement and pricing of the relevant property unit, and therefore were considered a part of the terms of the relevant sales agreement, and (iii) the Company failed to fulfill the Alleged Claims, which constitutes a breach under the relevant sales agreement. The Daya Bay Court awarded the plaintiffs damages of approximately RMB18,930.4, representing 1.5% of the sales price of the relevant property unit sold to the plaintiffs, instead of RMB1.1 million as claimed by the plaintiffs, which was based on the entire sales price of the relevant property unit. As of the Latest Practicable Date, both we and the plaintiffs appealed the decision and the case was pending before the Intermediate People's Court of Huizhou City. These 82 lawsuits pending before courts as of the Latest Practicable Date had an aggregate amount of the claims of approximately RMB128.5 million, which consisted of approximately RMB87.7 million for termination of the relevant sales agreements, which represents the aggregate amount of the sales prices of the property units plus interests arising from the mortgage loans (if any) by the plaintiffs, and approximately RMB40.8 million for damages and other miscellaneous fees and expenses claimed by the plaintiffs. Our external PRC counsel is of the view that the likelihood

BUSINESS

of the courts ruling entirely in favor of the plaintiffs is very low, because: (i) there is a lack of factual and legal basis to terminate the relevant sales agreements between the plaintiffs and us as the Alleged Claims do not constitute valid ground for termination; and (ii) there is insufficient evidence to prove that we marketed and sold Xiangshan Ju as sharing facilities and ancillary resources with Huizhou Dong Yuan, because the relevant sales agreement clearly sets out the sales conditions of the relevant property units which do not support the Alleged Claims.

On May 23, 2019, the Market Supervision Administration Bureau of Huizhou Dayawan Economic and Technology Development District (the “Daya Bay Administration Bureau”) (大亞灣經濟技術開發區市場監督管理局) imposed an administrative fine of RMB145,000 on us by finding that we failed to comply with certain provisions of the PRC Advertising Law for making the Alleged Claims to potential customers of Xiangshan Ju. We have paid the administrative fine in full as required and filed an application for review of the administrative decision with the Huizhou Market Supervision Administration Bureau (the “Huizhou Administration Bureau”) (惠州市市場監督管理局) on June 17, 2019. The Huizhou Administration Bureau decided on August 1, 2019 to uphold the administrative decision of the Daya Bay Administration Bureau, primarily based on the determination that our efforts to distinguish Xiangshan Ju from Huizhou Dong Yuan during the pre-sales activities were insufficient. We lodged an administrative lawsuit against the Daya Bay Administration Bureau and the Huizhou Administration Bureau with the People’s Court of Boluo County (the “Boluo County Court”) on August 21, 2019. As of the Latest Practicable Date, this administrative lawsuit is pending before the Boluo County Court.

Based on our internal records, should all purchasers of property units of Xiangshan Ju file lawsuits based on the same claims against us, the total amount from the termination of all sales agreements for Xiangshan Ju (including the above-mentioned 82 lawsuits and excluding the two that have been settled) would be approximately RMB868.6 million and the total amount of the estimated damages (including the above-mentioned 82 lawsuits and excluding the two that have been settled), if the courts conclude with the same ruling as that by Daya Bay Court (i.e. award plaintiffs with damages amounting to 1.5% of the properties’ sales price), is approximately RMB13.0 million. In addition, our Controlling Shareholders have undertaken to indemnify our Company against all losses, liabilities or damages suffered by any member of our Group in respect of and to the extent arising from or relating to the above-mentioned Xiangshan Ju selling and marketing dispute. See “Appendix V — Statutory and General Information — E. Other Information — 1. Tax and other indemnities” to this prospectus for more details. In consideration of (i) the facts that we have made efforts and taken various measures to separate and distinguish Xiangshan Ju from Huizhou Dong Yuan during our pre-sale activities, (ii) the relatively low amount of damages awarded to the plaintiffs by the Daya Bay Court in the lawsuit as mentioned above, which was on appeal, (iii) the fact that the administrative lawsuit regarding the administrative decisions of the Daya Bay Administration Bureau and the Huizhou Administration Bureau is pending before the Boluo County Court as of the Latest Practicable Date, (iv) the advice from our external PRC legal counsel for these lawsuits that the likelihood of the courts to rule in favor of the plaintiffs’ claims in full is very low, and (v) the indemnity undertaking from our Controlling Shareholders, our Directors believe that these lawsuits would not have a material adverse effect on our business, financial

BUSINESS

condition or results of operations, and accordingly, we have not made any provision for these lawsuits. To better monitor and manage our selling and marketing activities, we have adopted certain internal control measures. See “— Risk Management” for more details.

Except as disclosed above, during the Track Record Period and up to the Latest Practicable Date, we were not involved in any litigation, arbitration or administrative proceedings, claims or disputes which had a material adverse effect on our financial condition or results of operation.

Compliance with Laws and Regulations

During the Track Record Period and up to the Latest Practicable Date, except as disclosed in “— Compliance with Laws and Regulations — Non-compliance Incidents”, we had, in all material respects, complied with all the relevant and applicable PRC laws and regulations governing the business of property development and management. In accordance with the Regulations on Administration of Development and Operation of Urban Real Estate (《城市房地產開發經營管理條例》), the registered capital of a real estate development enterprise shall be no less than RMB1.0 million. See “Regulatory Overview – Regulations on the Establishment of Real Estate Enterprises” for more details. As of May 31, 2019, all of the companies within the Group that engaged in the real estate development business falling within scope of the said regulations were in compliance with such capital requirements.

Qualifications

As advised by our PRC Legal Advisor as of the Latest Practicable Date, except otherwise disclosed below and “— Compliance with Laws and Regulations — Non-compliance Incidents”, our PRC subsidiaries had obtained all necessary material requisite licenses, permits, certificates or approvals from the relevant government authorities to conduct our business in the PRC in the manner described in this prospectus.

As of the Latest Practicable Date, except for two subsidiaries not yet commenced property development, one subsidiary for which the qualification certification is currently being renewed and two subsidiaries whose qualifications have expired and will not be renewed due to the completion of their respective property projects, all of our PRC subsidiaries engaging in the property development operations had obtained qualification certifications for real property development. Regarding the one subsidiary whose qualification certificate that was being renewed as of the Latest Practicable Date, we have obtained the qualification certificate as of the Latest Practicable Date. We plan to obtain the qualification certificates for the two subsidiaries not yet commenced property development when they begin the relevant property development activities, at which stage the qualification certificates become required. The two subsidiaries, namely, Nanchang Shuntai and Jiangxi Aositun, whose qualifications have expired, no longer engage in or plan to engage in property development activities and therefore are not required to hold qualification certificates. Therefore, we consider that there is no

BUSINESS

material adverse effect on our business operations from the lack of qualification certificates for these two subsidiaries. We intend to continue to apply for new certificates for newly established project companies, and renew certificates for existing project companies upon their expiration.

If we fail to maintain our licenses, certificates, permits or governmental approvals upon expiry, our development plans may be delayed and there may be an adverse effect on our business. See the section headed “Risk Factors — Risks Relating to Our Business — We may fail to obtain or experience delays in obtaining the relevant PRC governmental approvals, licenses or permits for our property development projects.”

Idle land

Under the relevant PRC laws and regulations, if a property developers fails to develop land according to the terms of the land grant contract, the relevant PRC land bureau may issue a warning to, or impose a penalty on, the developer or reclaim its land. In particular, the land that is not developed within one year of construction commencement date stipulated in the land grant contract, or developed but the construction has been suspended for more than one year and falls under either of the following two situations may be considered as idle land: (1) the construction has been commenced but the area of land under construction is less than one third of the total area that should have been under construction; or (2) the invested amount is less than 25% of the total investment. Where the land is not developed due to the adjustment of the government planning, the relevant land authority shall consult with the developer to deal with the land and the developer will not be subject to forfeiture of the land or any idle land fee or other penalties). See “Regulatory Overview — Regulation on Land and the Development of Real Estate Projects — Land Grants” in this prospectus for further details. Based on the confirmation letters we received from and interviews with relevant government authorities, we have not received any notice from any PRC government authority identifying any idle land or requiring us to pay idle land fees during the Track Record Period and up to the Latest Practicable Date. See “Risk Factors — Risks Relating to Our Business — We may be subject to fines or forfeit land to the PRC government if we fail to pay land grant premium or fail to develop properties within the time and in accordance with the terms set out in the relevant land grant contracts.”

Non-compliance Incidents

A summary of certain of our non-compliance incidents during the Track Record Period is set forth in the table below. As of the Latest Practicable Date, we had received all the required permits for each of the material non-compliance incidents disclosed below.

No.	Non-compliance Incident(s)	Reasons	Legal Consequences and Impacts	Remedial Measures
1.	<p>Commencement of construction works or pre-sales prior to obtaining the requisite work permit/approval</p> <p><i>Commencement of construction works prior to obtaining the construction work permit</i></p> <p>During the Track Record Period, 11 of our project companies commenced construction works before obtaining the requisite construction works commencement permits. In 2016, 2017, 2018 and the four months ended April 30, 2019, we received nil, two, eight and one administrative penalties, respectively, with respect to commencing construction works before obtaining the requisite construction works commencement permits.</p>	<p>Such non-compliance incidents occurred primarily because: (i) we failed to adequately train employees of the relevant project companies to follow the applicable regulations and/or requirements on the commencement of construction, (ii) our local project managers did not maintain sufficient and timely communication with construction companies which we engaged for the relevant projects, and that the construction companies failed to adhere to the relevant requirements, and (iii) certain of our new employees at project companies failed to fully understand and/or correctly interpret the implementation rules of relevant regulatory requirements, due to the different interpretations and implementation periods by different local regulatory authorities.</p>	<p>The aggregate fines for such incidents amounted to approximately RMB2.6 million. We have received confirmation letters issued by the relevant regulatory authorities confirming or in accordance with the relevant regulation providing that these non-compliance incidents are immaterial. As advised by our PRC Legal Advisor, such relevant regulatory authorities are of appropriate authority and are competent to issue the above confirmations. As we have fully settled the penalties and having considered the confirmation letters issued by the relevant regulatory authorities, our PRC Legal Advisor is of the view that the risks that we will be subject to further administrative penalties (including order to cease construction) for these non-compliance incidents are remote. Our Directors are of the view that such non-compliance would not have a material operational or financial impact on us. Accordingly, no provision was made in our financial statements for such non-compliances.</p>	<p>All of the penalty payments were settled as of the Latest Practicable Date. We further enhanced our relevant internal control measures. See “— Risk Management — Remedial Internal Control Measures.”</p>

No.	Non-compliance Incident(s)	Reasons	Legal Consequences and Impacts	Remedial Measures
	<i>Commencement of construction works prior to obtaining the environmental assessment approval</i>			
	<p>During the Track Record Period, seven of our project companies commenced construction works before obtaining the environmental assessment approval. In 2016, 2017, 2018 and the four months ended April 30, 2019, we received two, four, one and nil administrative penalties, respectively, with respect to commencing construction works before obtaining the environmental assessment approval.</p>	<p>Such non-compliance incidents occurred primarily because: (i) we failed to adequately train our employees of the relevant project companies to follow the applicable regulations and/or requirements in relation to the commencement of construction, (ii) our local project managers did not maintain sufficient and timely communication with construction companies which we engaged for the relevant projects, and that the construction company failed to adhere to the relevant requirements, and (iii) certain of our new employees at project companies failed to fully understand and/or correctly interpret the implementation rules of relevant regulatory requirements, due to the different interpretations and implementation periods by different local regulatory authorities.</p>	<p>The aggregate fines for such incidents amounted to approximately RMB14.7 million. We have received confirmation letters issued by the relevant regulatory authorities confirming that these non-compliance incidents are immaterial. As advised by our PRC Legal Advisor, such relevant regulatory authorities are of appropriate authority and are competent to issue the above confirmations. As we have fully settled the penalties and having considered the confirmation letters issued by the relevant regulatory authorities, our PRC Legal Advisor is of the view that the risks that we will be subject to further administrative penalties (including order to cease construction) for these non-compliance incidents are remote. Our Directors are of the view that such non-compliance would not have a material operational or financial impact on us. Accordingly, no provision was made in our financial statements for such non-compliances.</p>	<p>All of the penalty payments were settled as of the Latest Practicable Date. We further enhanced our relevant internal control measures. See “— Risk Management — Remedial Internal Control Measures.”</p>

No.	Non-compliance Incident(s)	Reasons	Legal Consequences and Impacts	Remedial Measures
	<i>Commencement of construction works prior to obtaining the construction planning permit and/or other related planning approvals</i>			
	<p>During the Track Record Period, 18 of our project companies commenced construction works before obtaining the construction planning permit and/or other related planning approvals. In 2016, 2017, 2018 and the four months ended April 30, 2019, we received three, seven, ten and nil administrative penalties, respectively, with respect to commencing construction works before obtaining the construction planning permit and/or other related planning approvals.</p>	<p>Such non-compliance incidents occurred primarily because: (i) we failed to adequately train our employees of the relevant project companies to follow the applicable regulations and/or requirements on the commencement of construction, (ii) our local project managers did not maintain sufficient and timely communication with construction companies which we engaged for the relevant projects, and that the construction company failed to adhere to the relevant requirements, and (iii) certain of our new employees at project companies failed to fully understand and/or correctly interpret the implementation rules of relevant regulatory requirements, due to the different interpretations and implementation periods by different local regulatory authorities.</p>	<p>The aggregate fines for such incidents amounted to approximately RMB28.3 million. We have received confirmation letters issued by or conducted interviews with the relevant regulatory authorities confirming that these non-compliance incidents are immaterial. As advised by our PRC Legal Advisor, such relevant regulatory authorities are of appropriate authority and are competent to issue the above confirmations or conduct the above interviews. As we have fully settled the penalties and having considered the confirmation letters issued by or interviews conducted with the relevant regulatory authorities, our PRC Legal Advisor is of the view that the risks that we will be subject to further administrative penalties (including order to cease construction) for these non-compliance incidents are remote. Our Directors are of the view that such non-compliance would not have a material operational or financial impact on us. Accordingly, no provision was made in our financial statements for such non-compliances.</p>	<p>All of the penalty payments were settled as of the Latest Practicable Date. We further enhanced our relevant internal control measures. See “— Risk Management — Remedial Internal Control Measures.”</p>

No.	Non-compliance Incident(s)	Reasons	Legal Consequences and Impacts	Remedial Measures
	<i>Commencement of construction works prior to obtaining the construction quality supervision approval</i>			
	<p>During the Track Record Period, nine of our project companies commenced construction works before obtaining the construction quality supervision approval. In 2016, 2017, 2018 and the four months ended April 30, 2019, we received nil, three, five and five administrative penalties, respectively, with respect to commencing construction works before obtaining the construction quality supervision approval.</p>	<p>Such non-compliance incidents occurred primarily because: (i) we failed to adequately train our employees of the relevant project companies to follow the applicable regulations and/or requirements on the commencement of construction, (ii) our local project managers did not maintain sufficient and timely communication with construction companies which we engaged for the relevant projects, and that the construction company failed to adhere to the relevant requirements, and (iii) certain of our new employees at project companies failed to fully understand and/or correctly interpret the implementation rules of relevant regulatory requirements, due to the different interpretations and implementation periods by different local regulatory authorities.</p>	<p>The aggregate fines for such incidents amounted to approximately RMB3.3 million. We have received confirmation letters issued by the relevant regulatory authorities confirming or in accordance with the relevant regulation provisions providing that these non-compliance incidents are immaterial. As advised by our PRC Legal Advisor, such relevant regulatory authorities are of appropriate authority and are competent to issue the above confirmations. As we have fully settled the penalties and having considered the confirmation letters issued by the relevant regulatory authorities, our PRC Legal Advisor is of the view that the risks that we will be subject to further administrative penalties (including order to cease construction) for these non-compliance incidents are remote. Our Directors are of the view that such non-compliance would not have a material operational or financial impact on us. Accordingly, no provision was made in our financial statements for such non-compliances.</p>	<p>All of the penalty payments were settled as of the Latest Practicable Date. We further enhanced our relevant internal control measures. See “— Risk Management — Remedial Internal Control Measures.”</p>

No.	Non-compliance Incident(s)	Reasons	Legal Consequences and Impacts	Remedial Measures
	<p><i>Commencement of construction works prior to obtaining the fire safety design approval</i></p> <p>During the Track Record Period, nine of our project companies commenced construction works before obtaining the fire safety design approval. In 2016, 2017, 2018 and the four months ended April 30, 2019, we received nil, six, four and one administrative penalties, respectively, with respect to commencing construction works before obtaining the fire safety design approval.</p>	<p>Such non-compliance incidents occurred primarily because: (i) we failed to adequately train our employees of the relevant project companies to follow the applicable regulations and/or requirements on the commencement of construction, (ii) our local project managers did not maintain sufficient and timely communication with construction companies which we engaged for the relevant projects, and that the construction company failed to adhere to the relevant requirements, and (iii) certain of our new employees at project companies failed to fully understand and/or correctly interpret the implementation rules of relevant regulatory requirements, due to the different interpretations and implementation periods by different local regulatory authorities.</p>	<p>The aggregate fines for such incidents amounted to approximately RMB0.4 million. We have received confirmation letters issued by the relevant regulatory authorities confirming that these non-compliance incidents are immaterial. As advised by our PRC Legal Advisor, such relevant regulatory authorities are of appropriate authority and are competent to issue the above confirmations. As we have fully settled the penalties and having considered the confirmation letters issued by the relevant regulatory authorities, our PRC Legal Advisor is of the view that the risks that we will be subject to further administrative penalties (including order to cease construction) for these non-compliance incidents are remote. Our Directors are of the view that such non-compliance would not have a material operational or financial impact on us. Accordingly, no provision was made in our financial statements for such non-compliances.</p>	<p>All of the penalty payments were settled as of the Latest Practicable Date. We further enhanced our relevant internal control measures. See “— Risk Management — Remedial Internal Control Measures.”</p>

No.	Non-compliance Incident(s)	Reasons	Legal Consequences and Impacts	Remedial Measures
	<p><i>Commencement of construction work without implementing the required supervision procedures</i></p> <p>During the Track Record Period, two of our project companies commenced construction works before implementing the required supervision procedures. In 2016, 2017, 2018 and the four months ended April 30, 2019, we received nil, nil, two and nil administrative penalties, respectively, with respect to commencing construction works before implementing the required supervision procedures.</p>	<p>Such non-compliance incidents occurred primarily because: (i) we failed to sufficiently train our local construction personnel to fully understand and/or correctly interpret the local requirements with respect to supervision procedures, and (ii) the relevant contractor for the project failed to understand and adhere to the relevant local requirements.</p>	<p>The aggregate fines for such incidents amounted to approximately RMB0.4 million. We have received confirmation letters issued by the relevant regulatory authorities confirming that these non-compliance incidents are immaterial. As advised by our PRC Legal Advisor, such relevant regulatory authorities are of appropriate authority and are competent to issue the above confirmations. As we have fully settled the penalties and having considered the confirmation letters issued by the relevant regulatory authorities, our PRC Legal Advisor is of the view that the risks that we will be subject to further administrative penalties (including order to cease construction) for these non-compliance incidents are remote. Our Directors are of the view that such non-compliance would not have a material operational or financial impact on us. Accordingly, no provision was made in our financial statements for such non-compliances.</p>	<p>All of the penalty payment were settled as of the Latest Practicable Date. We further enhanced our relevant internal control measures. See “— Risk Management — Remedial Internal Control Measures.”</p>

No.	Non-compliance Incident(s)	Reasons	Legal Consequences and Impacts	Remedial Measures
	<p><i>Commencement of pre-sales prior to obtaining pre-sales permit</i></p> <p>During the Track Record Period, two of our project companies commenced pre-sales prior to obtaining the relevant sales permit. In 2016, 2017, 2018 and the four months ended April 30, 2019, we received nil, nil, two and nil administrative penalties, respectively, with respect to commencing pre-sales prior to obtaining the relevant sales permit.</p>	<p>Such non-compliance incidents occurred primarily because: (i) we failed to adequately train our relevant personnel to fully understand the requirements of the relevant PRC laws and regulations, and (ii) our local sales and marketing teams did not adequately communicate the requirements among internal teams at the project company level.</p>	<p>The aggregate fines for such incidents amounted to approximately RMB0.7 million. We have received confirmation letters issued by the relevant regulatory authorities confirming or in accordance with the relevant regulatory provisions providing that these non-compliance incidents are immaterial. As advised by our PRC Legal Advisor, such relevant regulatory authorities are of appropriate authority and are competent to issue the above confirmations. As we have fully settled the penalties and having considered the confirmation letters issued by the relevant regulatory authorities, our PRC Legal Advisor is of the view that the risks that we will be subject to further administrative penalties for these non-compliance incidents are remote. Our Directors are of the view that such non-compliance would not have a material operational or financial impact on us. Accordingly, no provision was made in our financial statements for such non-compliances.</p>	<p>All of the penalty payments were settled as of the Latest Practicable Date. We further enhanced our relevant internal control measures. See “— Risk Management — Remedial Internal Control Measures.”</p>

No.	Non-compliance Incident(s)	Reasons	Legal Consequences and Impacts	Remedial Measures
2.	<p>Failure to make adequate social security insurance and housing provident fund contributions</p> <p>During Track Record Period, certain of our subsidiaries failed to make adequate social security insurance and housing provident fund contributions for some employees as required by the relevant PRC laws and regulations. We estimate that the total outstanding amount of social security insurance and housing provident fund contribution for the Track Record Period that we may be required to repay is approximately RMB32.2 million.</p>	<p>Such non-compliance incidents occurred primarily due to i) the inconsistent implementation or interpretation of the PRC laws and regulations by local authorities and lack of correct understanding of certain administrative personnel handling the social security insurance and housing provident fund contributions at the project companies of the relevant PRC laws and regulations, and ii) in some cases, certain employees voluntarily made the decision to not make such contributions in lieu of receiving cash payments.</p>	<p>According to the relevant PRC laws and regulations, we may be ordered to pay social security insurance fund contribution overdue and be subject to an overdue penalty at a daily interest rate of 0.05% on any delinquent payment. If we fail to do so within a given period as required by the local social security insurance authorities, we may be subject to a penalty of up to three times of the amount of the amount in delinquency. In respect of the housing provident fund contribution, according to the relevant PRC laws and regulations, the relevant governmental authority may require us to make the unsubscribed contribution within a given period and, if we fail to do so within the given period, may apply to a PRC court for an order to enforce the payment. As of the Latest Practicable Date, we had not received such requirement from the relevant governmental authority.</p>	<p>We further enhanced our relevant internal control measures. See “— Risk Management — Remedial Internal Control Measures.”</p>

No.	Non-compliance Incident(s)	Reasons	Legal Consequences and Impacts	Remedial Measures
			<p>As of the Latest Practicable Date, most of our subsidiaries involved in such non-compliance incidents had obtained written confirmations from the relevant government authorities confirming that we did not have any outstanding payment for social security insurance and housing provident fund and/or there are no records of penalties imposed on us for failure to make adequate social security insurance and housing provident fund contributions. As advised by our PRC Legal Advisor, such relevant regulatory authorities are of appropriate authority and are competent to issue the above confirmations. Our Directors confirm that the Company would make or supplement contributions within a stipulated period if were requested to rectify such non-compliances by the social security administrative authorities. On September 21, 2018, the Ministry of Human Resources and Social Security of the PRC issued the Urgent Notice on Enforcing the Requirement of the General Meeting of the State Council and Stabilization the Levy of Social Insurance Payment (關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知), which required that, before the reform of the social security collection institutions is in place, the basis, rates and other relevant policies, relevant social security payment shall remain unchanged. It is strictly prohibited</p>	

No.	Non-compliance Incident(s)	Reasons	Legal Consequences and Impacts	Remedial Measures
			<p>for the relevant authorities to collectively initiate and proactively collect the unpaid social security contributions from enterprises. Based on the above, our PRC Legal Advisor is of the view that the risks that the relevant subsidiaries will be subject to further administrative penalties for these non-compliance incidents are remote. Out of an abundance of caution, however, as of December 31, 2016, 2017, 2018 and April 30, 2019, we made provisions for social security insurance in the amount of RMB5.6 million, RMB5.4 million, RMB12.1 million and RMB9.1 million, respectively, which was the difference between the for social security insurance maximum aggregate amount of such for social security insurance contributions and contributions we had actually made. Our Directors are of the view that the non-compliance relating to housing provident fund contributions would not have a material operational or financial impact on us. According, no provision was made in our financial statements for the non-compliance relating to housing provident fund contributions.</p>	

No.	Non-compliance Incident(s)	Reasons	Legal Consequences and Impacts	Remedial Measures
3.	<p>Inappropriate Marketing</p> <p>During the Track Record Period, four of our subsidiaries published certain property advertisements that did not comply with the relevant requirements of the PRC Advertising Law. In 2016, 2017, 2018 and the four months ended April 30, 2019, we received one, one, two and nil administrative penalties, respectively, with respect to commencing publishing certain property advertisements that did not comply with the relevant requirements of the PRC Advertising Law.</p>	<p>Such non-compliance incidents occurred primarily because: (i) we failed to adequately train our relevant personnel to fully understand the requirements of the relevant PRC laws and regulations among different locations, and (ii) our local sales and marketing teams did not obtain the correct interpretation about the inconsistencies in requirements among different locations and/or did not adequately communicate the requirements among internal teams at the project company level.</p>	<p>Under the applicable PRC advertising law, we were fined RMB512,600 by the relevant local authorities. The confirmation letters from the competent regulatory authorities confirmed that these non-compliance incidents are immaterial. As advised by our PRC Legal Advisor, such relevant regulatory authorities are of appropriate authority and are competent to issue the above confirmations. As we have fully settled the penalties and having considered the confirmation letters from with relevant government authorities, our PRC Legal Advisor is of the view that the risks that the relevant subsidiaries will be subject to further administrative penalties for these non-compliance incidents are remote. Our Directors are of the view that such non-compliance incidents would not have a material operational or financial impact on us. Accordingly, no provision was made in our financial statements for such non-compliance incidents.</p>	<p>All the penalty payments have been settled as of the Latest Practicable Date. We further enhanced our relevant internal control measures. See “— Risk Management — Remedial Internal Control Measures.”</p>

INTERNAL CONTROLS

In preparation for the Listing, we engaged an independent internal control advisor (the “Internal Control Advisor”) to perform an overall assessment on certain of our procedures, systems and internal controls, including, in particular, to review the internal controls to be established by us to prevent future breach and enhance on-going compliance. The scope of internal control review performed by Internal Control Advisor was agreed between us, the Joint Sponsors, and the Internal Control Advisor.

During the internal control review, the Internal Control Advisor has provided some recommendations for our management’s consideration to enhance and rectify those deficiencies identified in our internal control system. We have implemented such remedial measures and the Internal Control Advisor has reviewed the remediation status of the identified internal control deficiencies of our selected entities by performing relevant follow-up testing on sample basis. Based on the follow-up testing results on the sample basis reviewed by the Internal Control Advisor, we have implemented all of these remedial measures.

In order to ensure that we maintain sound and effective internal control to protect the interests of us and our shareholders, we have set up an audit and supervision center to advise our executive directors and senior management regarding the risk control and compliance issues arising from the day-to-day business operations of our PRC subsidiaries. The audit and supervision center consisted of 23 members as of April 30, 2019 from three departments, namely, internal control audit department, construction audit department and anti-corruption supervision department, and is led by the general manager of the audit and supervision center Mr. Baoliang Hu. We believe that the current composition of the internal control team offers the expertise to provide a risk assessment of key areas of concern, such as strategy, operations, finance and compliance, to our Board and assists our Board to effectively plan and manage the operations of our overall business. The internal control team provides progress, supervision and non-compliance updates in the monthly meeting held by audit and supervision center or reports regulatory and compliance-related matters directly to the general manager of audit and supervision center who then reports to the Board.

Our legal department, headed by Chengwen Wang, a qualified lawyer in the PRC, advises the executive Directors and senior management on the legal issues involved in the daily business operations of our subsidiaries in the PRC. We have also engaged external legal advisors to provide legal advice and guidance to our regional offices in the cities where we operate to ensure our ongoing compliance with relevant laws and regulations in the PRC. We have sought advice from our PRC legal advisors and the internal control advisors on various internal control issues arising from our business operations.

RISK MANAGEMENT

We believe that risk management is crucial to the success of any property developer in the PRC. Key operational risks that we face include changes in PRC political and economic conditions, changes in the PRC regulatory environment, availability of suitable land sites for developments at reasonable prices, availability of financing to support our developments, ability to complete our development projects on time and competition from other property developers. See the section headed “Risk Factors” in this prospectus for a discussion of various risks and uncertainties we face.

In addition, we also face various financial risks. In particular, we are exposed to interest rate, foreign exchange, credit and liquidity risks that arise in the ordinary course of our business. See the section headed “Financial Information — Quantitative and Qualitative Analysis about Market Risk” for a discussion of these market risks.

In order to meet these challenges, we have established the following structures and measures to manage our risks:

- Our Board and management at the Group level is responsible for determining our overall business and investment plans, preparing our annual financial budgets and final reports and formulating proposals for profit distributions, and is in charge of the overall risk control of our Group. See the section headed “Directors and Senior Management — Board of Directors” for details of the experience of members of our Board.
- Our final site selection decisions are made by our strategic investment center, management at the Group level and chairman of the Board. The responsible persons are specifically tasked with the review and approval decisions of such business development.
- Our financial management center and strategic investment center are primarily responsible for the management of our liquidity risks. The responsible persons employ, among others, the following measures to manage the relevant risks: (i) maintaining systematic records of cash inflows and outflows at the Group level; (ii) preparing reports on a weekly or a monthly basis which identifies and addresses the potential issues and potential solutions in short-term cash flow, which are reviewed by the chief officers of the financial management center who then make recommendations to treasury director of financial management center about available actions to take to address the issues; and (iii) reviewing financial results for compliance against certain targets to ensure maintenance of sufficient level of cash on hand for short and long-term and report to the responsible persons at the Group level if there are any significant change in our borrowing and investment activities.

BUSINESS

- Our strategic investment center continues to monitor the financial condition of the entities in which we invest, including performing analysis and making financial forecasts on the periodic financial statements of the entity (if any), engaging professional third parties to conduct industrial research on the entity (if relevant changes are noted from the financial information of the entity), and reviewing other relevant information to evaluate our liquidity risks with respect to our long-term debt investments. In addition, our strategic investment center is required to involve and obtain inputs from our legal affairs management center with respect to any investment plan. Our legal affairs management center is responsible for evaluating the investment plan from the legal perspective and updating the internal departments if there are relevant changes to the applicable law relating to investment and financing. Our strategic investment management center is then responsible for providing training to the relevant staff to ensure that they have updated knowledge and understanding of the requirements under the applicable PRC law. Our strategic investment center works with our audit supervision center to report to the responsible persons at the Group level on a quarterly basis. Our legal affairs management center can also report directly to the management at the Group level for any legal risks it detects.

- We adopted a series of measures to prevent the occurrence of using potentially misleading names in marketing our property projects. Specifically, we put into place detailed procedures to ensure that the marketing names used for our property projects are accurate. Before the commencement of construction, the investment department personnel of the relevant city company conducts name searches of the property projects near the relevant property project, and submits the information to other departments at the city company for internal evaluation. The managers of various departments and the general manager of the relevant city company use such information and their own research and knowledge to decide on the proposed name, before submitting the same for approval by, among others, the vice president of the sales and marketing management center at the Group level. The name is only used in marketing materials after receiving the internal approvals. The sales and marketing personnel of the relevant city company also receive regular training before the commencement of pre-sales to ensure that they possess accurate and up-to-date information regarding the relevant property project.
 - We adopted certain internal control measures in relation to the Xiangshan Ju selling and marketing dispute. See “— Legal Proceedings and Compliance — Ongoing Legal Proceedings — Xiangshan Ju selling and marketing dispute” in this prospectus for details of the dispute. We set up a hotline and designated WeChat contact for relevant customers to communicate with us about their concerns or provide suggestions in relation to the Xiangshan Ju selling and marketing dispute. Our designated personnel are required to respond to the customer within three to 15 working days and conduct follow-ups to ensure such inquiries and suggestions are handled in a timely manner. The relevant details of the communications are organized and reviewed by designated personnel of the project company and at the sales and marketing management center and the Group level, as part of our ongoing efforts to better understand and address the customers’ concerns, and to formulate or improve the relevant marketing policies and procedures to prevent such incident in the future.

BUSINESS

- Our senior management team at our city companies is in charge of the daily business operations and risk monitoring of local projects, and is responsible for the supervision of different aspects of local operations on a daily basis as well as the supervision and approval of any material business decisions of respective project companies. We have formulated clear reporting lines between the management at our city company level and our group level.
- Our audit and supervision center at the Group level is responsible for the monitoring and implementing our internal control policies and to adjust and improve our internal control polices based on changes relating to, among others, our operations, changes to relevant laws and regulations, industry conditions, organizational structure, issues discovered in internal review processes and internal risk assessments.

Remedial Internal Control Measures

To prevent the future occurrence of non-compliance incidents, we have adopted the following remedial internal control measures.

<u>Matter of non-compliance</u>	<u>Internal Control Measures</u>
Commencement of construction or pre-sales work prior to obtaining the construction work or pre-sales work permit	<p><i>Policies, procedures and follow-up mechanism:</i> We enhance our policies and procedures relating to the project and construction management to clearly define the procedures as well as roles and responsibilities for obtaining and maintaining relevant permits and documents throughout the construction process, and appoint independent and certified company to supervise projects. We establish a follow-up and reporting mechanism to govern and monitor the progress of application of relevant permits and documents and timely identify any potential delay, as well as the appointment of independent and certified supervision companies for our projects.</p> <p><i>Regular training:</i> We organize regular training to relevant departments on the prevailing rules and regulations of project and construction management as well as the Group policies and procedures. The first training session was conducted in February 2019.</p> <p><i>Internal control:</i> We have designated experienced staff to perform regular review of the design and implementation of the relevant internal guidelines and requirements.</p>

BUSINESS

Matter of non-compliance

Internal Control Measures

Failure to make adequate social security insurance and housing provident fund contributions

Policies, procedures and follow-up mechanism: we have revised our policies and procedures to include guidelines on calculation of social security insurance and housing provident fund contribution matters, which are regularly reviewed and updated in accordance with the relevant laws and regulations. We have also put in place procedures that require our responsible persons from our human resources administration center and financial management center to review the calculation of relevant contribution on a regular basis, and keep property records of any contribution paid.

Local regulatory requirements: We designate personnel of each project company to update any changes in local regulatory requirements on social security insurance and housing provident fund contributions, and report the relevant updates to our legal affairs management center.

Regular Training: We organize regular training for our relevant personnel from the responsible departments on the topic of the PRC regulations and rules, and our internal requirements and procedures regarding social security insurance and housing provident fund contributions.

Internal control: We have designated experienced staff to perform regular review of the design and implementation of the relevant internal guidelines.

Violation of PRC Advertising Law

Policies, procedures and follow-up mechanism: We have implemented guidelines on the handling and/or the publication of advertisements and marketing work involving our properties. The guidelines provide detailed procedures on internal review by various departments, including our legal personnel, to help ensure that the proposed advertisements comply with the relevant PRC laws and regulations.

BUSINESS

Matter of non-compliance

Internal Control Measures

Local regulatory requirements: Our sales and marketing management center provides draft advertisements and/or proposed sales campaign materials relating to pre-sales to our legal affairs management center for review and approval so to ensure compliance with the relevant regulations and requirements. In addition, we have designated personnel at each project company to regularly update any changes in local requirements on sales and marketing relating to pre-sales, and report such updates to our legal affairs management center.

Regular training: We organize regular training of the personnel of relevant departments at project companies to strictly follow the guidelines.

Internal control: we have designated experienced staff to perform regular review on the design and implementation of the relevant internal guidelines.

Our Directors' View

Based on the facts and circumstances regarding our non-compliance incidents and the enhanced internal control measures disclosed above, our Directors are of the view, and our Internal Control Consultant also confirms that, the enhanced internal control measures adopted by the Company, if implemented continuously, are adequately and effectively designed to reasonably prevent such future non-compliance.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

OVERVIEW

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares which may be issued upon exercise of any options that may be granted under the Share Option Scheme), Sinic Holdings will directly hold 79.9% of the issued share capital of our Company. Sinic Holdings is wholly owned by Sinic Group, which in turn is wholly owned by Xin Hong. All the issued shares and interest in Xin Hong is held by TMF (Cayman) Ltd., the trustee of the Family Trust, through its holding vehicle. Mr. Zhang, as the investment decision maker of the Family Trust and the sole member of the advisory committee of the Employee Incentive Trust, through Sinic Holdings, Sinic Group, Xin Hong and Xin Heng controls the exercise of more than 30% of the voting power at general meetings of the Company. Accordingly, Mr. Zhang, Sinic Holdings, Sinic Group, Xin Hong and Xin Heng are our Controlling Shareholders.

Our Controlling Shareholders have confirmed that neither they nor any of their respective close associates is/are currently interested, involved or engaged, or is likely to be interested, involved or engaged, directly or indirectly, in business which competes or is likely to compete, directly or indirectly, with our Group's business and would require disclosure under Rule 8.10 of the Listing Rules.

DELINEATION OF BUSINESS

Business of our Group

We are a large-scale and comprehensive property developer, focusing on the development of residential, commercial and multi-use properties. Please see “Business” in this prospectus for further information of our business and operations.

Primary land development business not included in our Group

During the Track Record Period and as of the Latest Practicable Date, the core business of our Group remained focused on the development of residential, commercial and multi-use properties (the “**Core Business**”). With a view to focusing our resources on our Core Business and streamlining our group structure, we disposed of a number of companies engaged in primary land development activities (the “**Primary Land Development Business**”) to the associates of our Controlling Shareholders as part of the Reorganization. Prior to the disposal, none of the companies had carried out any substantive business nor had made any substantive financial contribution to our Group during the Track Record Period. Details of the disposal of such Primary Land Development companies are set out in “History, Reorganization and Corporate Structure — Reorganization — Reorganization of PRC Subsidiaries — Disposal of certain subsidiaries” in this prospectus.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

The Primary Land Development Business refers to the process of preparing land to becoming ready for public tender, auction and listing-for-sale, typically involving relocating existing business establishment and residents, demolishing existing buildings and other structures, clearing the site and installing basic infrastructure for future property development. Such business is not in line with our Group's strategy to focus on property development and our Core Business does not involve primary land development. The Primary Land Development Business was not included into our Group as we are of the view that such business neither form part of our Core Business nor is in line with our overall business strategy and long term strategy to position ourselves as a large-scale and comprehensive property developer.

Given the different nature of business of our Group and the Primary Land Development Business, our Directors do not expect there to be any overlap or competition between them after the Listing.

Other businesses of our ultimate Controlling Shareholder

In addition to our business and the Primary Land Development Business, Mr. Zhang is interested in other businesses through Sinic Technology comprising four principal business segments: (i) property management services; (ii) commercial management services; (iii) education; and (iv) operation of convenience stores. Such other businesses held by Mr. Zhang are separate and distinct from our Group's business. As a result, our Directors are of the view that there is a clear delineation between such businesses and our business, and hence there is unlikely to be any direct or indirect competition with the business of our Group.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

We believe that we are capable of carrying on our business independently of our Controlling Shareholders and their respective associates (other than our Group) after the Listing for the following reasons:

Management independence

Our Board comprises three executive Directors and three independent non-executive Directors. Other than Mr. Zhang and Ms. Tu Jing, none of our Directors or the members of our senior management holds any directorship or senior management role in our Controlling Shareholders or their close associates. Mr. Zhang and Ms. Tu Jing are the directors of Sinic Technology. Ms. Tu Jing only assumes a non-executive role in and is not involved in the day-to-day management of Sinic Technology. Despite the overlapping roles assumed by Mr. Zhang and Ms. Tu Jing, when performing their duties in each of our Group and Sinic Technology, they have been and will continue to be supported by the separate and independent board and senior management teams of each of our Group and Sinic Technology.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

In the event that Mr. Zhang and Ms. Tu Jing are required to absent themselves from voting on matters relating to Sinic Technology due to potential conflicts of interest, our remaining Directors will have sufficient expertise and experience to fully consider any such matter. Notwithstanding the positions of Mr. Zhang and Ms. Tu Jing in Sinic Technology, our Directors, including the independent non-executive Directors, are of the view that there are sufficient and effective control mechanisms to ensure that our Directors shall discharge their duties appropriately and safeguard the interests of our Shareholders as a whole and our Board is able to manage our business independently from our Controlling Shareholders or their close associates for the following reasons:

- (a) none of the business undertaken or carried on by our Controlling Shareholders or their close associates competes with our Core Business, and there are adequate corporate governance measures in place to manage the existing and potential conflicts of interest. Therefore, the dual roles assumed by Mr. Zhang and Ms. Tu Jing will not affect the requisite degree of impartiality of our executive Directors in discharging their fiduciary duties owed to our Company;
- (b) we have three independent non-executive Directors, and certain matters of our Group, including connected transactions and matters referred to in the Deed of Non-Competition, details of which are set out in “– Deed of Non-Competition” in this section below, must always be referred to the independent non-executive Directors for review. This helps to enhance the independence of our management from that of our Controlling Shareholders or their close associates;
- (c) each of our Directors is aware of his/her fiduciary duties as a director which require, among others, that he/she must act for the benefit of and in the best interests of our Company and not allow any conflict between his/her duties as a Director and his/her personal interests. The Directors shall not vote in any Board resolution approving any contract or arrangement or any other proposal in which he/she or any of his/her close associates has a personal material interest and shall not be counted in the quorum present at the particular Board meeting. Therefore, in the event of a conflict of interest, the relevant Director will abstain from voting and will be excluded from deliberation by our Board. Hence, no Director will be able to influence our Board in making decisions on matters in which he/she is, or may be interested. We believe all of our Directors, including the independent non-executive Directors, have the requisite qualifications, integrity and experience to maintain an effective board and observe their fiduciary duties in the event of a conflict of interest. Please see “Directors and Senior Management — Board of Directors” in this prospectus for a summary of the relevant experience and qualifications of our Directors; and
- (d) save as disclosed herein, our daily operations will be managed by our senior management team, none of whom holds any senior managerial position or directorship position within our Controlling Shareholders or their close associates.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Operational independence

We operate independently from our Controlling Shareholders and their respective close associates for the following reasons:

- (a) we hold or enjoy the benefit of all relevant licenses necessary to operate our business;
- (b) we have an independent management team to operate our business;
- (c) we can make decisions and carry out our own business operations independently;
- (d) we have our own organizational structure and departments independent from our Controlling Shareholders;
- (e) we have established a set of internal control procedures to facilitate the effective operation of our business;
- (f) we own or have the right to use all the operational facilities relating to our business; and
- (g) we have sufficient capital, facilities and employees to operate our business independently.

Although we have entered into certain continuing connected transactions which will continue after the Listing, such transactions have been entered into and will continue to be entered into on normal commercial terms and in the ordinary course of business of our Company. Please see “Connected Transactions” in this prospectus for details of the continuing connected transactions that will continue after Listing.

Financial independence

Our Group has an independent financial system. We make financial decisions according to our own business needs and neither our Controlling Shareholders nor their close associates intervene with our use of funds. We have opened accounts with banks independently and have not shared any bank account with our Controlling Shareholders or their close associates. We have implemented sound and independent audit, accounting and financial management systems. We have adequate internal resources and credit profile to support our daily operations, and we are capable of obtaining financing from Independent Third Parties without relying on any guarantee or security provided by our Controlling Shareholders or their respective close associates.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Mr. Zhang, one of our Controlling Shareholders, and his certain close associates have provided guarantees in favor of our Group in respect of certain financing arrangements (the “**Debt Financing**”) with Shanghai Yidezhen Investment Management (Limited Partnership) (上海易德臻投資管理中心(有限合夥)) (“**Yidezhen**”). Details of the Debt Financing are set out below:

Member of our Group (as borrower)	Fund manager/ trustee	Type of financing	Annual interest rate	Maturity date	Securities and guarantees in favor of Yidezhen	Outstanding principal balance as of the Latest Practicable Date
<i>(RMB'000)</i>						
1. Sinic Real Estate	Yidezhen	Private equity investment fund ⁽¹⁾	9.5%	December 24, 2019	(i) Guaranteed by Sinic Technology, Mr. Zhang and his spouse, Ms. Wu Chengping; and (ii) secured by pledge of the entire equity interest in 新悅力創房 地產開發有限公司 (Xinyue Lichuang Real Estate Development Co., Ltd.) ⁽³⁾ by Sinic Real Estate.	500,000
2. 惠州市旺友實業有限公司 (Huizhou Wangyou Properties Co., Ltd.) (“Huizhou Wangyou”) ⁽⁴⁾	Yidezhen	Debt financing scheme ⁽²⁾	9.2%	May 9, 2020	Guaranteed by Sinic Real Estate, Wuhan Zhenghe Properties Co., Ltd. (武漢 正和置業有限公司) ⁽⁵⁾ , Mr. Zhang and his spouse, Ms. Wu Chengping	599,500
Total						<u><u>1,099,500</u></u>

Notes:

- (1) The proceeds of the private equity investment fund have been used to finance our property development project, Huizhou Dibo Wan. Yidezhen is the fund manager and Bank of Shanghai Puxi Branch is the fund custodian of the private equity investment fund.
- (2) The proceeds of the debt financing scheme have been used to finance our property development project, Huizhou Long Wan, as well as for the future development of a property project located in Wuhan. Yidezhen is the trustee of the debt financing scheme.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

- (3) As of the Latest Practicable Date, Xinyue Lichuang Real Estate Development Co., Ltd. was wholly owned by Sinic Real Estate.
- (4) As of the Latest Practicable Date, Huizhou Wangyou was wholly owned by 惠州力新美學房地產開發有限公司 (Huizhou Lixin Meixue Real Estate Development Co., Ltd.), which in turn was indirectly owned as to 51% by Sinic Real Estate.
- (5) As of the Latest Practicable Date, Wuhan Zhenghe Properties Co., Ltd. was wholly owned by Jiangxi Yangyan Real Estate Development Co., Ltd. (江西陽焱房地產開發有限公司), which in turn was owned as to 80% by Shanghai Demiao Real Estate Development Co., Ltd. (上海德淼房地產開發有限公司) (an Independent Third Party) and 20% by Sinic Real Estate.

Given that the release of guarantees under the Debt Financing would involve obtaining consent from more than 200 investors in the Debt Financing, it would be highly difficult and commercially impractical for our Group to obtain such consent to release the guarantees under the Debt Financing. Having regard to the following circumstances and measures taken by our Group, we believe that the continuation of the above financing arrangement after Listing will not significantly impact our ability to operate independently from our Controlling Shareholders and their respective close associates for the following reasons:

- (a) the Debt Financing will be our only debt instruments with guarantees provided by our Controlling Shareholders or their close associates upon Listing. The Debt Financing does not account for a significant portion of our total indebtedness. As of the Latest Practicable Date, the outstanding principal balance of the Debt Financing amounted to approximately RMB1.1 billion, representing approximately 3.6% of the total indebtedness of our Group;
- (b) we are able to obtain financing from independent financial institutions without financial assistance from our Controlling Shareholders and their close associates. For instance, during the period from January 1, 2019 and up to the Latest Practicable Date, we had obtained and drawn down loan facilities in an aggregate principal amount of at least approximately RMB14.3 billion without any security or guarantee from any of our Controlling Shareholders or their close associates from independent financial institutions; and
- (c) not all of our borrowings are secured or guaranteed by our Controlling Shareholders. As of the Latest Practicable Date, we had over RMB13.4 billion unutilized loan facilities which are and will not be secured or guaranteed by our Controlling Shareholders after Listing.

All amounts due from or due to our Controlling Shareholders not arising out of the ordinary course of business will be fully settled before Listing. Save for the Debt Financing disclosed above, all share pledges and guarantees provided by our Controlling Shareholders and/or their respective close associates on our Group's borrowing or by us on borrowings of our Controlling Shareholders and/or their respective close associates will be fully released upon Listing.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

DEED OF NON-COMPETITION

Each of our Controlling Shareholders has undertaken to us in the Deed of Non-Competition that he/it will not, and will procure his/its close associates (other than members of our Group) not to directly or indirectly (whether or not through his/its own, jointly with any person, corporation, partner, joint venture or any other contractual arrangements, and whether or not in exchange for profit or other benefits) participate, acquire or hold any right or interest in or otherwise be involved in or undertake any business that directly or indirectly competes, or may compete, with the existing business activity of our Group or any business activities which our Group may undertake in the future (in all cases, whether or not as shareholder, partner, agent or any other capacity, and whether or not for profits, returns or any benefits) (the “**Restricted Activity**”), or hold shares or interest in any companies or business that compete directly or indirectly with the business engaged by our Group from time to time except where our Controlling Shareholders hold less than 5% of the total issued share capital of any company (whose shares are listed on the Stock Exchange or any other stock exchange) which is engaged in any business that is or may be in competition with any business engaged by any member of our Group and they do not control more than 10% of the board of directors of such company.

Further, each of our Controlling Shareholders has undertaken to procure that if any new business investment or other business opportunity relating to the Restricted Activity (the “**Competing Business Opportunity**”) is identified by or made available to him/it or any of his/its close associates, he/it shall, and shall procure that his/its close associates shall, refer such Competing Business Opportunity to our Company on a timely basis and refer the Competing Business Opportunity to our Company by giving written notice (the “**Offer Notice**”) to our Company of such Competing Business Opportunity within 30 business days of identifying the target company (if relevant) and the nature of the Competing Business Opportunity, the investment or acquisition costs and all other details reasonably necessary for our Company to consider whether to pursue such Competing Business Opportunity.

Upon receiving the Offer Notice, our Company shall seek approval from our Board or a board committee (in each case comprising only independent non-executive Directors) which has no interest in the Competing Business Opportunity (the “**Independent Board**”) as to whether to pursue or decline the Competing Business Opportunity (any Director who has actual or potential interest in the Competing Business Opportunity shall abstain from attending (unless their attendance is specifically requested by the Independent Board) and voting at, and shall not be counted in the quorum for, any meeting convened to consider such Competing Business Opportunity).

The Independent Board shall consider the financial impact of pursuing the Competing Business Opportunity offered, whether the nature of the Competing Business Opportunity is consistent with our Group’s strategies and development plans and the general market conditions of our business. If appropriate, the Independent Board may appoint independent financial advisors and legal advisors to assist in the decision-making process in relation to such Competing Business Opportunity.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

The Independent Board shall, within 30 business days of receipt of the Offer Notice, inform our Controlling Shareholders in writing, on behalf of our Company, its decision whether to pursue or decline the Competing Business Opportunity.

Our Controlling Shareholders shall be entitled but not obliged to pursue such Competing Business Opportunity if he/it has received a notice from the Independent Board declining such Competing Business Opportunity or if the Independent Board failed to respond within such 30 business days' period mentioned above.

If there is any material change in the nature, terms or conditions of such Competing Business Opportunity pursued by our Controlling Shareholders, he/it shall refer such revised Competing Business Opportunity to our Company as if it were a new Competing Business Opportunity.

In order to promote good corporate governance practices and to improve transparency, the Deed of Non-Competition also includes the following provisions:

- our independent non-executive Directors shall review, at least on an annual basis, the compliance with the Deed of Non-Competition by our Controlling Shareholders;
- each of our Controlling Shareholders shall and shall procure his/its relevant close associates to provide all information necessary for the annual review by our independent non-executive Directors for the enforcement of the Deed of Non-Competition;
- we shall disclose the review by our independent non-executive Directors on the compliance with, and the enforcement of, the Deed of Non-Competition and the decisions on matters reviewed by our independent non-executive Directors (including the reasons for not taking up the Competing Business Opportunity referred to our Company) either through our annual report or by way of announcement to the public in compliance with the Listing Rules;
- each of our Controlling Shareholders will make an annual declaration in our annual report on the compliance with the Deed of Non-Competition in accordance with the principle of voluntary disclosure in the corporate governance report; and
- in the event that any of our Directors and/or their respective close associates has material interests in any matter to be deliberated by our Board in relation to the compliance and enforcement of Deed of Non-Competition, he/she may not vote on the resolutions of our Board approving the matter and shall not be counted towards the quorum for the voting pursuant to the applicable provisions in the Articles of Association.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

The Deed of Non-Competition will lapse automatically if our Controlling Shareholders and their close associates cease to be interested in, whether directly or indirectly, 30% or more of our Shares or if our Shares cease to be listed on the Stock Exchange.

CORPORATE GOVERNANCE MEASURES

Our Controlling Shareholders and his/its respective close associates may not compete with us as provided in the Deed of Non-Competition. In order to further avoid potential conflicts of interest, we have implemented the following measures:

- (a) as part of our preparation for the Global Offering, we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provided that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her close associates has a personal material interest nor shall such Director be counted in the quorum for the voting;
- (b) a Director with personal material interests shall make full disclosure in respect of matters that may have conflict or potentially conflict with any of our interest and abstain from the board meetings on matters in which such Director or his/her associates have a personal material interest, unless the attendance or participation of such Director at such meeting of the Board is specifically requested by a majority of the independent non-executive Directors;
- (c) we are committed that our Board should include a balanced composition of executive Directors and independent non-executive Directors. We have appointed three independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgement and will be able to provide an impartial, external opinion to protect the interests of our public Shareholders. Details of our independent non-executive Directors are set out in the section entitled “Directors and Senior Management — Board of Directors — Independent non-executive Directors” in this prospectus; and
- (d) we have appointed Zhongtai International Capital Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to Directors’ duties and corporate governance.

CONNECTED TRANSACTIONS

OVERVIEW

We have entered into a number of agreements with our connected persons the details of which are set out below. The transactions disclosed in this section will constitute our continuing connected transactions under Chapter 14A of the Listing Rules upon Listing.

(A) EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Trademark Licensing Agreement

On October 21, 2019, a trademark licensing agreement was entered into between our Company and Sinic Technology (the “**Trademark Licensing Agreement**”), pursuant to which Sinic Technology agreed to irrevocably and unconditionally grant to our Company and other members of our Group a license to use several trademarks (the “**Sinic Trademarks**”) registered in the PRC for a perpetual term commencing from the date of the Trademark Licensing Agreement on a royalty-free basis, subject to the relevant Sinic Trademarks’ effective period of registration (including the effective period as extended by renewal of registration). Pursuant to the Trademark Licensing Agreement, Sinic Technology has agreed to maintain the registration of the Sinic Trademarks during the term of the Trademark Licensing Agreement. Details of the Sinic Trademarks are set forth in the “Statutory and General Information — B. Further Information about our Business — 2. Intellectual property rights of our Group” in Appendix V to this prospectus.

In addition, Sinic Technology has undertaken to us that it shall and shall procure its subsidiaries to license all trademarks to be registered in any territory by itself and its subsidiaries necessary for use in our business to us on a royalty-free basis once they are registered in the future. Sinic Technology will or will procure the relevant legal owner of the registered trademarks to enter into a licensing agreement with us on terms identical with the Trademark Licensing Agreement.

Our Directors believe that entering into a trademark licensing agreement with a perpetual term is normal for this type of licensing arrangement, can ensure the stability of our operations, and is beneficial to the interests of our Shareholders as a whole. The Joint Sponsors are of the view that it is normal business practice for agreements of this type to be of such duration.

Sinic Technology is owned as to 99% by Mr. Zhang, one of our Controlling Shareholders, and 1% by Ms. Wu Chengping, the spouse of Mr. Zhang. Sinic Technology is therefore a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Trademark Licensing Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As the right to use the licensed trademarks is granted on a royalty-free basis under the Trademark Licensing Agreement, the transactions under the Trademark Licensing Agreement will constitute *de minimis* continuing connected transactions for our Company that will be exempt from reporting, annual review, announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

2. Lease of Properties

On October 15, 2019, our Company entered into a property lease framework agreement (the “**Property Lease Framework Agreement**”) with Sinic Technology, pursuant to which we agreed to lease certain premises to Sinic Technology and its subsidiaries for commercial use. The Property Lease Framework Agreement has a term commencing from the Listing Date to December 31, 2021.

As the Property Lease Framework Agreement is a framework agreement, relevant subsidiaries or associated companies of both parties will enter into separate lease agreements which will set out the specific terms and conditions according to the principles provided in the Property Lease Framework Agreement.

As of December 31, 2016, 2017 and 2018 and April 30, 2019, we were leasing three, six, six and six properties, respectively, to the subsidiaries of Sinic Technology for commercial use with a total GFA of approximately 1,500 sq.m. as of April 30, 2019. For each of the three years ended December 31, 2018 and the four months ended April 30, 2019, such properties were leased by us to the subsidiaries of Sinic Technology on a rent-free basis.

The above described properties will continue to be leased to subsidiaries of Sinic Technology upon Listing. Our Directors estimate that the aggregate rental payable to our Group pursuant to the Property Lease Framework Agreement for the years ending December 31, 2019, 2020 and 2021 will not exceed RMB1.5 million, RMB2.2 million and RMB2.9 million. The total rent to be paid under the Property Lease Framework Agreement will be determined after arm’s length negotiations with reference to factors including (i) the prevailing market rent for properties in similar locations; (ii) the expected steady increase of new premises to be entered into the property lease agreements between our Company and Sinic Technology, and will be on terms no more favorable than those offered by us to Independent Third Parties.

Sinic Technology is a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Property Lease Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As each of the applicable percentage ratios under the Listing Rules in respect of the annual caps in relation to the Property Lease Framework Agreement is expected to be less than 0.1% on an annual basis, such transactions will constitute *de minimis* continuing connected transactions of our Company that will be exempt from reporting, annual review, announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

3. Commercial Management Services

On October 21, 2019, our Company entered into a commercial management services framework agreement (the “**Commercial Management Services Framework Agreement**”) with Jiangxi Sinic Commercial Management Co., Ltd. (江西新力商業管理有限公司) (“**JSCM**”), pursuant to which we agreed to engage JSCM to provide commercial management services, including but not limited to retail investigation and positioning, investment promotion, operation team management and brand maintenance, to commercial properties owned by us (the “**Commercial Management Services**”). The Commercial Management Services Framework Agreement has a term commencing from the Listing Date to December 31, 2021.

We started to engage JSCM to provide commercial management services in late 2017 when Nanchang Yujing Wan Duhui Phase IV was launched in Nanchang, Jiangxi Province. For the years ended December 31, 2017, 2018 and the four months ended April 30, 2019, the total service fees payable by our Group for the Commercial Management Services amounted to approximately RMB1.8 million, RMB1.1 million and RMB0.5 million, respectively. The service fees to be charged for the Commercial Management Services shall be determined after arm’s length negotiations with reference to the prevailing market price for similar services taking into account the size and location of the commercial properties to be managed by JSCM and shall be no less favorable than those quoted by Independent Third Parties to us.

Our Directors estimate that the maximum service fees under the Commercial Management Services Framework Agreement for the years ending December 31, 2019, 2020 and 2021 will not exceed RMB3.4 million, RMB5.0 million and RMB6.8 million, respectively. Such estimate is based on (i) the number of current property projects managed by JSCM; (ii) the historical transaction amounts for the Track Record Period; and (iii) the number of projected new commercial properties for which we will engage JSCM for the provision of the Commercial Management Services for the three years ending December 31, 2021.

The increase of service fees to be paid by us to JSCM for the three years ending December 31, 2021 is mainly due to:

- the current operation plan for the commercial property projects and the addition of one large-scale commercial complex property project, namely Nanchang Times Square, for which we will engage JSCM for the provision of the Commercial Management Services starting in 2019;
- the anticipated grand opening of the shopping center in Nanchang Times Square in the second half of 2021, leading to a growing demand for Commercial Management Services, including branding and promotion, for the three years ending 2021; and
- the expected increase in the rental level and property area available for lease in Nanchang Times Square.

CONNECTED TRANSACTIONS

The Commercial Management Services Framework Agreement is a framework agreement which provides the mechanism for the operation of the connected transactions described therein. It is envisaged that from time to time and as required, individual service contracts may be entered into between our Group and JSCM. Each individual service contract will set out the scope of services to be provided by JSCM to our Group, the fees for the services to be paid by our Group and any detailed specifications which may be relevant to those engagements. The individual service contracts may only contain provisions which are in all material respects consistent with the binding principles, guidelines, terms and conditions set out in the Commercial Management Services Framework Agreement.

JSCM is wholly owned by Sinic Technology. As such, JSCM is a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Commercial Management Services Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As each of the applicable percentage ratios under the Listing Rules in respect of the annual caps in relation to the Commercial Management Services Framework Agreement is expected to be less than 0.1% on an annual basis, such transactions will constitute *de minimis* continuing connected transactions of our Company that will be exempt from reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

4. Guarantees provided by Mr. Zhang and his close associates in favor of our Group

Mr. Zhang and his certain close associates provided guarantees in favor of our Group in respect of certain financing arrangements entered into by our Group. Please see "Relationship with our Controlling Shareholders — Independence from our Controlling Shareholders — Financial Independence" in this prospectus.

Mr. Zhang is one of our executive Directors and Controlling Shareholders. As such, Mr. Zhang and his associates are connected persons of our Company for the purpose of the Listing Rules. Accordingly, the guarantees provided by Mr. Zhang and his certain close associates will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As our Directors are of the view that the guarantees provided by Mr. Zhang and his certain close associates are on normal commercial terms or better to our Group and the guarantees are not secured by assets of our Group, the guarantees are exempted from the reporting, annual review, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

CONNECTED TRANSACTIONS

(B) CONTINUING CONNECTED TRANSACTION SUBJECT TO THE REPORTING, ANNUAL REVIEW, ANNOUNCEMENT REQUIREMENTS BUT EXEMPT FROM THE INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENT

1. Property Management Related Services

On October 21, 2019, our Company entered into a property management related services framework agreement (the “**Property Management Related Services Framework Agreement**”) with Sinic Services Group Co., Ltd. (新力物業集團有限公司) (“**Sinic Services**”), pursuant to which we agreed to engage Sinic Services to provide property management and related services, including but not limited to (i) pre-delivery services and property management services for unsold properties owned by us; (ii) house inspection and cleaning services; and (iii) display unites and on-site sales office management services (the “**Property Management Related Services**”). The Property Management Related Services Framework Agreement has a term commencing from the Listing Date to December 31, 2021.

For the years ended December 31, 2016, 2017 and 2018 and the four months ended April 30, 2019, the total service fees payable by our Group for the Property Management Related Services provided for our property projects amounted to approximately RMB17.9 million, RMB30.0 million, RMB122.7 million and RMB49.8 million, respectively. The service fees paid by us to Sinic Services increased substantially for the year ended December 31, 2018 as compared with the year ended December 31, 2017 mainly due to an increase in the number of unsold property units which were available for sale and the number of sold property units which are available for delivery. The service fees to be charged for the Property Management Related Services shall be determined after arm’s length negotiations with reference to the total GFA of the property development projects of which such Property Management Related Services is required, the anticipated operational costs (including labor costs, material costs and administrative costs) and the guidance rate set by the relevant government authorities (if any) or the prevailing market price for similar services and similar type of projects and shall be no less favorable than those quoted by Independent Third Parties to us.

Our Directors estimate that the maximum transaction amounts under the Property Management Related Services Framework Agreement for the years ending December 31, 2019, 2020 and 2021 will not exceed RMB187.7 million, RMB226.5 million and RMB268.6 million, respectively. Such estimate is based on (i) the number of current property projects for which we have engaged Sinic Services to provide the Property Management Related Services; (ii) the historical transaction amounts for the Track Record Period; (iii) the estimated GFA of the properties expected to be sold and delivered by us that will require Property Management Related Services in the relevant years, projected with reference to the trend of increase of properties delivered during the Track Record Period.

CONNECTED TRANSACTIONS

The increase of service fees to be paid by us to Sinic Services for the three years ending December 31, 2021 is mainly due to:

- the increase in GFA of new properties which will require pre-delivery services in 2019 as compared to 2018, which has been estimated based on the GFA of properties delivered and scheduled to be delivered by the Group and available for management by Sinic Services for the year ending December 31, 2019. In addition, we estimate that the GFA of new properties which will require such services will continue to increase steadily for the years ending December 31, 2020 and 2021; and
- the increase of number of property projects to be delivered by the Group and the corresponding number of display units and sales office which we will engage Sinic Services for the provision of on-site management services for each of the three years ending December 31, 2021.

The Property Management Related Services Framework Agreement is a framework agreement which provides the mechanism for the operation of the connected transaction described therein. It is envisaged that from time to time and as required, individual service contracts may be entered into between our Group and Sinic Services. Each individual service contract will set out the Property Management Related Services to be provided by Sinic Services to our Group, the fees for the services to be paid by our Group and any detailed specifications which may be relevant to those engagements. The individual service contracts may only contain provisions which are in all material respects consistent with the binding principles, guidelines, terms and conditions set out in the Property Management Related Services Framework Agreement.

Sinic Services is wholly owned by Sinic Technology. As such, Sinic Services is a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Property Management Related Services Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As each of the applicable percentage ratios under the Listing Rules in respect of the annual caps in relation to the Property Management Related Services Framework Agreement is expected to be over 0.1% but less than 5% on an annual basis, such transactions would constitute continuing connected transactions for our Company that are exempt from the independent Shareholders' approval requirement but subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

(C) CONTINUING CONNECTED TRANSACTIONS SUBJECT TO THE REPORTING, ANNUAL REVIEW, ANNOUNCEMENT AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

1. Provision of Construction Services by Jiangxi 5th Construction

On October 15, 2019, our Company entered into a construction services framework agreement (the “**JC Construction Services Framework Agreement**”) with Jiangxi Fifth Construction Group Co., Ltd. (江西省第五建設集團有限公司) (“**Jiangxi 5th Construction**”), pursuant to which members of our Group could engage Jiangxi 5th Construction to provide construction and related services, including but not limited to engineering, construction and installation, and construction contracting services for our property development projects (the “**JC Construction Services**”). The JC Construction Services Framework Agreement has a term commencing from the Listing Date to December 31, 2021.

For the years ended December 31, 2016, 2017 and 2018 and the four months ended April 30, 2019, the total service fees payable by our Group for the JC Constructions Services provided by Jiangxi 5th Construction amounted to approximately RMB382.5 million, RMB410.5 million, RMB800.1 million and RMB159.7 million, respectively. The service fees to be charged for the JC Construction Services to be provided by Jiangxi 5th Construction shall be determined after arm’s length negotiations with reference to the prevailing market price for similar services in the open market taking into account various aspects of the projects, such as project scale, construction period, material and labor costs, technical difficulties and risk factors, and no less favorable than those quoted by Independent Third Parties to us.

Our Directors estimate that the maximum transaction amounts under the JC Construction Services Framework Agreement for the years ending December 31, 2019, 2020 and 2021 will not exceed RMB897.5 million, RMB836.0 million and RMB482.2 million, respectively. Such estimate is based on (i) the number of current property projects for which we have engaged Jiangxi 5th Construction to provide the JC Construction Services, some of which will complete at various times within the three years ending December 31, 2021; (ii) the historical transaction amounts for the Track Record Period; and (iii) the projected new property projects for which we will engage Jiangxi 5th Construction for the provision of the JC Construction Services for the three years ending December 31, 2021.

The JC Construction Services Framework Agreement is a framework agreement which provides the mechanism for the operation of the connected transaction described therein. It is envisaged that from time to time and as required, individual service contracts may be entered into between our Group and Jiangxi 5th Construction. Each individual service contract will set out the JC Construction Services to be provided by Jiangxi 5th Construction to our Group, the fees for the services to be paid by our Group and any detailed specifications which may be relevant to those engagements. The individual service contracts may only contain provisions which are in all material respects consistent with the binding principles, guidelines, terms and conditions set out in the JC Construction Services Framework Agreement.

CONNECTED TRANSACTIONS

Jiangxi 5th Construction is owned as to approximately 80.4% by Mr. Zhang Guoyin, the brother of Mr. Zhang, and approximately 19.6% by Mr. Zhou Hua (周華), an Independent Third Party. As such, Jiangxi 5th Construction is a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the JC Construction Services Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As each of the applicable percentage ratios under the Listing Rules in respect of the annual caps in relation to the JC Construction Services Framework Agreement is expected to be more than 5% on an annual basis, such transactions will constitute continuing connected transactions for our Company which will be subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

2. Provision of Construction Services by Guangxi Lugang

On October 15, 2019, our Company entered into a construction services framework agreement (the “**GL Construction Services Framework Agreement**”) with Guangxi Lugang Construction Group Co., Ltd. (廣西路港建設集團有限公司) (“**Guangxi Lugang**”), pursuant to which members of our Group could engage Guangxi Lugang to provide construction and related services, including but not limited to engineering, construction, construction contracting services, installation services for fire-fighting facilities, water and electricity supply facilities and other technical support services (“**GL Construction Services**”). The GL Construction Services Framework Agreement has a term commencing from the Listing Date to December 31, 2021.

For the years ended December 31, 2016, 2017 and 2018 and the four months ended April 30, 2019, the total service fees payable by our Group for the GL Construction Services provided by Guangxi Lugang amounted to approximately RMB3.3 million, RMB187.6 million, RMB263.6 million and RMB136.6 million, respectively. The service fees to be charged for the GL Construction Services to be provided by Guangxi Lugang shall be determined after arm's length negotiations with reference to the prevailing market price for similar services in the open market taking into account the various aspects of the projects, such as project scale, construction period, material and labor costs, technical difficulties and risk factors, and no less favorable than those quoted by Independent Third Parties to us.

Our Directors estimate that the maximum transaction amounts under the GL Construction Services Framework Agreement for the years ending December 31, 2019, 2020 and 2021 will not exceed RMB887.7 million, RMB1,307.1 million and RMB1,359.3 million, respectively. Such estimate is based on (i) the anticipated expansion in the scope of work and services to be provided by Guangxi Lugang due to the increased needs of the Group in business development; (ii) the number of current property projects for which we have engaged Guangxi Lugang to

CONNECTED TRANSACTIONS

provide the GL Construction Services; (iii) the historical transaction amounts for the Track Record Period; and (iv) the projected new property projects for which we will engage Guangxi Lugang for the provision of the GL Construction Services for the three years ending December 31, 2021.

The increase of service fees to be paid by us to Guangxi Lugang for the three years ending 31 December 2021 is mainly for the following reasons:

- in addition to the construction contracts that we entered into with Guangxi Lugang in the beginning of 2019, we have entered into 15 new contracts with Guangxi Lugang for the provision of various types of GL Construction Services in respect of eight property development projects with an aggregate contract sum of approximately RMB70.3 million subsequent to the Track Record Period and up to the Latest Practicable Date;
- as the number of our property development projects have gradually increased, we expect that our demand for GL Construction Services will continue to increase substantially during the three years ending December 31, 2021 in line with our anticipated increase in the scale of operations; and
- apart from the installation services for fire-fighting facilities, water and electricity supply facilities and other technical support services provided by Guangxi Lugang to us during the Track Record Period, we are planning to engage Guangxi Lugang to provide construction and related services.

The GL Construction Services Framework Agreement is a framework agreement which provides the mechanism for the operation of the connected transaction described therein. It is envisaged that from time to time and as required, individual service contracts may be entered into between our Group and Guangxi Lugang. Each individual service contract will set out the GL Construction Services to be provided by Guangxi Lugang to our Group, the fees for the services to be paid by our Group and any detailed specifications which may be relevant to those engagements. The individual service contracts may only contain provisions which are in all material respects consistent with the binding principles, guidelines, terms and conditions set out in the GL Construction Services Framework Agreement.

Guangxi Lugang is owned as to approximately 97.7% by Mr. Zhang Guojin, the brother of Mr. Zhang, and approximately 2.4% by Mr. Chen Mo, an Independent Third Party. As such, Guangxi Lugang is a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the GL Construction Services Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

CONNECTED TRANSACTIONS

As each of the applicable percentage ratios under the Listing Rules in respect of the annual caps in relation to the GL Construction Services Framework Agreement is expected to be more than 5% on an annual basis, such transactions will constitute continuing connected transactions for our Company which will be subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(D) WAIVERS

The transaction described under the section headed “— (B) Continuing Connected Transaction subject to the reporting, annual review, announcement requirements but exempt from the independent Shareholders' approval requirement” in this section constitutes our continuing connected transaction under the Listing Rules, which is exempt from the independent Shareholders' approval requirements but subject to the reporting, annual review and announcement requirements of the Listing Rules.

The transactions described under the section headed “— (C) Continuing Connected Transactions subject to the reporting, annual review, announcement and independent Shareholders' approval requirements” in this section constitute our continuing connected transactions under the Listing Rules, which are subject to the reporting, annual review, announcement and independent Shareholders' approval requirements of the Listing Rules.

We have applied for, and the Stock Exchange has granted, waivers exempting from strict compliance with the applicable requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.105 of the Listing Rules in respect of the non-exempt continuing connected transactions described above subject to the condition that the aggregate of such non-exempt continuing connected transactions for each financial year shall not exceed the relevant annual amounts stated above. Should there be any material changes to the terms thereunder, or should there be any other agreements to be entered into between our Group and the connected persons of our Company, or upon expiry of such waivers, we will comply with the applicable requirements under the Listing Rules and may apply for relevant waivers (where applicable).

Apart from the relevant requirements of which the waiver is sought, our Company will comply with the relevant requirements under Chapter 14A of the Listing Rules.

(E) DIRECTORS' VIEW

Our Directors, including the independent non-executive Directors, are of the view that all the continuing connected transactions described under the section headed “— (B) Continuing Connected Transaction subject to the Reporting, Annual Review, Announcement Requirements but exempt from the Independent Shareholders' Approval Requirement” and “— (C) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements” have been and will be carried out: (i) in the ordinary and usual course of our business; (ii) on normal commercial terms or better that are fair and reasonable, and in the interests of our Company and our Shareholders as a whole; and (iii) the annual caps thereof are fair and reasonable and in the interest of our Group and our Shareholders as a whole.

CONNECTED TRANSACTIONS

Save as disclosed in this section, our Directors currently do not expect that immediately following the Listing, there will be any other transaction which will constitute a continuing connected transaction of our Company under the Listing Rules.

(F) JOINT SPONSORS' VIEW

The Joint Sponsors are of the view that all the continuing connected transactions described under the section headed “— (B) Continuing Connected Transaction subject to the Reporting, Annual Review, Announcement Requirements but exempt from the Independent Shareholders' Approval Requirement” and “— (C) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements” have been entered into in the ordinary and usual course of our business, are on normal commercial terms or better, are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the proposed annual caps for the transactions referred to in this section are fair and reasonable, and in the interest of our Company and our Shareholders as a whole.

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board is responsible and has general power for the management and conduct of our business. Our Board consists of six Directors, of whom three are executive Directors and three are independent non-executive Directors. The following table sets forth the information concerning our Directors:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Date of appointment as Director</u>	<u>Date of joining our Group</u>	<u>Roles and responsibilities in our Group</u>	<u>Relationship with other Directors and senior management</u>
Mr. Zhang Yuanlin (張園林)	43	Chairman of the Board, executive Director and chief executive officer	September 18, 2018	March 15, 2010	Responsible for the overall business direction and strategic development of our Group	None
Mr. She Runting (佘潤廷)	37	Executive Director and vice president	May 14, 2019	October 9, 2017	Responsible for the overall investment, operation, marketing and brand management of our Group	None

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	Date of appointment as Director	Date of joining our Group	Roles and responsibilities in our Group	Relationship with other Directors and senior management
Ms. Tu Jing (涂菁)	30	Executive Director and director of operations management	May 14, 2019	February 27, 2014	Responsible for the operational management of our Group and the performance review of our senior management	None
Mr. Tam Chi Choi (譚志才)	55	Independent non-executive Director	August 26, 2019	August 26, 2019	Providing independent advice on the operations and management of our Group	None
Mr. Au Yeung Po Fung (歐陽寶豐)	52	Independent non-executive Director	August 26, 2019	August 26, 2019	Providing independent advice on the operations and management of our Group	None
Mr. Liu Xin (劉昕)	49	Independent non-executive Director	August 26, 2019	August 26, 2019	Providing independent advice on the operations and management of our Group	None

Executive Directors

Mr. Zhang Yuanlin (張園林), aged 43, founded our Group in March 2010. Mr. Zhang has been our Director since September 18, 2018 and was re-designated as our chairman of the Board, executive Director and chief executive officer on May 14, 2019. Mr. Zhang is primarily responsible for the overall business direction and strategic development of our Group. Mr. Zhang has also served as a director of Jiangxi Sinic Properties, one of our major operating subsidiaries, since March 2010. He has over 17 years of experience in the PRC real estate industry. From January 2002 to January 2006, he worked in Jiangxi Province Fifth

DIRECTORS AND SENIOR MANAGEMENT

Construction Group Co., Ltd. (江西省第五建設集團有限公司), a general contractor for construction engineering projects and infrastructure construction projects, with his last position as the general manager. From December 2005 to October 2018, he served as the executive director of Jiangxi Yuren Investment Co., Ltd. (江西裕仁投資有限公司). From August 2007 to January 2014, he served as the executive director of Jiangxi Fengcheng Hilton Properties Co., Ltd. (江西省豐城市希爾頓置地有限公司), a company engaged in the development of residential properties in Fengcheng City in Jiangxi Province of the PRC. In addition, Mr. Zhang has been a director of Sinic Technology since July 2016.

Mr. Zhang has received multiple awards in recognition of his outstanding achievements. He was named one of the “100 Most Influential Entrepreneurs in China’s Real Estate Industry in 2018” (2018中國房地產百強企業貢獻人物) as well as the “Leading Person of Real Estate in Nanchang in 2016” (2016南昌樓市領軍人物) by China Real Estate Top 10 Research Group (中國房地產Top 10研究組) in 2018 and 2016, respectively. In 2015, Mr. Zhang was recognized as a “Person with Outstanding Contributions in China’s Real Estate Industry in 2015” (中國品牌地產榮譽榜2015年傑出人物) by China Real Estate Business Alliance (全國房地產商會聯盟). He was also awarded the “Top 10 Figures in Jiangxi’s Real Estate Industry of the Year” (江西地產年度十大名人) by Jiangxi Real Estate Association (江西省地產協會) in January 2015. Mr. Zhang completed secondary vocational school education.

Mr. Zhang was a director of Jiangxi Libo Properties Co., Ltd. (江西力博置業有限公司), a company established in the PRC and was deregistered on January 3, 2019. Mr. Zhang confirmed that such company was solvent prior to its deregistration and was deregistered as it had not commenced business since establishment. He further confirmed that, as of the Latest Practicable Date, no claims have been made against him and he was not aware of any threatened or potential claims made against him and there are no outstanding claims and/or liabilities as a result of the deregistration of such company.

Mr. She Runtong (佘潤廷), aged 37, was appointed as our executive Director on May 14, 2019. He joined our Group in October 2017 as the vice president and he is responsible for the overall investment, operation, marketing and brand management of our Group. Mr. She has over 14 years of experience in the PRC real estate industry. Prior to joining our Group, Mr. She worked in China Vanke Co., Ltd. (萬科企業股份有限公司) as the regional general manager of the investment operation and management department from July 2004 to August 2012. China Vanke Co., Ltd. is a joint-stock company principally engaged in the business of property development in the PRC, whose A shares and H shares of which are listed on the Shenzhen Stock Exchange and the Stock Exchange (A share stock code: 00002; H share stock code: 2202), respectively. From September 2012 to September 2017, he was appointed as the vice president of investment of Shanghai Xinyuan Yuanding Real Estate Development Co., Ltd. (上海協信遠定房地產開發有限公司), a company engaged in property development, and its regional general manager in Shanghai. Mr. She graduated from Tongji University (同濟大學) in the PRC in July 2004 with bachelor’s degrees in civil engineering and business administration, respectively.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Tu Jing (涂菁), aged 30, was appointed as our executive Director on May 14, 2019. Ms. Tu is primarily responsible for the overall management of our Group and performance review of our senior management. Ms. Tu joined our Group in February 2014 as the secretary to the chairman and assumed the role of director of operations management in February 2015. She was appointed as a director of one of our major operating subsidiaries, Jiangxi Sinic Properties, in August 2016. Ms. Tu has over 8 years of experience in the PRC real estate industry. Prior to joining our Group, Ms. Tu worked in Hebei Zhaoxiang Property Development Co., Ltd. (河北兆翔房地產開發有限公司), a company engaged in property development, as the chairman assistant from February 2011 to January 2014. She has also been a director of Sinic Technology since July 2016 and a director of Sinic Lichuang Shiye Co., Ltd. (新力力創實業有限公司), which is a subsidiary of Sinic Technology since October 2016. Ms. Tu graduated from Nanchang Institute of Technology (南昌工程學院) in the PRC in July 2011 with a bachelor's degree in international economics and trade.

Ms. Tu was a partner of Nanchang Xinjing Education Development (Limited Partnership) (南昌新京教育發展中心(有限合夥)), a limited partnership established in the PRC and was deregistered on December 29, 2018. Ms. Tu confirmed that such entity was solvent prior to its deregistration and was deregistered as it had not commenced business since establishment. She further confirmed that, as of the Latest Practicable Date, no claims have been made against her and she was not aware of any threatened or potential claims made against her and there are no outstanding claims and/or liabilities as a result of the deregistration of such entity.

Independent non-executive Directors

Mr. Tam Chi Choi (譚志才), aged 55, was appointed as our independent non-executive Director on August 26, 2019 and he is responsible for providing independent advice on the operations and management of our Group. Mr. Tam has over 32 years of accounting and finance experience. He began his career at KPMG Peat Marwick from August 1987 to April 1991 and his last position was audit supervisor. He worked as an accounting manager of Kosonic Industries Company Limited from May 1991 to July 1992 and as a deputy accounting manager of Applied Electronics (OEM) Limited from December 1992 to July 1994. From August 1994 to November 2015, he worked at the listing division of the Stock Exchange and his last position was vice president. From November 2015 to October 2017, he served as a director of the quality and risk control division of CCB International Capital Limited. He was the responsible officer of Proton Capital Limited from February 2018 to September 2018. He has served as a corporate finance director of Eric Chow & Co. in association with Commerce and Finance Law Offices since September 2018.

Mr. Tam obtained an honors diploma in accounting from Hong Kong Baptist College in July 1987 and a master's degree in business administration from the University of Canberra in Australia in December 2002. He became a fellow of the Chartered Association of Certified Accountants and the Hong Kong Institute of Certified Public Accountants in October 1995 and October 2000, respectively. Mr. Tam was a committee member of the ACCA Hong Kong Committee from 2003 to 2008.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Au Yeung Po Fung (歐陽寶豐), aged 52, was appointed as our independent non-executive Director on August 26, 2019 and he is primarily responsible for providing independent advice on the operations and management of our Group. Mr. Au Yeung has extensive experience in the PRC real estate industry and other industries. The work experience of Mr. Au Yeung is set out below:

Period of services	Name of company	Principal business	Place of listing and stock code	Position(s)
March 2018 to October 2018	Beijing Huahong Group Co., Ltd. (北京華鴻集團)	Real estate development and property management	N/A	Group vice president
August 2017 to January 2018	Sansheng Holdings (Group) Company Limited (三盛控股 集團)有限公司)	Property development and investment	Stock Exchange (stock code: 2183)	Chief financial officer of Sansheng Holdings (Group) Company Limited and vice president of Fujian Sansheng Property Development Company Limited (福 建三盛房地產開發有 限公司)
July 2016 to June 2017	South China Holdings Company Limited (南華集團控股有 限公司)	Merchandises trading, property and agriculture and forestry	Stock Exchange (stock code: 413)	Chief financial officer of the PRC property division
	South China Assets Holding Limited (南華資產控股有 限公司)	Commercial property development	Stock Exchange (stock code: 8155)	
October 2014 to July 2015	Shenzhen Tianlai Tourism Property Group (深圳天來文 旅地產集團)	Commercial property development	N/A	Group vice president and vice president of finance

DIRECTORS AND SENIOR MANAGEMENT

<u>Period of services</u>	<u>Name of company</u>	<u>Principal business</u>	<u>Place of listing and stock code</u>	<u>Position(s)</u>
February 2014 to August 2014	Shanghai Fuxing High Technology (Group) Co., Ltd. (上海復星高科技(集團)有限公司) (a subsidiary of Fosun International Limited (復星國際有限公司))	Global real estate investment and management	Stock Exchange (stock code: 656)	Vice president and chief financial officer of the property division of the company
October 2011 to December 2013	Sun Hung Kai Properties Limited (新鴻基地產發展有限公司)	Development of properties for sale and investment	Stock Exchange (stock code: 16)	Chief financial officer (Mainland operations)
November 2007 to October 2011	Powerlong Real Estate Holdings Limited (寶龍地產控股有限公司)	Commercial real estate development and investment, property management and hotel development	Stock Exchange (stock code: 1238)	Chief financial officer, vice president, authorized representative and company secretary

In addition, Mr. Au Yeung holds or had held directorships in the following listed companies:

<u>Period of services</u>	<u>Name of company</u>	<u>Principal business</u>	<u>Place of listing and stock code</u>	<u>Position(s)</u>
June 2019 to present	Zhongliang Holdings Group Company Limited (中梁控股集團有限公司)	Property development, property management, property leasing and management consulting	Stock Exchange (stock code: 2772)	Independent non-executive director

DIRECTORS AND SENIOR MANAGEMENT

Period of services	Name of company	Principal business	Place of listing and stock code	Position(s)
June 2018 to present	eBroker Group Limited (電子交易 集團有限公司)	A financial technology solution provider focusing on the provision of financial software solution services	Stock Exchange (stock code: 8036)	Independent non-executive director
June 2018 to present	Redsun Properties Group Limited (弘 陽地產集團有限公 司)	Property development, property leasing, commercial property investment and operation and hotel operation	Stock Exchange (stock code: 1996)	Independent non-executive director
May 2018 to present	Shanshan Brand Management Co., Ltd. (杉杉品牌運營 股份有限公司)	Design, marketing and sales of formal and casual business menswear	Stock Exchange (stock code: 1749)	Independent non-executive director
July 2017 to present	GR Properties Limited (國銳地產 有限公司)	Property management, property development and investment	Stock Exchange (stock code: 108)	Independent non-executive director
July 2016 to September 2019	China LNG Group Limited (中國天然 氣集團有限公司)	Natural gas-related business, property investment, money lending and the trading of securities	Stock Exchange (stock code: 931)	Independent non-executive director
May 2016 to September 2016	Kiu Hung International Holdings Limited (僑雄國際控股有限 公司)	Toys, resources and leisure-related business	Stock Exchange (stock code: 381)	Independent non-executive director

DIRECTORS AND SENIOR MANAGEMENT

While Mr. Au Yeung is currently holding directorships in five other companies listed on the Stock Exchange as disclosed above, our Directors are of the view that Mr. Au Yeung will be able to devote sufficient time to discharge his duties and responsibilities as an independent non-executive Director given that: (i) his roles in other listed companies primarily requires him to oversee their management independently, rather than to allocate substantial time on the participation of the day-to-day management and operations of their respective businesses; (ii) he has demonstrated that he is capable of devoting sufficient time to discharge his duties owed to each of these listed companies by attending board meetings and board committee meetings of these listed companies during their latest financial year, as disclosed in the annual reports of the relevant listed companies; (iii) he has acquired extensive management experience and developed substantial knowledge on corporate governance through his directorships in other listed companies, which is expected to facilitate the proper discharge of his duties and responsibilities as an independent non-executive Director; and (iv) he has confirmed that he will have sufficient time to fulfill his duties as an independent non-executive Director notwithstanding his existing independent non-executive directorships in six other listed companies.

Mr. Au Yeung graduated from The Hong Kong Polytechnic College (now known as The Hong Kong Polytechnic University) in November 1990 with a bachelor's degree in business studies. He was admitted as fellow of the Association of Chartered Certified Accountants in November 2000, a fellow of the Hong Kong Institute of Certified Public Accountants in May 2003, a chartered financial analyst of the CFA Institute in September 2006, and a fellow of the Institute of Chartered Accountants in England and Wales in July 2015.

During the period between 1998 and 2001, Mr. Au Yeung was a director of Uniford Asia Limited, a company incorporated in Hong Kong and dissolved by striking off pursuant to Section 291 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance as the company ceased operations on May 18, 2001. Mr. Au Yeung has confirmed that such company was not in operation and was solvent at the time of dissolution. Mr. Au Yeung has further confirmed that there was no fraudulent act or misfeasance on his part leading to the striking off of such company and he is not aware of any actual or potential claim that had been or will be made against him as a result of the striking off of such company.

Mr. Liu Xin (劉昕), aged 49, was appointed as our independent non-executive Director on August 26, 2019 and he is responsible for providing independent advise on the operations and management of our Group. Mr. Liu has served successively as an associate professor, professor and a doctoral supervisor of the Institute of Organisation and Human Resources at the School of Public Administration and Policy in Renmin University of China (中國人民大學公共管理學院組織與人力資源研究所) since February 2001. He is also a researcher at the National Academy of Development and Strategy in Renmin University of China (中國人民大學國家發展與戰略研究院). He has been teaching in Renmin University of China in the PRC since 1997 and served successively as a lecturer and an associate professor of the School of Labour and Human Resources from June 1997 to February 2001. From August 1998 to July 1999, Mr. Liu served as a visiting scholar at Ghent University in Belgium. From August 2009 to July 2010, Mr. Liu served as a senior visiting scholar of the Fulbright Program at Harvard

DIRECTORS AND SENIOR MANAGEMENT

University in the United States. From September 2011 to December 2011, Mr. Liu served as a visiting professor of Gerald R. Ford School of Public Policy, University of Michigan in the United States. From May 2003 to October 2013, he served as a chief expert and senior partner of Beijing Boom HR Consulting Co., Ltd (北京博目企業管理顧問有限公司) and participated in the management and operation of the company. Mr. Liu is currently a deputy chairman and chief secretary of China's Association of Human Resource Management Teaching and Practicing (中國人力資源開發教學與實踐研究會). Mr. Liu has been appointed as an independent non-executive director of Beijing Capital Land Ltd. (首創置業股份有限公司), a company listed on the Stock Exchange (stock code: 2868), since December 2017.

Mr. Liu obtained a bachelor's degree, a master's degree and a doctorate degree in Labour Economics from the Renmin University of China in the PRC in July 1991, June 1994 and June 1997, respectively.

Save as disclosed in this section above, none of our Directors has any other directorships in any other listed in Hong Kong or overseas during the three years immediately prior to the date of this prospectus.

Please refer to the section headed "Statutory and General Information — C. Further Information about our Directors and Substantial Shareholders" in Appendix V to this prospectus for details of our Directors' respective interests or short positions (if any) in our Shares and particulars of our Directors' service contracts and letters of appointment.

Senior management

Our senior management is responsible for the day-to-day management of our business. The following table sets our certain information concerning our senior management.

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Date of joining our Group</u>	<u>Date of appointment to current position</u>	<u>Roles and responsibilities in our Group</u>
Mr. Hu Yanfang (胡衍放)	41	General manager of business operation in Wuhan area	September 3, 2012	February 13, 2017	Responsible for the supervision of our daily operation in Wuhan area, Hubei Province
Mr. Wang Jingwei (王敬偉)	49	General manager of business operation in Ganyue area	July 1, 2014	October 1, 2017	Responsible for the supervision of our daily operation in Ganyue area, Jiangxi Province

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	Date of joining our Group	Date of appointment to current position	Roles and responsibilities in our Group
Mr. Hu Baoliang (胡寶亮)	43	General manager of the audit and supervision center	January 12, 2015	January 12, 2015	Responsible for the overall management of the audit and supervision department of our Group
Ms. Zheng Zhiqin (鄭智琴)	46	General manager of the cost control center	May 20, 2017	May 20, 2017	Responsible for the cost control and overall business management of our Group

Mr. Hu Yanfang (胡衍放), aged 41, joined our Group in September 2012 as a project manager and was later promoted to the position of chief project manager. Since February 2017, he has served as the general manager of business operation for supervising our daily operations in Wuhan area, Hubei Province. Mr. Hu has also assumed multiple directorships in our subsidiaries, including Wuhan Furui Decheng Property Development Co., Ltd. (武漢福瑞德成房地產開發有限公司) since September 2017 and Wuhan Baohe Youcheng Real Estate Co., Ltd. (武漢保和優誠置業有限公司) since October 2017. Mr. Hu has over 19 years of experience in the PRC real estate industry. Prior to joining our Group, he served as a technical manager in Jiangxi Zhongnan Construction Engineering Group Co., Ltd. (江西中南建設集團有限公司), a company engaged in construction engineering, from February 2000 to August 2006. He then worked as a project manager in two companies engaged in property development, namely Jiangxi Jiazhuo Investment Management Development Group Ltd. (江西佳卓投資管理發展集團有限公司) from September 2006 to March 2010 and Nanchang Causeway Bay Plaza Investment Co., Ltd. (南昌銅鑼灣廣場投資有限公司) from April 2010 to August 2012. Mr. Hu graduated from Jiangxi Southeast Learning Institute (江西東南進修學院) in the PRC with a diploma in civil engineering in October 2000.

Mr. Wang Jingwei (王敬偉), aged 49, joined our Group in July 2014 as a general project manager and was promoted to the position of regional general manager in October 2017. He is primarily responsible for supervising the daily operations of our Group in Ganyue area, Jiangxi Province. Mr. Wang has over 12 years of experience in the PRC real estate industry. From October 2006 to September 2008, Mr. Wang worked as an electrical and mechanical manager in Xiamen Xiashang Real Estate Co., Ltd. (廈門夏商房地產有限公司). From September 2008 to February 2011, he was the deputy general manager of engineering and development of Sino (Xiamen) Realty Development Co., Ltd. (信和(廈門)房地產發展有限公司). From February 2011 to March 2013, he worked as a project manager in China Resources Land (Xiamen) Co., Ltd. (華潤置地(廈門)有限公司). Mr. Wang obtained a bachelor's degree in engineering of water supply and drainage from Nanchang University (南昌大學) in the PRC in 1993 and a postgraduate certificate in business administration from Xiamen University (廈門大學) in the PRC in 2009. Mr. Wang holds the qualifications as a class A constructor (一級建

DIRECTORS AND SENIOR MANAGEMENT

造師執業資格) conferred by the Fujian Human Resources Bureau (福建省人事廳) in September 2007 and as a class A certified constructor (一級註冊建造師) conferred by the Ministry of Construction of the PRC (中華人民共和國建設部) in July 2010.

Mr. Hu Baoliang (胡寶亮), aged 43, joined our Group in January 2015 as the general manager of our audit and supervision center, which is primarily responsible for overseeing the internal audit, risk management and internal control of our Group. Mr. Hu has over 17 years of experience in accounting management and corporate governance. From June 2001 to July 2005, Mr. Hu worked in the Huanggang branch of China Telecommunications Corporation Limited, a company listed on the Stock Exchange (stock code: 728), where he was responsible for accounting and finance matters. From March 2007 to March 2011, the Guangzhou Branch of Shanghai Baima Transmission Industrial Co., Ltd. (上海白馬傳動工業有限公司廣州分公司), with his last position serving at the board office. He worked as a manager in the audit department of Guangdong Eastone Century Technology Co., Ltd. (廣東宜通世紀科技股份有限公司), a company listed on the Shenzhen Stock Exchange with stock code 300310, from November 2010 to August 2011, and a supervisor in the audit department of Guangzhou R&F Properties Co., Ltd., a company listed on the Stock Exchange with stock code 2777, from September 2011 to September 2014. Mr. Hu obtained a bachelor's degree in economics with a major in accounting from Zhongnan University of Economics and Law (中南財經政法大學) in the PRC in June 1997. Mr. Hu is an accountant, a certified internal auditor and a senior auditor.

Ms. Zheng Zhiqin (鄭智琴), aged 46, joined our Group in May 2017 as the general manager of our cost control center, which is primarily responsible for the cost control management of our Group. Ms. Zheng has over 22 years of experience in cost and budget management with over 13 years of work experience in the PRC real estate industry. From July 1996 to November 2005, Ms. Zheng worked in China Electronics System Engineering Second Construction Co., Ltd. (中國電子系統工程第二建設有限公司), where she was responsible for price quotations and tendering management. From November 2005 to June 2013, she worked at Wuxi Forte Property Development Co., Ltd (無錫復地房地產開發有限公司), where she was later promoted as the director of the cost management department. From June 2013 to June 2016, she worked in Shanghai Shimao Co., Ltd. (上海世茂股份有限公司), a company established in the PRC with its shares listed on the Shanghai Stock Exchange (stock code: 600823) and a 58.92%-owned subsidiary of the Shimao Property Holdings Limited listed on the Stock Exchange (stock code: 813), where she was later promoted to the position of director of cost management. She was the deputy general manager of the cost department of Dahua (Group) Co., Ltd. (大華(集團)有限公司) from June 2016 to September 2016 and the deputy general manager of cost control center of Shanghai Powerlong Industrial Development Co., Ltd. (上海寶龍實業發展有限公司), a wholly-owned subsidiary of Powerlong Real Estate Holdings Limited listed on the Stock Exchange (stock code: 1238) from September 2016 to May 2017. Ms. Zheng obtained a bachelor's degree in industrial and civil engineering from Nanjing Construction Engineering College (南京建築工程學院) (now known as Nanjing Institute of Technology (南京工業大學)) in the PRC in July 1996. Ms. Zheng is a engineer and a certified budgeting specialist recognized by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) in September 2010.

DIRECTORS AND SENIOR MANAGEMENT

Incident relating to a former employee

Mr. Wang Zhe (王哲) (also known as Wang Yan (王炎)) (“**Mr. Wang**”), joined our Group in March 2019 as vice president and chief financial officer of our Company and was appointed as our executive Director on May 14, 2019. He was responsible for the overall management of the financing and financial affairs of our Group. On October 8, 2019, Mr. Wang tendered his resignation as our executive Director, vice president and chief financial officer due to personal reasons. Mr. Wang has confirmed that he has no claims whatsoever against our Company for fees, compensation for loss of office, remuneration, severance payments, pension, expenses or otherwise, has no disagreement with our Board and that there are no other matters relating to his resignation that need to be brought to the attention of our Shareholders and the Stock Exchange. Following Mr. Wang’s resignation, Mr. Zhang Liaopin (張嘹頻), the deputy general manager of the financial management department, has taken up Mr. Wang’s responsibilities in supervising the financial operations of our Group and reporting duties to the Board. Mr. Zhang Liaopin has worked in our Group for more than seven years and is familiar with various key aspects of our financial management, including fund-raising and treasury management. Given that (i) Mr. Zhang Liaopin has sufficient experience and capacity to assume Mr. Wang’s roles; (ii) Mr. Wang tendered his resignation due to personal reasons unrelated to our Group; (iii) in spite of Mr. Wang’s resignation, our Group’s financing and financial affairs are still under smooth management; and (iv) neither our Company nor any of our existing Directors had been notified of any investigation, penalty or claim being imposed or filed by any governmental authorities in the PRC against us in relation to Mr. Wang’s resignation, our Directors are of the view, and the Joint Sponsors concur, that there is no material adverse impact on the business and financial operations of our Group as a result of Mr. Wang’s resignation.

Save as disclosed in this section, each of our Directors has confirmed that there are no other matters relating to the appointment of Directors that need to be brought to the attention of our Shareholders and there is no other information in relation to his appointment which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

COMPANY SECRETARY

Mr. Yim Lok Kwan (嚴洛鈞) was appointed as our company secretary on May 14, 2019. Mr. Yim is a manager of SWCS Corporate Services Group (Hong Kong) Limited and has over six years of experience in the corporate services field. He is an associate member of both the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom. In addition, he holds a bachelor’s degree in accounting and a master’s degree in corporate governance.

DIRECTORS AND SENIOR MANAGEMENT

BOARD COMMITTEES

Audit Committee

Our Group established an audit committee on October 15, 2019 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the Corporate Governance Code (“CG Code”) as set out in Appendix 14 to the Listing Rules. The audit committee consists of all of the independent non-executive Directors, namely, Mr. Tam Chi Choi, Mr. Au Yeung Po Fung and Mr. Liu Xin. Mr. Tam Chi Choi is the chairman of the audit committee. The primary duties of the audit committee are to assist our Board by providing an independent view of the effectiveness of our Group’s financial reporting process, internal control and risk management system, to oversee the audit process, to develop and review our policies and to perform other duties and responsibilities as assigned by our Board.

Remuneration Committee

Our Group established a remuneration committee on October 15, 2019 with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph B.1 of the CG Code as set out in Appendix 14 to the Listing Rules. The remuneration committee consists of four members, namely, Mr. Au Yeung Po Fung, Mr. Zhang, Mr. Tam Chi Choi and Mr. Liu Xin. Mr. Au Yeung Po Fung is the chairman of the remuneration committee. The primary duties of the remuneration committee are to establish and review the policy and structure of the remuneration for our Directors and senior management and make recommendations on employee benefit arrangement.

Nomination Committee

Our Group also established a nomination committee on October 15, 2019 with written terms of reference in compliance with paragraph A.5 of the CG Code as set out in Appendix 14 to the Listing Rules. The nomination committee consists of four members, namely Mr. Zhang, Mr. Liu Xin, Mr. Tam Chi Choi and Mr. Au Yeung Po Fung. Mr. Zhang is the chairman of the nomination committee. The primary duties of the nomination committee are to make recommendations to our Board on the appointment of members of our Board.

CORPORATE GOVERNANCE

Our Directors recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of our Group so as to achieve effective accountability.

Our Company has adopted the code provisions stated in the CG Code. Our Company is committed to the view that the Board should include a balanced composition of executive Directors and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

DIRECTORS AND SENIOR MANAGEMENT

Except for the deviation from CG Code provision A.2.1, our corporate governance practices have complied with the CG Code. CG Code provision A.2.1 stipulates that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Zhang is the chairman of our Board and our chief executive officer. In view of the fact that Mr. Zhang has been assuming day-to-day responsibilities in operating and managing our Group since its establishment, our Board believes that it is in the best interest of our Group to have Mr. Zhang taking up both roles for effective management and business development. Therefore, our Directors consider that the deviation from CG Code provision A.2.1 is appropriate in such circumstance. Notwithstanding from above, our Board is of the view that this management structure is effective for our Group's operations and sufficient checks and balances are in place.

Our Directors are aware that upon Listing, we are expected to comply with such code provision. Any such deviation shall however be carefully considered, and the reasons for such deviation shall be given in our interim report and annual report in respect of the relevant period. We are committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders as a whole. Save as disclosed above, we will comply with the code provisions set out in the CG Code after the Listing.

COMPLIANCE ADVISOR

In compliance with Rule 3A.19 of the Listing Rules, we have appointed Zhongtai International Capital Limited as our compliance advisor to provide advisory services to our Company. It is expected that the compliance advisor will, amongst other things, advise our Company with due care and skill on the following matters:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated including shares issues and share repurchases;
- where we propose to use the proceeds from the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate, or other information in this prospectus; and
- where the Stock Exchange makes an inquiry of us regarding unusual movements in the price or trading volume of our Shares.

The term of the appointment shall commence on the Listing Date and end on the date on which we distribute our annual report in respect of our financial results for the first full financial year commencing after the Listing Date and such appointment may be subject to extension by mutual agreement.

DIRECTORS AND SENIOR MANAGEMENT

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The aggregate remuneration (including fees, salaries, allowances and other benefits, retirement benefit scheme contributions, performance related bonus) paid to our Directors for each of the three years ended December 31, 2016, 2017 and 2018 and the four months ended April 30, 2019 was approximately RMB0.4 million, RMB2.4 million, RMB3.8 million and RMB1.6 million, respectively. Save as disclosed in the sections headed “Appendix I — Accountants’ Report” and “Appendix V — Statutory and General Information” in this prospectus, no other amounts have been paid or are payable by any member of our Group to our Directors during the Track Record Period.

The remuneration (including salaries, allowances and other benefits, retirement benefit scheme contributions and performance related bonus) paid to our Company’s five highest paid individuals included nil, one, one and one Director for each of the three years ended December 31, 2016, 2017 and 2018 and the four months ended April 30, 2019, respectively.

No remuneration was paid by our Group to our Directors or the five highest paid individuals as an inducement to join or upon joining us or as a compensation for loss of office in respect of each of the three years ended December 31, 2016, 2017 and 2018 and the four months ended April 30, 2019. Further, none of our Directors had waived or agreed to waive any remuneration during the same periods.

Under the arrangement currently in force, the aggregate remuneration (including fees, salaries, allowances and other benefits, retirement benefit scheme contributions and performance related bonus) of our Directors for the year ending December 31, 2019 is expected to be approximately RMB4.0 million. Our Board will review and determine the remuneration and compensation packages of our Directors and senior management which, following the Listing, will receive recommendation from the remuneration committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and performance of our Group.

BOARD DIVERSITY POLICY

Our Board has adopted a board diversity policy which sets out the approach to achieve diversity on our Board. Our company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in supporting the attainment of our Company’s strategic objectives and sustainable development. Our Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on our Board.

DIRECTORS AND SENIOR MANAGEMENT

Our Board comprises of six members, including one female executive Director. Our Directors also have a balanced mix of knowledge, skills and experience, including property development, overall business management, finance and investment. They obtained degrees in various majors including business administration, civil engineering, international finance, physics, accounting and law. We have three independent non-executive Directors who have different industry backgrounds, representing more than one-third of our Board members. Furthermore, our Board has a wide range of age, ranging from 30 years old to 55 years old. We have taken and will continue to take steps to promote gender diversity at all levels of our Company, including but without limitation at our Board and senior management levels. Taking into account our business model and specific needs as well as the presence of one female Director out of a total of seven Board members, we consider that the composition of our Board satisfies our board diversity policy.

With regards to gender diversity on the Board, our board diversity policy further provides that our Board shall take opportunities to increase the proportion of female members over time when selecting and making recommendations on suitable candidates for Board appointments. We will also ensure that there is gender diversity when recruiting staff at mid to senior level so that we will have a pipeline of female senior management and potential successors to our Board going forward. It is our objective to maintain an appropriate balance of gender diversity with reference to the stakeholders' expectation and international and local recommended best practices.

Our nomination committee is responsible for ensuring the diversity of our Board members. After Listing, our nomination committee will review our board diversity policy from time to time to ensure its continued effectiveness and we will disclose the implementation of our board diversity policy in our corporate governance report on an annual basis.

SHARE CAPITAL

The following is a description of the authorized and issued share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately before and following the completion of the Global Offering and the Capitalization Issue (without taking into account the exercise of the Over-allotment Option):

	Nominal value <i>(HK\$)</i>
Authorized share capital:	
20,000,000,000 Shares of HK\$0.01 each	200,000,000
Issued and to be issued, fully paid or credited as fully paid:	
1,000 Shares in issue as of the date of this prospectus	10
2,999,999,000 Shares to be issued pursuant to the Capitalization Issue	29,999,990
<u>529,412,000</u> Shares to be issued under the Global Offering	<u>5,294,120</u>
<u>3,529,412,000</u> Total	<u>35,294,120</u>

ASSUMPTIONS

The above table assumes that the Global Offering becomes unconditional and the issue of Shares pursuant to the Global Offering and Capitalization Issue are made. It takes no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option or any Shares which may be issued or repurchased by us pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described below.

RANKINGS

The Offer Shares will be ordinary shares in the share capital of our Company and will carry the same rights in all respects with all Shares in issue or to be issued as mentioned in this prospectus and, in particular, will rank in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this prospectus save for the entitlement under the Capitalization Issue.

SHARE CAPITAL

GENERAL MANDATE TO ALLOT AND ISSUE NEW SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted a general mandate to allot, issue and deal with Shares in the share capital of our Company with a total number of issued shares of not more than the sum of:

- (1) 20% of the total number of Shares in issue immediately following the completion of the Global Offering and the Capitalization Issue (excluding Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option); and
- (2) the total number of Shares repurchased by our Company (if any) pursuant to the general mandate to repurchase Shares granted to our Directors referred to below.

Our Directors may, in addition to the Shares which they are authorized to issue under this general mandate, allot, issue or deal with Shares under a rights issue, scrip dividend scheme or similar arrangement.

This general mandate will remain in effect until the earliest of:

- (i) the conclusion of our Company's next annual general meeting; or
- (ii) the expiry of the period within which our Company is required by any applicable laws or its articles of association to hold its next annual general meeting; or
- (iii) when varied or revoked by an ordinary resolution of the Shareholders in general meeting.

Further information on this general mandate is set out in the section headed "Statutory and general information — A. Further Information about our Company — 4. Written resolutions of all the Shareholders passed on October 15, 2019" in Appendix V to this prospectus.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted a general mandate to exercise all the powers of our Company to repurchase Shares with a total number of Shares of not more than 10% of the total number of Shares in issue immediately following the completion of the Global Offering and the Capitalization Issue (excluding Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option).

This mandate only relates to repurchases made on the Stock Exchange or any other Stock exchange on which the Shares are listed (and which is recognized by the SFC and the Stock Exchange for this purpose), and which are in accordance with the Listing Rules. A summary of the relevant Listing Rules is set out in the section headed "Statutory and general information — A. Further Information about our Company — 6. Buy-back by our Company of its own securities" in Appendix V to this prospectus.

SHARE CAPITAL

This general mandate to repurchase Shares will remain in effect until the earliest of:

- (i) the conclusion of our Company's next annual general meeting; or
- (ii) the expiry of the period within which our Company is required by any applicable laws or its articles of association to hold its next annual general meeting; or
- (iii) when varied or revoked by an ordinary resolution of the Shareholders in general meeting.

Further information on this general mandate is set out in the section headed "Statutory and general Information — A. Further Information about our Company — 4. Written resolutions of all the Shareholders of our Company passed on October 15, 2019" in Appendix V to this prospectus.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

Our Company has only one class of shares, namely ordinary shares, each of which ranks *pari passu* with the other shares.

As a matter of the Cayman Companies Law, an exempted company is not required by law to hold any general meeting or class meeting. The holding of general meeting or class meeting is prescribed for under the articles of association of a company. Accordingly, our Company will hold general meetings as prescribed for under the Articles, a summary of which is set out in "Summary of the constitution of our Company and the Cayman Islands Company Law" in Appendix IV to this prospectus.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, the following persons will, immediately prior to and following the completion of the Global Offering and the Capitalization Issue assuming that the Over-allotment Option is not exercised, have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group:

Name of Shareholder	Nature of Interest	Shares held as of the date of the application for Listing ⁽¹⁾		Shares held immediately following the completion of the Global Offering and the Capitalization Issue ⁽¹⁾	
		Number	Approximate Percentage	Number	Approximate Percentage
Mr. Zhang	Founder of trusts ^{(2), (3)}	990 Shares (L)	99.0%	2,970,000,000 Shares (L)	84.1%
TMF (Cayman) Ltd.	Trustee of a trust ⁽²⁾	940 Shares (L)	94.0%	2,820,000,000 Shares (L)	79.9%
Honoured Ever Oriental Holdings Limited	Interest in a controlled corporation ⁽²⁾	940 Shares (L)	94.0%	2,820,000,000 Shares (L)	79.9%
Xin Hong.	Interest in a controlled corporation ⁽²⁾	940 Shares (L)	94.0%	2,820,000,000 Shares (L)	79.9%
Sinic Group	Interest in a controlled corporation ⁽²⁾	940 Shares (L)	94.0%	2,820,000,000 Shares (L)	79.9%
Sinic Holdings	Beneficial owner ⁽²⁾	940 Shares (L)	94.0%	2,820,000,000 Shares (L)	79.9%
Ms. Wu Chengping	Interest of spouse ⁽⁴⁾	990 Shares (L)	99.0%	2,970,000,000 Shares (L)	84.1%

Notes:

- (1) The letter “L” denotes a long position in our Shares.
- (2) The entire issued share capital of Sinic Holdings is held by Sinic Group, which in turn is wholly owned by Xin Hong. Xin Hong is wholly owned by Honoured Ever Oriental Holdings Limited, the holding vehicle of TMF (Cayman) Ltd. TMF (Cayman) Ltd. is the trustee of the Family Trust, a discretionary trust established by Mr. Zhang as settlor, the beneficiaries of which are Mr. Zhang and Mr. Zhang’s family members. Accordingly, each of Mr. Zhang, TMF (Cayman) Ltd., Honoured Ever Oriental Limited, Xin Hong and Sinic Group is deemed under the SFO to be interested in the Shares held by Sinic Holdings.
- (3) Xin Heng is a beneficial owner of 50 Shares as of the date of the application for Listing, representing 5.0% of the issued share capital of our Company as of the date of the application for Listing. Immediately following the completion of the Global Offering and the Capitalization Issue, Xin Heng will own 150,000,000 Shares, representing approximately 4.2% of the issued share capital of our Company upon Listing (assuming the Over-allotment Option is not exercised). The entire issued share capital of Xin Heng is held by Glory Victory Holdings Limited, the holding vehicle of TMF Trust (HK) Limited. TMF Trust (HK) Limited is the trustee of the Employee Incentive Trust, a discretionary trust set up by Mr. Zhang as settlor for the purpose of a share incentive scheme to be adopted at least six months after Listing, for the benefit of employees of the Group. Accordingly, Mr. Zhang is deemed under the SFO to be interested in the Shares held by Xin Heng.
- (4) Ms. Wu Chengping is the spouse of Mr. Zhang. Under the SFO, Ms. Wu Chengping is deemed to be interested in the same Shares in which Mr. Zhang is interested.

SUBSTANTIAL SHAREHOLDERS

Save as disclosed herein, our Directors are not aware of any person who will, immediately following the completion of the Global Offering and the Capitalization Issue assuming that the Over-allotment Option is not exercised, have beneficial interests or short positions in any Shares or underlying Shares, which would be required to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly interested in 10% or more of the issued voting shares of any member of our Group. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

FINANCIAL INFORMATION

You should read the following discussion and analysis of our combined financial information together with the accompanying notes, set forth in the Accountant's Report included as Appendix I to this prospectus. Our non-combined financial information is prepared in accordance with IFRS, which may differ in certain material aspects from generally accepted accounting principles in other jurisdictions, including the United States. You should read the whole of the Accountants' Report included as Appendix I to this prospectus and not rely merely on the information contained in this section.

The following discussion contains certain forward-looking statements that involve risk and uncertainties. Our actual results reported in future periods could differ materially from those discussed in such forward-looking statements. Factors that could cause or contribute to such differences include those discussed in the sections entitled "Risk Factors" and "Business" and elsewhere in this prospectus.

Unless the context otherwise requires, financial information described in this section is described on a combined basis.

OVERVIEW

We are a large-scale and comprehensive property developer in the PRC, focusing on the development of residential and commercial properties. Through nearly 10 years of operations, we have successfully established a leading position among residential property developers in Jiangxi Province and, by leveraging our success and experience in Jiangxi Province, expanded our property development business into the Yangtze River Delta Region, the Greater Bay Region and the Central and Western China Core Cities and Other Regions with High-Growth Potential. In 2019, in terms of comprehensive property development ability, we were ranked 31st among the top 100 property developers in the PRC according to CREIS, and ranked 39th among the top 500 property developers according to the China Real Estate Association. According to C&W Report, based on the total contracted sales amount of residential properties in 2017, 2018 and the first quarter of 2019, we were ranked first among all property developers in Jiangxi Province for the same year/period. In 2018 and 2019, we were recognized as one of the China's Top 100 Real Estate Enterprises — Growth Top 10 (中國房地產百強企業 — 成长性Top 100) based on our sales growth. During the Track Record Period, we have won various industrial accolades and recognitions. We were recognized as one of the China's Top 50 Real Estate Developers jointly by the China Real Estate Industry Association, Shanghai Yiju Real Estate Research Institution and China Real Estate Appraisal in 2018 and 2019. We were also recognized as one of the China's Top 10 Real Estate Development Enterprises in Regional Operation jointly by the China Real Estate Industry Association, Shanghai Yiju Real Estate Research Institution and China Real Estate Appraisal in 2018. For more of our awards and recognitions, see "Business — Awards and Recognitions" in this prospectus.

FINANCIAL INFORMATION

We strive to distinguish ourselves from our competitors by developing properties that suit the needs and preferences of our target customers featuring quality designs, convenience and comfort. We have developed three major project series for residential properties, namely, the “Wan” Series (灣系), targeting first-time home buyers, the “Yuan” Series (園系), targeting purchasers seeking to purchase a second home or upgrade their home, and the “Yue” Series (悅系), targeting extended families or high-income households. We place a great emphasis on the quality of our products, and set detailed standards on a number of design and construction requirements, such as style, landscape, construction materials and interior designs. As a result, we have received numerous awards in recognition of our product quality. In 2018, we received the China Real Estate Gold Brick Award — 2018 Quality Property Comprehensive Award (“中國地產金磚獎 — 2018年度品質地產綜合大獎”) on Bo’Ao • 21st Century Real Estate Forum. Our first residential property project, Nanchang Dibo Wan in Nanchang, received the National Scenic Garden Construction Project Silver Prize from China Garden Network (中國園林網) in 2013.

We develop and sell quality properties. As of July 31, 2019, we had 110 property projects under various stages of development, comprising 84 projects developed by our subsidiaries, 26 projects developed by joint ventures and associates. As of July 31, 2019, our property projects had an aggregate GFA attributable to us of approximately 15.0 million sq.m., including (i) the total GFA available for sale and total leasable GFA for completed properties of approximately 275,887.3 sq.m., (ii) the total GFA for properties under development of approximately 11.7 million sq.m. and (iii) the total GFA for properties held for future development of approximately 3.0 million sq.m. In addition to property development, we have recently started engaging in the development, operation and management of commercial properties and hold a portion of such commercial properties for investment purpose. As of July 31, 2019, we had seven commercial properties, with an aggregate GFA of approximately 268,266.7 sq.m. In addition, in order to maximize investment returns, improve cash flow and achieve sustainable growth, we strive to standardize our project development cycle. We develop our properties through standardized operating procedures which not only help us to plan, design, construct and deliver properties on schedule, but also enable us to bring consistency in quality across our properties while maintaining relatively low costs.

In addition to residential property development, we have recently started engaging in the development, operation and management of commercial properties and hold a portion of such commercial properties for investment purpose. As of July 31, 2019, we had seven commercial properties, with an aggregate GFA of approximately 268,266.7 sq.m.

Our overall market position in the PRC, quality product offerings and strong brand name have all contributed to our past financial success. In 2016, 2017 and 2018, we recorded revenue of RMB2,223.0 million, RMB5,241.1 million and RMB8,415.7 million, respectively, representing a CAGR of approximately 94.6%; and our revenue increased by 278.4% from RMB1,508.9 million for the four months ended April 30, 2018 to RMB5,709.4 million for the same period in 2019. In 2016, 2017 and 2018, our net profit was RMB130.9 million, RMB278.2 million and RMB555.0 million, respectively, representing a CAGR of approximately 105.9%; and our net profit increased by 515.8% from RMB45.8 million for the four months ended April 30, 2018 to RMB282.2 million for the same period in 2019.

FINANCIAL INFORMATION

BASIS OF PRESENTATION

We were incorporated as an exempted company with limited liability under the laws of Cayman Islands on September 18, 2018. Pursuant to the Reorganization as disclosed in “History, Reorganization and Corporate Structure — The Reorganization,” our Company became the holding company of the companies now comprising our Group on May 17, 2019. The companies now comprising our Group were under the common control of the Controlling Shareholders before and after the Reorganization. Accordingly, the historical financial information has been prepared on a combined basis by applying the principles of merger accounting as if the Reorganization had been completed at the beginning of the Track Record Period.

The combined statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of our Group for the Track Record Period include the results and cash flows of all companies now comprising our Group from the earliest date presented or since the date when the subsidiaries first came under the common control of the Controlling Shareholders, where this is a shorter period. The combined statements of financial position of our Group as of December 31, 2016, 2017 and 2018 and April 30, 2019 have been prepared to present the assets and liabilities of the subsidiaries using the existing book values from the Controlling Shareholders’ perspective. No adjustments are made to reflect fair values, or recognize any new assets or liabilities as a result of the Reorganization.

Our equity interests in subsidiaries held by parties other than the Controlling Shareholders, and changes therein, prior to the Reorganization are presented as non-controlling interests in equity in applying the principles of merger accounting. Our profit or loss is attributed to our owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group transactions and balances have been eliminated on combination in full.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition have been and will continue to be affected by a number of factors, many of which are beyond our control. See the section entitled “Risk Factors” in this prospectus. Some of the key factors include, without limitation, the following:

Economic Growth and the State of Real Estate Market in the PRC

Economic growth, urbanization and rising disposable income in China have been the key drivers behind increasing market demand for residential and commercial properties. Currently, the real estate industry is regarded by the PRC government as one of the country’s pillar industries, it is significant dependent on overall economic growth, in particular, the cities and regions where we operate and intend to operate are especially important to our sales and profitability. As such, this factor will continue to have a significant impact on our business and results of operations. In addition, our results of operations are primarily subject to the

FINANCIAL INFORMATION

performance of the PRC's real estate market, in particular, the supply and demand for residential and commercial properties and pricing trends of mid to high-end residential properties in the cities and regions where we operate. Any general economic downturn or downturn in the real estate market, particular in the cities and regions where we operate, could adversely affect our business, results of operations and financial position. See the section entitled "Risk Factors — Risks Relating to the PRC — We are vulnerable to adverse changes in economic, political and social conditions and government policies in China" in this prospectus.

Regulatory Environment and Measures Affecting the Real Estate Industry in China

Our business has been, and will continue to be, affected by the regulatory environment in China, including, specifically, policies and measures adopted by the PRC government on the property development and related industries. In recent years, the PRC government has implemented a series of measures to contain the pace of economic growth, particularly the perceived over-heating in the real estate market. While the PRC government may still regard the real estate industry as important, it has taken restrictive measures to discourage speculation and increase the supply of affordable residential properties. From time to time, the PRC government adjusts or introduces macroeconomic policies to encourage or restrict development in the property sector through regulating, among others, land grants, pre-sales of properties, bank financing, mortgage and taxation. Measures taken by the PRC government to control money supply, credit availability and fixed assets also have a direct impact on our business. The PRC government may introduce initiatives, which may affect our access to capital and the means through which we finance our property developments.

Since the first half of 2010, in response to the rising property prices across the country, the PRC government announced new policies, adopted new measures to curtail speculation in the property market, and imposed more stringent requirements on the payment of land premiums by property developers. These policies include the abolishment of certain preferential treatment in respect of business tax payable upon transfer of residential properties, increased minimum down-payment for mortgage loans, more stringent requirements on the payment of land premium, further limits on the number of residential properties one household can buy, a trial property tax scheme in Shanghai and Chongqing and a 20% capital gains tax on residential property re-sales. More recently, the property market in the PRC witnessed signs of a slowdown, with some developers reported to have lowered prices in order to stimulate sales, and many local government have relaxed property purchase restrictions previously imposed as cooling measures to help boost demand. PRC regulatory measures in the real estate industry will continue to affect our business. See the section titled "Risk Factors — Risks Relating to Our Industry" and "Regulatory Overview" in this prospectus for more details on the relevant PRC laws and regulations.

FINANCIAL INFORMATION

Revenue and Change in Product Mix

We derive our revenue principally from the sale of properties that we developed, including residential, commercial and mixed-use properties. As we recognize revenue from the sale of properties upon their delivery, our revenue primarily depends on the volume of properties we sell, the prices at which we make the sales and the timing of delivery of sold properties to purchasers. The volume of properties we sell and the timing of delivery of sold properties depend on the progress on the construction of our properties and the market response we obtain when we launch our property sales. Revenue from sales of properties fluctuate based on the levels of actual completion of construction and delivery of our properties and therefore may vary significantly from period to period. Our revenue may fluctuate because of the mix of our projects, the timing of completion of our projects and the timing of recognition of revenue from pre-sales of units in our development properties. While we generally are involved in a number of projects at any given time and those projects may be at varying stages of completion, many of our projects are large and thus necessarily require substantial time to complete. Accordingly, even assuming a constant level of market demand for our properties, the number of properties that we have available for sale can vary significantly from period to period.

The average selling prices per sq.m. and the gross profit margin of our property products vary by the type of properties we develop and sell. We offer three main series of residential property developments, namely, “Wan” Series (灣系), the “Yuan” Series (園系) and the “Yue” Series (悅系). Generally “Yuan” Series and “Yue” Series, which mainly target home upgraders and extended families or high-income households, respectively, command relatively higher ASP as compared to that of “Wan” Series, which mainly target first-time home purchasers. Our product mix varies from period to period based on a number of factors, including government-regulated plot ratios, project locations, land size and cost, market conditions and our development planning. We adjust our product mix from time to time but may nonetheless be unable to maintain or increase the average selling prices or gross profit margin, which would materially and adversely affect our profitability.

Pre-sale

Our ability to sell properties prior to completion, known as the pre-sale of properties, constitutes the most important source of our operating cash inflow during project development. The relevant pre-sale requirements vary from city to city and pre-sale proceeds of a project are required to be used to finance its development. The amount and timing of cash inflows from pre-sales are affected by a number of factors, including timing and other restrictions on pre-sale imposed by the PRC government, market demand for our properties subject to pre-sale and the number of properties we have available for pre-sale. Timing of pre-sale is subject to not only our internal schedules but also relevant PRC laws and regulations. See “Risk Factors — Risks Relating to Our Business — We are exposed to contractual and legal risks related to pre-sales” in this prospectus for more details. In addition, delays in construction, regulatory

FINANCIAL INFORMATION

approval and other processes may also adversely affect the timetable of our projects. As a result of the time differences between cost incurred, cash received from pre-sales and revenue recognition, our results of operation have fluctuated in the past and are likely to continue to fluctuate in the future.

Construction Costs and Labor Costs

A key component of our cost of sales is construction costs. Construction costs are affected by the price of certain key construction materials, such as steel and cement. Most building construction materials, including steel and cement, are procured by our contractors. We typically designate the brands and quality requirements of these construction materials in our construction agreements. In most of our construction agreements, the contract price will be adjusted if the market price of such materials fluctuates beyond a certain threshold, and we, as a result, will bear the risks or enjoy the benefits associated with such price increases or decreases outside this range. We can pass the increases in construction material costs to our customers only to the extent that we are able to increase the prices of our properties and therefore bear the risk of price fluctuations in raw materials to the extent that we are unable to increase our prices to fully cover any increases in costs.

In addition, our results of operations are affected by labor costs, directly on our staff cost and indirectly on our contractors' staff cost. In general, labor costs in the PRC have been increasing in recent years. Increases in labor costs will continue to have an impact on our results of operations.

Availability and Cost of Financing

Financing is an important source of funding for property development. During the Track Record Period, we financed our operations primarily through internally generated cash flow from the pre-sale of our properties, as well as external financings, such as borrowings from banks, trust and other financing arrangements and the issuance of private corporate bonds. The monetary regulations imposed by the PRC government from time to time may affect our access to capital and cost of financing. We are also highly susceptible to any regulations or measures adopted by the PBOC that restrict bank lending, especially those that restrict the ability of real estate developers to obtain bank financing. As commercial banks in the PRC link the interest rates on their loans to benchmark lending rates published by the PBOC, we expect that any increase in the benchmark lending rates will increase our borrowing costs. In addition, as of April 30, 2019, we had 32 outstanding financing arrangements with trust financing providers, asset management companies and other financial institutions which usually have a greater flexibility in terms of fund availability and repayment. While trust financing providers, asset management companies and other financial institutions generally do not link their interest rates to the PBOC benchmark lending rates, they typically charge higher interest rates than those charged by commercial banks. The PRC government may implement more stringent measures to control risks in loan growth, which may include more stringent review procedures that trust financing providers, asset management companies and other financial institutions are required to adopt when considering applications for trust financing and remedial actions that they are

FINANCIAL INFORMATION

required to take in the event of any non-compliance with applicable laws and regulations. Any such further measures that the PRC government may implement could limit the amount that trust financing providers, asset management companies and other financial institutions can make available for the PRC property development industry as a whole and to us. As such, any increase in interest rates offered to us and the general credit availability may significantly impact our real estate development business.

As of December 31, 2016, 2017, 2018 and April 30, 2019, our total outstanding bank and other borrowings (excluding corporate bonds) amounted to RMB6,437.5 million, RMB16,675.6 million, RMB21,510.7 million and RMB25,445.5 million, respectively, and the weighted average effective interest rates on our outstanding bank and other borrowings (excluding corporate bonds) as of the same dates was 9.3%, 9.1%, 9.3% and 9.8%, respectively. We also issued two private corporate bonds in the aggregate amount of RMB589.0 million in the PRC in October and December 2018, respectively, and one private corporate bonds in the aggregate amount of RMB417.0 million in the PRC in April 2019. We may from time to time in the future obtain further funding by accessing both the international and domestic capital markets, including but not limited to the issuance of new corporate bonds, asset-backed securities programs and debt offerings, to diversify our financing sources, secure sufficient working capital and to support our business expansion. In addition, a significant portion of our finance costs are capitalized at the time it is incurred to the extent such costs are directly attributable to the land acquisition and project construction. An increase in our finance costs will negatively affect our profitability and results of operations and the availability of financing will affect our ability to engage in our project development activities, which will adversely affect our results of operations.

LAT

All income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciated value of the property, which is calculated by deducting from the gross sales proceeds the cost associated with the property development and certain other deductibles. See “Regulatory Overview — Regulation on Taxation — Land Appreciation Tax.” For each of this period, we assessed the difference between the amount we prepaid and our estimated LAT liability. In 2016, 2017 and 2018 and the four months ended April 30, 2018 and 2019, we recorded LAT expenses in the amount of RMB28.6 million, RMB366.1 million, RMB757.2 million, RMB172.4 million and RMB769.2 million, respectively. The provision for LAT requires our management to use a significant amount of judgment and estimates and we cannot assure you that the relevant tax authorities will agree to the basis on which we have calculated our LAT liabilities for provision purposes, or that such provisions will be sufficient to cover all LAT obligations that tax authorities may ultimately impose on us. Under such circumstances, our results of operations and cash flows may be materially and adversely affected.

FINANCIAL INFORMATION

CERTAIN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND JUDGMENTS

Significant Accounting Policies

Revenue recognition

Our revenue is measured at the fair value of the consideration received or receivable for the sales of properties and services in the ordinary course of our Group's activities. Our revenue is recognized, net of discounts and after eliminating sales with the Group companies.

Sale of properties

Our revenue is recognized when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if our Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as our Group performs; or
- does not create an asset with an alternative use to our Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the purchaser obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on our Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of each reporting period as a percentage of total estimated costs for each contract.

In determining the transaction price, our Group adjusts the promised amount of consideration for the effect of financing component if it is significant.

For a property development and sales contract for which the control of the property is transferred at a point in time, revenue is recognized when the customer obtains the physical possession or the legal title of the completed property and our Group has the present right to payment and the collection of the consideration is probable.

FINANCIAL INFORMATION

Consulting services

Consulting services income derived from the provision of management services in connection with development of property projects is recognized when the relevant services are rendered and the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

Rental income

Rental income derived from the leasing our investment properties on a time proportion basis over the lease term.

Properties under development

Properties under development are intended to be held for sale after completion. Properties under development are stated at the lower of cost comprising land costs, construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period and net realizable value. Properties under development are classified as current assets unless those will not be realized in normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

Completed properties held for sale

Completed properties held for sale are stated in the statements of financial position at the lower of cost and net realizable value. Cost is determined by an apportionment of the total costs of land and buildings attributable to the unsold properties. Net realizable value takes into account the price ultimately expected to be realized, less estimated costs to be incurred in selling the properties.

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of each year of the Track Record Period.

Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the year of the retirement or disposal.

FINANCIAL INFORMATION

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by our Group as an owner-occupied property becomes an investment property, our Group accounts for such property in accordance with IAS 16. — Property, Plant and Equipment up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation and carried in the asset revaluation reserve in equity. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognized in profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of those assets. The capitalization of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalized. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognized outside profit or loss is recognized outside profit or loss, either in other comprehensive income or directly in equity. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which our Group operates. Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

FINANCIAL INFORMATION

Deferred tax assets are recognized for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilized, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each year of the Track Record Period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each year of the Track Record Period and are recognized to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each year of the Track Record Period.

Deferred tax assets and deferred tax liabilities are offset if and only if our Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realized the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

FINANCIAL INFORMATION

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognized in the statement of profit or loss and other comprehensive income when the liabilities are de-recognized as well as through the effective interest rate amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs in the statement of profit or loss and other comprehensive income.

Early adoption of IFRS 9 and IFRS 15

IFRS 9 *Financial instruments* and IFRS 15 *Revenue from contracts with customers* are effective for financial periods beginning on or after January 1, 2018, replacing IAS 39 and IAS 18, respectively, and we have applied IFRS 9 and IFRS 15 consistently throughout the Track Record Period.

The impacts of the IFRS 9 and IFRS 15 on our historical financial information are as follows:

Impact of IFRS 9

IFRS 9 has three financial asset classification categories for investments in debt instruments: amortized cost, fair value through other comprehensive income (“OCI”) and fair value through profit or loss. Such classification is driven by the entity’s business model for managing the debt instruments and their contractual cash flow characteristics. Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in OCI, provided the instrument is not held for trading. If the equity instrument is classified as fair value through profit or loss, the changes in fair value are presented in profit or loss. For financial liabilities, there are two classification categories: amortized cost and fair value through profit or loss. Where non-derivative financial liabilities are designated at fair value through profit or loss, the changes in the fair value due to changes in the liability’s own credit risk are recognized in OCI, in which case such fair value changes recognized in OCI are never recycled into profit and loss, unless such changes in fair value would create an accounting mismatch in profit or loss, in which case, all fair value movements are recognized in profit or loss. For financial liabilities held for trading (including derivative financial liabilities), all changes in fair value are presented in profit or loss.

FINANCIAL INFORMATION

IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (“ECL”) model, which constitutes a change from the incurred loss model in IAS39. IFRS 9 contains a “three-stage” approach, which is based on the change in credit quality of financial assets since the initial recognition. Assets move through the three stages as credit quality changes, and the stages dictate how an entity measures impairment loss and applies the effective interest rate method. Where there is a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL.

Impact of IFRS 15

Following the adoption of IFRS 15, the following items are recognized in different ways.

Presentation of liabilities

Advanced proceeds received from customers are presented as contract liabilities.

Accounting for revenue from sales of properties

Revenue from sales of properties is recognized over time when our performance does not create an asset with an alternative use to us and we have an enforceable right to payment for performance completed to date; otherwise, revenue is recognized at a point in time when the buyer obtains control of the completed property.

Accounting for significant financing component

For contracts where the period between the payment by the customer and the transfer of the promised property or service is more than one year, the transaction price is adjusted for the effects of such financing component, if significant. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

Impact on the our financial position and performance

We had adopted IFRS 9 and IFRS 15 on a consistent basis throughout the Track Record Period, without applying IAS 39 and IAS 18. Therefore, there is no direct comparison between our financial position or performance by adopting IFRS 9 and IFRS 15 and our financial position or performance by adopting IAS 39 and IAS 18. It is mandatory to apply IFRS 9 and IFRS 15 for the periods beginning on or after January 1, 2018. Early application is permitted.

FINANCIAL INFORMATION

If we had applied IAS 39 and IAS 18 for the years ended December 31, 2016 and 2017, the estimated impact on our financial position for the years ended December 31, 2016 and 2017 affected by the adoption of IFRS 9 and IFRS 15 is as follows:

Net profit/(losses) for the year	Amounts without the adoption of IFRS 9 and IFRS 15	Effects of the adoption of IFRS 9	Effects of the adoption of IFRS 15	Amounts as reported
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Year ended December 31, 2016	111,393	(77)	19,561	130,877
Year ended December 31, 2017	143,416	(1,036)	135,825	278,205

Total equity	Amounts without the adoption of IFRS 9 and IFRS 15	Effects of the adoption of IFRS 9	Effects of the adoption of IFRS 15	Amounts as reported
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at December 31, 2016	2,784,581	(223)	16,360	2,800,718
As at December 31, 2017	4,443,900	(1,259)	152,184	4,594,825

Taking into account the impact disclosed above, our Directors consider that the adoption of IFRS 9 would have insignificant impact on our financial position and performance for the years ended December 31, 2016 and 2017.

The adoption of IFRS 15 would have significant impact on our financial performance for the years ended December 31, 2016 and 2017 and the adoption of IFRS 15 would have significant impact on our financial position as of December 31, 2016 and 2017. The impact of IFRS 15 on our financial performance for the years ended December 31, 2016 and 2017 was mainly due to the recognition of sales of properties when our performance does not create an asset with an alternative use to us and we have an enforceable right to payment for performance completed to date. Such revenue was recognized over time by adopting IFRS 15.

Adoption of IFRS 16

We adopted IFRS 16 *Leases* on January 1, 2019, which superseded IAS 17 *Leases*. We adopted IFRS 16 using a modified retrospective method of adoption starting on January 1, 2019. We have not restated financial information from January 1, 2016 to December 31, 2018 for leases in the scope of IFRS 16 *Leases*. Our financial information from January 1, 2016 to December 31, 2018 is reported under IAS 17 *Leases* and is not comparable to the information presented for the four months ended April 30, 2019. Differences arising from the adoption of IFRS 16 *Leases* have been recognized in the opening balance of combined statements of

FINANCIAL INFORMATION

financial position as of January 1, 2019. The adoption of IFRS 16 did not have any significant impact on our financial position and performance for the period from January 1, 2016 to December 31, 2018, as compared to that of IAS 17. See the tables below for more details on the estimated impact on our key ratios and financial position and performance as of April 30, 2019 and for the four months ended April 30, 2019. See Note 2.3 to the Accountants' Report in Appendix I attached to this prospectus for more details.

If we had applied IAS 17 for the four months ended April 30, 2019, the estimated impact on our ratios for the four months ended April 30, 2019 affected by the adoption of IFRS 16 is as follows:

	Ration without the adoption of IFRS 16 as April 30, 2019	Ration with the adoption of IFRS 16 as April 30, 2019
Current ratio	1.1	1.1
Return on total assets	NA	NA
Return on equity	NA	NA
Net gearing ratio (times)	3.1	3.1
Interest coverage ratio (times)	1.5	1.5

If we had applied IAS 17 for the four months ended April 30, 2019, the estimated impact on our financial position for the four months ended April 30, 2019 affected by the adoption of IFRS 16 is as follows:

	Amounts without the adoption of IFRS 16	Effects of the adoption of IFRS 16	Amounts as reported
Four months ended April 30, 2019	<i>(RMB'000)</i>		
Net profit for the period	282,301	(119)	282,182
Net assets/Total equity	5,366,212	(119)	5,366,093
Net current assets	8,412,028	(21,368)	8,390,660
Total Assets	88,788,474	43,256	88,831,730
Total liabilities.	83,422,262	43,375	83,465,637

Upon the adoption of IFRS 16, we recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognized based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

FINANCIAL INFORMATION

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless we are reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

At the commencement date of the lease, we recognize lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by us and payments of penalties for terminating a lease, if the lease term reflects our exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

We apply the short-term lease recognition exemption to its short-term leases of machinery and equipment, i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

FINANCIAL INFORMATION

DESCRIPTION OF CERTAIN COMBINED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our combined statement of profit or loss for the periods indicated. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

	Year ended December 31,			Four months ended April 30,	
	2016	2017	2018	2018	2019
	(RMB'000)			(unaudited)	
Revenue	2,223,000	5,241,086	8,415,653	1,508,876	5,709,425
Cost of sales	(1,673,246)	(3,473,875)	(5,272,657)	(948,388)	(3,743,922)
Gross profit	549,754	1,767,211	3,142,996	560,488	1,965,503
Finance income	2,518	27,417	105,680	30,414	7,756
Other income and gains . .	374	7,014	5,945	2,059	4,536
Selling and distribution expenses	(214,628)	(458,382)	(657,597)	(143,420)	(192,352)
Administrative expenses . .	(83,044)	(225,341)	(430,192)	(92,301)	(167,610)
Other expenses	(7,210)	(47,447)	(46,219)	(13,113)	(3,192)
Fair value gains on investment properties . .	77,980	86,038	110,159	49,497	27,431
Fair value gains/(losses) on financial assets at fair value through profit or loss	—	—	18,861	6,096	(20,800)
Fair value gains/(losses) on financial liabilities at fair value through profit or loss	(82)	74	242	72	100
Finance costs	(99,179)	(317,165)	(425,774)	(68,650)	(185,137)
Share of profits and losses of:					
Joint ventures	(3,083)	(18,255)	(9,466)	(5,862)	482
Associates	(6,587)	21,239	48,854	(190)	(2,686)
Profit before tax	216,813	842,403	1,863,489	325,090	1,434,031
Income tax expense	(85,936)	(564,198)	(1,308,536)	(279,266)	(1,151,849)
Profit for the year/period	<u>130,877</u>	<u>278,205</u>	<u>554,953</u>	<u>45,824</u>	<u>282,182</u>
Other comprehensive income:					
Exchange differences on translation of foreign operations . .	—	48,258	(93,916)	64,091	44,997
Total comprehensive income for the year/period	130,877	326,463	461,037	109,915	327,179
Attributable to:					
Owners of the Company	62,437	95,021	413,538	50,862	232,661
Non-controlling interests	68,440	183,184	141,415	(5,038)	49,521
	<u>130,877</u>	<u>278,205</u>	<u>554,953</u>	<u>45,824</u>	<u>282,182</u>

FINANCIAL INFORMATION

DESCRIPTION OF CERTAIN LINE ITEMS OF OUR COMBINED STATEMENTS OF PROFIT OR LOSS

Revenue

Our revenue during the Track Record Period consists of revenue derived substantially from sales of properties with a small portion from other businesses, which primarily includes income from the provision of consulting services to the Independent Third Parties, and, to a lesser extent, rental income from investment properties. The following table sets forth each of the components described above and the percentage of our revenue represented for the periods indicated.

	Year ended December 31,						Four months ended April 30,			
	2016		2017		2018		2018		2019	
	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%
	<i>(unaudited)</i>									
Sale of properties	2,207,757	99.3	5,230,494	99.8	8,389,269	99.7	1,507,957	99.9	5,684,232	99.6
Others	15,243	0.7	10,592	0.2	26,384	0.3	919	0.1	25,193	0.4
Consulting										
services	15,243	0.7	9,384	0.2	23,628	0.3	—	—	22,554	0.4
Rental income	—	—	1,208	0.0	2,756	0.0	919	0.1	2,639	0.0
Total	2,223,000	100.0	5,241,086	100.0	8,415,653	100.0	1,508,876	100.0	5,709,425	100.0

Revenue from sale of properties

Revenue from sale of properties has constituted, and is expected to continue to constitute, a substantial majority of our total revenue. Our operating results for any given period are dependent upon the GFA and the ASP of the properties we delivered during such period and the market demand for those properties. Conditions in the property markets in which we operate change from period to period and are affected significantly by general economic, political and regulatory developments in the PRC as well as in the regions and/or cities in which we operate. During the Track Record Period, our GFA delivered fluctuated from period to period depending on the size of the projects and the stage of their development. The ASP of properties sold also fluctuated from period to period depending on the selling prices for properties of different series or different types as well as in cities and regions where we developed and sold property projects. Our develop our residential properties in three main series, namely, the “Wan” Series (灣系), the “Yuan” Series (園系) and the “Yue” Series (悦系), of our property projects delivered during the relevant periods. Generally “Yue” Series and “Yuan” Series, which mainly target home upgraders and extended families or high-income households, respectively, command relatively higher ASP as compared to that of “Wan” Series, which mainly target first-time home purchasers. For commercial properties we have developed, the ASP per sq.m. for shopping centers are generally higher than that of commercial areas within the residential properties we have developed. For further details of the effect these factors may have on our results of operations, see the subsection entitled “— Key Factors affecting our Results of Operations” above.

FINANCIAL INFORMATION

The following table sets forth the revenue from sale of properties, the GFA delivered, and the ASP per sq.m. by type for the periods indicated.

	For the year ended December 31,					For the four months ended April 30,														
	2016		2017			2018			2019											
	Revenue	GFA delivered	ASP	Revenue	GFA delivered	ASP	Revenue	GFA delivered	ASP	Revenue	GFA delivered	ASP								
(RMB'000)	(%)	(sq.m.)	(RMB'000)	(%)	(sq.m.)	(RMB per sq.m.)	(RMB'000)	(%)	(sq.m.)	(RMB'000)	(RMB per sq.m.)	(RMB'000)	(%)	(sq.m.)						
Residential																				
properties	2,027,782	91.8	332,086	4,381,439	83.8	607,765	7,209	6,857,164	81.7	967,176	7,090	1,216,979	80.7	152,123	8,000	5,086,199	89.5	531,609	9,566	
- Wan series	1,978,943	89.6	327,978	6,034	2,795,286	53.5	473,066	5,909	5,041,893	60.1	788,267	6,396	783,512	52.0	111,959	6,998	3,496,994	61.5	374,004	9,350
- Yuan series	24,714	1.1	2,885	8,566	1,030,007	19.7	110,486	9,323	1,748,105	20.8	176,357	9,912	433,467	28.7	40,164	10,792	1,562,421	27.5	156,788	9,965
- Yue series	24,125	1.1	1,223	19,726	556,146	10.6	24,213	22,969	67,166	0.8	2,552	26,319	—	—	—	—	26,784	0.5	877	30,540
Commercial																				
properties	129,409	5.9	10,230	12,650	788,411	15.1	63,846	12,349	1,375,968	16.4	121,639	11,312	290,978	19.3	30,248	9,620	590,143	10.4	51,694	11,416
Car parks	50,566	2.3	11,177	4,524	60,644	1.1	13,139	4,616	156,137	1.9	30,788	5,071	—	—	—	—	7,890	0.1	792	9,961
Total	2,207,757	100.0	353,493	6,246	5,230,494	100.0	684,750	7,639	8,389,269	100.0	1,119,603	7,493	1,507,957	100.0	182,371	8,269	5,684,232	100.0	584,155	9,731

Our revenue from sales of properties generally increased during the Track Record Period, primarily attributable to the general increase in the total GFA delivered during the relevant periods, which was resulted from the increase in the number of property projects delivered during the relevant periods and our continuous efforts on strengthening our market positions in Nanchang as well as expansion into new markets, such as Huizhou and Ganzhou in 2017, and Changsha and Wuxi in 2018. In 2016, 2017 and 2018 and the four months ended April 30, 2018 and 2019, we delivered 12, 18, 26, 19 and 24 property projects, respectively.

FINANCIAL INFORMATION

The fluctuation in the ASP per sq.m. during Track Record Period was primarily due to the differences in the project series or property type of the residential or commercial property projects delivered during the relevant period. The ASP per sq.m. of residential properties in 2017 was higher as compared to that in 2016, primarily attributable to the delivery of Nanchang Ya Yuan Zhou Yue, a “Yue” Series project, in 2017, while in 2016 a majority of the property projects we delivered, such as Nanchang Dibo Wan and Nanchang Yujing Wan Duhui, were “Wan” Series projects. The decrease in the ASP per sq.m. of residential properties in 2018 from 2017 was primarily due to a majority of the property projects we delivered in 2018, such as Nanchang Yinhu Wan, Nanchang Jinsha Wan, Nanchang Long Wan and Nanchang Yulong Wan, were “Wan” Series projects. The ASP per sq.m. of residential properties in the four months ended April 30, 2019 was higher as compared to that in the same period in 2018, primarily attributable to the delivery of (i) properties of Huizhou Dong Yuan and Nanchang Amber Yuan, under “Yuan” Series and (ii) the high-end properties of Nanchang Long Wan under “Wan” Series. The increase in the ASP per sq.m. of the “Wan” Series from the first four months of 2018 to the same period in 2019 was primarily attributable to the delivery of Wuxi Dibo Wan and Nanchang Long Wan in the first four months of 2019, which were able to demand higher ASP per sq.m. due to its location in more economically developed Yangtze River Delta Region and its convenient location near the local transportation stop, respectively. The general decrease in ASP per sq.m. of commercial properties after 2016 was primarily due to the fact that the commercial properties project we delivered in 2016 was Nanchang Yujing Wan Duhui Phase IV, a shopping center, while a majority of commercial properties we delivered in 2017 and 2018 were commercial areas within residential properties, which generally command lower ASP per sq.m. than that of shopping centers. The relatively higher ASP per sq.m. of the car parks in the first four month of 2019 during the Track Record Period was mainly due to the fact that a substantial portion of the car parks sold in the first four months of 2019 were at “Yue” properties, which in general had a higher ASP per sq.m. as compared to the car parks at the other two residential series.

FINANCIAL INFORMATION

Revenue by geographic region

We develop and sell properties in mainly in Jiangxi Province, the Yangtze River Delta Region, the Greater Bay Region and the Central and Western China Core Cities and Other Regions with High-Growth Potential. The following table sets forth our revenue generated from each region for the periods indicated.

	For the year ended December 31,						For the four months ended April 30,							
	2016		2017		2018		2018		2019					
	Revenue (RMB'000)	% (sq.m.)	Revenue (RMB'000)	ASP (RMB per sq.m.)	GFA delivered (sq.m.)	% (sq.m.)	Revenue (RMB'000)	ASP (RMB per sq.m.)	GFA delivered (sq.m.)	% (sq.m.)	Revenue (RMB'000)	ASP (RMB per sq.m.)	GFA delivered (sq.m.)	% (sq.m.)
Jiangxi Province	2,204,649	99.9	5,083,463	6,243	668,319	84.2	7,064,413	7,059	1,000,765	75.6	4,140,302	7,882	440,366	72.8
Nanchang	1,899,515	86.1	4,632,671	6,625	569,694	79.0	6,629,932	7,257	913,549	74.0	3,764,345	7,875	379,823	66.2
Fengcheng	305,134	13.8	436,284	4,594	96,694	4.2	351,640	4,588	76,642	0.1	271,747	4,857	49,991	4.8
Ganzhou	—	—	14,508	—	1,931	1.0	82,841	7,513	10,574	1.5	104,210	8,596	10,552	1.8
Central and Western China Core Cities and Other Regions with High-Growth Potential	3,108	0.1	20,778	9,333	1,979	7.5	626,868	10,887	57,577	5.4	316,485	8,658	34,646	5.6
Wuhan	3,108	0.1	20,778	9,333	1,979	7.3	614,562	10,823	56,781	5.4	300,405	8,658	33,300	5.3
Changsha	—	—	—	—	—	0.2	12,306	15,461	796	—	16,080	—	1,346	0.3
Greater Bay Region	—	—	126,253	—	14,452	8.0	671,841	11,272	59,603	19.0	1,019,278	10,118	90,562	11.255
Huizhou	—	—	126,253	—	14,452	8.0	671,841	11,272	59,603	19.0	1,019,278	10,118	90,562	11.255
Yangtze River Delta Region	—	—	—	—	—	0.3	26,147	15,770	1,658	—	208,167	—	18,581	3.7
Wuxi	—	—	—	—	—	0.3	26,147	15,770	1,658	—	208,167	—	18,581	3.7
Total	2,207,757	100.0	5,230,494	6,246	684,750	100.0	8,389,269	7,639	1,119,603	100.0	5,684,232	8,269	584,155	100.0

FINANCIAL INFORMATION

The following table sets forth certain other data in relation to our cost of sales in relation to our sales of properties for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2016	2017	2018	2018	2019
ASP (RMB)	6,246	7,639	7,493	8,269	9,731
Average cost per sq.m. sold (RMB) ⁽¹⁾	4,723	5,069	4,704	5,200	6,394
Average cost as % of ASP	75.6%	66.4%	62.8%	62.9%	65.7%
Average land acquisition cost per sq.m. sold (RMB) ⁽²⁾	1,184	1,274	1,129	1,275	1,618
Average land acquisition cost as % of ASP	19.0%	16.7%	15.1%	15.4%	16.6%

Notes:

- (1) Refers to the average cost of our property sales and is derived by dividing the sum of construction costs, land use rights costs and capitalized interest for a period by the total GFA delivered in that period.
- (2) Refers to the average land acquisition cost of our property sales and is derived by dividing the land use rights costs for a period by the total GFA delivered in that period.

Cost of sales for sale of properties

Cost of sales for sale of properties mainly includes construction costs, land acquisition costs and capitalized interest:

Construction Costs

Construction costs relate to costs for the design and construction of a project, including costs of construction materials and labor costs. Our construction costs are affected by a number of factors, including the type and geographic conditions of the properties being constructed or the type and amount of construction material costs and labor costs, which are generally included in the payments to the construction contractors, particularly the cost of steel and cement, has been a primary contributing factor in terms of fluctuations in our construction costs.

FINANCIAL INFORMATION

The table below sets forth a sensitivity analysis relating to our construction costs, illustrating, for the periods indicated, what the impact on our profit before income tax would have been if our construction costs had been 5% higher or lower.

	Year ended December 31,			Four months ended April 30,	
	2016	2017	2018	2018	2019
	<i>(RMB, except for percentage)</i>			<i>(RMB, except for percentage)</i>	
Increase/(decrease) in profit before taxation					
If construction costs					
per sq.m. had been					
5% lower	(154.5)	(163.1)	(145.4)	(162.3)	(200.9)
As a percentage of profit					
before taxation	25.2%	13.3%	8.7%	9.1%	7.9%
If construction costs					
per sq.m. had been					
5% higher	154.5	163.1	145.4	162.3	200.9
As a percentage of profit					
before taxation	(25.2%)	(13.3%)	(8.7%)	(9.1%)	(7.9%)

Land Acquisition Costs

Land acquisition costs relate to costs relating to acquisition of the rights to occupy, use and develop land and primarily land premium incurred in connection with a land grant from the government, and payments made in connection with equity interest or land parcel acquisitions. These costs for a project are affected by a number of factors, such as the location of the underlying property, resettlement process, regional property market condition, the timing of the land acquisition, the project's plot ratios, the method of acquisition and changes in PRC regulations.

Capitalized Interest Costs

Capitalized interest costs relate to a portion of our finance costs that is directly attributable to the construction of a particular projects. Finance costs that are not directly attributable to the development of a project are expensed and recorded as finance costs in our combined statements of profit or loss in the period in which they are incurred.

During the Track Record Period, our cost of sales continued to increase in absolute amount, primarily due to the increase in the number of our residential property projects completed and delivered, and accordingly, our total delivered GFA continued to grow, which was in line with our overall business expansion activities.

FINANCIAL INFORMATION

Gross profit and gross profit margin

The following table sets forth our gross profit and gross profit margin by business segment for the periods indicated.

	For the year ended December 31,						For the four months ended April 30,			
	2016		2017		2018		2018		2019	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%
	<i>(unaudited)</i>									
Sale of										
properties . . .	538,322	24.4	1,759,267	33.6	3,122,504	37.2	559,672	37.1	1,948,863	34.3
Others ⁽¹⁾	11,432	75.0	7,944	75.0	20,492	77.7	816	88.8	16,640	66.1
Total	549,754	24.7	1,767,211	33.7	3,142,996	37.3	560,488	37.1	1,965,503	34.4

Note:

- (1) Others primarily include income from the provision of consulting services to the Independent Third Parties, and, to a lesser extent, rental income from investment properties.

Gross Profit and gross profit margin for sales of properties

The following table sets forth our gross profit and gross profit margin by residential series and building type:

	For the year ended December 31,						For the period ended April 30,			
	2016		2017		2018		2018		2019	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%
	<i>(unaudited)</i>									
Residential										
properties . . .	488,263	24.1	1,331,769	30.4	2,446,851	35.7	422,019	34.7	1,699,072	33.4
– Wan series . . .	475,628	24.0	824,224	29.5	1,929,534	38.3	310,873	39.7	1,333,372	38.1
– Yuan series . . .	4,117	16.7	318,130	30.9	487,757	27.9	111,146	25.6	355,603	22.8
– Yue series . . .	8,518	35.3	189,415	34.1	29,560	44.0	—	—	10,097	37.7
Commercial										
properties . . .	38,144	29.5	399,883	50.7	616,392	44.8	137,653	47.3	247,636	42.0
Car parks	11,915	23.6	27,615	45.5	59,261	38.0	—	—	2,155	21.6
Total	538,322	24.4	1,759,267	33.6	3,122,504	37.2	559,672	37.1	1,948,863	34.3

FINANCIAL INFORMATION

The general increase in our gross profit during the Track Record Period was primarily attributable to the general increase in our revenue for sales of properties, which was in line with our business growth, and at the same time, the cost effective measures we have taken in relation to property development business. We have acquired land through multiple channels, mainly including land tenders, strategic acquisitions and joint venture partnership, and adjusted our land acquisition strategies in consideration of the prevailing market condition, changes in regulations and our business expansion strategies, among others. As a result, we have been able to achieve attractive unit land costs relative to their market value for our property projects, thereby reducing our land cost. Our gross profit margin for sale of properties generally increased from 2016 to 2018, primarily driven by (i) the delivery in 2017 of Nanchang Ya Yuan, Zhou Yue, a “Yue” Series project with relatively higher ASP per sq.m., and Nanchang Jinsha Wan, a project with relatively low land cost, and in 2018 of Nanchang Yinhu Wan, Nanchang Jinsha Wan and Nanchang Long Wan, the projects with relatively low land cost, coupled with (ii) the standardization of our project development, which helped us to control development and construction costs and (iii) the general increase in residential property market condition in Nanchang in 2018. The decrease in our gross profit margin for sale of properties from the four months ended April 30, 2018 to the same period in 2019 was primarily due to higher costs for delivered properties that were located in Huizhou, such as Huizhou Dong Yuan, in the four months ended April 30, 2019, as compared to delivered properties in Nanchang in the same period of 2018, as we generally incurred lower costs for properties in Nanchang due to our leading market position.

Finance income

Our finance income mainly include interests income on bank deposits and interests from long-term debt investments. In 2017, we invested in a property project with an Independent Third Party by way of debt investment in an amount of RMB740.3 million at an interest rate of 12.0%. Under the agreement, such debt investment is supposed to be repaid to us within four years. In 2018, we provided a loan in an amount of RMB250.0 million to an Independent Third Party, which received consulting services from us, at an interest rate 15.0%. We waived interests in these two long-term debt investments since January 1, 2019 and have disposed of these two long-term debt investments as of the Latest Practicable Date. For details on long-term debt investments, see “— Description of Certain Combined Statement of Financial Position Items — Long-term Debt Investments” below.

FINANCIAL INFORMATION

The following table sets forth the components of our finance income for the periods indicated.

	For the year ended December 31,						For the four months ended April 30,			
	2016		2017		2018		2018		2019	
	<i>(RMB'000)</i>	%	<i>(RMB'000)</i>	%	<i>(RMB'000)</i>	%	<i>(RMB'000)</i>	%	<i>(RMB'000)</i>	%
Interests from long-term debt investments . . .	—	—	22,210	81.0	81,368	77.0	28,937	95.1	—	—
Interests from bank	2,518	100.0	5,207	19.0	24,312	23.0	1,477	4.9	7,756	100.0
Total	2,518	100.0	27,417	100.0	105,680	100.0	30,414	100.0	7,756	100.0

Selling and distribution expenses

Our selling and distribution expenses mainly consist of (i) advertising costs in relation to our marketing campaigns, (ii) sales and marketing staff costs, (iii) property management fees paid to agencies that manage our model homes for open houses or sales activities, (iv) sales commissions to real estate agents and (v) office expenses.

The following table sets forth a breakdown of our selling and distribution expenses for the periods indicated.

	For the year ended December 31,						For the four months ended April 30,			
	2016		2017		2018		2018		2019	
	<i>(RMB'000)</i>	%	<i>(RMB'000)</i>	%	<i>(RMB'000)</i>	%	<i>(RMB'000)</i>	%	<i>(RMB'000)</i>	%
Advertising costs . . .	103,179	48.1	208,068	45.4	269,975	41.1	53,589	37.4	61,064	31.7
Staff costs	63,266	29.5	118,689	25.9	173,706	26.4	42,747	29.8	45,496	23.7
Sales commissions	14,503	6.8	31,379	6.8	41,977	6.4	7,520	5.2	36,576	19.0
Property management fees	16,104	7.5	55,240	12.1	122,687	18.7	23,979	16.7	35,130	18.3
Travel and entertainment expenses	4,830	2.2	7,092	1.5	11,892	1.8	2,532	1.8	5,051	2.6
Office expenses	7,577	3.5	17,488	3.8	18,698	2.8	4,141	2.9	4,847	2.5
Depreciation and amortization	1,492	0.7	3,087	0.7	3,903	0.6	1,359	0.9	1,384	0.7
Rental expenses	1,712	0.8	14,490	3.2	12,174	1.8	4,862	3.4	1,418	0.8
Others	1,965	0.9	2,849	0.6	2,585	0.4	2,691	1.9	1,386	0.7
Total	214,628	100.0	458,382	100.0	657,597	100.0	143,420	100.0	192,352	100.0

FINANCIAL INFORMATION

Administrative expenses

Our administrative expenses mainly include administration staff costs, office expenses, tax expenses such as stamp duties and other land taxes, travel and entertainment expenses and rental expenses.

The following table sets forth a breakdown of our administrative expenses for the periods indicated:

	For the year ended December 31,						For the four months ended April 30,			
	2016		2017		2018		2018		2019	
	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%
	<i>(unaudited)</i>									
Salaries	31,688	38.2	77,363	34.3	151,485	35.2	40,476	43.9	81,425	48.6
Travel and entertainment expenses	16,889	20.3	34,044	15.1	62,957	14.6	11,407	12.3	27,904	16.6
Tax charges	8,956	10.8	43,708	19.4	46,740	10.9	11,443	12.4	15,036	9.0
Office expenses	6,659	8.0	16,283	7.2	86,095	20.0	5,610	6.1	14,821	8.8
Depreciation and amortization	2,241	2.7	7,250	3.2	8,192	1.9	4,563	4.9	10,585	6.3
Service expenses	9,414	11.3	21,296	9.5	32,464	7.6	6,751	7.3	7,664	4.6
Listing expenses	—	—	—	—	8,676	2.0	—	—	3,866	2.3
Bank fees	2,290	2.8	5,582	2.5	6,472	1.5	2,981	3.2	2,881	1.7
Rental expenses	2,928	3.5	11,358	5.0	25,348	5.9	6,404	7.0	1,830	1.1
Others	1,979	2.4	8,457	3.8	1,763	0.4	2,666	2.9	1,598	1.0
Total	83,044	100.0	225,341	100.0	430,192	100.0	92,301	100.0	167,610	100.0

Fair value gain on investment properties

We develop and hold certain commercial areas in our properties on a long-term basis for rental, operating income or capital appreciation. Our investment properties are recorded as non-current assets in our combined statements of financial position at fair value as of each balance sheet date as determined by independent valuations. Fair value gain on investment properties represents the changes in the fair value of our investment properties which are accounted for as gains or losses under our combined statements of profit and loss. The valuation of property involves the exercise of professional judgement and requires the use of certain bases and assumptions. The fair value of our investment properties may be higher or lower if a different set of bases or assumption is used. In addition, upward revaluation adjustments reflect unrealized capital gains on our investment properties as of the relevant balance sheet dates and do not generate any cash inflow for our operations. The amounts of fair value adjustments have been, and may continue to change based on property market conditions in China. Our investment properties are appraised annually by our independent property valuer. We recorded the investment properties of RMB769.3 million, RMB893.5 million, RMB1,153.0

FINANCIAL INFORMATION

million and RMB1,331.0 million, respectively, as of December 31, 2016, 2017, 2018 and April 30, 2019. We recorded fair value gains on our investment properties of RMB78.0 million, RMB86.0 million, RMB110.2 million, RMB49.5 million and RMB27.4 million, respectively, in 2016, 2017 and 2018 and the four months ended April 30, 2018 and 2019, primarily reflecting the increase in appreciation of our investment properties during the Track Record Period and the addition of new investment property, namely, Nanchang Times Square Phase II developed in 2018.

Other income and gains

Our other income and gains mainly consists of (i) gain on bargain purchases in an aggregate amount of RMB6.2 million recognized from our acquisitions of two subsidiaries, namely, Huizhou Shengyuan Investment Co., Ltd. and Wuxi Fuan Jindi Property Co., Ltd., in 2017, RMB2.7 million recognized from our acquisition of Zhongshan Dutou Real Estate Development Co., Ltd. in 2019 and (ii) income relating to an one-off subsidy in an amount of RMB2.2 million received in 2018 from the local government in Nanchang to a PRC subsidiary.

Other expenses

Our other expenses mainly consists of penalties, surcharges and donations. In 2016, 2017 and 2018 and the four months ended April 30, 2019, we incurred penalty expenses in an aggregate amount of RMB6.6 million, RMB42.5 million, RMB32.8 million and RMB2.4 million, respectively, in relation to certain non-compliance incidents from our property development activities. See “Business — Legal Proceedings and Compliance — Compliance with Laws and Regulations — Non-compliance Incidents” for more details on certain material non-compliance incidents. In addition to the penalty expenses incurred in relation to certain material non-compliance incidents disclosed in “Business — Legal Proceedings and Compliance — Compliance with Laws and Regulations — Non-Compliance Incidents” in this prospectus, we also incurred penalty expenses in relation to certain non-material non-compliance incidents, late payment charges and provisions made in relation to legal disputes. As of the Latest Practicable Date, the Company has paid all late payment charges in full.

Net gain or loss from financial assets at fair value through profit or loss (FVTPL)

We recorded a one-off net gain from financial assets at fair value through profit or loss (FVTPL) in an amount of RMB18.9 million as of December 31, 2018 and a one-off net loss from financial assets at FVTPL in an amount of RMB20.8 million as of April 30, 2019, both in connection with the fluctuation of the fair value of our investments in equity interests of a listed company. For details, see “— Description of Certain Combined Statement of Financial Position Items — Financial Assets at FVTPL” below.

FINANCIAL INFORMATION

Finance costs

Our finance costs mainly represents our interest expenses on bank and other borrowing as well as interest from a significant financing component of contract liabilities, which is related to the pre-sale proceeds of our properties we received from our customers, less capitalized interest relating to properties under development. The following table sets forth the components of our finance costs for the periods indicated:

	For the year ended December 31,			For the four months ended April 30,	
	2016	2017	2018	2018	2019
	<i>(RMB'000)</i>			<i>(unaudited)</i>	
Interest on bank and other borrowings.	292,587	1,109,377	1,218,042	268,970	547,418
Interest from a significant financing component of contract liabilities	293,865	337,623	803,381	249,019	522,489
Less: Interest capitalized.	(487,273)	(1,129,835)	(1,595,649)	(449,339)	(884,770)
Net finance cost.	99,179	317,165	425,774	68,650	185,137

Interests on bank and other borrowings increased during the Track Record Period, which was generally in line with the growing financial needs arising from our business expansion. The construction period for a project does not necessarily coincide with the drawdown and repayment schedules of the relevant loan, not all of the interest costs related to a project can be capitalized. Our finance costs may fluctuate from period to period depending on the level of total interest expenses as well as the level of interest costs that are capitalized within the reporting period.

We enter into pre-sales and/or sales contracts with our customers, subject to which we are entitled to the rights to receive consideration from customers and assume performance obligations to transfer products to them. Proceeds from customers of pre-sold properties are recorded as “contract liabilities” under the current liabilities before relevant sales revenue is recognized. The timing between the collection of proceeds and revenue recognition may affect not only the amount and growth rate of our revenue from sales of properties but also may cause contract liabilities, and also, interest from a significant financial component of contract liabilities, to fluctuate from period to period. Interest from a significant financial component of contract liabilities generally increased during the Track Record Period, which was in line with the increase in the pre-sales of our properties.

FINANCIAL INFORMATION

Income tax expenses

Our income tax expense mainly comprises and LAT expenses made by our PRC subsidiaries, net of deferred tax. No provision for the Cayman Islands taxation and Hong Kong taxation has been made as the majority of our income neither arises in, nor is derived from those jurisdictions. The provision for EIT for our PRC subsidiaries during the Track Record Period was mainly based on the prevailing rate of 25%. The distribution of dividends generated by the PRC entity to non-resident investors should be subject to PRC withholding income tax. The following table sets forth the components of our income tax expenses for the periods indicated:

	For the year ended December 31,			For the four months ended April 30,	
	2016	2017	2018	2018	2019
	<i>(RMB'000)</i>				
	<i>(unaudited)</i>				
Current tax					
EIT	292,276	879,694	1,169,488	348,680	740,847
LAT	28,644	366,068	757,219	172,400	769,199
Deferred tax	<u>(234,984)</u>	<u>(681,564)</u>	<u>(618,171)</u>	<u>(241,814)</u>	<u>(358,197)</u>
Total tax charge for the year/period	<u>85,936</u>	<u>564,198</u>	<u>1,308,536</u>	<u>279,266</u>	<u>1,151,849</u>

Our effective tax rate, being the income tax divided by profit before taxation, was 30.4%, 41.6%, 49.8% and 57.6%, respectively, in 2016, 2017 and 2018 and the four months ended April 30, 2019. The general increase in the effective tax rate during the Track Record Period was primarily due to the increase in taxable profit.

During the Track Record Period and up to the Latest Practicable Date, we had paid all relevant taxes when due and there are no matters in dispute or unresolved with the relevant tax authorities.

Exchange differences on translation of foreign operations

Our exchange differences on translation of foreign operations mainly resulted from translating the financial results of our wholly-owned subsidiary, Hong Kong Oeming Enterprise Management Co., Ltd., in Hong Kong dollars into Renminbi, which is our reporting currency.

FINANCIAL INFORMATION

RESULTS OF OPERATIONS

Four months ended April 30, 2019 compared to the four months ended April 30, 2018

Revenue

	For the four months ended April 30,											
	2018				2019							
	Revenue		GFA delivered		ASP		Revenue		GFA delivered		ASP	
	(RMB'000)	(%)	(sq.m.)	(RMB per sq.m.)	(RMB'000)	(%)	(sq.m.)	(RMB per sq.m.)				
<i>(unaudited)</i>												
Sale of properties												
Residential properties . . .	1,216,979	80.7	152,123	8,000	5,086,199	89.1	531,669	9,566				
Commercial properties . . .	290,978	19.2	30,248	9,620	590,143	10.4	51,694	11,416				
Car parks	—	—	—	—	7,890	0.1	792	9,961				
Subtotal	1,507,957	99.9	182,371	8,269	5,684,232	99.6	584,155	9,731				
Others⁽¹⁾	919	0.1	—	—	25,193	0.4	—	—				
Total	<u>1,508,876</u>	<u>100.0</u>			<u>5,709,425</u>	<u>100.0</u>						

Note:

(1) Others primarily include income from the provision of consulting services to Independent Third Parties, and, to a lesser extent, rental income from investment properties.

Our revenue increased by 278.4% to RMB5,709.4 million for the four months ended April 30, 2019 from RMB1,508.9 million in the same period in 2018, primarily driven by the increase in the revenue from sale of properties and, to a lesser extent, the revenue from consulting services.

Revenue from sale of properties increased by 276.9% to RMB5,684.2 million for the four months ended April 30, 2019 from RMB1,508.0 million in the same period in 2018, primarily due to the increase in the total GFA delivered. The total GFA of properties delivered increased by 220.3%, to 584,155 sq.m. for the four months ended April 30, 2019 from 182,371 sq.m. in the same period in 2018. This increase was primarily attributable to the completion and delivery of Nanchang Long Wan, Huizhou Dong Yuan and Nanchang Amber Yuan in the four months ended April 30, 2019. The ASP per sq.m. of properties delivered slightly increased in the four months ended April 30, 2019 from the same period in 2018, primarily due to the delivery of properties of (i) Huizhou Dong Yuan and Nanchang Amber Yuan, under “Yuan” Series and (ii) properties of Nanchang Long Wan in large quantity, which included higher-priced and high-end properties.

FINANCIAL INFORMATION

Revenue from other businesses increased by 2,641.3% to RMB25.2 million for the four months ended April 30, 2019 from RMB0.9 million in the same period in 2018, primarily attributable to the delivery of consulting services to Independent Third Parties in 2019, for their property development project.

Cost of sales

Our cost of sales increased by 294.8% to RMB3,743.9 million for the four months ended April 30, 2019 from RMB948.4 million in the same period in 2018, primarily due to the increase in our cost for sale of properties. Our cost for sale of properties increased by 293.9% to RMB3,735.4 million from RMB948.3 million, primarily due to an increase in the scale of our operations as evidenced by the increase in GFA delivered.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 250.7% to RMB1,965.5 million for the four months ended April 30, 2019 from RMB560.5 million in the same period in 2018. Our gross profit margin decreased to 34.4% for the four months ended April 30, 2019 from 37.1% in the same period in 2018, primarily attributable to higher costs for delivered properties that were located in Huizhou, such as Huizhou Dong Yuan, in the four months ended April 30, 2019, as compared to delivered properties in Nanchang in the same period of 2018, as we generally incurred lower costs for properties in Nanchang due to our leading market position.

Finance income

Our finance income substantially decreased to RMB7.8 million for the four months ended April 30, 2019 from RMB30.4 million in the same period in 2018, primarily because we waived the interests on the two long-term debt investments since January 1, 2019. We have disposed of the two long-term debt investments as of the Latest Practicable Date. For details on long-term debt investments, see “— Description of Certain Combined Statement of Financial Position Items — Long-term Debt Investments” below.

Selling and distribution expenses

Our selling and distribution expenses increased by 34.1% to RMB192.4 million for the four months ended April 30, 2019 from RMB143.4 million in the same period in 2018, primarily attributable to the increase in sales commission to external real estate agents as a result of the increased property delivery in the four months ended April 30, 2019 and an increase in property management costs, resulting from an increase in the number of our properties available for sale.

FINANCIAL INFORMATION

Administrative expenses

Our administrative expenses increased to RMB167.6 million for the four months ended April 30, 2019 from RMB92.3 million in the same period in 2018, primarily due to the increases in staff costs primarily due to increase in the number of administrative staff, and office expenses, both as a result of our business expansion.

Other expenses

Our other expenses decreased by 75.7% to RMB3.2 million for the four months ended April 30, 2019 from RMB13.1 million in the same period in 2018, primarily due to a decrease in penalties and late payment charges in relation to certain non-compliance incidents in the four months ended April 30, 2019 as we enhanced our internal control.

Finance costs

Our finance costs increased by 169.7% to RMB185.1 million for the four months ended April 30, 2019 from RMB68.7 million in the same period in 2018, primarily due to an increase in interest from bank and other borrowings and pre-sale amounts received from customers.

Fair value gains on investment properties

The fair value gains of our investment properties decreased by 44.6% to RMB27.4 million for the four months ended April 30, 2019 from RMB49.5 million in the same period in 2018, primarily there was no addition of investment properties to our portfolio in the first four months of 2019.

Net loss from financial assets at FVTPL

We incurred a one-off net loss from financial assets at fair value through profit or loss (FVTPL) in an amount of RMB20.8 million, as a result of the fluctuation in the fair value of our investment in equity interests of a listed company in an amount of RMB44.1 million. For details, see “— Description of Certain Combined Statement of Financial Position Items — Financial Assets at FVTPL” below.

Share of profits and losses of associates

Our share of losses of associates increased to RMB2.7 million for the four months ended April 30, 2019 from RMB0.2 million in the same period in 2018, primarily due to the increase in losses from Nanchang Shengdu Properties Co., Ltd.

FINANCIAL INFORMATION

Share of profits and losses of joint ventures

Our share of profits were RMB0.5 million for the four months ended April 30, 2019 and our share of losses were RMB5.9 million in the same period in 2018, primarily due to the increase in profits from Jiangxi Baixing Real Estate Investment Co., Ltd. and Jiangxi Xinyue Honglan Real Estate Development Co., Ltd.

Profit before tax

As a result of the foregoing, our profit before income tax increased substantially to RMB1,434.0 million for the four months ended April 30, 2019 from RMB325.1 million in the same period in 2018.

Income tax expense

Our income tax expense increased substantially to RMB1,151.8 million for the four months ended April 30, 2019 from RMB279.3 million in the same period in 2018, primarily due to a significant increase in profit that was subject to tax and an increase in LAT as a result of the increase in sales of properties in the four months ended April 30, 2019.

Profit for the period

As a result of the foregoing, our profit for the year increased substantially to RMB282.2 million for the four months ended April 30, 2019 from RMB45.8 million in the same period in 2018. Our net profit margin increased to 4.9% for the four months ended April 30, 2019 from 3.0% in the same period in 2018.

Profit attributable to non-controlling interests

For the four months ended April 30, 2018, we recorded a net loss attributable to non-controlling interests of RMB5.0 million. For the four months ended April 30, 2019, we recorded a net profit attributable to non-controlling interests of RMB49.5 million, out of which, Nanchang Tianju Industrial Co., Ltd. (“Nanchang Tianju Industrial”), one of our material subsidiaries with non-controlling interests of 40%, was allocated profits of RMB42.8 million. See Note 45 to the Accountants’ Report as Appendix I to this prospectus for more information.

FINANCIAL INFORMATION

Year ended December 31, 2018 compared to year ended December 31, 2017

Revenue

	For the year ended December 31,									
	2017				2018					
	Revenue		GFA delivered		Revenue		GFA delivered		ASP	
	(RMB'000)	(%)	(sq.m.)	(RMB per sq.m.)	(RMB'000)	(%)	(sq.m.)	(RMB per sq.m.)		
Sale of properties										
Residential properties . .	4,381,439	83.6	607,765	7,209	6,857,164	81.5	967,176	7,090		
Commercial properties . .	788,411	15.1	63,846	12,349	1,375,968	16.4	121,639	11,312		
Car parks	60,644	1.1	13,139	4,616	156,137	1.8	30,788	5,071		
Subtotal	5,230,494	99.8	684,750	7,639	8,389,269	99.7	1,119,603	7,493		
Others⁽¹⁾	10,592	0.2	—	—	26,384	0.3	—	—		
Total	<u>5,241,086</u>	<u>100.0</u>			<u>8,415,653</u>	<u>100.0</u>				

Note:

(1) Others primarily include income from the provision of consulting services to Independent Third Parties, and, to a lesser extent, rental income from investment properties.

Our revenue increased by 60.6% to RMB8,415.7 million in 2018 from RMB5,241.1 million in 2017, primarily driven by the increase in the revenue from sale of properties and, to a lesser extent, the revenue from consulting services.

Revenue from sale of properties increased by 60.4% to RMB8,389.3 million in 2018 from RMB5,230.5 million in 2017, primarily due to the increase in the total GFA delivered, partially offset by the slight decrease in ASP per sq.m. The total GFA of properties delivered increased by 63.5%, to 1,119,603 sq.m. in 2018 from 684,750 sq.m. in 2017. This increase was primarily attributable to the completion and delivery of Nanchang Yinhu Wan, Nanchang Jinsha Wan and Nanchang Long Wan and our further expansion into the existing markets where we operate and the new markets, including Wuxi and Changsha in 2018. The ASP per sq.m. of properties delivered slightly decreased in 2018 from 2017 was primarily due to the majority of the residential property projects we delivered in 2018 were “Wan” Series projects, which commanded lower ASP per sq.m. than the residential property projects, including Nanchang Ya Yuan Zhou Yue, a “Yue” Series project, we delivered in 2017.

Revenue from other businesses increased by 149.1% to RMB26.4 million in 2018 from RMB10.6 million in 2017, primarily attributable to the delivery of consulting services in 2018 to a third party, for its property development project.

FINANCIAL INFORMATION

Cost of sales

Our cost of sales increased by 51.8% to RMB5,272.7 million in 2018 from RMB3,473.9 million in 2017, primarily due to the increase in our cost for sale of properties. Our cost for sale of properties increased by 51.7% to RMB5,266.8 million from RMB3,471.2 million, primarily due to an increase in the scale of our operations as evidenced by the increase in GFA delivered.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 77.9% to RMB3,143.0 million in 2018 from RMB1,767.2 million in 2017. Our gross profit margin increased to 37.3% in 2018 from 33.7% in 2017, primarily attributable to (i) the delivery of Nanchang Yinhu Wan, Nanchang Jinsha Wan and Nanchang Long Wan in 2018, the projects with relatively low land costs, coupled with (ii) the general market condition in Nanchang property market in 2018.

Finance income

Our finance income increased substantially to RMB105.7 million in 2018 from RMB27.4 million in 2017, primarily due to an increase in the interest of RMB59.2 million recorded from long-term debt investments in, including (i) the debt investment we made in relation to a potential project in 2017 and (ii) the debt investment we made to a third party which engaged us to provide consulting services for its property project in 2018, both of which have been released as of the Latest Practicable Date. For details on long-term debt investments, see “— Description of Certain Combined Statement of Financial Position Items — Long-term Debt Investments” below.

Selling and distribution expenses

Our selling and distribution expenses increased by 43.5% to RMB657.6 million in 2018 from RMB458.4 million in 2017, primarily attributable to (i) the increase in our property management fees as a result of the increased number of properties available for sales in 2018, (ii) an increase in sales and marketing staff costs, resulting from an increase in the number of our sales and marketing staff which was in line with our business expansion, and (iii) the increase in advertising and marketing campaign costs, primarily due to an increase in the number of properties for which we commenced pre-sales and the fact that we commenced pre-sales in new geographic markets, all of which resulted in more sales, marketing and advertising activities.

Administrative expenses

Our administrative expenses increased substantially to RMB430.2 million in 2018 from RMB225.3 million in 2017, primarily due to the increase in (i) our administrative staff costs primarily due to increased administrative personnel, and (ii) office expenses, both as a result of our business expansion.

FINANCIAL INFORMATION

Other expenses

Our other expenses decreased slightly by 2.6% to RMB46.2 million in 2018 from RMB47.4 million in 2017, primarily due to the decrease in penalties and late payment charges in relation to certain non-compliance incidents in 2018, partially offset by an increase in donations made by us.

Finance costs

Our finance costs increased by 34.2% to RMB425.8 million in 2018 from RMB317.2 million in 2017, primarily due to an increase in interest from pre-sale amounts received from customers, partially offset by an increase in capitalized interest in relation to bank and other borrowings for properties for development.

Fair value gains on investment properties

The fair value gains of our investment properties increased by 28.0% to RMB110.2 million in 2018 from RMB86.0 million in 2017, primarily as a result of an addition of an investment property in 2018, namely, Nanchang Times Square Phase II.

Net gain from financial assets at FVTPL

We incurred a one-off net gain from financial assets at fair value through profit or loss (FVTPL) in an amount of RMB18.9 million in connection with the fair value of our investment in equity interests of a listed company in an amount of RMB64.9 million as of December 31, 2018. For details, see “— Description of Certain Combined Statement of Financial Position Items — Financial Assets at FVTPL” below.

Share of profits and losses of associates

Our share of profits of associates increased substantially to RMB48.9 million in 2018 from RMB21.2 million in 2017, primarily due to the increase in profits from Nanchang Lizhou in relation to Nanchang Xianghu Wan and Nanchang Weiting Real Estate Company Limited in relation to Nanchang Waitan No. 9.

Share of profits and losses of joint ventures

Our share of losses of joint ventures decreased by 48.1% to RMB9.5 million in 2018 from RMB18.3 million in 2017, primarily due to the increase in profit from Jiangxi Baixing Real Estate Investment Limited in relation to Nanchang Yi Yuan as we began to deliver the project in 2018.

FINANCIAL INFORMATION

Profit before tax

As a result of the foregoing, our profit before income tax increased substantially to RMB1,863.5 million in 2018 from RMB842.4 million in 2017.

Income tax expense

Our income tax expense increased substantially to RMB1,308.5 million in 2018 from RMB564.2 million in 2017, primarily due to an increase in profit that was subject to tax and an increase in LAT as a result of the increase in sales of properties in 2018.

Profit for the year

As a result of the foregoing, our profit for the year increased substantially to RMB555.0 million in 2018 from RMB278.2 million in 2017. Our net profit margin increased from 5.3% in 2017 to 6.6% in 2018.

Profit attributable to non-controlling interests

For 2017, we recorded a net profit attributable to non-controlling interest of RMB183.2 million, out of which, Nanchang Shuntai, Nanchang Tianju Industrial, Jiangxi Hengwang, each a material subsidiary with non-controlling interests of 30%, 55% and 49%, respectively, was allocated profits of RMB93.6 million, RMB40.8 million and RMB38.3 million, respectively. For 2018, we recorded a net profit attributable to non-controlling interest of RMB141.4 million, out of which, Jiangxi Hengwang, one of our material subsidiaries with non-controlling interests of 49%, was allocated profits of RMB94.3 million. See Note 45 to the Accountants' Report for more information.

FINANCIAL INFORMATION

Year ended December 31, 2017 compared to year ended December 31, 2016

Revenue

	For the year ended December 31,									
	2016				2017					
	Revenue		GFA delivered		Revenue		GFA delivered		ASP	
	(RMB'000)	(%)	(sq.m.)	(RMB per sq.m.)	(RMB'000)	(%)	(sq.m.)	(RMB per sq.m.)		
Sale of properties										
Residential properties . .	2,027,782	91.2	332,086	6,106	4,381,439	83.6	607,765	7,209		
Commercial properties . .	129,409	5.8	10,230	12,650	788,411	15.1	63,846	12,349		
Car parks	50,566	2.3	11,177	4,524	60,644	1.1	13,139	4,616		
Subtotal	2,207,757	99.3	353,493	6,246	5,230,494	99.8	684,750	7,639		
Others⁽¹⁾	15,243	0.7	—	—	10,592	0.2	—	—		
Total	<u>2,223,000</u>	<u>100.0</u>			<u>5,241,086</u>	<u>100.0</u>				

Note:

(1) Others primarily include income from the provision of consulting services to Independent Third Parties.

Our revenue increased substantially to RMB5,241.1 million in 2017 from RMB2,223.0 million in 2016, primarily driven by the increases in revenue from sale of properties. Revenue from sale of properties increased substantially to RMB5,230.5 million in 2017 from RMB2,207.8 million in 2016, primarily due to the increased in both of the total GFA delivered and the ASP per sq.m. of the properties delivered in 2017. The total GFA of properties delivered increased by 93.7%, to 684,750 sq.m. in 2017 from 353,493 sq.m. in 2016. This increase was primarily attributable to the completion and delivery of Nanchang Ya Yuan Zhou Yue, Nanchang Jinsha Wan and Nanchang Yujing Wan Duhui Phase IV in 2017 and our further expansion into the existing markets where we operate and the new markets, including Huizhou and Ganzhou in 2017. The increase in ASP per sq.m. of our residential properties in 2017 was primarily driven by the delivery of Nanchang Ya Yuan, Zhou Yue, a “Yue” Series project, in 2017, which generally command higher average selling prices than our “Wan” Series projects. The slight decrease in ASP per sq.m. of our commercial properties in 2017 was primarily due to the delivery of the major commercial properties project in 2016, Nanchang Yujing Wan Duhui Phase IV, a shopping center, while a majority of commercial properties we delivered in 2017 were commercial areas within residential properties, which generally command lower ASP per sq.m. than shopping centers in 2017.

FINANCIAL INFORMATION

Revenue from other businesses decreased 30.5% to RMB10.6 million in 2017 from RMB15.2 million in 2016, primarily because the most of the consulting services we provided to a third party in relation to its property project was made and paid for in 2016.

Cost of sales

Our cost of sales increased substantially to RMB3,473.9 million in 2017 from RMB1,673.2 million in 2016, primarily due to the increase in our cost for sales of properties, which was in line with an increase in the scale of our operations as evidenced by the increase in total GFA delivered.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased substantially to RMB1,767.2 million in 2017 from RMB549.8 million in 2016. Our gross profit margin increased to 33.7% in 2017 from 24.7% in 2016, primarily attributable to (i) the delivery of Nanchang Ya Yuan Zhou Yue, a “Yue” Series project with relatively higher ASP per sq.m., and Nanchang Jinsha Wan, a project with relatively low land cost in 2017, coupled with (ii) the standardization of our project development, which helped us to control development and construction costs.

Finance income

Our finance income increased substantially to RMB27.4 million in 2017 from RMB2.5 million in 2016, primarily due to an incurrence of RMB22.2 million of interest from long-term debt investment. In 2017, we invested in a property project by way of debt investment in the amount of RMB740.3 million, which has been released as of the Latest Practicable Date. For further details, see “— Description of Certain Combined Statement of Financial Position Items — Long-term Debt Investments” below.

Selling and distribution expenses

Our selling and distribution expenses increased substantially to RMB458.4 million in 2017 from RMB214.6 million in 2016, primarily due to (i) the increase in advertising and marketing campaign costs primarily due to an increase in the number of properties for which we commenced pre-sales and the fact that we commenced pre-sales in new geographic markets, all of which resulted in more sales, marketing and advertising activities, and (ii) an increase in our sales and marketing staff costs as a result of the increased number of sales staff, which was in line with our business expansion.

Administration expenses

Our administration expenses increased substantially to RMB225.3 million in 2017 from RMB83.0 million in 2016, primarily due to (i) the increase in our administrative staff costs, primarily due to increased administrative personnel as a result of our business expansion, (ii) the increase in taxes and surcharge.

FINANCIAL INFORMATION

Other expenses

Our other expenses increased substantially to RMB47.4 million in 2017 from RMB7.2 million in 2016, primarily due to an increase in penalties and late payment charges in relation to certain non-compliance incidents.

Finance cost

Our finance cost increased substantially to RMB317.2 million in 2017 from RMB99.2 million in 2016, primarily due to an increase in interest costs as a result of our increased bank borrowings over the same years, and partially offset by the increase in capitalized interest.

Fair value gains on investment properties

The fair value gains on investment properties increased by 10.3% to RMB86.0 million in 2017 from RMB78.0 million in 2016, primarily due to the appreciation of the fair value of our investment properties.

Share of profits and losses of associates

Our share of profits of associates was RMB21.2 million in 2017 and our share of losses of associate was RMB6.6 million in 2016. The change from loss to profit from associates was primarily due to increase in profits from Nanchang Lizhou in relation to the Nanchang Xianghu Wan in the amount of RMB28.0 million.

Share of profits and losses of joint ventures

Our share of losses of joint ventures increased substantially to RMB18.3 million in 2017 from RMB3.1 million in 2016, primarily due to the loss from our joint venture with Jiangxi Baixing Real Estate Investment Limited in relation to Nanchang Yi Yuan which was under development.

Profit before tax

As a result of the foregoing, our profit before income tax increased substantially to RMB842.4 million in 2017 from RMB216.8 million in 2016.

Income tax expenses

Our income tax expenses increased substantially to RMB564.2 million in 2017 from RMB85.9 million in 2016, primarily due to the increase in profit that was subject to tax and the LAT in relation to the increase in sale of properties in 2017.

FINANCIAL INFORMATION

Profit for the year

As a result of the foregoing, our profit for the year increased substantially to RMB278.2 million in 2017 from RMB130.9 million in 2016. Our net profit margin slightly decreased from 5.9% in 2016 to 5.3% in 2017.

Profit attributable to non-controlling interests

See “— Results of Operations — Year ended December 31, 2018 — Compared to the year ended December 31, 2017 — Profit for the year” for information on material subsidiaries with non-controlling interests for 2017. For 2016, we recorded a net profit attributable to non-controlling interest of RMB68.4 million, out of which, Nanchang Shuntai, Nanchang Tianju Industrial and Jiangxi Hengwang Properties, each a material subsidiary with non-controlling interests of 30%, 55% and 49%, respectively, was allocated profits of RMB38.8 million, RMB16.0 million and RMB14.5 million, respectively. See Note 45 to the Accountants’ Report for more details.

DESCRIPTION OF CERTAIN COMBINED STATEMENTS OF FINANCIAL POSITION ITEMS

Properties under development

Properties for development for sale in our combined statement of financial position are accounted for as current assets. Properties under development for sale include properties in respect of which concrete planning and preparatory activities have been approved by management and have commenced, and physical construction is expected to commence within 12 months from the end of the reporting period. Properties under development for sale are stated at lower of cost comprising land costs, construction costs and capitalized interests during the development period and net realizable value. Upon completion, the properties are transferred to completed properties for sale. The value of our properties under development for sale totaled approximately RMB9,201.7 million, RMB28,340.3 million, RMB43,560.3 million and RMB48,478.3 million, respectively, as of December 31, 2016, 2017, 2018 and April 30, 2019. The increases in our properties under development for sale from December 31, 2016 to December 31, 2017, to December 31, 2018, and further to April 30, 2019 were primarily due to an increase in the number of our properties under development.

As of August 31, 2019, approximately RMB1,603.5 million, or 9.8% of our properties under development for sale as of April 30, 2019, was transferred to completed properties for sale.

FINANCIAL INFORMATION

Completed properties held for sale

Completed properties held for sale represent completed properties remaining unsold as of the end of each financial period and are stated at the lower of cost and net realizable value. Cost of properties held for sale is determined by an apportionment of related costs incurred attributable to the unsold properties. Net realizable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable selling expenses, or by management estimates of the estimated selling prices based on prevailing market conditions. As of December 31, 2016, 2017 and 2018 and April 30, 2019, we had completed properties for sale of RMB2,313.3 million, RMB1,811.8 million, RMB4,094.4 million and RMB4,396.7 million, respectively.

As of August 31, 2019, approximately RMB1,649.9 million, or 88.8% of our completed properties for sale as of April 30, 2019, was subsequently delivered.

Investment properties

Investment properties are properties we retain mainly for rental income purposes and for capital appreciation and properties under construction for such purposes. They are measured initially at cost, including transaction costs and subsequent to initial recognition, measured at fair value. Professional valuations are obtained at least once every year. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise. Transfers are made to or from investment properties when and only when there is a change in use. For a transfer from properties for development, properties under development for sale or completed properties for sale to investment properties, any difference between the fair value of the properties at that date and its previous carrying amount is recognized in profit or loss. The value of our investment properties totaled approximately RMB769.3 million, RMB893.5 million, RMB1,153.0 million and RMB1,331.0 million, respectively, as of December 31, 2016, 2017 and 2018 and April 30, 2019.

FINANCIAL INFORMATION

The following table sets forth the movement in our investment properties as of the dates indicated.

	Completed	Under construction	Total
		<i>(RMB'000)</i>	
Carrying amount at January 1, 2016	3,000	299,245	302,245
Additions	—	389,055	389,055
Transferred from investment properties under construction . . .	439,473	(439,473)	—
Net gain from a fair value adjustment	727	77,253	77,980
Carrying amount at December 31, 2016 and January 1, 2017 . . .	443,200	326,080	769,280
Additions	—	38,182	38,182
Transferred from investment properties under construction . . .	1,061	(1,061)	—
Net gain from a fair value adjustment	5,239	80,799	86,038
Carrying amount at December 31, 2017 and January 1, 2018 . . .	449,500	444,000	893,500
Additions	—	149,371	149,371
Transferred from investment properties under construction . . .	9,642	(9,642)	—
Net gain from a fair value adjustment	6,888	103,271	110,159
Carrying amount at December 31, 2018 and January 1, 2019 . . .	466,030	687,000	1,153,030
Additions	—	150,569	150,569
Net gain from a fair value adjustment	—	27,431	27,431
Carrying amount at April 30, 2019	466,030	865,000	1,331,030

The general increase in the value of our investment properties during the Track Record Period was primarily attributable to increases in the number of investment properties and appreciation of the fair value of the investment properties.

Prepayment and other receivables

Our prepayment and other receivables mainly consist of prepayments for acquisition of land use rights, prepaid taxes and other tax recoverables, other deposits, deposits for land auction, prepayments for construction cost, interest receivables relating to interest payments in relation to a trust financing in 2016, long-term debt investments in 2017 and 2018, and other receivables.

FINANCIAL INFORMATION

The following table sets forth the components of our prepayment and other receivables as of the dates indicated.

	As of December 31,			As of
	2016	2017	2018	April 30,
	(RMB'000)			
Prepayments for acquisition of land use rights	—	57,191	1,713,863	1,851,848
Prepaid taxes and other tax recoverables	169,551	471,029	1,277,833	1,556,824
Prepayments for construction cost	24,192	101,703	128,758	157,328
Deposits for land auction	—	44,710	285,125	135,000
Other deposits	172,946	411,608	896,467	958,980
Interest receivable	16,260	21,890	99,894	99,894
Due from non-controlling shareholders of the subsidiaries	6,517	15,177	18,977	39,724
Other receivables	35,239	82,873	138,980	165,946
	424,705	1,206,181	4,559,897	4,965,544
Less: Impairment	(224)	(519)	(1,073)	(1,099)
	<u>424,481</u>	<u>1,205,662</u>	<u>4,558,824</u>	<u>4,964,445</u>

Our prepayment for acquisition of land use rights is recorded as such while the relevant land use rights certificates are pending approval. Our prepayment for acquisition of land use rights increased substantially from 2017 to 2018 and also increased than 2018 to the four months ended April 30, 2019, primarily due to the prepayments for the acquisition of four parcels of land as of December 31, 2018.

Our prepaid taxes and other tax recoverables mainly represent value-added tax, prepaid turnover tax and surcharges and construction tax. China gradually reformed its tax regime for goods and services and replaced business taxes with value added taxes for many industries in the last five years. In May 2016, the final phase of the tax reform was applied to the property development sector, pursuant to which our sales-related taxes were replaced by value added taxes. See “Regulatory Overview — Regulations on Taxation — Value-added tax” for more details. Accordingly, we experienced a decline in our sales-related taxes and other levies from 2017, as such taxes have been replaced by value added tax. Accordingly, we recorded a sharp increase in value-added tax prepayments in 2018 and the first four months of 2019 as compared to 2016 and 2017.

FINANCIAL INFORMATION

Deposits for land auction represent the tender deposits prepaid for bidding of land use rights, which fluctuated subject to the timing and deposits required for the biddings of land parcels we intended to participate in.

Other deposits include deposits for wall materials, migrant workers' deposits and deposits made to general contractors subject to the construction agreements, among others.

Interest receivables mainly represent interests arising from long-term debt investments, for which details, see “— Description of Certain Combined Statement of Financial Position Items — Long-term Debt Investments” below.

As of August 31, 2019, an amount of approximately RMB422.9 million, RMB1,201.2 million, RMB3,676.0 million and RMB2,791.4 million, representing approximately 99.6%, 99.6%, 80.6% and 56.2% of the balance of our prepayments and other receivables as of December 31, 2016, 2017 and 2018 and April 30, 2019, respectively, had been settled.

Financial Assets at FVTPL

In 2018, we purchased financial assets at FVTPL, which were listed equity securities, in the amount of RMB46.0 million. As of December 31, 2018 and April 30, 2019, the balance of financial assets at FVTPL was RMB64.9 million and RMB44.1 million, respectively. Accordingly, we recorded a net gain of RMB18.9 million in 2018 and a net loss of RMB20.8 million in the four months ended April 30, 2019 in connection with the financial assets at FVTPL.

We made investments in these listed securities primarily for the purposes of enhancing our income without interfering with our business operation or capital expenditures. Our investment decisions are made on a case-by-case basis and after due and careful consideration of a number of factors, including market and investment conditions, economic developments, investment cost, duration of investment and the expected returns and potential losses of such investment. Our financial management center, under the supervision of our Chairman, is responsible for managing our investment activities. Our financial management center assesses our cash flow, operational needs and capital expenditure before making a proposal to invest in investment products. If our cash flow exceeds operational needs and appropriate short-term investment opportunities are available, our financial management center will submit the investment proposal to our Chairman for approval.

FINANCIAL INFORMATION

Long-term Debt Investments

In 2017, we identified potential land acquisition opportunities in Suzhou, Jiangsu province. In March and April 2017, we entered into two equity acquisition framework agreements with an Independent Third Party which owned the two parcels of land in Suzhou through its subsidiaries (the “JV Partners”) in order to acquire interest in these two parcels of land. At the time when these acquisition framework agreements were signed, the plot ratios of these two parcels of land were relatively low and the JV Partners agreed to obtain relevant approvals to adjust the plot ratio or the related planning, as the case may be, such that it would allow for development of properties with more gross floor area. As the JV Partners would not be able to obtain approval for the adjustment to the plot ratios of these two parcels of land during the time frame as agreed, in order to avoid any potential loss in our equity investment and to ensure desired investment returns, we entered into a long-term debt agreement with the JV Partners in September 2017 to convert our equity investment in the two project companies made pursuant to the two acquisition framework agreements into a long-term debt with a guaranteed return of 12.0% per annum, which debt shall be payable in four years. As of December 31, 2017 and 2018, the balance of the 2017 long-term debt investment was RMB740.3 million and RMB629.9 million, respectively. Subsequently in early 2019, the property projects under development by the project company which was undergoing plot ratio related planning adjustment needed certain working capital to fulfill certain property development conditions. We made an additional RMB326.9 million long-term debt investment to enable the project company to fulfill certain property development conditions. As of April 30, 2019, the total principal amount of the 2017 long-term debt investment was approximately RMB956.8 million.

In 2018, we identified opportunities to enter into Sichuan property market and entered into an agreement with an Independent Third Party to make capital investment in the property project owned by the Independent Third Party in the form of long-term debt in an aggregate principal amount of approximately RMB250.0 million with a guaranteed return of 15.0% per annum. As of April 30, 2019, the balance of the 2018 long-term debt investment was RMB56.3 million.

The table sets forth below the current portion and non-current portion of the long-term debt investments as of the relevant dates indicated.

	As of December 31,			As of
	2016	2017	2018	April 30, 2019
	<i>(RMB'000)</i>			
Debt investment	—	740,340	879,884	1,013,077
2017 debt investment	—	740,340	629,884	956,762
2018 debt investment	—	—	250,000	56,315
Less: Impairment	—	(741)	(880)	(1,013)
	—	739,599	879,004	1,012,064
Less: Portion classified as current assets	—	(121,930)	(314,942)	(355,498)
Non-current portion	—	617,669	564,062	656,566

FINANCIAL INFORMATION

In 2017 and 2018, we recorded interests income from the two long-term debt investments as mentioned above in an aggregate amount of RMB21.9 million and RMB78.0 million, respectively. To ensure compliance with applicable PRC laws and regulations, (i) we did not receive any cash for the accrued interests income from the two long-term debt investments during the Track Record Period, and (ii) we waived any interest accrued from the two long-term debt investment as mentioned above starting from January 1, 2019, as such, we recorded nil interests income from the two long-term debt investments in the four months ended April 30, 2019; and (iii) we disposed of the two long-term debt investments to our Controlling Shareholder, Mr. Zhang, in July 2019, which consideration for the disposition of the 2017 long-term debt investment and the 2018 long-term debt investment to Mr. Zhang was approximately RMB1,050.9 million (including the outstanding principal amount of RMB956.8 million plus any interest accrued until December 31, 2018 in an aggregate amount of RMB94.1 million in order to cover fund possession cost) and RMB58.1 million (including the outstanding principal amount of RMB52.3 million plus any interest accrued until December 31, 2018 in an aggregate amount of RMB5.8 million in order to cover fund possession cost), respectively. Mr. Zhang does not have right to claim any accrued interests income arising from the two long-term debt investments starting from January 1, 2019 which has been waived by us. As a result of such disposal, we recognized nil gains or losses therefrom and we no longer engage in any lending activities subject to the regulation of the General Lending Provisions.

To avoid such incident from recurring in the future, we have adopted a series of internal control measures to better manage and monitor its risks relating to any investments. As part of our treasury policy, our financial management center and strategic investment center are primarily responsible for liquidity risk management of our investments, including long-term debt investments, and to ensure the timely availability of funds when needed. Our legal affairs management center is responsible for evaluating the investment plan from the legal perspective and keeping relevant departments, such as strategic investment center, abreast of any changes or developments in applicable laws relating to investment and financing. Our strategic investment center is required to involve and obtain inputs from our legal affairs management center with respect to any investment plans. Our legal affairs management center can also report directly to the management at the Group level for any legal risks it detects. For more details, please see “Business – Risk Management.”

Our PRC Legal Advisor is of the view that the above-mentioned two long-term debt investments loans are subject to the General Lending Provisions (貸款通則), a regulation promulgated by the PBOC in 1996. According to the General Lending Provisions, only financial institutions may legally engage in the business of extending loans, and loans made between companies that are non-financial institutions are prohibited. The PBOC may impose penalties on the enterprise that is not a financial institution in an amount equal to one to five times of any income generated from the lending activities by such enterprise. However, according to the Provisions of the Supreme People’s Court on Several Issues concerning the Application of Law in the Trial of Private Lending Cases (最高人民法院關於審理民間借貸案件適用法律若干問題的規定) (the “Provisions”), promulgated on August 6, 2015 and effective on September 1, 2015, lending contracts between non-financial institutions are valid if they are made for the purposes of supporting production or business operations. PRC courts will also

FINANCIAL INFORMATION

support a company's claim for interest in respect of such a loan as long as the annual interest rate does not exceed 24%. Pursuant to the Notice of the Supreme People's Court on Continued Study and Implementation and Application of the Provisions of the Supreme People's Court on Several Issues concerning the Application of Law in the Trial of Private Lending Cases published on August 25, 2015, the Provisions shall apply to lending contracts entered into prior to the implementation of the Provisions that are invalid under the former judicial interpretations but valid under the Provisions. Our PRC Legal Advisor is of the view that (i) the long-term debt investments were not in compliance with the General Lending Provisions prior to the disposal, and (ii) under normal circumstances, the possibility that the PBOC imposing a penalty on us in respect of the above-mentioned long-term debt investments pursuant to the General Lending Provisions is very low, for the reasons including (a) the two long-term debt investments have been disposed of by us, (b) as described above, the two long-term debt investments arose from particular commercial reasons, and we have no intention to engage in any private lending activities, nor have we otherwise engaged in any lending activities to derive any interest income in our ordinary course of business, and (c) the PBOC seldom imposes administrative penalties pursuant to the General Lending Provisions in practice and we have not received any notice of claim, investigation or penalty relating to the two long-term debt investments from any competent governmental authorities as of the Latest Practicable Date. We are further advised by our PRC Legal Advisor that these long-term debt investments no longer contravene with the General Lending Provisions after they have been disposed of. Based on the above, our Directors are of the view that the operational and financial impact on us would be insignificant, if any. Our Directors confirm that, as of the Latest Practicable Date, we are not engaged in any long-term debt investment or other private lending activities with any Independent Third Party that contravene with the General Lending Provisions. Our PRC Legal Advisors are of the view that, after we disposed of the two long-term debt investments, we no longer violate the General Lending Provisions for being engaged in any long-term debt investment or private lending activities with any Independent Third Party.

Amounts Due from Related Companies

Refer to “— Related Party Transactions” below for more details.

Amounts Due to Related Companies

Refer to “— Related Party Transactions” below for more details.

Trade and bills payables

Our trade and bills payables primarily represent our obligations to pay for goods or services that have been acquired in the ordinary course of business from construction contractors. The general increase in our trade and bills payables during the Track Record Period was in line with our property construction and development activities. During the Track

FINANCIAL INFORMATION

Record Period and up to the Latest Practicable Date, our Directors confirm that we had not defaulted on payment of trade payables. The following table sets forth an aging analysis of our trade and bills payables based on the invoice date as of the dates indicated:

	As of December 31,			As of
	2016	2017	2018	April 30, 2019
	<i>(RMB'000)</i>			
Less than one year	1,571,692	2,458,229	3,095,914	3,774,758
Over one year	183	7,234	46,348	51,476
Total	1,571,875	2,465,463	3,142,262	3,826,234

As of August 31, 2019, approximately RMB1,571.9 million, RMB2,465.5 million, RMB3,102.6 million and RMB3,264.1 million, representing 100.0%, 100.0%, 98.7% and 85.3% of trade and bills payables as of December 31, 2016, 2017 and 2018 and April 30, 2019, respectively, had been settled.

Other payables and accruals

The composition of our other payables and accruals was as follows as of the dates indicated:

	As of December 31,			As of
	2016	2017	2018	April 30, 2019
	<i>(RMB'000)</i>			
Outstanding consideration for				
assets acquisition	1,633,602	1,390,124	3,051,198	2,554,930
Interest payable	21,903	50,895	328,965	235,700
Deposits related to sales of				
properties	30,051	50,265	155,116	219,711
Other tax and surcharges	18,526	84,489	99,137	78,724
Maintenance fund	17,502	39,212	75,244	100,177
Payroll and welfare payable	13,086	36,083	48,468	56,030
Retention deposits related to				
construction	1,973	54,701	39,632	39,679
Commission payable	6,639	25,141	23,815	21,620
Due to non-controlling				
shareholders of subsidiaries	2,852	13,452	4,598	48,514
Others ⁽¹⁾	7,283	49,295	72,405	66,048
	1,753,417	1,793,657	3,898,578	3,421,133

Note:

- (1) Others mainly include social insurance and house provident insurance that are to be paid for the employees and travel and administrative expenses of our sales and administrative staff that are to be reimbursed.

FINANCIAL INFORMATION

Our other payables and accruals increased substantially from RMB1,793.7 million as of December 31, 2017 to RMB3,898.6 million as of December 31, 2018, primarily reflecting the outstanding consideration in relation to acquisitions of Changsha Bo Yuan and Huizhou Gaoling Village in 2018. Our other payables and accrual decreased from RMB3,898.6 million as of December 31, 2018 to RMB3,421.1 million as of April 30, 2019, primarily due to our paid part of the outstanding consideration for acquisitions of Changsha Bo Yuan and Huizhou Gaoling Village.

As of August 31, 2019, an amount of approximately RMB1,750.6 million, RMB1,380.0 million, RMB2,807.3 million and RMB2,099.2 million, representing approximately 99.8%, 76.9%, 72.0% and 61.4% of the balance of our other payables and accruals as of December 31, 2016, 2017 and 2018 and April 30, 2019, respectively, had been settled.

Contract liabilities

We receive payments from customers on billing schedule as established in contracts in relation to the pre-sales of our properties. Payments are usually received in advance of the performance under contracts which are mainly from sales of properties. As of December 31, 2016, 2017, 2018 and April 30, 2019, we recorded contract liabilities of RMB7,118.9 million, RMB20,063.8 million, RMB40,196.4 million and RMB43,726.6 million, respectively.

The following table sets forth the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) related to sales of properties as of the dates indicated:

	As of December 31,			As of
	2016	2017	2018	April 30, 2019
	<i>(RMB'000)</i>			
Expected to be satisfied				
within one year	4,575,856	7,171,449	21,136,377	23,743,586
Expected to be satisfied after				
one year	3,562,413	19,157,386	26,581,826	27,603,107
Total	8,138,269	26,328,835	47,718,203	51,346,693

As of August 31, 2019, approximately RMB7,118.9 million, RMB17,822.7 million, RMB10,433.1 million and RMB4,470.3 million, representing 100.0%, 88.8%, 26.0% and 10.2%, of our contract liabilities recorded as of December 31, 2016, 2017 and 2018 and April 30, 2019, respectively, had been utilized and recorded as revenue in our financial statements.

FINANCIAL INFORMATION

NET CURRENT ASSETS

During the Track Record Period, we had met our working capital needs mainly from cash flow from operations, bank and other borrowings, trust financing and corporate bonds. The following table sets forth a breakdown of our net current assets as of the dates indicated.

	As of December 31,			As of	As of
	2016	2017	2018	April 30,	August 31,
	<i>(RMB'000)</i>				
	<i>(unaudited)</i>				
Current assets					
Properties under development	9,201,729	28,340,270	43,560,301	48,478,273	53,320,287
Completed properties held for sale	2,313,265	1,811,813	4,094,399	4,396,742	5,262,496
Trade receivables	—	—	—	2,403	3,195
Due from related companies	4,127,587	4,515,427	5,112,386	7,344,419	6,460,172
Prepayments and other receivables . .	424,481	1,205,662	4,558,824	4,964,445	4,184,965
Financial assets at fair value through profit or loss	—	—	64,867	44,067	41,398
Long-term debt investment within one year	—	121,930	314,942	355,498	—
Tax recoverable	8,931	42,298	116,116	262,181	304,011
Restricted cash	266,726	1,172,860	2,623,147	3,468,422	3,489,817
Pledged deposits	67,052	233,302	358,899	754,124	769,284
Cash and cash equivalents	699,941	2,876,901	7,083,520	5,387,137	4,909,853
Total current assets	17,109,712	40,320,463	67,887,401	75,457,711	78,745,478
Current liabilities					
Trade and bills payables	1,571,875	2,465,463	3,142,262	3,826,234	4,106,901
Other payables and accruals	1,753,417	1,793,657	3,898,578	3,421,133	3,079,507
Contract liabilities	7,118,885	20,063,821	40,196,400	43,726,570	45,760,025
Due to related companies	193,661	2,294,506	1,400,187	2,963,273	2,964,631
Interest-bearing bank and other borrowings	2,996,600	9,249,127	9,224,964	10,334,450	11,166,648
Senior notes	—	—	—	—	602,958
Tax payable	122,769	760,298	1,686,313	2,773,504	2,482,286
Leasing liabilities within one year	—	—	—	21,368	31,207
Financial liabilities at fair value through profit or loss	935	861	619	519	519
Total current liabilities	13,758,142	36,627,733	59,549,323	67,067,051	70,194,682
Net current assets	3,351,570	3,692,730	8,338,078	8,390,660	8,550,796

FINANCIAL INFORMATION

Our net current assets generally increased during the Track Record Period primarily due to increases in properties under development as we accelerated our nation-wide expansion. Our construction services for property projects increased accordingly, which was partially offset by continuous increases in advance from our customers as pre-sale of our properties then under development continued, and trade and bills payables and other payables and accruals grew in line with such activities.

Our net current assets increased by 0.6% from December 31, 2018 to April 30, 2019, primarily due to a decrease in cash and cash equivalents in connection with our acquisitions in the first four months of 2019.

LIQUIDITY AND CAPITAL RESOURCES

Our principal use of cash have been for the development of our property projects. Our main source of liquidity has been generated from mainly from cash flow from operations and bank and other borrowings. As of December 31, 2016, 2017, 2018 and April 30, 2018 and 2019, we had cash and bank balances of RMB1,033.7 million, RMB4,283.1 million, RMB10,065.6 million, RMB5,392.4 million and RMB9,609.7 million, respectively, which consisted of restricted cash, pledged deposits, cash at bank and on hand. In the foreseeable future, we expect these requirements to continue to be our principal requirements of liquidity and we may use a portion of the proceeds from the Global Offering to finance some of our capital requirements.

Cash flow

The following table sets forth a summary of our cash flows as of the dates indicated.

	Year ended December 31,			Four months ended April 30,	
	2016	2017	2018	2018	2019
	<i>(RMB'000)</i>			<i>(unaudited)</i>	
Operating cash flows before movements in working capital	250,137	1,046,328	2,033,527	319,865	1,620,440
Net cash flows (used in)/ generated from operating activities	(2,037,494)	(6,547,778)	1,724,927	1,184,438	(1,337,660)
Net cash flows used in investing activities	(784,769)	(4,511,225)	(1,320,190)	(233,348)	(3,665,328)
Net cash flows generated from/ (used in) financing activities .	3,485,911	13,187,705	3,825,472	(610,691)	3,292,766
Net increase in cash and cash equivalents	663,648	2,128,702	4,230,209	340,399	(1,710,222)
Cash and cash equivalents at beginning of year/period	36,293	699,941	2,876,901	2,876,901	7,083,520
Effect of foreign exchange rate, net	—	48,258	(23,590)	18,057	13,839
Cash and cash equivalents at the end of year/period	699,941	2,876,901	7,083,520	3,235,357	5,387,137

FINANCIAL INFORMATION

Net cash (used in)/generated from operating activities

Our net cash used in operating activities principally comprises payments made in relation to our property development activities, including construction costs and land acquisitions. Our cash generated from operating activities is principally proceeds received from pre-sales and sales of our properties.

For the four months ended April 30, 2019, our net cash flows used in operating activities were RMB1,337.7 million, which was the result of cash used in operating activities of RMB153.8 million, interest paid of RMB631.3 million and tax paid of RMB560.3 million, partially offset by interest received of RMB7.8 million. We had operating cash flows, before movements in working capital, of RMB1,620.4 million. The decrease of RMB1,774.3 million in the working capital was primarily attributable to (i) an increase in properties under development and completed properties held for sale of RMB3,243.2 million, (ii) an increase in restricted cash of RMB845.3 million and (iii) a decrease in other payables and accruals of RMB729.7 million, which was partially offset by (i) an increase in contract liabilities of RMB3,007.7 million, primarily due the increased property sales in the first four months of 2019, (ii) an increase in trade and bills payables.

In 2018, our net cash flows generated from operating activities were RMB1,724.9 million, which was the result of cash generated from operations of RMB3,706.1 million, net of tax paid of RMB1,074.5 million and interest paid of RMB934.3 million. We had operating cash flows, before movements in working capital, of RMB2,033.5 million. The increase of RMB1,672.6 million in the working capital was primarily attributable to increase in contract liabilities of RMB19,329.2 million, partially offset by (i) increase in properties under development and completed properties held for sale of RMB15,063.9 million and (ii) increase in prepayments and other receivables of RMB3,275.2 million, primarily driven by the increased land acquisition activities.

In 2017, our net cash flows used in operating activities were RMB6,547.8 million, which was the result of cash used in operations of RMB4,848.9 million, plus interest paid of RMB1,080.4 million and tax paid of RMB640.3 million. We had operating cash flows, before movements in working capital, of RMB1,046.3 million. The decrease of RMB5,895.2 million in the working capital was primarily attributable to an increase in properties under development and completed properties held for sale of RMB16,532.3 million, which was partially offset by an increase in contract liabilities of RMB12,599.7 million.

In 2016, our net cash flows used in operating activities were RMB2,037.5 million, which was primarily attributable to (i) cash used in operations of RMB1,518.9 million, (ii) interest paid of RMB274.3 million and (iii) tax paid of RMB246.8 million, partially offset by interest received of RMB2.5 million. We had operating cash flows, before movements in working capital, of RMB250.1 million. The decrease of RMB1,769.0 million in the working capital was primarily due to an increase in properties under development and completed properties held for

FINANCIAL INFORMATION

sale of RMB7,595.4 million, which was partially offset by (i) an increase in contract liabilities of RMB3,763.7 million and (ii) the increase in other payables and accruals of RMB1,457.6 million, as a result of the increase in the consideration amounts for the subsidiaries acquired by us in 2016.

Net cash used in investing activities

Our cash used in investing activities principally comprises of cash outflows in connection with our investment properties, investments in associate and joint ventures and purchase of property, plant and equipment as well as intangible assets.

For the four months ended April 30, 2019, our net cash flows used in investing activities were RMB3,665.3 million, which was primarily attributable to (i) investments in joint ventures of RMB2,793.9 million, (ii) acquisition of subsidiaries of RMB518.3 million and (iii) advances to third parties of RMB133.1 million.

In 2018, our net cash flows used in investing activities were RMB1,320.2 million, which was primarily attributable to (i) investments in joint ventures of RMB485.9 million, (ii) investments in associates of RMB474.8 million, (iii) an increase in investment properties of RMB149.4 million and (iv) advance to a third party of RMB139.4 million.

In 2017, our net cash flows used in investing activities were RMB4,511.2 million, which was primarily attributable to (i) investments in joint ventures of RMB3,205.0 million, (ii) advance to a third party of RMB739.6 million, and (iii) acquisition of subsidiaries of RMB472.2 million.

In 2016, our net cash flows used in investing activities were RMB784.8 million, which was primarily attributable to (i) investments in investment properties of RMB389.1 million, (ii) investments in joint ventures of RMB205.9 million, (iii) investments in associates of RMB159.0 million.

Net cash generated from/(used in) financing activities

Our cash used in financing activities principally comprises repayment of advance from related parties, advance to related parties and repayment of interest-bearing bank and other borrowings. Our cash generated from financing activities principally comprises proceeds from interest-bearing bank and other borrowings, repayment from related parties and repayment of advance to related parties.

For the four months ended April 30, 2019, our net cash flows generated from financing activities were RMB3,292.8 million, which was primarily attributable to (i) proceeds from interest-bearing bank and other borrowings of RMB9,696.7 million, (ii) advance from related companies of RMB4,007.3 million and (iii) repayment of advance to related companies of

FINANCIAL INFORMATION

RMB3,059.0 million, partially offset by (i) repayment of interest-bearing bank and other borrowings of RMB5,730.6 million, (ii) advance to related companies of RMB5,291.2 million and (iii) repayment of advances from related companies of RMB2,916.5 million.

In 2018, our net cash flows generated from financing activities were RMB3,825.5 million, which was primarily attributable to (i) proceeds from interest-bearing bank and other borrowings of RMB16,367.8 million, (ii) advance from related companies of RMB15,790.2 million and (iii) repayment of advance to related companies of RMB10,086.1 million, partially offset by (i) repayment of advance from related companies of RMB16,714.9 million, (ii) repayment of interest-bearing bank and other borrowings of RMB11,603.0 million and (iii) advance to related companies of RMB10,691.5 million.

In 2017, our net cash flows generated from financing activities were RMB13,187.7 million, which was primarily attributable to (i) repayment of advance to related companies of RMB15,390.7 million, (ii) proceeds from interest-bearing bank and other borrowings of RMB14,277.7 million and (iii) advance from related companies of RMB11,781.9 million, partially offset by (i) advance to related companies of RMB15,737.8 million, (ii) repayment of advance from related companies of RMB9,691.9 million and (iii) repayment of interest-bearing bank and other borrowings of RMB4,039.6 million.

In 2016 our net cash flows generated from financing activities were RMB3,485.9 million, which was primarily attributable to (i) proceeds from interest-bearing bank and other borrowings of RMB6,336.0 million, (ii) advance from related companies of RMB2,091.8 million and (iii) capital contribution by the then equity holder of a subsidiaries of RMB2,400.0 million, partially offset by (i) advance to related companies of RMB4,729.4 million, (ii) repayment of advance from related companies of RMB2,659.1 million and (iii) repayment of interest-bearing bank and other borrowings of RMB1,619.5 million.

Working capital

Property development require substantial capital investment for land acquisition and construction, and it may take many months or years before positive cash flow can be generated. To date, we have funded our growth principally from cash generated from our operations and borrowings from banks, trust financings and private corporate bonds. Our financing methods vary from project to project and are subject to limitation imposed by the PRC or other local regulations and monetary policies. See “— Cash Flow — Net Cash (Used in)/Generated from Operating Activities” for more details.

To achieve sufficient working capital, we will continue to improve our cash inflow associated with the sales and pre-sales of our properties by enhancing our payment collection from customers. We intend to continue to monitor our development and construction schedules, property sales and land acquisition plans based on the cash inflow associated with existing and planned external financing opportunities, including but not limited to the issuance of corporate bonds or other debt offerings and property sales proceeds.

FINANCIAL INFORMATION

Sufficiency working capital

Taking into account our current project development and sales schedules and plans, our expected cash generated from operating activities, the estimated net proceeds from the Global Offering (after a possible Downward Offer Price Adjustment setting at the final Offer Price of up to 10% below the low end of the indicative Offer Price range), our bank and other borrowings, and any additional financial resources available to us, together with our expected cash outflow in the near future, which was mainly driven by the increase in the number of our existing property development projects entering into development stage and the unpaid land premium, our Directors are of the opinion that we will have available sufficient working capital for our present requirements and for the next 12 months from the date of this prospectus.

Capital expenditure

Our capital expenditure during the Track Record Period primarily represented expenditures incurred relating to purchase of property, plant and equipment and acquisition of intangible assets such as certain software. In 2016, 2017 and 2018 and the four months ended April 30, 2018 and 2019, we incurred capital expenditures of RMB30.8 million, RMB45.6 million, RMB27.1 million, RMB18.3 million and RMB3.4 million, respectively.

Our Directors estimate that our capital expenditure for the years ending December 31, 2019 and 2020 will be approximately RMB57.0 million and RMB69.7 million, respectively. Such estimates represent the total capital expenditure we expect to incur in the relevant years based on our existing business plans. We may adjust our business plans and the estimate total capital expenditure may also change.

FINANCIAL INFORMATION

INDEBTEDNESS

Overview

As of December 31, 2016, 2017, 2018 and April 30, 2019, our total borrowings (including interest-bearing bank and other borrowings and corporate bonds) amounted to RMB6,437.5 million, RMB16,675.6 million, RMB22,102.8 million and RMB26,469.4 million, respectively. The following table sets forth the components of our borrowings and lease liabilities as of the dates indicated:

	As of December 31,			As of	As of
	2016	2017	2018	April 30,	August 31,
	<i>(RMB'000)</i>				<i>(unaudited)</i>
Non-current					
Bank loans — secured	750,000	3,648,961	5,914,494	7,883,001	9,295,060
Other loans — secured ⁽¹⁾	2,690,900	3,777,559	6,371,246	7,228,097	8,751,366
Corporate bonds	—	—	592,070	1,023,830	1,049,671
Lease liabilities	—	—	—	22,007	14,312
Current					
Bank loans — secured	20,000	—	50,000	50,000	48,000
Other loans — secured ⁽¹⁾	98,000	596,400	2,713,907	2,726,548	5,095,162
Other loans — unsecured	—	—	—	311,242	311,242
Current portion of long term bank loans — secured	675,000	2,424,627	3,107,694	3,089,476	2,776,813
Current portion of other loans — secured ⁽¹⁾	2,203,600	6,228,100	3,353,363	4,157,184	3,538,389
Lease liabilities	—	—	—	21,368	31,207
Total	6,437,500	16,675,647	22,102,774	26,512,753	30,911,222

Note:

- (1) Other loans include financing arrangements with trust companies, asset management companies and other financial institutions during the Track Record Period and a loan from a non-controlling shareholder of one of our subsidiaries to us in 2019.

We adopted IFRS 16 on January 1, 2019, which applies a single recognition and measurement method to recognize operating leases, except for short term leases. Under this approach, as of April 30, 2019, we recorded right-of-use assets of RMB50.1 million, lease liabilities of RMB22.0 million under non-current liabilities and lease liabilities within one year of RMB21.4 million, instead of amounts of future aggregate minimum lease payments under operating lease. Our total lease liabilities were RMB 47.6 million as of July 31, 2019 in accordance with the adoption of IFRS 16 on January 1, 2019.

FINANCIAL INFORMATION

As of December 31, 2016, 2017, 2018 and April 30, 2019, our borrowings and corporate bonds were repayable as follows.

	As of December 31,			As of	As of
	2016	2017	2018	April 30,	August 31,
	<i>(RMB'000)</i>			2019	2019
				<i>(unaudited)</i>	
Bank loans repayable:					
Within one year or on demand . . .	695,000	2,424,627	3,157,694	3,139,476	2,824,813
In the second year	—	930,000	4,516,794	4,683,101	2,812,090
In the third to fifth years, inclusive	750,000	2,718,961	1,397,700	3,199,900	6,482,970
	1,445,000	6,073,588	9,072,188	11,022,477	12,119,873
Other borrowings and corporate bonds repayable:					
Within one year or on demand . . .	2,301,600	6,824,500	6,067,270	7,194,974	8,944,793
In the second year	2,089,900	3,597,559	6,371,246	7,245,927	4,801,366
In the third to fifth years, inclusive	601,000	180,000	592,070	1,006,000	4,999,671
	4,992,500	10,602,059	13,030,586	15,446,901	18,745,830
	6,437,500	16,675,647	22,102,774	26,469,378	30,865,703

As of August 31, 2019, we had approximately RMB5,499.3 million unutilized banking facilities.

Trust and other financing arrangements

As with many other property developers in the PRC, we also enter into financing arrangements with trust companies, asset management companies and their financing vehicles, as well as other financial institutions in the ordinary course of business to finance our property development and other related operations. Compared with bank borrowings, such financing arrangements usually offer greater flexibility in terms of availability, approval schedule and repayment requirements, which constitute an effective alternative source of funding for some of our project developments, particularly during the tightened banking credit environments. These financing arrangements can be categorized into trust financing and other financing arrangements. Trust financing arrangements refer to the financing arrangements with trust

FINANCIAL INFORMATION

companies, asset management companies and their financing vehicles. For additional information as to the relevant laws and regulations applicable to trust financing arrangements, see “Regulatory Overview — Regulations on Real Estate Financing — Trust Financing.”

As of April 30, 2019, the aggregate principal balance of our trust financing borrowings was approximately RMB14,091.6 million. As of the same date, the total outstanding balance of our trust financing borrowings was approximately RMB14,111.8 million. The difference between these two amounts was mainly due to amortized costs relating to our trust financing outstanding as of the same date. The difference between our total outstanding balance of the other loans as of April 30, 2019, which was approximately RMB14,423.1 million, and total outstanding amount of our trust financing as of the same date, which was approximately RMB14,111.8 million, was mainly due to the outstanding amount of a loan from a non-controlling shareholder of one of our subsidiaries to us in the four months ended April 30, 2019.

The following table sets forth our outstanding trust financing arrangements with trust companies, asset management companies and their financing vehicles and other financial institutions as of the dates indicated:

Item	Financial institution	Annual interest rate	Effective date	Maturity date	Share pledge (among other collaterals, if any)	Veto rights of financial institution	Principal balance as of		General category of trust financing arrangements
							April 30, 2019	August 31, 2019	
							<i>(RMB'000)</i> <i>(unaudited)</i>		
1	Shanghai Yubo Investment Management Co., Ltd. (上海譽鎔投資管理有限公司)	9.5%	November 23, 2018	July 6, 2019	N/A	N/A	50,000	—	Type 1
2	Ping'an Trust Co. Ltd. (平安信託有限責任公司)	12.50%	January 8, 2019	July 8, 2020	N/A	N/A	1,030,000	870,000	Type 1
3	Jiangxi Financial Asset Management Co., Ltd. (江西省金融資產管理股份有限公司)	13.00%	April 9, 2019	October 8, 2019	N/A	N/A	299,880	248,880	Type 1
4	China Orient Asset Management Co., Ltd. (中國東方資產管理股份有限公司湖北省分公司)	11.50%	July 16, 2019	July 19, 2022	N/A	N/A	—	500,000	Type 1
5	Guotong Trust Co., Ltd. (國通信託有限公司)	13.10%	May 25, 2018	March 14, 2020	95% shares of Changsha Wangguo Real Estate*	N/A	304,900	—	Type 2
6	JIC Trust Co., Ltd. (中建投信託有限責任公司)	9.8%	June 14, 2018	October 18, 2019	100% Shares of Huizhou Tianhuayu Industrial*	N/A	178,900	—	Type 2
7	Jiangxi Provincial Water Conservancy Investment Group Corp. (江西省水利投資集團有限公司)	8.00%	October 9, 2018	December 7, 2019	100% shares of Jiangxi Hezhixin*	N/A	510,000	510,000	Type 2
8	Bohai International Trust Co., Ltd. (渤海國際信託股份有限公司)	First year: 9.00%; Second year: 13.50%	November 21, 2017	November 20, 2019	21% shares of Nanchang Shuntai*	N/A	48,000	30,000	Type 2
9	China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司四川省分公司)	First year: 9.80%; Second year: 11.30%	November 17, 2017	November 15, 2019	49% shares of Nanchang Shuntai*	N/A	178,000	168,000	Type 2

FINANCIAL INFORMATION

Item	Financial institution	Annual interest rate	Effective date	Maturity date	Share pledge (among other collaterals, if any)	Veto rights of financial institution	Principal balance as of		General category of trust financing arrangements
							April 30, 2019	August 31, 2019	
							<i>(RMB'000)</i> <i>(unaudited)</i>		
10	Zhongyuan Trust Co., Ltd. (中原信託有限公司)	11.50%	May 11, 2018	May 10, 2020	100% shares of Nanchang Xinming Real estate Development*	N/A	860,700	443,500	Type 2
11	JIC Trust Co., Ltd. (中建投信託有限公司)	9.50%	July 10, 2017	August 10, 2019	100% shares of Wuxi Fuan Jindi*	N/A	102,000	—	Type 2
12	China Orient Asset Management Co., Ltd. (中國東方資產管理股份有限公司湖北省分公司)	10.00%	February 9, 2018	February 8, 2020	100% shares of Wuhan Shengyang Real Estate Development*	N/A	240,000	240,000	Type 2
13	Shanghai Yidezhen Equity Investment Management Centre (L.P.) (上海易德臻投資管理中心)	13.62%	November 1, 2017	December 24, 2019	100% shares of Xinyue Lichuang Real Estate Development*	N/A	500,000	500,000	Type 2
14	China Great Wall Asset Management Co., Ltd. (中國長城資產管理股份有限公司湖南省分公司)	10.68%	January 2, 2018	January 1, 2020	11.9% shares of Hunan Yuexi Real Estate*	N/A	130,100	48,550	Type 2
15	China Cinda Asset Management Co., Ltd. (中國信達資產管理股份有限公司)	9.70%	October 10, 2017	October 9, 2019	100% shares of Ganzhou Xinli Lihe Property* and 100% shares of Ganzhou Xinli Future Property*	N/A	400,000	400,000	Type 2
16	JIC Trust Co., Ltd. (中建投信託有限公司)	10.3%	May 10, 2017	July 24, 2019	100% shares of Kunshan Laikesi Investment*	N/A	498,500	—	Type 2
17	JIC Trust Co., Ltd. (中建投信託有限公司)	13.40%	January 18, 2019	June 10, 2020	100% shares of Zhuji Lirui Real Estate Development	N/A	221,800	221,800	Type 2
18	Jiangxi Provincial Water Conservancy Investment Group Corp. (江西省水利投資集團有限公司)	8.00%	January 4, 2019	March 18, 2020	100% shares of Jiangxi Haiyue Real Estate Development	N/A	170,000	140,000	Type 2
19	Sichuan Ruiyin Wenhua Equity Investment Fund Management Co., Ltd. (四川瑞銀文華股權投資基金管理有限公司)	11.00%	April 12, 2019	February 22, 2020	100% shares of Jiangxi Aositun*	N/A	11,900	40,040	Type 2
20	China Orient Asset Management Co., Ltd. (中國東方資產管理股份有限公司湖北省分公司)	13.00%	October 12, 2018	October 11, 2021	95% shares of Fuliang Jingyu Industrial Co., Ltd.	N/A	150,000	150,000	Type 2
21	Lujiazui International Trust Co., Ltd. (陸家嘴國際信託有限公司)	7.60%	June 24, 2019	June 5, 2022	100% shares of Jiangxi Xinxun Real Estate Development Co., Ltd.*	N/A	—	500,000	Type 2
22	Lujiazui International Trust Co., Ltd. (陸家嘴國際信託有限公司)	7.60%	July 4, 2019	June 20, 2021	100% shares of Jiangxi Xinteng Real Estate Development Co., Ltd.*	N/A	—	400,000	Type 2
23	JIC Trust Co., Ltd. (中建投信託有限公司)	11.80%	June 6, 2019	June 6, 2020	100% shares of Wuxi Fuan Jindi Real Estate Co., Ltd.*	N/A	—	95,500	Type 2
24	China Cinda Asset Management Co., Ltd. (中國信達資產管理股份有限公司)	9.50%	July 22, 2019	July 22, 2022	*100% shares of Guangzhou Ronghe Real Estate Development Co., Ltd.*, 100% shares of Sinic Haishi Real Estate Development (Guangzhou)* and 100% shares of Guangzhou Shengxian Investment Co., Ltd.	N/A	—	2,800,000	Type 2
25	JIC Trust Co., Ltd. (中建投信託有限公司)	11.80%	July 26, 2019	February 8, 2021	100% shares of Kunshan Dianshanhu Yard Real Estate Development Co., Ltd.* and 100% shares of Kunshan Oasis Real Estate Development Co., Ltd.*	N/A	—	387,000	Type 2

FINANCIAL INFORMATION

Item	Financial institution	Annual interest rate	Effective date	Maturity date	Share pledge (among other collaterals, if any)	Veto rights of financial institution	Principal balance as of		General category of trust financing arrangements
							April 30, 2019	August 31, 2019	
							<i>(RMB'000)</i> <i>(unaudited)</i>		
26.	JIC Trust Co., Ltd. (中建投信託有限公司)	12%	August 30, 2019	February 28, 2021	50.1% shares of Suzhou Sinic Chuangzhi Real Estate Co., Ltd.* and no more than 49.9% shares of Suzhou Sinic Chuangzhi Real Estate Co., Ltd.**	N/A	—	114,366	Type 2
27	Shanghai Yubo Investment Management Co., Ltd. (上海譽錡投資管理有限公司)	9.4%	December 14, 2018	July 1, 2020	20% shares of Jiangxi Yangyan Real Estate Development*, 51% shares of Huizhou Lixin Meixue Real Estate Development*, 100% shares of Wuhan Zhenghe Properties*, 80% shares of Jiangxi Yangyan Real Estate Development** and 49% shares of Huizhou Lixin Meixue Real Estate Development**	N/A	474,900	599,500	Type 3
28	Sichuan Trust Co., Ltd. (四川信託有限公司)	13.50%	August 29, 2018	September 3, 2019	20% shares of Qingyuan Wanliyuan Real Estate Investment*, 80% shares of Qingyuan Wanliyuan Real Estate Investment Co., Ltd.**	N/A	150,000	—	Type 3
29	China Cinda Asset Management Co., Ltd. (中國信達資產管理有限公司)	9.45%	February 16, 2017	February 16, 2020	95% shares of Hubei Huazhong Panlong Collectibles Market Development**	N/A	180,000	160,000	Type 3
30	Sichuan Trust Co., Ltd. (四川信託有限公司)	11.00%	March 10, 2017	August 20, 2019	20% shares of Huizhou Junlin Investment*, 100% shares of Huizhou Juncheng Investment*, 80% shares of Huizhou Junlin Investment Co., Ltd.**	N/A	280,000	—	Type 3
31	China Cinda Asset Management Co., Ltd. (中國信達資產管理有限公司)	9.95%	September 26, 2016	October 8, 2019	80% shares of Jiangxi Junyu Real Estate**	N/A	515,500	420,500	Type 3
32	SDIC Taikang Trust Co., Ltd. (國投泰康信託有限公司)	11.00%	April 23, 2018	March 21, 2020	10% shares of Jiangxi Xindeng Real Estate Development Co., Ltd.** and 10% shares of Jiangxi Xinxun Real Estate Development Co., Ltd.**	N/A	860,000	—	Type 3
33	Jiaxing Zhongya Investment Partnership (嘉興中雅投資合夥企業)	13.96%	October 23, 2018	October 22, 2020	90% shares of Jiangxi Xinhan Property**	N/A	1,900,000	1,900,000	Type 3
34	Jiaxing Chuanglin Investment Partnership (嘉興創麟投資合夥企業(有限合夥))	15.46%	December 14, 2018	December 14, 2020	90% shares of Jiangxi Yunfa Industrial Co.**	N/A	2,000,000	2,000,000	Type 3
35	Tianjin Xinze Equity Investment Fund Management Co., Ltd. (天津信澤股權投資基金管理有限公司)	10.58%	July 18, 2018	January 17, 2020	99% Shares of Huizhou Sinic Nanshan Real Estate Development**	N/A	311,716	—	Type 3
36	Tianjin Xinze Equity Investment Fund Management Co., Ltd. (天津信澤股權投資基金管理有限公司)	11.00%	January 14, 2019	January 13, 2020	99% shares of Huizhou Sinic Hongyi Real Estate Development**	N/A	387,000	360,900	Type 3

FINANCIAL INFORMATION

Item	Financial institution	Annual interest rate	Effective date	Maturity date	Share pledge (among other collaterals, if any)	Veto rights of financial institution	Principal balance as of		General category of trust financing arrangements
							April 30, 2019	August 31, 2019	
							<i>(RMB'000)</i> <i>(unaudited)</i>		
37	Jiangxi Jinggangshan BAIC Investment Management Co., Ltd (江西省井岡山北汽投資管理有限公司)	9.80%	April 19, 2019	April 18, 2020	17% shares of Zhongshan Xinhui Real Estate Development*, 83% shares of Zhongshan Xinhui Real Estate Development**	N/A	40,500	60,000	Type 3
38	China Mingsheng Trust Co., Ltd. (中國民生信託有限公司)	11.70%	March 22, 2019	April 15, 2020	36% shares of Suzhou Lichuang Xianggu Properties Development	N/A	820,000	—	Type 3
39	Hangzhou Shenghan Investment Partnership (杭州盛翰投資合夥企業(有限合夥))	14.00%	April 30, 2019	October 31, 2019	80% shares of Ningbo Xinyixiang Real Estate Development Co., Ltd. (寧波新屹祥房地產開發有限公司)*, 100% shares of Wenzhou Lijing Real Estate Development*, 20% shares of Ningbo Xinyixiang**	N/A	287,268	287,268	Type 3
40	Highfund (Guangzhou) Equity Investment Co., Ltd. (合凡(廣州)股權投資基金管理有限公司)	11.50%	May 10, 2019	August 22, 2020	70% shares of Jiangxi Saiyue Real Estate Development Co., Ltd.* and 30% shares of Jiangxi Saiyue Real Estate Development Co., Ltd.**	N/A	—	121,900	Type 3
41	Anhui Zhong'an Taixin Investment Management Co., Ltd. (安徽中安泰信投資管理有限公司)	11.50%	July 1, 2019	December 31, 2019	51% shares of Hefei Liyao Real Estate Development Co., Ltd.* and 49% shares of Hefei Liyao Real Estate Development Co., Ltd.**	N/A	—	320,000	Type 3
42	Highfund (Guangzhou) Equity Investment Co., Ltd. (合凡(廣州)股權投資基金管理有限公司)	11.50%	June 20, 2019	August 29, 2020	70% shares of Wuxi Xinzhuo Real Estate Development Co., Ltd.* and 30% shares of Wuxi Xinzhuo Real Estate Development Co., Ltd.**	N/A	—	86,500	Type 3
43	Guohua Life Insurance Co., Ltd. (國華人壽保險股份有限公司)	12.50%	July 25, 2019	July 24, 2020	10% shares of Chengdu Lixi Real Estate Development Co., Ltd.*, 100% share of Sinic Lichuang Real Estate Development Co., Ltd.* and 90% shares of Chengdu Lixi Real Estate Development Co., Ltd.**	N/A	—	750,000	Type 3
44	Anhui Zhong'an Taixin Investment Management Co., Ltd. (安徽中安泰信投資管理有限公司)	11.50%	July 1, 2019	December 31, 2019	51% shares of Anhui Lihong Real Estate Development Co., Ltd.* and 49% shares of Anhui Lihong Real Estate Development Co., Ltd.**	N/A	—	560,000	Type 3
45	Tianjin Xinze Equity Investment Management Co., Ltd. (天津信澤股權投資基金管理有限公司)	10.58%	August 16, 2019	June 28, 2020	99% shares of Huizhou Sinic Wuxian Real Estate Development**	N/A	—	311,716	Type 3
Total							14,091,564	16,818,338	

* Pledge of equity interest

** Transfer of equity interest or equity investment

FINANCIAL INFORMATION

Types of Our Trust Financing Arrangements

Our trust financing arrangements are broadly categorized into:

- Type 1 arrangements which have terms similar to bank borrowings and do not involve either a pledge or a transfer of equity interests;
- Type 2 arrangements which have similar terms as bank borrowings and involves a pledge of equity interests; or
- Type 3 arrangements which involve a transfer of equity interests to the trust financing provider or a subscription of registered capital by the financial institutions; we undertake to repurchase such equity interests at a pre-determined repurchase consideration or at a consideration calculated based on a pre-determined formula at the expiry of the terms of the respective financing arrangements.

Our trust financing arrangements may also be secured by other securities, such as pledges of land use rights of the relevant property projects. At maturity, and upon the satisfaction of the terms for repayment, the pledge of the equity interests in the relevant company will be released and/or the equity interests in the relevant company will be repurchased from the relevant entities provided in each of our trust financing arrangement.

The following table sets forth the aggregate principal balances of our trust financing borrowings by type as of the date indicated:

	As of April 30, 2019		As of August 31, 2019	
	<i>Number</i>	<i>(RMB'000)</i>	<i>Number</i>	<i>(RMB'000)</i>
Type 1	3	1,379,880	3	1,618,880
Type 2	16	4,504,800	18	7,188,756
Type 3	13	8,206,884	14	7,938,284
Total trust financing				
borrowings	32	14,091,564	35	16,745,920

FINANCIAL INFORMATION

The following table sets forth the number and proportion of directors appointed by the lenders in each of the project companies under Type 3 arrangements:

Item	Financial institution	Ref. no. ⁽¹⁾	Number of directors appointed by the lender	Proportion of directors appointed by the lender
1	Shanghai Yubo Investment Management Co., Ltd. (上海譽鉅投資管理有限公司)	27	One	100%
2	Sichuan Trust Co., Ltd. (四川信託有限公司)	28	One	One-third
3	China Cinda Asset Management Co., Ltd. (中國信達資產管理有限公司)	29	Two	Two-thirds
4	Sichuan Trust Co., Ltd. (四川信託有限公司)	30	One	One-third
5	China Cinda Asset Management Co., Ltd. (中國信達資產管理有限公司)	31	Two	Two-thirds
6	SDIC Taikang Trust Co., Ltd. (國投泰康信託有限公司)	32	One	One-third
7	Jiaying Zhongya Investment Partnership (嘉興中雅投資合夥企業)	33	One	One-third
8	Jiaying Chuanglin Investment Partnership (嘉興創麟投資合夥企業(有限合夥))	34	One	One-third
9	Tianjin Xinze Equity Investment Fund Management Co., Ltd. (天津信澤股權投資基金管理有限公司)	35	One	One-third
10	Tianjin Xinze Equity Investment Fund Management Co., Ltd. (天津信澤股權投資基金管理有限公司)	36	One	One-third
11	Jiangxi Jinggangshan BAIC Investment Management Co., Ltd. (江西省井岡山北汽投資管理有限公司)	37	Two	Two-thirds
12	China Mingsheng Trust Co., Ltd. (中國民生信託有限公司)	38	One	One-third
13	Hangzhou Shenghan Investment Partnership (杭州盛翰投資合夥企業(有限合夥))	39	One	One-third
14	Highfund (Guangzhou) Equity Investment Co., Ltd. (合凡(廣州)股權投資基金管理有限公司)	40	One	One-third
15	Anhui Zhong'an Taixin Investment Management Co., Ltd. (安徽中安泰信投資管理有限公司)	41	Two	Two-thirds
16	Highfund (Guangzhou) Equity Investment Co., Ltd. (合凡(廣州)股權投資基金管理有限公司)	42	One	One-third
17	Guohua Life Insurance Co., Ltd. (國華人壽保險股份有限公司)	43	Two	Two-thirds
18	Anhui Zhong'an Taixin Investment Management Co., Ltd. (安徽中安泰信投資管理有限公司)	44	Two	Two-thirds
19.	Tianjin Xinze Equity Investment Management Co., Ltd. (天津信澤股權投資基金管理有限公司)	45	One	One-third

Note:

- (1) Reference No. refers to the item number used in the table of our outstanding trust financing agreements as disclosed under “— Indebtedness — Trust and other financing arrangements”.

FINANCIAL INFORMATION

Selection of Our Trust Financing Arrangements

We generally do not have any pre-fixed selection criteria when determining the type of trust financing arrangement, and make our decision based on negotiations with the relevant financial institution on a case-by-case basis. In forming our decision, we consider a number of factors, including but not limited to, the timetable of the funding arrangement for the relevant project(s), the type of securities pledged, the use of the financed amount, costs and other commercial terms available to us. We believe the arrangements we have entered into are in line with the industry practice in the PRC.

Key terms of Type 1 arrangements

In Type 1 arrangements, where our equity interests are neither pledged nor transferred, the lenders typically require such financings to be secured by our properties under development, completed properties held for sale or land use rights or guaranteed personally by our Controlling Shareholders. They may also contain terms that prohibit our borrowing subsidiaries from entering into transactions such as merger, restructuring, spin-off, material asset transfer, liquidation, change of control, reduction of registered capital, change of scope of business or declaration of dividends or incurring further indebtedness without prior consent. We retain the rights and control in respect of the daily operation and management of our project companies and borrowing subsidiaries.

Key terms of Type 2 arrangements

In Type 2 arrangements, the equity interests held by us or our Controlling Shareholders, as the case may be, in the relevant companies are pledged to the lenders. The lenders do not have the right to participate in these companies' board or shareholders' meetings or have veto rights in any form. In addition, we are generally not required to obtain the prior consent from the lenders in respect of operational activities during the ordinary course of business. Since under the terms of this type of borrowing arrangements, the lenders typically can only exercise ordinary creditors' rights and do not have veto rights relating to operational matters in the ordinary course of business of those relevant companies, we believe that such arrangements will not affect the control over such companies. The pledged interests will be released upon repayment of the principal of, and any other amount due under, such trust financing.

Key terms of Type 3 arrangements

In Type 3 arrangements, where a portion of our equity interests in the borrowing project companies are transferred to, or subscribed by and issued to, the lenders, the legal terms are more complex. A summary of key terms is set forth below.

FINANCIAL INFORMATION

Board representation

Through equity participation in the relevant project companies, the lenders are entitled to appoint a certain number of directors to the relevant boards. We retain control over the decision making power of the boards of all relevant subsidiaries. During the Track Record Period and up to the Latest Practicable Date, there had been no dissenting vote cast by any of the board representatives appointed by lenders in this type of arrangements.

Control over the project companies

During the term of the Type 3 arrangements, we retain the right in respect of the day-to-day operation and management of our project companies and their businesses. However, under certain of our Type 3 arrangements, the lenders are entitled to designate officers to relevant subsidiaries to supervise the management of such subsidiaries, including exercising actual control of the stamps, licenses and certificates, and inspecting the construction site. Such officers also have access to the bank account, financial records and IT systems of our project companies. In addition, under such arrangements, the lenders are entitled to take over the management of our relevant subsidiary in cases the management of our subsidiary are not competent to perform management roles. During the Track Record Period and up to the Latest Practicable Date, none of the lenders in this type of arrangements actively participated or intervened in the day-to-day operations and management of any of our project companies.

Veto right

Under each of our outstanding Type 3 arrangements as of April 30, 2019, the lender is entitled to veto right to certain material matters relating to the relevant project company, including but not limited to the review and approval of its annual financial budget plans and development plans, any merger, investment, asset transfer or disposal, any litigation and arbitration, loan or financing, any providing pledge or guarantee matters that may materially affect the relevant trust fund's interests to recoup its fixed income return. Such veto rights were merely protective rights designed and effected to provide enhanced security to the lender in respect of our negative covenants given under the Type 3 arrangements that we may not operate our business in such a way that deviates materially from the pre-determined financial and operating policies. During the Track Record Period and up to the Latest Practicable Date, none of the board representatives of such lender has exercised his/her veto rights. As of the Latest Practicable Date, we conducted interviews with such financial institution lenders and had received a confirmation letter from them confirming that they would not exercise their veto rights. Accordingly, the Directors are satisfied that the risk of losing control over the borrowing subsidiaries is mitigated, and we believe that we maintain control over the borrowing subsidiaries despite such veto rights. The funds injected in our Group under Type 3 trust arrangements are treated as borrowings of our Group. See Note 30 of the Accountants' Report in Appendix I.

FINANCIAL INFORMATION

Repayment

The terms of our trust financing arrangements range from one year to two years. We are obliged to make the full repayment of the loans under our trust financing arrangements in order to repurchase the equity interest from the relevant lenders and discharge the pledged land use rights and/or equity interests. If we fail to satisfy our repayment obligations on time, we will be subject to penalties for any late payment based on the calculation agreed in the relevant agreements, or we will be subject to enforcement actions against the security interest we have granted and could affect our ownership of our project companies. See “Risk Factors — Risks Relating to Our Business — We have indebtedness and may incur additional indebtedness in the future, which may materially and adversely affect our financial condition and results of operations.” We expect that we will satisfy our repayment obligations under our trust financing arrangements by utilizing our internal resources. During the Track Record Period, we had not defaulted on any of our repayments or other obligations in any material respect under the trust financing arrangements.

Security

As security for the performance of our project companies, we have in some cases provided guarantees, share pledges and/or fixed asset liens to the lenders.

Fixed income return

According to the confirmation letters issued by our lenders, under the terms of the Type 3 agreements we have entered into, the lenders generally do not in any circumstance enjoy any investment return other than a pre-determined fixed income return. We remain fully accountable for the profits and losses of our project companies. The lenders do not bear any risks or enjoy any benefits other than the fixed income return that was pre-determined through arm’s length negotiation. Our Directors have confirmed that the rates of fixed income return provided to the trust companies, asset management companies or other financial institutions under our Type 3 arrangements are within the range of market rates.

Covenants

Our loan agreements with trust companies, asset management companies and their financing vehicles contain a number of customary affirmative and/or negative covenants. To ensure the loans for which the agreed uses are properly applied, such lenders normally stipulate certain monitoring measures in their loan agreements. For example, we are required to provide interim financial statements, property development and sales schedules to the relevant lenders upon their request. Under certain trust financing agreements, we are required to report to the relevant lenders as to the use of proceeds on a regular basis. In addition, we are subject to restrictive covenants under certain loan agreements with such lenders. For example, we are not permitted to transfer or assign our rights and obligations under the loan agreements to any third-party without the prior consent from the relevant lenders.

FINANCIAL INFORMATION

These trust companies, asset management companies and their financing vehicles we have cooperated with are reputable and well-established institutions in the PRC and are Independent Third Parties to us.

The terms and covenants of our trust financing vary, largely depending on whether there is any equity interest held by us or our Controlling Shareholders, as the case may be, that is (i) pledged or (ii) transferred to, or subscribed by, the financial institutions as security.

Financing Covenants

Under certain of our financing agreements with banks, trust companies, asset management companies and their financing vehicles and other financial institutions, we have restrictive covenants that, among others, limit our ability to:

- incur additional debt, provide loans or guarantees;
- provide security and quasi-security;
- incur liens;
- dispose of material assets through sale, lease or other methods;
- pay dividends or distributions on certain of our subsidiaries' capital stock;
- repay or transfer certain indebtedness;
- reduce registered capital;
- make investments and acquisitions;
- establish joint ventures;
- conduct mergers, consolidation and other change-of-control transactions; or
- file for bankruptcy or dissolution.

For further information, see the section entitled "Risk Factors — Risks Relating to Our Business — We have indebtedness and may incur additional indebtedness in the future, which may materially and adversely affect our financial condition and results of operations." During the Track Record Period, we complied with all of the borrowing covenants in material aspects, including all the restrictive covenants as provided in our financing agreements with banks, trust companies, asset management companies and their financing vehicles and other financial institutions. In the same period of time, we were not involved in any disputes, proceedings or claims arising from our compliance with the borrowings covenants in these financing agreements.

FINANCIAL INFORMATION

Corporate Bonds

We issued the private corporate bonds due 2021 at a coupon rate of 7.9% and in the aggregate principal amount of RMB313.0 million in October 2018. We issued the private corporate bonds due 2021 at coupon rate of 7.5% and in the aggregate principal amount of RMB276.0 million in October 2018. In April 2019, we issued private corporate bonds due 2022 at a coupon rate of 7.5% in the aggregate principle amount of RMB417.0 million.

During the Track Record Period and up to the Latest Practicable Date, our Directors confirm that they are not aware of material defaults in payment of our trade and other payables and bank borrowings. Except as disclosed in this prospectus, we currently do not have any material external financing plans as of the Latest Practicable Date.

Private Debt Financing

On August 26 and October 9, 2019, we issued the Private Debt Financing which consisted of the Private Loan and the Private Notes in an aggregate principal amount of US\$169.9 million with an interest rate of 12.5% per annum. The Private Debt Financing has a term of six months, which can be extended by an additional 180 days if requested by us. The interests of the Private Debt Financing are payable on a quarterly basis. The Private Debt Financing are jointly and severally guaranteed by certain offshore subsidiaries of the Group (the “Subsidiary Guarantors”) and our Controlling Shareholder, Mr. Zhang.

In order to secure the obligations under the Private Debt Financing, we pledged (i) 94% of the Company’s total issued capital, (ii) the shares of one of our offshore subsidiaries, (iii) the equity interest of one of our PRC subsidiaries, and (iv) the security over the interest reserve account and/or proceeds account established in connection with the issue of the Private Debt Financing. These security interest collectively constitute the shared collateral, which will be held by the intercreditor agent for the benefit of, among other secured parties, the trustee on behalf of the noteholders in connection with the Private Notes and for the security agent on behalf of the initial lenders pursuant to the facility agreement we entered into in connection with the Private Loan. Pursuant to the terms of agreements for the Private Debt Financing, subject to, among others, the exceptions which provide that (i) if proceeds of the additional indebtedness is used for repay the amounts outstanding under the Private Debt Financing or (ii) if the additional indebtedness if owed to any other member of our Group provided that such additional indebtedness is fully subordinated to the amounts outstanding under the Private Debt Financing, none of the Company, the Subsidiary Guarantors or any other subsidiary of the Group incorporated outside the PRC can incur any additional indebtedness during the term of Private Debt Financing. The Guarantee provided by Mr. Zhang and the pledge over 94% of the Company’s total issued capital will be released immediately prior to the Listing. See “Financial Information — Indebtedness — Overview” for the consolidated summary of the covenant that we are subject to under the financing agreements.

FINANCIAL INFORMATION

COMMITMENTS AND CONTINGENT LIABILITIES

Operating lease commitments

We lease certain of our premises of our investment properties under operating leases arrangement. These leases typically run for a period of up to 20 years. Our future aggregate minimum lease payments under operating leases as of the dates indicated are set forth below:

	As of December 31,		
	2016	2017	2018
	<i>(RMB'000)</i>		
As lessee:			
Within one year	2,669	19,204	28,364
Two years to five years	2,801	32,356	39,600
Total	5,470	51,560	67,964

We adopted IFRS 16 on January 1, 2019, which applies a single recognition and measurement method to recognize operating leases, except for short term leases. Under this approach, as of April 30, 2019, we recorded right-of-use assets of RMB50.1 million, lease liabilities of RMB22.0 million under non-current liabilities and lease liabilities within one year of RMB21.4 million, instead of amounts of future aggregate minimum lease payments under operating lease.

	As of December 31,			As of
	2016	2017	2018	April 30,
	<i>(RMB'000)</i>			2019
As a lessor:				
Within one year	—	2,756	7,209	7,997
In the second to fifth years, inclusive	—	21,408	27,035	31,989
Over five years	—	70,076	94,476	100,253
Total	—	94,240	128,720	140,239

FINANCIAL INFORMATION

Capital commitments

During the Track Record Period, our capital commitments mainly related to investment properties and acquisition of properties. The table below sets forth our capital commitments as of the dates indicated.

	As of December 31,			As of
	2016	2017	2018	April 30, 2019
	<i>(RMB'000)</i>			
Contracted, but not provided for:				
Property development				
activities	8,090,821	9,035,011	14,421,385	15,783,185
Acquisition of land use rights . .	—	262,809	—	151,044
Acquisition of equity interests . .	2,316,475	1,770,108	2,324,914	4,014,717
Capital contribution for				
investment in joint ventures				
and associates	—	24,000	79,692	251,799
Total	10,407,296	11,091,928	16,825,991	20,200,745

Contingent Liabilities

We provide mortgage guarantees to banks in respect of the mortgage loans they provided to our customers in order to secure the repayment obligations of such customers. The mortgage guarantees are issued from the date of grant of the relevant mortgage loans and released upon the earlier of (i) the transfer of the relevant real estate ownership certificates to the customers, or (ii) the settlement of mortgage loans by the customers. If a purchaser defaults on the mortgage loan, we are typically required to repurchase the underlying property by paying off the mortgage loan. If we fail to do so, the mortgagee banks will auction the underlying property and recover the balance from us if the outstanding loan amount exceeds the net foreclosure sale proceeds. In line with industry practice, we do not conduct independent credit checks on our customers but rely on the credit checks conducted by the mortgagee banks.

FINANCIAL INFORMATION

The following table set forth our total guarantees as of the dates indicated:

	As of December 31,			As of
	2016	2017	2018	April 30,
	(RMB'000)			2019
Guarantees given to banks in connection with facilities granted to purchasers of our properties	3,560,606	9,059,100	27,465,861	28,527,100
Guarantees given to banks in connection with facilities granted to related parties and third parties	280,000	2,607,400	4,854,792	4,893,942

Except as disclosed herein and apart from intra-group liabilities, we did not have any outstanding loan capital, bank overdrafts and liabilities under acceptances or other similar indebtedness, debentures, mortgages, charges or loans, or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities or any covenant in connection therewith as of latest date for liquidity disclosure, being the latest practicable date for the purpose of the indebtedness statement. Our Directors have confirmed that there had not been any material change in the indebtedness, capital commitments and contingent liabilities of our Group since latest date for liquidity disclosure and up to the Latest Practicable Date.

Legal contingencies

In the normal course of business, we may be involved in lawsuits and other proceedings. As of the Latest Practicable Date, we had made a provision in the amount of RMB3.3 million for the case with Jiangxi Construction. See “Business — Legal Proceedings and Compliance — Ongoing Legal Proceedings — Dispute with a contractor” for more details. In addition, we had an equity acquisition dispute with Bokang Anji and 82 outstanding lawsuits with some of the purchases of Xiangshan Ju. We had not made any provision for these legal disputes as of the Latest Practicable Date. See “Business — Legal Proceedings and Compliance — Ongoing Proceedings — Equity acquisition dispute” and “Business — Legal Proceedings and Compliance — Ongoing Proceedings — Xiangshan Ju selling and marketing dispute” in this prospectus and Note 38 to the Accountants’ Report in Appendix I to this prospectus for more details.

As of the Latest Practicable Date, we had no other material contingent liabilities other than those disclosed in this prospectus.

FINANCIAL INFORMATION

OFF-BALANCE SHEET ARRANGEMENTS

Except for the contingent liabilities disclosed above, we have not entered into any off-balance sheet arrangements or commitments to guarantee the payment obligations of any third parties and related parties. We do not have any variable interest in any uncombined entity that provides financing, liquidity, market risk or credit support to us or engage in leasing or hedging or research and development services with us.

SUMMARY OF KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios as of the dates and for the periods indicated:

	As of or for the year ended			As of
	December 31,			or for the
	2016	2017	2018	four months
				ended
				April 30,
				2019
Current ratio (times) ⁽¹⁾	1.2	1.1	1.1	1.1
Return on total assets ⁽²⁾	0.7%	0.6%	0.7%	N/A
Return on equity ⁽³⁾	2.4%	2.4%	9.7%	N/A
Net gearing ratio (times) ⁽⁴⁾	1.9	2.7	2.4	3.1
Interest coverage ratio (times) ⁽⁵⁾ . .	0.5	0.8	1.1	1.5

Notes:

- (1) Current ratio is calculated based on our total current assets divided by our total current liabilities as of the respective dates.
- (2) Return on total assets ratio is calculated based on our net profit for the year divided by the balance of our total assets as of the end of the year and multiplied by 100%.
- (3) Return on equity ratio is calculated based on our net profit attributable to the owners of the Company for the year divided by the balance of equity attributable to owners of the parent as of the end of the year and multiplied by 100%.
- (4) Net gearing ratio equal to total borrowings (including interest-bearing bank and other borrowings and corporate bonds) less cash and bank balances divided by total equity as of the end of the respective years or period.
- (5) Interest coverage ratio is profit for the year or period before income tax expenses, adding finance costs, divided by our interest on bank and other borrowings and interest on a significant financing component of contract liabilities, which include capitalized interests for the respective year or period .

FINANCIAL INFORMATION

Current ratio

Our current ratio was 1.2, 1.1, 1.1 and 1.1 times as of December 31, 2016, 2017, 2018 and April 30, 2019, respectively, which remains relatively stable.

Return on total assets

Our return on total assets remained relatively stable from 2016 to 2018.

Return on equity

Our return on equity remained relatively stable from 2016 to 2017. Our return on equity increased substantially from 2.4% in 2017 to 9.7% in 2018, primarily due to the increase in the net profit while our total equity remained relatively stable in 2017 and 2018.

Net gearing ratio

Our net gearing ratio increased from 1.9 times to 2.7 times from 2016 to 2017, primarily due to an increase in our bank and other borrowings over the same years. Our net gearing ratio decreased from 2.7 times to 2.4 times from 2017 to 2018, primarily due to increased cash flows as we completed and delivered more properties in 2018. Our net gearing ratio increased from 2.4 times as of December 31, 2018 to 3.1 times as of April 30, 2019, primarily due to an increase in our bank and other borrowings over the same periods.

Interest coverage ratio

Our interest coverage ratio increased from 0.5 times for 2016 to 1.5 times for the first four months of 2019, primarily due to the increases in profit before tax.

QUANTITATIVE AND QUALITATIVE ANALYSIS ABOUT MARKET RISK

The main risks arising from our financial instruments are interest rate risk, credit risk and liquidity risk. Our exposure to these risks and the financial risk management policies and practices used by us to manage these risks are described below.

Interest rate risk

Our exposure interest rate risk arises from interest-bearing bank deposits, corporate bonds, bank and other borrowings. Bank deposits, bank and other borrowings issued at variable rates expose us to cash flow interest-rate risk. Private corporate bonds, bank and other borrowing issued at fixed rates expose us to fair value interest rate risk. For borrowings obtained at variable rates, we are exposed to cash flow interest rate risk which is partially offset by cash held at variable rates. We closely monitor trend of interest rate and its impact on our interest rate risk exposure. We currently have not used any interest rate swap arrangements.

FINANCIAL INFORMATION

As of December 31, 2016, 2017, 2018 and April 30, 2019, if interest rates on borrowings at floating rates had been 100 basis points higher or lower with all other variables held constant and without taking into account interest capitalization, interest charges for 2016, 2017 and 2018 and the four months ended April 30, 2019 would increase/decrease by approximately nil, RMB19.9 million, RMB36.7 million and RMB6.7 million, respectively.

Our Directors do not anticipate significant impacts to interest-bearing assets resulting from the changes interest rates, because the interest rates of bank balances are not expected to change significantly.

The sensitivity analysis above assumes that the changes in interest rates would have occurred as of the dates indicated and had been applied to all of our floating rate loans and borrowings from financial institutions, without taking into account the impact of interest capitalization.

Credit risk

We are exposed to credit risk in relation to our trade and other receivables and cash deposits with banks. The carrying amounts of trade and other receivables, restricted cash, cash and cash equivalents represent our maximum exposure to credit risk in relation to financial assets. To manage this risk, deposits are mainly placed with licensed banks which are all high-credit-quality financial institutions.

We have no significant concentrations of credit risk in view of our large number of customers. We did not record any significant bad debts losses during the Track Record Period. The credit risk of our other financial assets, which mainly comprise restricted cash and pledged deposits, other receivables, and amounts due from related companies, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. Directors do not expect any significant losses from non-performance of these counterparties.

Liquidity risk

We aim to maintain sufficient cash through internally generated sales proceeds and an adequate amount of committed credit facilities and private corporate bonds to meet our operation needs and commitments in respect of property projects. Our objective is to maintain a balance between continually of funding and flexibility through the use of interest-bearing bank and other borrowings. We review our liquidity position on an ongoing basis, including review of the expected cash inflows and outflows, pre-sales/sales results, maturity of our borrowings and the progress of the planned property development projects in order to monitor our liquidity requirements in the short and long terms. We have established an appropriate liquidity risk management measures for our liquidity management requirements to ensure that we maintain sufficient reserves of, and adequate committed lines of funding from, financial institutions to meet our liquidity requirements in the short and long term.

FINANCIAL INFORMATION

DIVIDEND POLICY AND DISTRIBUTABLE RESERVES

We did not declare any dividends to our shareholders during the Track Record Period.

We have no fixed dividend policy and, subject to compliance with the relevant laws of the Cayman Islands and the Articles, the Company has the right to declare dividends in any currency, but no dividend may be declared in excess of the amount recommended by our Board. Our Memorandum and Articles of Association provide that dividends may be declared and paid out of our profit, realized or unrealized, or from any reserve set aside from profit which our Directors determine is no longer needed. With the sanction of an ordinary resolution, dividends may also be declared and paid out of our share premium account or any other fund or account which can be authorized for this purpose in accordance with the Companies Law and our Memorandum and Articles of Association.

The Company will declare dividends, if any, in Hong Kong dollars with respect to our Shares on a per-Share basis and will pay such dividends in Hong Kong dollars. The amount of dividends actually distributed to our Shareholders will depend upon our earnings and financial condition, operating requirements, capital requirements and any other conditions that our Directors may deem relevant and will be subject to the approval of our Shareholders save that interim dividend may be paid by our Board if the Board is satisfied that such payment is justified by our profits.

Future dividend payments will also depend upon the availability of dividends received from our subsidiaries in China. PRC laws require that dividends be paid only out of net profit, calculated in accordance with PRC accounting principles, which differ in certain aspects from the generally accepted accounting principles in other jurisdictions, including IFRS. PRC laws also require foreign-invested enterprises to set aside part of their net profits as statutory reserves, which are not available for distribution as cash dividends. Furthermore, distributions from our subsidiaries may be restricted if they incur debts or losses or as a result of any restrictive covenants in our bank credit facilities, or other agreements that we or our subsidiaries may enter into in the future.

LISTING EXPENSES

The listing expenses in connection with the Global Offering consist primarily of underwriting commissions and professional fees. During the Track Record Period, we incurred listing expenses of approximately RMB16.7 million, of which approximately RMB8.7 million and RMB3.8 million charged to our administrative expenses for the year ended December 31, 2018 and the first four months of 2019. We currently expect to incur further expenses amount to RMB118.5 million subsequent to the end of the Track Record Period, of which approximately RMB37.9 million will be charged to administrative expenses. Our Directors do not expect such expenses to have a material adverse impact on our financial results for the year ending December 31, 2019.

FINANCIAL INFORMATION

PROPERTY INTERESTS AND PROPERTY VALUATION

C&W, an independent property valuer, has valued our property interests as of July 31, 2019 and is of the opinion that the aggregate value of the property in which we had an interest as of such date was RMB70,626.9 million, and the value attributable to our Group was RMB68,156.5 million. The full text of the letter, summary of valuation and valuation certificates with regard to our property interests are set out in “Appendix III — Property Valuation Report” to this prospectus.

The statement below shows the reconciliation of aggregate amounts of certain properties reflected in the audited combined financial information as of April 30, 2019 as set out in “Appendix I — Accountants’ Report” to this prospectus with the valuation of these properties as of July 31, 2019 as set out in “Appendix III — Property Valuation Report” to this prospectus.

	<i>(RMB in thousands)</i>
Net book value of the following properties as of April 30, 2019	
— Properties under development	48,478,273
— Completed properties held for sale	4,396,742
— Investment property	1,331,030
<i>Addition</i>	6,552,118
Less: sale of completed properties held for sale	(2,252,584)
Net book value of the properties as of July 31, 2019	58,505,579
Net valuation surplus	12,121,361
Market value of properties as of July 31, 2019 as set out in the Property Valuation Report in Appendix III to this prospectus	70,626,940

FINANCIAL INFORMATION

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

For illustrative purpose only, the following statement of unaudited pro forma adjusted net tangible assets of our Group prepared in accordance with Rule 4.29 of the Hong Kong Listing Rules is prepared to show the effect on the audited net tangible assets of our Group as of April 30, 2019 as if the Global Offering had occurred on April 30, 2019 and is based on the combined net assets derived from the audited financial information of our Group as of April 30, 2019, as set out in the Accountants' Report in Appendix I to this prospectus and adjusted as follows:

	Audited Combined Net Tangible Assets of Our Group as of April 30, 2019 ⁽¹⁾	Estimated Net Proceeds from the Global Offering ⁽²⁾	Unaudited Pro Forma Adjusted Net Tangible Assets of Our Group ⁽³⁾	Unaudited Pro Forma Adjusted Net Tangible Assets per Share ⁽⁴⁾⁽⁵⁾	
	(RMB'000)	(RMB'000)	(RMB'000)	RMB	HK\$
Based on an Offer Price of HK\$2.97 per Share, after a Downward Offer Price Adjustment of 10% . . .	4,523,808	1,312,392	5,836,200	1.65	1.83
Based on an Offer Price of HK\$3.30 per Share . . .	4,523,808	1,464,348	5,988,156	1.70	1.89
Based on an Offer Price of HK\$4.25 per Share . . .	4,523,808	1,901,797	6,425,605	1.82	2.02

Notes:

- (1) The combined net tangible assets attributable to owners of our Company as of April 30, 2019 is extracted from the Accountants' Report, which is based on the audited combined equity attributable to owners of our Company as of April 30, 2019 of approximately RMB4,523.8 million.
- (2) The estimated net proceeds from the Global Offering are based on the offer prices of HK\$3.30, HK\$4.25 per share and HK\$2.97 per Share after making a Downward Offer Price Adjustment of 10% being the low and high ends of the stated offer price range, after deduction of the underwriting fees and other related expenses payable by our Group and does not take into account any Shares which may be issued upon the exercise of the Over-allotment Option and options which may be granted under the Share Option Scheme and may be allotted and repurchased by our Group pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described in "Share Capital."
- (3) No adjustment has been made to the unaudited pro forma adjusted net tangible assets to reflect any trading results or other transactions of our Group entered into subsequent to April 30, 2019.
- (4) The unaudited pro forma adjusted net tangible assets per Share are arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 529,412,000 Shares are expected to be in issue following the Global Offering, but do not take into account any Shares which may be issued upon the exercise of the Over-allotment Option and options which may be granted under the Share Option Scheme and may be allotted and repurchased by our Group pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described in "Share Capital".
- (5) For purposes of the estimated net proceeds of the Global Offering and the unaudited pro forma adjusted net tangible assets per Share are converted into Hong Kong dollars and RMB at an exchange rate of HK\$1.0 to RMB0.9014. No representation is made that the RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

FINANCIAL INFORMATION

RELATED PARTY TRANSACTIONS

The related party transaction during the Track Record Period are as set forth in Note 41 to the Accountants' Report in Appendix I.

During the Track Record Period, our related parties may be generally classified as three groups, namely, (i) our joint ventures and associates, (ii) entities controlled by our Controlling Shareholders and entities over which the Controlling Shareholders have significant influence, and (iii) entities controlled by close members of our Controlling Shareholders.

During the Track Record Period, amounts due from or to joint ventures and associates were non-trade in nature and interest-free cash advances we made to or received from these entities to support the business operations of the relevant entities. As of December 31, 2016, 2017, 2018 and April 30, 2019, the total amounts due from joint ventures were RMB201.1 million, RMB18.8 million, RMB974.2 million and RMB2,373.4 million, respectively. As of December 31, 2016, 2017, 2018 and April 30, 2019, the total amounts due to joint ventures were nil, RMB683.3 million, RMB780.9 million and RMB1,889.0 million, respectively. As of December 31, 2016, 2017, 2018 and April 30, 2019, the total amounts due to associates were RMB119.0 million, RMB1,611.2 million, RMB362.1 million and RMB453.1 million, respectively. As of December 31, 2016, 2017, 2018 and April 30, 2019, the total amounts due from associates were RMB119.9 million, RMB260.8 million, RMB439.9 million and RMB328.0 million, respectively.

During the Track Record Period, amounts due from companies controlled by our Controlling Shareholders were non-trade in nature and interest-free cash advances we made to or received from these entities to support the business operations of the relevant entity. As of December 31, 2016, 2017, 2018 and April 30, 2019, such amounts due from an entity controlled by our Controlling Shareholders were RMB3,060.5 million, RMB3,975.8 million, RMB3,568.9 million and RMB3,832.5 million, respectively. Except as disclosed under "Connected Transactions" in this prospectus, we expect to settle all the remaining amounts due from the entity controlled by our Controlling Shareholders prior to the Listing. As of December 31, 2016, 2017, 2018 and April 30, 2019, amounts due from companies controlled by our Controlling Shareholders that were trade in nature were RMB0.4 million, RMB0.5 million, RMB0.5 million and RMB0.6 million.

During the Track Record Period, amounts due from companies over which the Controlling Shareholders have significant influence were non-trade in nature and interest-free cash advances we made to or received from these entities to support the business operations of the relevant entities. As of December 31, 2016, 2017, 2018 and April 30, 2019, the total amounts due from companies over which the Controlling Shareholders have significant influence that were non-trade in nature were nil, RMB30.1 million, RMB101.5 million and RMB120.5 million, respectively. As of December 31, 2016, 2017, 2018 and April 30, 2019, the total amounts due to companies over which the Controlling Shareholders have significant influence were RMB74.7 million, nil, nil and nil, respectively.

FINANCIAL INFORMATION

Due to the similar reasons of supporting each other's business operations, we also recorded amounts due from or due to entities controlled or owned by a family member of the Controlling Shareholders. As of December 31, 2016, 2017, 2018 and April 30, 2019, the total amounts due from companies owned by a family member of the Controlling Shareholders and trade in nature were RMB3.7 million, RMB33.6 million, RMB27.4 million and RMB27.1 million, respectively. As of December 31, 2016, 2017, 2018 and April 30, 2019, the total amounts due from companies owned by a family member of the Controlling Shareholders that were non-trade in nature were RMB741.9 million, RMB196.0 million, nil and RMB662.4 million, respectively. As of December 31, 2016, 2017, 2018 and April 30, 2019, the total amounts due to companies owned by a family member of the Controlling Shareholder that was trade in nature was nil, nil, RMB32.7 million and RMB78.6 million, respectively. As of December 31, 2016, 2017, 2018 and April 30, 2019, the total amounts due to companies owned by a family member of the Controlling Shareholder that was non-trade in nature was nil, nil, RMB224.5 million and RMB542.6 million, respectively.

The above mentioned non-trade amounts due from third parties involved the lending of money which may not be in compliance with the General Lending Provisions (貸款通則), a regulation promulgated by the PBOC in 1996. According to the General Lending Provisions, only financial institutions may legally engage in the business of extending loans, and loans as between companies that are not financial institutions are prohibited. The PBOC may impose penalties on the enterprise that is not a financial institution in the amount equivalent to one to five times of the income generated from the lending activities. However, according to the Provisions promulgated on June 23, 2015 and effective on September 1, 2015, borrowing agreements are valid if extended for purposes of financing production or business operations. PRC courts will also support a company's claim for interest in respect of such a loan as long as the annual interest rate does not exceed 24%. Pursuant to the Notice of the Supreme People's Court on Continued Study, and Implementation and Application of the Provisions of the Supreme People's Court on Several Issues concerning the Application of Law in the Trial of Private Lending Cases published on August 25, 2015, the Provisions shall apply to loans entered into prior to the implementation of the Provisions that are invalid under the former judicial interpretations but valid under the Provisions. As confirmed by the Directors, as of the Latest Practicable Date, we had not received any interest for these loans, and we had not received any interest for these loans or any notice of claim or penalty relating to such advances. In addition, as confirmed by our Directors, we will settle these loans before Listing. Based on the above, we are advised by our PRC Legal Advisor that under normal circumstances, the possibility that the PBOC would impose a penalty on the companies in respect of the abovementioned loans pursuant to the General Lending Provisions is low.

Our Directors confirmed that all such related party transactions were conducted on an arm's length basis and on fair and reasonable terms.

FINANCIAL INFORMATION

The non-trade amounts due from or to our joint ventures and associates represent funds we advance to or receive from our joint ventures and associates to support the business operations of the joint ventures and associates. These amounts mainly include our investment into or advance from the jointly-developed projects and were invested or received in proportion to our respective interest in our joint ventures and associates. Such outstanding non-trade amounts due from or to joint ventures and associates may not all be settled prior to the Listing. However, in accordance with the relevant agreements with the joint ventures and associates, such outstanding amounts may be settled from time to time, depending on the progress of the jointly-developed projects, until the final settlement of the same projects. As of December 31, 2016, 2017 and 2018 and April 30, 2019, the aggregate non-trade related amounts due from the entities controlled by our Controlling Shareholders, entities over which our Controlling Shareholders have significant influence and entities controlled by close members of the Controlling Shareholders were approximately RMB3,802.5 million, RMB4,201.8 million, RMB3,670.4 million and RMB4,615.4 million, respectively. As of the same dates, the aggregate non-trade related amounts due to the entities controlled by our Controlling Shareholders, entities over which our Controlling Shareholders have significant influence and entities controlled by close members of the Controlling Shareholders were approximately RMB74.7 million, nil, RMB224.5 million and RMB542.6 million, respectively. Our Directors further confirm that, save for the Debt Financing disclosed in “Relationship with Controlling Shareholders — Independence From Controlling Shareholders,” all non-trade related amounts due to or from, and loans or guarantees provided by, entities controlled by our Controlling Shareholders and entities over which our Controlling Shareholders have significant influence and entities controlled by close members of our Controlling Shareholders, will be fully repaid or released upon Listing. Based on our Directors’ confirmation, approximately RMB4,615.4 million of the non-trade related amounts due to the Company will be offset by approximately RMB542.6 million of the non-trade related amounts due from the Company, and it is expected that approximately RMB2,020.0 million of non-trade related amounts due to the Company from the Controlling Shareholders and their associates will be repaid with internal funds of the associates controlled by our Controlling Shareholder, Mr. Zhang, and approximately RMB2,052.8 million of the non-trade amounts will be repaid by the Controlling Shareholders using their personal resources. We plan to use cash generated from our operations and payments received for receivables to settle our non-trade related amounts due to entities controlled by close members of our Controlling Shareholders before Listing.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since April 30, 2019, being the date on which our latest audited combined financial statements were prepared, and there is no event since April 30, 2019 which would materially affect the information as set out in the Accountants’ Report in Appendix I.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS AND PROSPECTS

See “Business — Our Business Strategies” for a detailed description of our future plans.

We are seeking the Listing because we believe that it will bring the following benefits to us and our shareholders:

- *Access to the capital markets.* We will be able to gain access to the capital markets as a publicly traded company upon Listing;
- *Liquidity for our stakeholders.* As the Listing of our Shares can create a liquid trading market for them, we believe that the Listing will help further incentivize our talented senior management and employees, some of which are stakeholders of our Company, and will, in turn, help us to achieve long-term success of the Group; and
- *Enhancement of our brand image.* We believe the Listing will further enhance our brand image and encourage market acceptance of our products and services.

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately HK\$1,869.7 million from the Global Offering, after deducting the underwriting commissions and other estimated expenses payable by us in connection with the Global Offering, assuming that the Over-allotment Option is not exercised, without taking into account any Shares which may be issued upon exercise of any options which may be granted under the Share Option Scheme and assuming an Offer Price of HK\$3.78 per Share (being the mid-point of the indicative Offer Price range set forth on the cover page of this prospectus). We intend to use such net proceeds from the Global Offering for the purposes and in the amounts set forth below:

- approximately 60%, or approximately HK\$1,121.8 million, will be used for financing our existing projects, including construction costs of property development projects, among which, approximately 20%, or HK\$373.9 million, will be used for Chengdu Shuangliu 92 Mu; approximately 30%, or HK\$554.2 million, will be used for Wuxi Binhu 120 Mu and approximately 10%, or HK\$193.7 million, will be used for Hefei Xinzhan 102 Mu. See “Business – Our Business – Our Property Projects” for more details on the timetable for each of these projects;

FUTURE PLANS AND USE OF PROCEEDS

- approximately 30%, or approximately HK\$560.9 million, will be used for repayment of a portion of an existing interest-bearing borrowing for our project development, which is the Private Debt Financing issued by us in August and October 2019 in the aggregate principal amount of US\$169.9 million, and a term of six months which can be extended by an additional 180 days if requested by us; and
- approximately 10%, or approximately HK\$187.0 million, will be used for general business operations and working capital.

If the Over-allotment Option is exercised in full, we estimate that the additional net proceeds from the offering of these additional Shares will be approximately HK\$289.6 million, after deducting the underwriting commissions and other estimated expenses payable by us in connection with the Global Offering, assuming an Offer Price of HK\$3.78 per Share, being the mid-point of the indicative Offer Price range.

If the Offer Price is determined at HK\$4.25 per Offer Share, being the high end of the indicative Offer Price range stated in this prospectus, and assuming that the Over-allotment Option is not exercised, we will receive additional net proceeds of approximately HK\$240.1 million. If the Offer Price is fixed at HK\$3.30 per Offer Share, being the low end of the indicative Offer Price range stated in this prospectus, and assuming that the Over-allotment Option is not exercised, the net proceeds we receive will be reduced by approximately HK\$245.2 million. If we make a Downward Offer Price Adjustment to set the final Offer Price at HK\$2.97 per Offer Share, the estimated net proceeds we will receive from the Global Offering will be further reduced by an additional amount of approximately HK\$413.7 million. To the extent our net proceeds are further reduced, we will decrease the intended use of our net proceeds for the above purpose on a pro rata basis.

To the extent that the net proceeds from the Global Offering are not immediately applied to the purposes stated above, and to the extent permitted by applicable laws and regulations, we intend to deposit the proceeds into accounts with licensed financial institutions. We will make a formal announcement in the event that there is any change in our use of net proceeds from the purposes stated above or in our allocation of the net proceeds in the proportions stated above.

UNDERWRITING

HONG KONG UNDERWRITERS

ABCI Securities Company Limited
Huatai Financial Holdings (Hong Kong) Limited
CRIC Securities Company Limited
BOCOM International Securities Limited
Guotai Junan Securities (Hong Kong) Limited
First Shanghai Securities Limited
Yue Xiu Securities Company Limited
CMB International Capital Limited
CCB International Capital Limited
Zhongtai International Securities Limited
Crosby Securities Limited
GLAM Capital Limited
Founder Securities (Hong Kong) Limited

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters. If, for any reason, the Offer Price is not agreed between the Joint Representatives (for themselves and on behalf of the Underwriters) and our Company, the Global Offering will not proceed and will lapse.

The Global Offering comprises the Hong Kong Public Offering of initially 52,942,000 Hong Kong Offer Shares and the International Offering of initially 476,470,000 International Offer Shares, subject, in each case, to reallocation on the basis as described in “Structure of the Global Offering” as well as to the Over-allotment Option (in the case of the International Offering).

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering initially 52,942,000 Hong Kong Offer Shares for subscription by the public in Hong Kong on and subject to the terms and conditions of this prospectus and the Application Forms at the Offer Price. Subject to (i) the Listing Committee granting approval for the listing of, and permission to deal in, our Shares in issue and to be offered as mentioned herein and such approval not having been withdrawn and (ii) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to subscribe or procure subscribers for their respective applicable proportions of the Hong Kong Offer Shares now being offered which are not taken up under the Hong Kong Public Offering on and subject to the terms and conditions of this prospectus, the Application Forms and the Hong Kong

UNDERWRITING

Underwriting Agreement. The Hong Kong Underwriting Agreement is conditional upon and subject to, among other things, the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

For applicants applying under the Hong Kong Public Offering, this prospectus and the Application Forms contain the terms and conditions of the Hong Kong Public Offering. The International Offering is expected to be fully underwritten by the International Underwriters.

Grounds for Termination

The Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters) shall in their sole discretion be entitled by notice (in writing) to the Company to terminate the Hong Kong Underwriting Agreement, with immediate effect, if prior to 8:00 a.m. on the Listing Date:

- (1) there develops, occurs, exists or comes into effect:
 - (a) any new Laws (as defined in the Hong Kong Underwriting Agreement) or any change or development involving a prospective change in existing Laws, or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent authority in or affecting Hong Kong, the PRC, Singapore, the Cayman Islands, the United States, the United Kingdom or the European Union (or any member thereof) (each a “**Relevant Jurisdiction**”); or
 - (b) any change, or any development involving a prospective change, or any event or series of events likely to result in or representing a change or development involving a prospective change, in any local, national, regional or international financial, political, military, industrial, economic, currency market, fiscal or regulatory or market conditions or any monetary or trading settlement system (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets) in or affecting any Relevant Jurisdiction; or
 - (c) any event or series of events in the nature of force majeure (including, without limitation, acts of government, strikes, lock-outs, fire, explosion, earthquake, flooding, tsunami, civil commotion, riots, public disorder, acts of war, acts of terrorism (whether or not responsibility has been claimed), acts of God, outbreak of diseases or epidemics, economic sanctions, outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or calamity or crisis (in whatever form) in or directly or indirectly affecting any Relevant Jurisdiction; or

UNDERWRITING

- (d) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Shanghai Stock Exchange or the Shenzhen Stock Exchange; or
- (e) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent Governmental Authority), New York (imposed at Federal or New York State level or other competent Governmental Authority), London, the PRC, the European Union (or any member thereof) or any Relevant Jurisdiction or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any Relevant Jurisdiction; or
- (f) any change or development involving a prospective change in or affecting Taxation (as defined in the Hong Kong Underwriting Agreement) or exchange controls, currency exchange rates or foreign investment regulations (including, without limitation, a change in the exchange rate of the Hong Kong dollars or RMB against any foreign currencies, a change in the system under which the value of the Hong Kong dollars is linked to that of the United States dollars or RMB is linked to any foreign currency or currencies), or the implementation of any exchange control in any Relevant Jurisdiction adversely affecting an investment in the Shares; or
- (g) the issue or requirement to issue by the Company of any supplement or amendment to this prospectus, Application Forms, preliminary offering circular or offering circular or other documents in connection with the offer and sale of the Shares pursuant to the Companies Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange or the SFC; or
- (h) any change or development involving a prospective change which has the effect of materialisation of any of the risks set out in the section headed “Risk Factors” in this prospectus; or
- (i) any litigation or claim being threatened or instigated against any member of the Group or any Controlling Shareholder; or
- (j) save as disclosed in this prospectus, a contravention by any member of the Group of the Companies Ordinance, the Listing Rules or applicable Laws; or
- (k) non-compliance of this prospectus (or any other documents used in connection with the contemplated subscription and sale of the Offer Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable Laws; or

UNDERWRITING

- (l) any executive Director or the Chief Executive Officer of the Company vacating his or her office; or
- (m) a governmental authority or a regulatory body or organisation in any Relevant Jurisdiction commencing any investigation or other action or proceedings, or announcing an intention to investigate or take other action or proceedings, against any Group Company or any Director; or
- (n) any Director being charged with an indictable offence or prohibited by operation of Laws or otherwise disqualified from, or any executive Director being incapable of or unavailable for, taking part in the management of a company; or
- (o) any material adverse change or prospective material adverse change in the earnings, results of operations, business, business prospects, financial or trading position, conditions (financial or otherwise) or prospects of any member of the Group (including any litigation or claim of any third party being threatened or instigated against any member of the Group); or
- (p) any demand by creditors for repayment or payment of any indebtedness which any member of the Group is liable prior to its stated maturity; or
- (q) any order or petition for the winding up or liquidation of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group; or
- (r) a prohibition by a governmental authority on the Company for whatever reason from allotting, issuing or selling the Shares (including the Over-allotment Option Shares) pursuant to the terms of the Global Offering; or
- (s) the imposition of sanctions, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction on the Company or any member of the Group; or
- (t) any portion of the orders placed or confirmed in the bookbuilding process under the International Offering have been withdrawn, terminated or cancelled,

UNDERWRITING

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters):

- (A) is or will be or may be materially adverse to, or materially and prejudicially affects, the assets, liabilities, business, general affairs, management, shareholder's equity, profit, losses, results of operations, position or condition (financial or otherwise), or performance of the Company or the Group as a whole; or
 - (B) has or will have or may have a material adverse effect on the success of the Global Offering or the level of Offer Shares being applied for or accepted or subscribed for or purchased; or
 - (C) makes or will make it or may make it impracticable or inadvisable or incapable (i) to proceed with the Hong Kong Public Offering and/or the Global Offering on the terms and in the manner contemplated by this prospectus, the Application Forms, the formal notice, the preliminary offering circular or the offering circular or (ii) for any material part of the Hong Kong Underwriting Agreement to be performed or implemented as envisaged; or
 - (D) would have or may have the effect of making a part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or
- (2) there has come to the notice of the Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters):
- (a) that any statement contained in the Hong Kong Public Offering Documents (as defined in the Hong Kong Underwriting Agreement) and/or any notices, announcements, advertisements, communications issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was when it was issued or has become untrue, incorrect or misleading in any material respect or that or any forecast, estimate, expressions of opinion, intention or expectation expressed in the Hong Kong Public Offering Documents and/or any notices, announcements, advertisements, communications so issued or used by the Company in connection with the Hong Kong Public Offering are not fair and honest and made on reasonable grounds or, where appropriate, based on reasonable assumptions, when taken as a whole; or

UNDERWRITING

- (b) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, not having been disclosed in Hong Kong Public Offering Documents (including any supplement or amendment thereto), constitutes a material omission therefrom; or
- (c) any event, act or omission which gives or is likely to give rise to any liability of the Company and the Controlling Shareholders pursuant to the indemnities given by the Company and the Controlling Shareholders under the Hong Kong Underwriting Agreement; or
- (d) any material breach of any of the obligations of the Company and the Controlling Shareholders under the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or
- (e) any breach of, or any event rendering any of the Warranties (as defined in the Hong Kong Underwriting Agreement) untrue or incorrect or misleading in any material respect; or
- (f) any expert, whose consent is required for the issue of this prospectus with the inclusion of its reports, letters or opinions and references to its name included in the form and context in which it respectively appears, has withdrawn its respective consent (other than the Joint Sponsors) prior to the issue of this prospectus; or
- (g) any material adverse change or prospective adverse change or development involving a prospective material adverse change in the assets, business, general affairs, management, shareholder's equity, profits, losses, results of operations, in the position or condition (financial or otherwise) or prospects of the Company and its subsidiaries, as a whole; or
- (h) the approval of the Listing Committee of the listing of, and permission to deal in, the Shares in issue and the Shares to be issued pursuant to the Global Offering (including the additional Shares which may be issued upon the exercise of the Over-allotment Option, if any), is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, such approval or permission is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or
- (i) the Company has withdrawn the offering documents (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering;

then the Joint Representatives may, for themselves and on behalf of the Hong Kong Underwriters, in their sole and absolute discretion and upon giving notice orally or in writing to the Company, terminate the Hong Kong Underwriting Agreement with immediate effect.

UNDERWRITING

Undertakings to the Stock Exchange pursuant to the Listing Rules

Undertakings by the Company

Pursuant to Rule 10.08 of the Listing Rules, our Company has undertaken to the Stock Exchange that no further Shares or securities convertible into Shares (whether or not of a class already listed) may be issued or form the subject of any agreement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except (a) pursuant to the Capitalization Issue and the Global Offering (including any exercise of the Over-allotment Option) or (b) under any of the circumstances provided under Rule 10.08 of the Listing Rules.

Undertakings by the Controlling Shareholders

Pursuant to Rule 10.07(1) of the Listing Rules, each of our Controlling Shareholders has undertaken to the Hong Kong Stock Exchange and to our Company that, except pursuant to the Capitalization Issue, the Global Offering, the Over-allotment Option and the grant of options or exercise of options granted or to be granted under the Share Option Scheme, it/he/she shall not and shall procure that the relevant registered holder(s) shall not, without the prior written consent of the Stock Exchange and unless in compliance with the requirements of the Listing Rules:

- (i) in the period commencing on the date of this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in respect of which it/he/she is shown by this prospectus to be the beneficial owner(s); and
- (ii) in the period of six months commencing on the date on which the period referred to in paragraph (i) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests, or encumbrances in respect of, any of the Shares referred to in paragraph (i) above to such an extent that immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it/he/she would cease to be a Controlling Shareholder of our Company.

Note (2) to Rule 10.07(2) of the Listing Rules provides that Rule 10.07 does not prevent a Controlling Shareholder from using the Shares beneficially owned by it/him/her as security (including a charge or pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan.

Pursuant to Note (3) to Rule 10.07(2) of the Listing Rules, each of our Controlling Shareholders has further undertaken to the Stock Exchange and to our Company that, within the period commencing on the date of this prospectus and ending on the date which is 12 months from the Listing Date, it/he/she shall and shall procure the relevant registered holders:

UNDERWRITING

- (i) when it/he/she pledges or charges any Shares beneficially owned by it/him/her in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) pursuant to Note 2 to Rule 10.07(2) of the Listing Rules, immediately inform our Company of such pledge or charge together with the number of Shares so pledged or charged; and
- (ii) when it/he/she receives indications, either verbal or written, from the pledgee or chargee of any Shares that any of the pledged or charged Shares will be disposed of, immediately inform our Company of such indications.

Our Company will inform the Stock Exchange as soon as we have been informed of the matters referred to in paragraph (i) and (ii) above (if any) by any of our Controlling Shareholders and subject to the then requirements of the Listing Rules, disclose such matters by way of an announcement which is published in accordance with Rule 2.07C of the Listing Rules as soon as possible.

Undertakings pursuant to the Hong Kong Underwriting Agreement

Undertakings by the Company

Our Company has also undertaken to each of the Joint Representatives, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that except pursuant to the Capitalization Issue, the Global Offering (including pursuant to the Over-allotment Option), at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling six months after the Listing Date (the “**First Six-Month Period**”), it will not, and will procure that other members of the Group will not (and each of the Controlling Shareholders shall procure that the Company will not itself and will procure that other members of the Group not to) cause it to, without the prior written consent of the Joint Sponsors and the Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

- (i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an Encumbrance (as defined in the Hong Kong Underwriting Agreement) over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any legal or beneficial interest in the share capital or any other equity securities of the Company (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represents the right to receive, or any warrants or other rights to purchase any share capital or other equity securities of the Company, as applicable), or deposit any share capital or other equity securities of the Company, as applicable, with a depositary in connection with the issue of depositary receipts; or

UNDERWRITING

- (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of the Shares or any other equity securities of the Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares); or
- (iii) enter into any transaction with the same economic effect as any transaction described in (i) or (ii) above; or
- (iv) offer to or agree to do any of the transactions specified in (i), (ii) or (iii) above or announce any intention to do so,

in each case, whether any of the transactions specified in paragraph (i), (ii) or (iii) above is to be settled by delivery of share capital or other equity securities of the Company, in cash or otherwise (whether or not the issue of such share capital or other equity securities of the Company will be completed within the First Six-Month Period).

In the event of, at any time during the period of six months commencing on the date on which the First Six-month Period expires (the “**Second Six-Month Period**”), the Company enters into any of the transactions specified in any transaction specified in paragraph (i), (ii) or (iii) above or offers to or agrees to or announces any intention to effect any such transaction, the Company shall take all reasonable steps to ensure that such issue or disposal will not, and no other act of the Company will, create a disorderly or false market for any Shares or other securities of the Company.

Undertakings by the Controlling Shareholders

Each of our Controlling Shareholders agrees and undertakes to the Joint Representatives, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, except pursuant to the Global Offering (including pursuant to the Over-allotment Option and the Stock Borrowing Agreement, if any), without the prior written consent of the Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters), it/he/she will not, and will procure that none of its associates will:

- (i) at any time during the First Six-Month Period, (a) offer, accept subscription for, pledge, charge, allot, issue, sell, lend, mortgage, assign, contract to allot, issue or sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, or repurchase any of its share capital or other securities of the Company or any interest therein (including but not limited to any securities convertible into or exercisable or exchangeable for or that represent the right to receive any such share capital or securities or any interest therein); or (b) enter into

UNDERWRITING

any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of such share capital or securities or any interest therein, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares); or (c) enter into any transaction with the same economic effect as any transaction specified in paragraphs (i) and (ii) above; or (d) offer to or agree to do any of the foregoing or announce any intention to do so, in each case, whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities of the Company, in cash or otherwise.

- (ii) at any time during the Second Six-Month Period, enter into any of the transactions specified in paragraphs (a), (b) and (c) above or offer to or agree to or announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, it will cease to be a “controlling shareholder” (as the term is defined in the Listing Rules) of the Company; and
- (iii) until the expiry of the Second Six-Month Period, in the event that it enters into any of the transactions specified in paragraphs (a), (b) and (c) above or offers to or agrees to or announce any intention to effect any such transaction, it will take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of the Company.

Indemnity

Each of the Company and the Controlling Shareholders has agreed to indemnify, among others, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters for certain losses which they may suffer, including losses arising from the performance of their obligations under the Underwriting Agreements and any breach by our Company of the Underwriting Agreements, as the case may be.

The International Offering

In connection with the International Offering, it is expected that our Company and our Controlling Shareholders will enter into the International Underwriting Agreement with the International Underwriters. Under the International Underwriting Agreement, the International Underwriters will, subject to certain conditions set out therein, severally and not jointly, agree to procure subscribers or purchasers for the International Offer Shares, failing which they agree to subscribe for or purchase their respective proportions of the International Offer Shares which are not taken up under the International Offering.

UNDERWRITING

Our Company is expected to grant to the International Underwriters the Over-allotment Option, if any, exercisable by the Joint Representatives (for themselves and on behalf of the International Underwriters) at any time and from time to time on or before the expiration of the period of thirty (30) calendar days from the last day for the lodging of applications under the Hong Kong Public Offering, to require our Company to issue and allot up to an aggregate of 79,411,000 additional Offer Shares, representing approximately 15% of the initial Offer Shares, at the same price per Offer Share under the International Offering to cover, among other things, over-allocations (if any) in the International Offering.

It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that if the International Underwriting Agreement is not entered into, or is terminated, the Global Offering will not proceed.

Commission and Expenses

According to the Hong Kong Underwriting Agreement, the Hong Kong Underwriters will receive an underwriting commission of 2.5% of the aggregate Offer Price payable for the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering. For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, our Company will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the relevant International Underwriters and not the Hong Kong Underwriters. Our Company may, at our sole and absolute discretion, pay to any one or all of the Hong Kong Underwriters an additional incentive fee of up to 1% of the Offer Price for each Hong Kong Offer Share.

Assuming the Over-allotment Option, if any, is not exercised at all and based on an Offer Price of HK\$3.78 per Share (being the mid-point of the indicative Offer Price range of HK\$3.30 to HK\$4.25 per Share), the aggregate commissions and fees, together with listing fees, SFC transaction levy, Stock Exchange trading fee, legal and other professional fees and printing and other expenses, payable by our Company relating to the Global Offering are estimated to be approximately HK\$1,869.73 million in total.

ACTIVITIES BY SYNDICATE MEMBERS

We describe below a variety of activities that underwriters of the Hong Kong Public Offering and the International Offering and (together referred to as “**Syndicate Members**”) and their affiliates may each individually undertake, and which do not form part of the underwriting or the stabilizing process. When engaging in any of these activities, it should be noted that the Syndicate Members are subject to restrictions, including the following:

- (1) the Syndicate Members (except for the Stabilizing Manager, its affiliates or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other

UNDERWRITING

derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

- (2) the Syndicate Members must comply with all applicable laws, including the market misconduct provisions of the SFO, the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of the Company and/or persons and entities with relationships with the Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with the Group's loans and other debt.

In relation to the Shares, those activities could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the Shares and entering into over the counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have the Shares as their or part of their underlying assets. Those activities may require hedging activity by those entities involving, directly or indirectly, buying and selling the Shares, which may have a negative impact on the trading price of the Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the Shares as their or part of their underlying assets, whether on the Stock Exchange or on any other stock exchange, the rules of the relevant exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

All of these activities may occur both during and after the end of the stabilizing period described in "Structure of the Global Offering". These activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of their share price, and the extent to which this occurs from day to day cannot be estimated.

UNDERWRITING

Certain of the Syndicate Members or their respective affiliates have, from time to time, provided and expect to provide in the future investment banking and other services to our Company and our respective affiliates, for which such Joint Representatives, Hong Kong Underwriters or their respective affiliates have received or will receive customary fees and commissions.

Hong Kong Underwriters' Interests in our Company

Save for its obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters has any shareholding interests in our Company or the right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their respective obligations under the Underwriting Agreements.

Over-Allotment and Stabilization

Details of the arrangements relating to the stabilisation and Over-allotment Option, if any, are set forth in the sections headed “Structure of the Global Offering — The International Offering — Stabilization”, and “— Over-allotment Option.”

Joint Sponsors' Independence

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises (subject to reallocation and the Over-allotment Option):

- (i) the Hong Kong Public Offering of initially 52,942,000 Offer Shares (subject to reallocation) in Hong Kong as described in the paragraph headed “— The Hong Kong Public Offering” below; and
- (ii) the International Offering of initially 476,470,000 Shares (subject to reallocation and the Over-allotment Option) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S or other available exemptions from the registration requirements under the U.S. Securities Act, as described in the paragraph headed “— The International Offering” below.

Investors may apply for the Hong Kong Offer Shares under the Hong Kong Public Offering or apply for or indicate an interest for the International Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 15.00% of the enlarged issued share capital of the Company immediately after completion of the Global Offering without taking into account the exercise of the Over-allotment Option, if any. If the Over-allotment Option, if any, is exercised in full, the Offer Shares will represent approximately 16.87% of the enlarged issued share capital immediately after completion of the Global Offering and the exercise of the Over-allotment Option, if any, as set out in the paragraph headed “— The International Offering — Over-allotment Option” below.

The number of Offer Shares to be offered under the Hong Kong Public Offering and the International Offering may be subject to reallocation as described in the paragraph headed “— The Hong Kong Public Offering — Reallocation and Clawback” below.

References in this prospectus to applications, Application Forms, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

STRUCTURE OF THE GLOBAL OFFERING

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares Initially Offered

Our Company is initially offering 52,942,000 Offer Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10% of the total number of Offer Shares initially available under the Global Offering.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. The Hong Kong Offer Shares, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 1.50% of the Company's issued share capital immediately after completion of the Global Offering, assuming that the Over-allotment Option, if any, is not exercised. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions as set out in the paragraph headed “— Conditions of the Global Offering” below.

Allocation

The allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Offer Shares initially available under the Hong Kong Public Offering (after taking account of any reallocation referred to below) is to be divided into two pools : 26,471,000 Offer Shares for Pool A and 26,471,000 Offer Shares for Pool B. The Hong Kong Offer Shares in Pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of HK\$5 million (excluding the brokerage, the SFC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in Pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of more than HK\$5 million (excluding the brokerage, the SFC transaction levy and the Stock Exchange trading fee payable) and up to the total value in Pool B. Investors should be aware that applications in Pool A and applications in Pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are undersubscribed, such undersubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of this paragraph only, the “price” for Offer Shares means the price payable on application therefore (without regard

STRUCTURE OF THE GLOBAL OFFERING

to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either Pool A or Pool B but not from both pools. Multiple or suspected multiple applications and any application for more than 26,471,000 Hong Kong Offer Shares (being 50% of the 52,942,000 Hong Kong Offer Shares initially available under the Hong Kong Public Offering) are liable to be rejected.

Reallocation and Clawback

The allocation of the Offer Shares between the Hong Kong Public Offering and the International Offering is subject to adjustment. Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to put in place which would have the effect of increasing the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering if certain prescribed total demand levels are reached (“**Mandatory Reallocation**”). In the event that the International Offer Shares are fully subscribed or oversubscribed, if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents (i) 15 times or more but less than 50 times, (ii) 50 times or more but less than 100 times, and (iii) 100 times or more, of the number of Hong Kong Offer Shares initially available under the Hong Kong Public Offering, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering will be increased to 158,824,000, 211,766,000 and 264,706,000 Shares, respectively, representing approximately 30% (in the case of (i)), 40% (in the case of (ii)) and 50% (in the case of (iii)), respectively, of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option). In such cases, the number of Offer Shares allocated in the International Offering will be correspondingly reduced, in such manner as the Joint Representatives deem appropriate, and such additional Offer Shares will be reallocated between Pool A and Pool B. If the Hong Kong Offer Shares are not fully subscribed, the Joint Representatives have the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Joint Representatives deem appropriate. In addition to any Mandatory Reallocation which may be required, the Joint Representatives may, at their discretion, reallocate Offer Shares initially allocated for the International Offering to the Hong Kong Public Offering to satisfy valid applications in Pool A and Pool B under the Hong Kong Public Offering.

In addition to any Mandatory Reallocation which may be required, the Joint Representatives (for themselves and on behalf of the Underwriters) may, at their discretion, reallocate Offer Shares initially allocated for the International Offering to the Hong Kong Public Offering to satisfy valid applications in Pool A and Pool B under the Hong Kong Public Offering in accordance with Guidance Letter HKEX-GL91-18. In the event that (i) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times; or (ii) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed as to less than 15 times of the number of Hong Kong Offer Shares initially available under the Hong Kong Public Offering, in accordance with Guidance Letter HKEX-GL91-18, up to 52,942,000 additional Offer Shares may be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of the Shares

STRUCTURE OF THE GLOBAL OFFERING

available under the Hong Kong Public Offering will be increased to 105,884,000 Shares, representing two times the number of Hong Kong Offer Shares initially available under the Hong Kong Public Offering or approximately 20% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option), and the final Offer Price would be set at HK\$3.30 per Offer Share, being the low-end of the indicative Offer Price range, or the final Offer Price after making a Downward Offer Price Adjustment.

Applications

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering, and such applicant's application is liable to be rejected if such undertaking and/or confirmation is breached and/or untrue (as the case may be) or it has been or will be placed or allocated International Offer Shares under the International Offering.

The listing of the Shares on the Stock Exchange is sponsored by the Joint Sponsors. Applicants under the Hong Kong Public Offering are required to pay, on application, the maximum price of HK\$4.25 per Share in addition to any brokerage, the SFC transaction levy and the Stock Exchange trading fee payable on each Offer Share. If the Offer Price, as finally determined in the manner described in the paragraph headed “— Pricing and Allocation” below, is less than the maximum price of HK\$4.25 per Share, appropriate refund payments (including the brokerage, the SFC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. Further details are set out in “How to Apply for Hong Kong Offer Shares”.

THE INTERNATIONAL OFFERING

Number of Offer Shares Initially Offered

Subject to reallocation as described above and the exercise of the Over-allotment Option, the International Offering will consist of an aggregate of 476,470,000 Offer Shares to be initially offered by the Company, representing approximately 90% of the total number of Offer Shares initially available under the Global Offering.

Allocation

The International Offering will include selective marketing of Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

STRUCTURE OF THE GLOBAL OFFERING

Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the “book-building” process described in the paragraph headed “— Pricing and Allocation” below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor’s invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares, and/or hold or sell its Offer Shares, after the listing of the Offer Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Company and our Shareholders as a whole.

The Joint Representatives (for themselves and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering, and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Joint Representatives so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any application of Offer Shares under the Hong Kong Public Offering.

Reallocation

The total number of Offer Shares to be issued pursuant to the International Offering may change as a result of the clawback arrangement described in “— The Hong Kong Public Offering — Reallocation and Clawback” above, the exercise of the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

Over-allotment Option

In connection with the Global Offering, we are expected to grant an Over-allotment Option to the International Underwriters exercisable by the Joint Representatives behalf of the International Underwriters.

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Joint Representatives (for themselves and on behalf of the International Underwriters) at any time and from time to time on or before the expiration of the period of thirty (30) calendar days from the last day for the lodging of applications under the Hong Kong Public Offering, to require our Company to issue and allot up to 79,411,000 additional Offer Shares, representing not more than 15% of the total number of Offer Shares initially available under the Global Offering, at the same price per Offer Share under the International Offering to cover, among other things, over-allocation in the International Offering, if any. If the Over-allotment Option is exercised in full, the additional Offer Shares will represent approximately 2.20% of the Company’s enlarged share capital immediately following the completion of the Global Offering and the exercise of the Over-allotment Option. In the event that the Over-allotment Option, is exercised, an announcement will be made.

STRUCTURE OF THE GLOBAL OFFERING

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market, during a specified period of time, to retard and, if possible, prevent, any decline in the market price of the securities below the Offer Price. In Hong Kong and certain other jurisdictions, the price at which stabilisation is effected is not permitted to exceed the Offer Price.

In connection with the Global Offering, the Stabilizing Manager or its affiliates or any person acting for them, on behalf of the Underwriters, may over-allocate or effect short sales or any other stabilizing transactions with a view to stabilizing or maintaining the market price of the Shares at a level higher than that which might otherwise prevail in the open market. Short sales involve the sale by the Stabilizing Manager of a greater number of Shares than the Underwriters are required to purchase in the Global Offering. “Covered” short sales are sales made in an amount not greater than the Over-allotment Option. The Stabilizing Manager may close out the covered short position by either exercising the Over-allotment Option, to purchase additional Shares or purchasing Shares in the open market. In determining the source of the Shares to close out the covered short position, the Stabilizing Manager will consider, among others, the price of Shares in the open market as compared to the price at which they may purchase additional Shares pursuant to the Over-allotment Option. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Shares while the Global Offering is in progress. Any market purchases of the Shares may be effected on any stock exchange, including the Stock Exchange, any over-the-counter market or otherwise, provided that they are made in compliance with all applicable laws and regulatory requirements. However, there is no obligation on the Stabilizing Manager or any person acting for it to conduct any such stabilizing activity, which if commenced, will be done at the absolute discretion of the Stabilizing Manager and may be discontinued at any time. Any such stabilizing activity is required to be brought to an end within 30 days after the last day for the lodging of applications under the Hong Kong Public Offering. The number of the Shares that may be over-allocated will not exceed the number of the Shares that may be sold under the Over-allotment Option, if any, namely, 79,411,000 Shares, which is approximately 15% of the total number of Offer Shares initially available under the Global Offering, in the event that the whole or part of the Over-allotment Option, if any, is exercised.

In Hong Kong, stabilizing activities must be carried out in accordance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong). Stabilizing actions permitted pursuant to the Securities and Futures (Price Stabilizing) Ordinance include:

- (a) over-allocation for the purpose of preventing or minimising any reduction in the market price of the Shares;

STRUCTURE OF THE GLOBAL OFFERING

- (b) selling or agreeing to sell the Shares so as to establish a short position in them for the purpose of preventing or minimising any deduction in the market price of the Shares;
- (c) subscribing, or agreeing to subscribe, for the Shares pursuant to the Over-allotment Option, in order to close out any position established under (a) or (b) above;
- (d) purchasing, or agreeing to purchase, any of the Shares for the sole purpose of preventing or minimising any reduction in the market price;
- (e) selling or agreeing to sell any Shares to liquidate any position established as a result of those purchases; and
- (f) offering or attempting to do anything described in (b), (c), (d) and (e) above.

Stabilizing actions by the Stabilizing Manager, or any person acting for it, will be entered into in accordance with the laws, rules and regulations in place in Hong Kong on stabilisation.

As a result of effecting transactions to stabilize or maintain the market price of the Shares, the Stabilizing Manager, or any person acting for it, may maintain a long position in the Shares. The size of the long position, and the period for which the Stabilizing Manager or any person acting for it will maintain the long position is at the discretion of the Stabilizing Manager and is uncertain. In the event that the Stabilising Manager liquidates such long position by making sales in the open market, this may lead to a decline in the market price of the Shares.

Stabilizing action by the Stabilizing Manager, or any person acting for it, is not permitted to support the price of the Shares for longer than the stabilizing period, which begins on the Listing Date and ends on the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering. The stabilizing period is expected to end on December 8, 2019. As a result, demand for the Shares, and their market price, may fall after the end of the stabilizing period. These activities by the Stabilizing Manager may stabilize, maintain or otherwise affect the market price of the Shares. As a result, the price of the Shares may be higher than the price that otherwise may exist in the open market. Any stabilizing action taken by the Stabilizing Manager, or any person acting for it, may not necessarily result in the market price of the Shares staying at or above the Offer Price either during or after the stabilizing period. Bids for or market purchases of the Shares by the Stabilizing Manager, or any person acting for it, may be made at a price at or below the Offer Price and therefore at or below the price paid for the Shares by purchasers. A public announcement in compliance with the Securities and Futures (Price Stabilising) Ordinance will be made within seven days of the expiration of the stabilising period.

STRUCTURE OF THE GLOBAL OFFERING

Over-Allocation

Following any over-allocation of Shares in connection with the Global Offering, the Stabilizing Manager (or its affiliates or any person acting for it) may cover such over-allocations by, among other methods, exercising the Over-allotment Option in full or in part, by using the Shares purchased by the Stabilizing Manager (or any person acting for it) in the secondary market at prices that do not exceed the Offer Price or through the Stock Borrowing Agreement as detailed below or a combination of these means.

STOCK BORROWING ARRANGEMENT

In order to facilitate the settlement of over-allocations in connection with the Global Offering, the Stabilizing Manager, its affiliates or any person acting for it may choose to borrow up to 79,411,000 Shares, representing approximately 15% of the Offer Shares, from Xin Heng to cover over-allocations (being the maximum number of additional Shares which may be allotted and issued upon exercise of the Over-allotment Option), or acquire Shares from other sources, including the exercising of the Over-allotment Option.

If such Stock Borrowing Arrangement is entered into, the borrowing of Shares will only be effected by the Stabilizing Manager or any person acting for it for settlement of over-allocations in the International Offering and such arrangement is not subject to the restrictions of Rule 10.07(1)(a) of the Listing Rules, provided that the requirements set out in Rule 10.07(3) of the Listing Rules are complied with, being that (a) the Stock Borrowing Agreement will be for the sole purpose of covering any short position prior to the exercise of the Over-allotment Option in connection with the International Offering; (b) the maximum number of Shares to be borrowed from Xin Heng pursuant to the Stock Borrowing Agreement is the maximum number of Shares that may be issued upon full exercise of the Over-Allotment Option; (c) the same number of Shares so borrowed must be returned to Xin Heng or its nominees, as the case may be, on or before the third business day following the earlier of (i) the last day for exercising the Over-Allotment Option, and (ii) the day on which the Over-Allotment Option is exercised in full; (d) the stock borrowing arrangement will be effected in compliance with all applicable laws, rules and regulatory requirements; and (e) no payments will be made to Xin Heng by the Stabilizing Manager in relation to the stock borrowing arrangement.

PRICING AND ALLOCATION

Determining the Offer Price

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building”, is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

STRUCTURE OF THE GLOBAL OFFERING

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, which is expected to be on or around Friday, November 8, 2019 and in any event on or before Tuesday, November 12, 2019, by agreement between the Joint Representatives (for themselves and on behalf of the Underwriters) and the Company and the number of Offer Shares to be allocated under various offerings will be determined shortly thereafter.

Offer Price Range

The Offer Price will not be more than HK\$4.25 per Offer Share and is expected to be not less than HK\$3.30 per Offer Share unless otherwise announced, as further explained below, not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. **Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range stated in this prospectus (subject to a Downward Offer Price Adjustment).**

The Joint Representatives (for themselves and on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective investors during the book-building process, and with the consent of the Company, determine the final Offer Price to be no more than 10% below the bottom end of the indicative Offer Price range, at any time on or prior to the Price Determination Date.

In such situation, the Company will, as soon as practicable following the decision to set the final Offer Price below the bottom end of the indicative Offer Price range, publish in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese), and on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.sinicdc.com an announcement of the final Offer Price after making a Downward Offer Price Adjustment. Such announcement will be issued before and separate from the announcement of the results of allocations expected to be announced on November 14, 2019. The Offer Price announced following the making of a Downward Offer Price Adjustment shall be the final Offer Price and shall not be subsequently changed.

In the absence of an announcement that a Downward Offer Price Adjustment has been made, the final Offer Price will not be outside the indicative Offer Price range as disclosed in this prospectus unless the Withdrawal Mechanism is utilized.

Reduction in Number of Offer Shares

The Joint Representatives (for themselves and on behalf of the Underwriters), may, when they deem appropriate, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, and with the consent of our Company, reduce the number of Offer Shares offered in the Global Offering and/or the indicative Offer Price range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, our

STRUCTURE OF THE GLOBAL OFFERING

Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering, cause there to be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese), and on the website of the Stock Exchange (www.hkexnews.hk) and on the website of our Company (www.sinicdc.com) notices of the reduction. Upon issue of such a notice, the number of Offer Shares offered in the Global Offering and/or the revised Offer Price range will be final and conclusive and the Offer Price, if agreed upon by the Joint Representatives (for themselves and on behalf of the Underwriters), and our Company, will be fixed within such revised Offer Price range.

Applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. Such notice will also include confirmation or revision, as appropriate, of the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change as a result of such reduction. In the absence of any such notice so published, the Offer Price, if agreed upon with our Company and the Joint Representatives (for themselves and on behalf of the Underwriters), will under no circumstances be set outside the Offer Price range as stated in this prospectus.

In the event of a reduction in the number of Offer Shares being offered under the Global Offering, the Joint Representatives may at its discretion reallocate the number of Offer Shares to be offered under the Hong Kong Public Offering and the International Offering, provided that the number of Shares comprised in the Hong Kong Public Offering shall not be less than 10% of the total number of Offer Shares in the Global Offering. The Offer Shares to be offered in the International Offering and the Offer Shares to be offered in the Hong Kong Public Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Joint Representatives.

If application for the Offer Shares have been submitted prior to the day which is the last day for lodging applications under the Hong Kong Public Offering, such applications can be subsequently withdrawn if the number of Offer Shares and/or the indicative Offer Price range is so reduced.

Irrespective of whether a Downward Offer Price Adjustment is made, the final Offer Price, the level of indications of interest in the Global Offering, the results of applications in the Hong Kong Public Offering and the basis of allotment of Offer Shares under the Hong Kong Public Offering, are expected to be announced on Thursday, November 14, 2019 in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese), and on the website of the Stock Exchange (www.hkexnews.hk) and on the website of our Company (www.sinicdc.com).

STRUCTURE OF THE GLOBAL OFFERING

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is subject to, among other things, our Company and the Joint Representatives (for themselves and on behalf of the Underwriters) agreeing on the Offer Price.

Our Company and the Controlling Shareholders expect to enter into the International Underwriting Agreement relating to the International Offering on or around the Price Determination Date.

These underwriting arrangements, and the respective Underwriting Agreements, are summarised in the section headed “Underwriting”.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

- (i) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including the additional Offer Shares which may be made available pursuant to the exercise of the Over-allotment Option) and such approval not having been withdrawn or revoked prior to the Listing Date;
- (ii) the Offer Price having been agreed between the Company and the Joint Representatives (for themselves and on behalf of the Underwriters) on or around the Price Determination Date;
- (iii) the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and
- (iv) the obligations of the Underwriters under each of the respective Underwriting Agreements becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements.

in each case on or before the dates and times specified in the respective Underwriting Agreement (unless and to extent such conditions are validly waived on or before such dates and times) and in any event, not later than the date which is 30 days after the date of this prospectus.

If, for any reason, the Offer Price is not agreed between our Company and the Joint Representatives (for themselves and on behalf of the Underwriters) on or before Tuesday, November 12, 2019, the Global Offering will not proceed and will lapse.

STRUCTURE OF THE GLOBAL OFFERING

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by our Company in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese), and on the website of the Stock Exchange (www.hkexnews.hk) and on the website of our Company (www.sinicdc.com) on the next day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in the section headed “How to Apply for Hong Kong Offer Shares” in this prospectus. In the meantime, all application monies will be held in (a) separate bank account(s) with the receiving banks or other licensed bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

Share certificates for the Offer Shares are expected to be issued on Thursday, November 14, 2019 but will only become valid certificates of title at 8:00 a.m. on Friday, November 15, 2019 provided that (i) the Global Offering has become unconditional in all respects and (ii) the right of termination as described in the section headed “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination” has not been exercised.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the granting of listing of, and permission to deal in the Shares in issue and to be issued pursuant to the Global Offering, including the Shares which may be issued pursuant to the exercise of the Over-allotment Option.

No part of our Company’s share or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to deal is being or proposed to be sought in the near future.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

All necessary arrangements have been made enabling the Shares to be admitted into CCASS. If the Stock Exchange grants the listing of, and permission to deal in, the Shares and our Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

STRUCTURE OF THE GLOBAL OFFERING

DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Friday, November 15, 2019, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Friday, November 15, 2019.

The Shares will be traded in board lots of 1,000 Shares each and the stock code of the Shares will be 2103.

HOW TO APPLY FOR HONG KONG OFFER SHARES

1. HOW TO APPLY

If you apply for Hong Kong Offer Shares, then you may not apply for or indicate an interest in International Offer Shares.

To apply for Hong Kong Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form;
- apply online via the **White Form eIPO** service at www.eipo.com.hk; or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

The Company, the Joint Representatives, the **White Form eIPO** Service Provider and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

You can apply for Hong Kong Offer Shares on a **WHITE** or **YELLOW** Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act); and
- are not a legal or natural person of the PRC (except qualified domestic institutional investors).

HOW TO APPLY FOR HONG KONG OFFER SHARES

If you apply online through the **White Form eIPO** service, in addition to the above, you must also: (i) have a valid Hong Kong identity card number and (ii) provide a valid e-mail address and a contact telephone number.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the Application Form must be signed by a duly authorised officer, who must state his representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, our Company and the Joint Representatives, as our Company's agents, may accept it at their discretion, and on any conditions they think fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four and they may not apply by means of **White Form eIPO** service for the Hong Kong Offer Shares.

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if you:

- are an existing beneficial owner of Shares in the Company and/or a substantial shareholder of any of its subsidiaries;
- are a Director or chief executive officer of the Company and/or any of its subsidiaries;
- are a close associate (as defined in the Listing Rules) of any of the above persons;
- are a connected person (as defined in the Listing Rules) of the Company or will become a connected person of the Company immediately upon completion of the Global Offering; and
- have been allocated or have applied for or indicated an interest in any International Offer Shares under the International Offering or otherwise have participated in the International Offering.

3. APPLYING FOR HONG KONG OFFER SHARES WHICH APPLICATION CHANNEL TO USE

Which Application Channel to Use

For Hong Kong Offer Shares to be issued in your own name, use a **WHITE** Application Form or apply online through the **White Form eIPO** at www.eipo.com.hk.

For Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, use a **YELLOW** Application Form or electronically instruct HKSCC via CCASS to cause HKSCC Nominees to apply for you.

HOW TO APPLY FOR HONG KONG OFFER SHARES

Where to Collect the Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours between 9:00 a.m. from Wednesday, October 30, 2019 until 12:00 noon on Friday, November 8, 2019 from:

- (i) any of the following offices of the Joint Global Coordinators:

ABCI Capital Limited

11/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

Huatai Financial Holdings (Hong Kong) Limited

62/F, The Center
99 Queen's Road Central
Hong Kong

CRIC Securities Company Limited

Room 2007&2403, Great Eagle Centre
23 Harbour Road, Wan Chai
Hong Kong

BOCOM International Securities Limited

9th Floor
Man Yee Building
68 Des Voeux Road Central
Hong Kong

- (ii) any of the following branches of the receiving banks for the Hong Kong Public Offering:

(a) **Bank of China (Hong Kong) Limited**

	Branch Name	Address
Hong Kong Island	Quarry Bay Branch	Parkvale 1060 King's Road Quarry Bay Hong Kong
	South Horizons Branch	Shop G13 & G15, G/F Marina Square, West Commercial Block South Horizons Ap Lei Chau Hong Kong

HOW TO APPLY FOR HONG KONG OFFER SHARES

	Branch Name	Address
Kowloon	Prince Edward Branch	774 Nathan Road Kowloon Hong Kong
	194 Cheung Sha Wan Road Branch	194-196 Cheung Sha Wan Road Sham Shui Po Kowloon Hong Kong
New Territories	Tai Wai Branch	74-76 Tai Wai Road Sha Tin New Territories Hong Kong

(b) Industrial and Commercial Bank of China (Asia) Limited

	Branch Name	Address
Hong Kong Island	Admiralty Branch	Shop 1013-1014 1/F, United Centre 95 Queensway Admiralty Hong Kong
	Causeway Bay Branch	Shop A on G/F 1/F, Hennessy Apartments 488 & 490 Hennessy Road Hong Kong
Kowloon	Tsim Sha Tsui Branch	Shop 1&2, G/F No. 35-37 Hankow Road Tsimshatsui Kowloon

(c) CMB Wing Lung Bank Limited

	Branch Name	Address
Hong Kong Island	Head Office	45 Des Voeux Road Central Hong Kong
	Kennedy Town Branch	28 Catchick Street Hong Kong

HOW TO APPLY FOR HONG KONG OFFER SHARES

	Branch Name	Address
Kowloon	Mongkok Branch	B/F CMB Wing Lung Bank Centre 636 Nathan Road Mongkok Kowloon Hong Kong

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. from Wednesday, October 30, 2019 until 12:00 noon on Friday, November 8, 2019 from the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or from your stockbroker.

Time for Lodging Application Forms

Your completed **WHITE** or **YELLOW** Application Form, together with a cheque or a banker's cashier order attached and marked payable to **BANK OF CHINA (HONG KONG) NOMINEES LIMITED — SINIC HOLDINGS (GROUP) PUBLIC OFFER** for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving banks listed above, at the following times:

- **Wednesday, October 30, 2019 — 9:00 a.m. to 5:00 p.m.**
- **Thursday, October 31, 2019 — 9:00 a.m. to 5:00 p.m.**
- **Friday, November 1, 2019 — 9:00 a.m. to 5:00 p.m.**
- **Monday, November 4, 2019 — 9:00 a.m. to 5:00 p.m.**
- **Tuesday, November 5, 2019 — 9:00 a.m. to 5:00 p.m.**
- **Wednesday, November 6, 2019 — 9:00 a.m. to 5:00 p.m.**
- **Thursday, November 7, 2019 — 9:00 a.m. to 5:00 p.m.**
- **Friday, November 8, 2019 — 9:00 a.m. to 12:00 noon**

The application lists will be open from 11:45 a.m. to 12:00 noon on Friday, November 8, 2019, the last application day or such later time as described in “— Effect of Bad Weather on the Opening and Closing of the Applications Lists” in this section.

The application for the Hong Kong Public Offer Shares will commence on Wednesday, October 30, 2019 through Friday, November 8, 2019, being longer than normal market practice of four days. The application monies (including the brokerages, SFC transaction levies and Hong Kong Stock Exchange trading fees) will be held by the receiving banks on behalf of the Company and the refund monies, if any, will be returned to the applicants without interest on Thursday, November 14, 2019. Investors should be aware that the dealings in the Shares on the Hong Kong Stock Exchange are expected to commence on Friday, November 15, 2019.

HOW TO APPLY FOR HONG KONG OFFER SHARES

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the **WHITE** or **YELLOW** Application Form carefully; otherwise, your application may be rejected.

By submitting a **WHITE** or **YELLOW** Application Form or applying through the **White Form eIPO** service, among other things, you:

- (i) undertake to execute all relevant documents and instruct and authorise the Company and/or the Joint Representatives (or their agents or nominees), as agents of the Company, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;
- (ii) agree to comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Cayman Companies Law and the Articles of Association;
- (iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;
- (iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;
- (v) confirm that you are aware of the restrictions on the Global Offering in this prospectus;
- (vi) agree that none of the Company, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Controlling Shareholders, their respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering and the **White Form eIPO** Service Provider is or will be liable for any information and representations not in this prospectus (and any supplement to it);
- (vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering nor participated in the International Offering;
- (viii) agree to disclose to the Company, our Hong Kong Share Registrar, the receiving banks, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Controlling Shareholders and/or their respective advisors and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (ix) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of the Company, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Controlling Shareholders nor any of their respective officers or advisors will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Forms;
- (x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;
- (xi) agree that your application will be governed by the laws of Hong Kong;
- (xii) represent, warrant and undertake that (i) you understand that the Hong Kong Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Hong Kong Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;
- (xiii) warrant that the information you have provided is true and accurate;
- (xiv) agree to accept the Hong Kong Offer Shares applied for, or any lesser number allocated to you under the application;
- (xv) authorise the Company to place your name(s) or the name of the HKSCC Nominees on the Company's register of members as the holder(s) of any Hong Kong Offer Shares allocated to you and such other registers as required under the Articles of Association of the Company, and the Company and/or its agents to send any Share certificate(s) and/or e-Refund payment instructions and/or any refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you are eligible to collect the Share certificate(s) and/or refund cheque(s) in person;
- (xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xvii) understand that the Company, the Directors and the Joint Representatives will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or to the **White Form eIPO** Service Provider by you or by any one as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC; and (ii) you have due authority to sign the Application Form or give **electronic application instructions** on behalf of that other person as their agent.

Additional Terms and Conditions for YELLOW Application Form

You may refer to the **YELLOW** Application Form for details.

5. APPLYING THROUGH THE WHITE FORM eIPO SERVICE

General

Individuals who meet the criteria in “Who can apply” in this section may apply through the **White Form eIPO** service for the Offer Shares to be allotted and registered in their own names through the designated website at www.eipo.com.hk.

Detailed instructions for application through the **White Form eIPO** service are on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to the Company. If you apply through the designated website, you authorise the **White Form eIPO** Service Provider to apply on the terms and conditions in this Prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** Service Provider.

Time for Submitting Applications Under the White Form eIPO Service

You may submit your application through the **White Form eIPO** service through the designated website at www.eipo.com.hk (24 hours daily, except on the last application day) from 9:00 a.m. on Wednesday, October 30, 2019 until 11:30 a.m. on Friday, November 8, 2019 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Friday, November 8, 2019 or such later time under the “Effect of Bad Weather on the Opening and Closing of the Applications Lists” in this section.

HOW TO APPLY FOR HONG KONG OFFER SHARES

No Multiple Applications

If you apply by means of **White Form eIPO** service, once you complete payment in respect of any **electronic application instruction** given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an **electronic application instruction** under **White Form eIPO** service more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

Only one application may be made for the benefit of any person. If you are suspected of submitting more than one application through the **White Form eIPO** service or by any other means, all of your applications are liable to be rejected.

Section 40 of the Companies (Winding Up And Miscellaneous Provisions) Ordinance

For the avoidance of doubt, the Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Commitment to sustainability

The obvious advantage of **White Form eIPO** service is to save the use of paper via the self-serviced and electronic application process. Computershare Hong Kong Investor Services Limited, being the designated **White Form eIPO** Service Provider, will contribute HK\$2 for each “Sinic Holdings (Group) Company Limited” **White Form eIPO** application submitted via www.eipo.com.hk to support sustainability.

6. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give **electronic application instructions** to apply for the Hong Kong Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a CCASS Investor Participant, you may give these **electronic application instructions** through the CCASS Phone System by calling +852 2979 7888 or through the CCASS Internet System (<https://ip.ccass.com>) (using the procedures in HKSCC’s “An Operating Guide for Investor Participants” in effect from time to time).

HOW TO APPLY FOR HONG KONG OFFER SHARES

HKSCC can also input **electronic application instructions** for you if you go to:

Hong Kong Securities Clearing Company Limited

Customer Service Centre
1/F, One & Two Exchange Square
8 Connaught Place, Central
Hong Kong

and complete an input request form.

You can also collect a prospectus from the above address.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf.

You will be deemed to have authorised HKSCC and/or HKSCC Nominees to transfer the details of your application to the Company, the Joint Representatives and our Hong Kong Share Registrar.

Giving Electronic Application Instructions to HKSCC via CCASS

Where you have given **electronic application instructions** to apply for the Hong Kong Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

- (i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;
- (ii) HKSCC Nominees will do the following things on your behalf:
 - agree that the Hong Kong Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;
 - agree to accept the Hong Kong Offer Shares applied for or any lesser number allocated;
 - undertake and confirm that you have not applied for or taken up or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering nor participated in the International Offering;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (if the **electronic application instructions** are given for your benefit) declare that only one set of **electronic application instructions** has been given for your benefit;
- (if you are an agent for another person) declare that you have only given one set of **electronic application instructions** for the other person's benefit and are duly authorised to give those instructions as their agent;
- confirm that you understand that the Company, the Directors and the Joint Representatives will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted if you make a false declaration;
- authorise the Company to place HKSCC Nominees' name on the Company's register of members as the holder of the Hong Kong Offer Shares allocated to you and such other registers as required under the Articles of Association of the Company, and dispatch Share certificate(s) and/or refund monies under the arrangements separately agreed between the Company and HKSCC;
- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;
- confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made and will not rely on any other information or representations, save as those set out in any supplement to this prospectus;
- agree that none of the Company, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Controlling Shareholders, their respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);
- agree to disclose your personal data to the Company, the Hong Kong Share Registrar, the receiving banks, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Controlling Shareholders and/or its respective advisors and agents;
- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;
- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong

HOW TO APPLY FOR HONG KONG OFFER SHARES

Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of the Company agreeing that it will not offer any Hong Kong Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;

- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by the Company's announcement of the results of the Hong Kong Public Offering;
- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for the giving **electronic application instructions** to apply for Hong Kong Offer Shares;
- agree with the Company, for itself and for the benefit of each Shareholder (and so that the Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Ordinance and the Articles of Association; and
- agree that your application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the Laws of Hong Kong.

Effect of Giving Electronic Application Instructions to HKSCC via CCASS

By giving **electronic application instructions** to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to the Company or any other person in respect of the things mentioned below:

- instructed and authorised HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Hong Kong Offer Shares on your behalf;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- instructed and authorised HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and the Stock Exchange trading fee) by crediting your designated bank account; and
- instructed and authorised HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

Minimum Purchase Amount and Permitted Numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** for a minimum of 1,000 Hong Kong Offer Shares. Instructions for more than 1,000 Hong Kong Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

Time for Inputting Electronic Application Instructions⁽¹⁾

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

- Wednesday, October 30, 2019 — 9:00 a.m. to 8:30 p.m.
- Thursday, October 31, 2019 — 8:00 a.m. to 8:30 p.m.
- Friday, November 1, 2019 — 8:00 a.m. to 8:30 p.m.
- Saturday, November 2, 2019 — 8:00 a.m. to 1:00 p.m.
- Monday, November 4, 2019 — 8:00 a.m. to 8:30 p.m.
- Tuesday, November 5, 2019 — 8:00 a.m. to 8:30 p.m.
- Wednesday, November 6, 2019 — 8:00 a.m. to 8:30 p.m.
- Thursday, November 7, 2019 — 8:00 a.m. to 8:30 p.m.
- Friday, November 8, 2019 — 8:00 a.m. to 12:00 noon

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Wednesday, October 30, 2019 until 12:00 noon on Friday, November 8, 2019 (24 hours daily, except on November 8, 2019, the last application day).

HOW TO APPLY FOR HONG KONG OFFER SHARES

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Friday, November 8, 2019, the last application day or such later time as described in “—Effect of Bad Weather on the Opening and Closing of the Application Lists” in this section.

Note:

- (1) The times in this sub-section are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants and/or CCASS Investor Participants.

No Multiple Applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Hong Kong Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Hong Kong Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit. Any **electronic application instructions** to make an application for the Hong Kong Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, the Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Personal Data

The section of the Application Form headed “Personal Data” applies to any personal data held by the Company, the Hong Kong Share Registrar, the receiving banks, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Controlling Shareholders and any of their respective advisors and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

7. WARNING FOR ELECTRONIC APPLICATIONS

The application for the Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Hong Kong Offer Shares through the **White Form eIPO** service is also only a facility provided by the **White Form eIPO** Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. The Company, the Directors, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the

HOW TO APPLY FOR HONG KONG OFFER SHARES

Joint Bookrunners, the Joint Lead Managers, the Underwriters and the Controlling Shareholders take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **White Form eIPO** service will be allotted any Hong Kong Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CASS Internet System for submission of **electronic application instructions**, they should either (i) submit a **WHITE** or **YELLOW** Application Form, or (ii) go to HKSCC's Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Friday, November 8, 2019, the last day for applications, or such later time as described in “— Effect of Bad Weather on the Opening and Closing of the Application Lists” below.

8. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Hong Kong Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked “For nominees” you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or through **White Form eIPO** service, is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**).

If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

“Unlisted company” means a company with no equity securities listed on the Stock Exchange.

HOW TO APPLY FOR HONG KONG OFFER SHARES

“Statutory control” means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital)

9. HOW MUCH ARE THE HONG KONG OFFER SHARES

The **WHITE** and **YELLOW** Application Forms have tables showing the exact amount payable for Shares.

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for the Hong Kong Offer Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE** or **YELLOW** Application Form or through the **White Form eIPO** service in respect of a minimum of 1,000 Hong Kong Offer Shares. Each application or **electronic application instruction** in respect of more than 1,000 Hong Kong Offer Shares must be in one of the numbers set out in the table in the Application Form, or as otherwise specified on the designated website at www.eipo.com.hk.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Stock Exchange trading fee will be paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC).

For further details on the Offer Price, see the section headed “Structure of the Global Offering — Pricing and Allocation”.

10. EFFECT OF BAD WEATHER ON THE OPENING AND CLOSING OF THE APPLICATION LISTS

The application lists will not open or close if there is/are:

- a tropical cyclone warning signal number 8 or above;
- a “black” rainstorm warning; and/or
- Extreme Conditions.

HOW TO APPLY FOR HONG KONG OFFER SHARES

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, November 8, 2019. Instead they will open between 11:45 a.m. and 12:00 noon on the next Business Day which does not have any of those warnings or Extreme Conditions in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Friday, November 8, 2019 or if there is/are a tropical cyclone warning signal number 8, above or a “black” rainstorm warning signal and/or Extreme Conditions in force in Hong Kong that may affect the dates mentioned in “Expected Timetable”, an announcement will be made in such event.

11. PUBLICATION OF RESULTS

The Company expects to announce the final Offer Price, the level of indication of interest in the International Offering, the results of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares on Thursday, November 14, 2019 in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese), and on the Company’s website at www.sinicdc.com and the website of the Stock Exchange at www.hkexnews.hk.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering will be available at the times and date and in the manner specified below.

- in the announcement to be posted on the Company’s website at www.sinicdc.com and the Stock Exchange’s website at www.hkexnews.hk by no later than 9:00 a.m. on Thursday, November 14, 2019;
- from the designated results of allocations website at www.iporesults.com.hk (alternatively: English <https://www.eipo.com.hk/en/Allotment>; Chinese <https://www.eipo.com.hk/zh-hk/Allotment>) with a “search by ID” function on a 24-hour basis from 8:00 a.m. on Thursday, November 14, 2019 to 12:00 midnight on Wednesday, November 20, 2019;
- by telephone enquiry line by calling +852 2862 8669 between 9:00 a.m. and 10:00 p.m. from Thursday, November 14, 2019 to Sunday, November 17, 2019;
- in the special allocation results booklets which will be available for inspection during opening hours from Thursday, November 14, 2019 to Saturday, November 16, 2019 at all the receiving banks’ designated branches.

If the Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Hong Kong Offer Shares if the conditions of the Global Offering are satisfied and the Global Offering is not otherwise terminated. Further details are contained in “Structure of the Global Offering”.

HOW TO APPLY FOR HONG KONG OFFER SHARES

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED OFFER SHARES

You should note the following situations in which the Hong Kong Offer Shares will not be allotted to you:

(i) If your application is revoked:

By completing and submitting an Application Form or giving **electronic application instructions** to HKSCC or through the **White Form eIPO** service, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with the Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

(ii) If the Company or its agents exercise their discretion to reject your application:

The Company, the Joint Representatives, the **White Form eIPO** service Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

HOW TO APPLY FOR HONG KONG OFFER SHARES

(iii) If the allotment of Hong Kong Offer Shares is void:

The allotment of Hong Kong Offer Shares will be void if the Listing Committee of the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Committee notifies the Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or suspected multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Hong Kong Offer Shares and International Offer Shares;
- your Application Form is not completed in accordance with the stated instructions;
- your **electronic application instructions** through the **White Form eIPO** service are not completed in accordance with the instructions, terms and conditions on the designated website at www.eipo.com.hk;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;
- the Company or the Joint Representatives believe that by accepting your application, it/they would violate applicable securities or other laws, rules or regulations; or
- your application is for more than 50% of the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering.

HOW TO APPLY FOR HONG KONG OFFER SHARES

13. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum offer price of HK\$4.25 per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Hong Kong Public Offering are not fulfilled in accordance with “Structure of the Global Offering — Conditions of the Global Offering” in this prospectus are not satisfied or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded, without interest or the cheque or banker’s cashier order will not be cleared.

Any refund of your application monies will be made on or before Thursday, November 14, 2019.

14. DESPATCH/COLLECTION OF SHARE CERTIFICATES/e-Refund PAYMENT INSTRUCTIONS/REFUND MONIES

You will receive one Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made on **YELLOW** Application Forms or by **electronic application instructions** to HKSCC via CCASS where the Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE** or **YELLOW** Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- Share certificate(s) for all the Hong Kong Offer Shares allotted to you (for applicants on **YELLOW** Application Forms, Share certificates for the Hong Kong Offer Shares will be deposited into CCASS as described below); and
- refund cheque(s) crossed “Account Payee Only” in favour of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Hong Kong Offer Shares, wholly or partially unsuccessfully applied for; and/or (ii) the difference between the Offer Price and the maximum Offer Price per Offer Share paid on application in the event that the Offer Price is less than the maximum Offer Price (including brokerage of 1%, SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005% but without interest).

HOW TO APPLY FOR HONG KONG OFFER SHARES

Part of the Hong Kong identity card number/passport number, provided by you or the first-named applicant (if you are joint applicants), may be printed on your refund cheque, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangement on dispatch/collection of Share certificates and refund monies as mentioned below, any refund cheques and Share certificates are expected to be posted on or before Thursday, November 14, 2019. The right is reserved to retain any Share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker's cashier's order(s).

Share certificates will only become valid at 8:00 a.m. on Friday, November 15, 2019 provided that the Global Offering has become unconditional in all respects and the right of termination described in the "Underwriting" has not been exercised. Investors who trade Shares on the basis of publicly available allocation details or prior to the receipt of Share certificates or prior to the Share certificates becoming valid do so entirely at their own risk.

Personal Collection

(i) If you apply using a WHITE Application Form

If you apply for 1,000,000 or more Hong Kong Public Offer Shares on a **WHITE** Application Form and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or Share certificate(s) from Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong from 9:00 a.m. to 1:00 p.m. on Thursday, November 14, 2019 or such other date as notified by us in the newspapers.

If you are an individual who is eligible for personal collection, you must not authorise any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorised representative must bear a letter of authorisation from your corporation stamped with your corporation's chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar.

If you do not collect your refund cheque(s) and/or Share certificate(s) personally within the time specified for collection, they will be despatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares on a **WHITE** Application Form, your refund cheque(s) and/or Share certificate(s) will be sent to the address on the relevant Application Form on or before Thursday, November 14, 2019, by ordinary post and at your own risk.

HOW TO APPLY FOR HONG KONG OFFER SHARES

(ii) If you apply using a YELLOW Application Form

If you apply for 1,000,000 Hong Kong Offer Shares or more and have provided all the information required by your Application Form, please follow the same instructions as described above for collecting refund cheque(s). If you have applied for less than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) will be sent to the address specified in the relevant Application Form on or before Thursday, November 14, 2019, by ordinary post and at your own risk.

If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your Share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant's stock account as stated in your Application Form on Thursday, November 14, 2019, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

- *If you apply through a designated CCASS Participant (other than a CCASS investor participant)*

For Hong Kong Offer Shares credited to your designated CCASS participant's stock account (other than CCASS Investor Participant), you can check the number of Hong Kong Offer Shares allotted to you with that CCASS participant.

- *If you apply as a CCASS Investor Participant*

The Company will publish the results of CCASS Investor Participants' applications together with the results of the Hong Kong Public Offering in the manner described in "— Publication of Results" above. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, November 14, 2019 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Hong Kong Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System. HKSCC will also make available to you an activity statement showing the number of Hong Kong Offer Shares credited to your CCASS Investor Participant stock account.

(iii) If you apply through the White Form eIPO service

If you apply for 1,000,000 or more Hong Kong Offer Shares through the **White Form eIPO** service and your application is wholly or partially successful, you may collect your Share certificate(s) from the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Thursday, November 14, 2019, or such other date as notified by the Company in the newspapers as the date of despatch/collection of Share certificates/e-Refund payment instructions/refund cheques.

HOW TO APPLY FOR HONG KONG OFFER SHARES

If you do not collect your Share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares through the **White Form eIPO** service, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on or before Thursday, November 14, 2019, by ordinary post at your own risk.

If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in your application instructions in the form of refund cheque(s) by ordinary post at your own risk.

(iv) If you apply via Electronic Application Instructions to HKSCC via CCASS

Allocation of Hong Kong Offer Shares

For the purposes of allocating Hong Kong Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of Share Certificates into CCASS and Refund of Application Monies

- If your application is wholly or partially successful, your Share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Thursday, November 14, 2019, or, on any other date determined by HKSCC or HKSCC Nominees.
- The Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, the Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Hong Kong Public Offering in the manner specified in "— Publication of Results" above on Thursday, November 14, 2019. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, November 14, 2019 or such other date as determined by HKSCC or HKSCC Nominees.

HOW TO APPLY FOR HONG KONG OFFER SHARES

- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.
- If you have applied as a CCASS Investor Participant, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Thursday, November 14, 2019. Immediately following the credit of the Hong Kong Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Hong Kong Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.
- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Thursday, November 14, 2019.

15. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second Business Day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional advisors for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

The following is the text of a report on the financial information of Sinic Holdings (Group) Company Limited, prepared for the purpose of incorporation in this prospectus received from the reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong.



22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

The Directors
Sinic Holdings (Group) Company Limited
ABCI Capital Limited
Huatai Financial Holdings (Hong Kong) Limited

Dear Sirs,

We report on the historical financial information of Sinic Holdings (Group) Company Limited (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-4 to I-132, which comprises the combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Group for each of the years ended 31 December 2016, 2017 and 2018 and the four months ended 30 April 2019 (the “Relevant Periods”), and the combined statements of financial position of the Group as at 31 December 2016, 2017 and 2018 and 30 April 2019 and the statements of financial position of the Company as at 31 December 2018 and 30 April 2019, and a summary of significant accounting policies and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-4 to I-132 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 30 October 2019 (the “Prospectus”) in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

DIRECTORS’ RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group as at 31 December 2016, 2017 and 2018 and 30 April 2019 and of the Company as at 31 December 2018 and 30 April 2019 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the combined statement of profit or loss and other comprehensive income, the combined statement of changes in equity and the combined statement of cash flows for the four months ended 30 April 2018 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial

Information, respectively. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

No historical financial statements for the Company

As at the date of this report, no statutory financial statements have been prepared for the Company since its date of incorporation.

Yours faithfully,

Certified Public Accountants

Hong Kong

30 October 2019

I HISTORICAL FINANCIAL INFORMATION**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December			Four months ended 30 April	
		2016	2017	2018	2018	2019
		(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
						(unaudited)
REVENUE	5	2,223,000	5,241,086	8,415,653	1,508,876	5,709,425
Cost of sales		(1,673,246)	(3,473,875)	(5,272,657)	(948,388)	(3,743,922)
GROSS PROFIT		549,754	1,767,211	3,142,996	560,488	1,965,503
Finance income		2,518	27,417	105,680	30,414	7,756
Other income and gains	5	374	7,014	5,945	2,059	4,536
Selling and distribution expenses		(214,628)	(458,382)	(657,597)	(143,420)	(192,352)
Administrative expenses		(83,044)	(225,341)	(430,192)	(92,301)	(167,610)
Other expenses		(7,210)	(47,447)	(46,219)	(13,113)	(3,192)
Fair value gains on investment properties	14	77,980	86,038	110,159	49,497	27,431
Fair value gains/(losses) on financial assets at fair value through profit or loss		—	—	18,861	6,096	(20,800)
Fair value gains/(losses) on financial liabilities at fair value through profit or loss		(82)	74	242	72	100
Finance costs	7	(99,179)	(317,165)	(425,774)	(68,650)	(185,137)
Share of profits and losses of:						
Joint ventures		(3,083)	(18,255)	(9,466)	(5,862)	482
Associates		(6,587)	21,239	48,854	(190)	(2,686)
PROFIT BEFORE TAX	6	216,813	842,403	1,863,489	325,090	1,434,031
Income tax expense	10	(85,936)	(564,198)	(1,308,536)	(279,266)	(1,151,849)
PROFIT FOR THE YEAR/PERIOD		<u>130,877</u>	<u>278,205</u>	<u>554,953</u>	<u>45,824</u>	<u>282,182</u>
Attributable to:						
Owners of the parent		62,437	95,021	413,538	50,862	232,661
Non-controlling interests		68,440	183,184	141,415	(5,038)	49,521
		<u>130,877</u>	<u>278,205</u>	<u>554,953</u>	<u>45,824</u>	<u>282,182</u>
EARNINGS PER SHARE						
ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic and diluted	12	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

	Year ended 31 December			Four months ended 30 April	
	2016	2017	2018	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
PROFIT FOR THE YEAR/PERIOD	<u>130,877</u>	<u>278,205</u>	<u>554,953</u>	<u>45,824</u>	<u>282,182</u>
OTHER COMPREHENSIVE INCOME					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):					
Exchange differences on translation of foreign operations	<u>—</u>	<u>48,258</u>	<u>(93,916)</u>	<u>64,091</u>	<u>44,997</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR/PERIOD, NET OF TAX	<u>—</u>	<u>48,258</u>	<u>(93,916)</u>	<u>64,091</u>	<u>44,997</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	<u>130,877</u>	<u>326,463</u>	<u>461,037</u>	<u>109,915</u>	<u>327,179</u>
Attributable to:					
Owners of the parent	<u>62,437</u>	<u>143,279</u>	<u>319,622</u>	<u>114,953</u>	<u>277,658</u>
Non-controlling interests	<u>68,440</u>	<u>183,184</u>	<u>141,415</u>	<u>(5,038)</u>	<u>49,521</u>
	<u>130,877</u>	<u>326,463</u>	<u>461,037</u>	<u>109,915</u>	<u>327,179</u>

COMBINED STATEMENTS OF FINANCIAL POSITION

	Notes	31 December			30 April
		2016	2017	2018	2019
		(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
NON-CURRENT ASSETS					
Property, plant and equipment	13	77,872	109,053	114,340	110,118
Right-of-use assets		—	—	—	50,062
Investment properties	14	769,280	893,500	1,153,030	1,331,030
Intangible assets	15	1,483	6,272	5,911	5,662
Investments in joint ventures	16	202,832	3,389,618	3,866,086	7,086,884
Investments in associates	17	152,413	184,451	708,072	771,640
Long-term debt investments	18	—	617,669	564,062	656,566
Deferred tax assets	19	430,262	1,065,296	1,652,258	2,008,147
Other non-current assets	24	1,276,445	2,214,272	1,656,548	1,353,910
Total non-current assets		2,910,587	8,480,131	9,720,307	13,374,019
CURRENT ASSETS					
Properties under development	20	9,201,729	28,340,270	43,560,301	48,478,273
Completed properties held for sale	21	2,313,265	1,811,813	4,094,399	4,396,742
Trade receivables	22	—	—	—	2,403
Due from related companies	41	4,127,587	4,515,427	5,112,386	7,344,419
Prepayments and other receivables	23	424,481	1,205,662	4,558,824	4,964,445
Financial assets at fair value through profit or loss	25	—	—	64,867	44,067
Long-term debt investments within one year	18	—	121,930	314,942	355,498
Tax recoverable		8,931	42,298	116,116	262,181
Restricted cash	26	266,726	1,172,860	2,623,147	3,468,422
Pledged deposits	26	67,052	233,302	358,899	754,124
Cash and cash equivalents	26	699,941	2,876,901	7,083,520	5,387,137
Total current assets		17,109,712	40,320,463	67,887,401	75,457,711
CURRENT LIABILITIES					
Trade and bills payables	27	1,571,875	2,465,463	3,142,262	3,826,234
Other payables and accruals	28	1,753,417	1,793,657	3,898,578	3,421,133
Contract liabilities	29	7,118,885	20,063,821	40,196,400	43,726,570
Due to related companies	41	193,661	2,294,506	1,400,187	2,963,273
Interest-bearing bank and other borrowings	30	2,996,600	9,249,127	9,224,964	10,334,450
Tax payable	10	122,769	760,298	1,686,313	2,773,504
Lease liabilities within one year		—	—	—	21,368
Financial liabilities at fair value through profit or loss	31	935	861	619	519
Total current liabilities		13,758,142	36,627,733	59,549,323	67,067,051
NET CURRENT ASSETS		3,351,570	3,692,730	8,338,078	8,390,660
TOTAL ASSETS LESS CURRENT LIABILITIES		6,262,157	12,172,861	18,058,385	21,764,679

	Notes	31 December			30 April
		2016	2017	2018	2019
		(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
NON-CURRENT LIABILITIES					
Interest-bearing bank and other borrowings	30	3,440,900	7,426,520	12,285,740	15,111,098
Corporate bonds	32	—	—	592,070	1,023,830
Lease liabilities		—	—	—	22,007
Deferred tax liabilities	19	20,539	151,516	120,307	241,651
Total non-current liabilities		3,461,439	7,578,036	12,998,117	16,398,586
NET ASSETS		2,800,718	4,594,825	5,060,268	5,366,093
EQUITY					
Equity attributable to owners of the parent					
Share capital	33	—	—	—	—
Reserves	34	2,574,123	3,924,002	4,243,624	4,529,470
		2,574,123	3,924,002	4,243,624	4,529,470
Non-controlling interests		226,595	670,823	816,644	836,623
TOTAL EQUITY		2,800,718	4,594,825	5,060,268	5,366,093

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent							Non-controlling interests	Total equity	
	Share capital	Share premium	Merger reserve	Capital reserve	Statutory	Exchange	Retained profits			
					surplus reserve	fluctuation reserve				Total
(RMB'000) Note 33	(RMB'000) Note 34(a)	(RMB'000) Note 34(b)	(RMB'000) Note 34(c)	(RMB'000) Note 34(d)	(RMB'000) Note 34(e)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	
As at 1 January 2016	—	—	110,000	—	—	—	1,686	111,686	32,215	143,901
Profit and total comprehensive income for the year	—	—	—	—	—	—	62,437	62,437	68,440	130,877
Capital contribution by the then equity holders of subsidiaries	—	—	2,400,000	—	—	—	—	2,400,000	—	2,400,000
Acquisition of subsidiaries	—	—	—	—	—	—	—	—	125,940	125,940
Appropriations to statutory surplus reserve	—	—	—	—	10,450	—	(10,450)	—	—	—
As at 31 December 2016 and 1 January 2017	—	—*	2,510,000*	—*	10,450*	—*	53,673*	2,574,123	226,595	2,800,718
Profit for the year	—	—	—	—	—	—	95,021	95,021	183,184	278,205
Other comprehensive income for the year:										
Exchange differences on translation of foreign operations	—	—	—	—	—	48,258	—	48,258	—	48,258
Total comprehensive income for the year	—	—	—	—	—	48,258	95,021	143,279	183,184	326,463
Capital contribution by the then equity holders of subsidiaries	—	—	3,000,000	—	—	—	—	3,000,000	—	3,000,000
Acquisition of subsidiaries by the Group from the then equity holders of subsidiaries	—	—	(1,793,400)	—	—	—	—	(1,793,400)	—	(1,793,400)
Acquisition of subsidiaries	—	—	—	—	—	—	—	—	261,044	261,044
Appropriations to statutory surplus reserve	—	—	—	—	56,660	—	(56,660)	—	—	—
As at 31 December 2017 and 1 January 2018	—	—*	3,716,600*	—*	67,110*	48,258*	92,034*	3,924,002	670,823	4,594,825
Profit for the year	—	—	—	—	—	—	413,538	413,538	141,415	554,953
Other comprehensive income for the year:										
Exchange differences on translation of foreign operations	—	—	—	—	—	(93,916)	—	(93,916)	—	(93,916)
Total comprehensive income for the year	—	—	—	—	—	(93,916)	413,538	319,622	141,415	461,037
Capital contribution by the non-controlling shareholders of subsidiaries	—	—	—	—	—	—	—	—	4,405	4,405
Disposal of subsidiaries	—	—	—	—	—	—	—	—	1	1
Appropriations to statutory surplus reserve	—	—	—	—	128,558	—	(128,558)	—	—	—
As at 31 December 2018	—	—*	3,716,600*	—*	195,668*	(45,658)*	377,014*	4,243,624	816,644	5,060,268

	Attributable to owners of the parent									
	Share	Share	Merger	Capital	Statutory	Exchange	Retained		Non-controlling	Total
	capital	premium	reserve	reserve	surplus	fluctuation	profits	Total	interests	equity
(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
	Note 33	Note 34(a)	Note 34(b)	Note 34(c)	Note 34(d)	Note 34(e)				
As at 31 December 2018 and										
1 January 2019	—	—	3,716,600	—	195,668	(45,658)	377,014	4,243,624	816,644	5,060,268
Profit for the period	—	—	—	—	—	—	232,661	232,661	49,521	282,182
Other comprehensive income										
for the period:										
Exchange differences on										
translation of foreign										
operations	—	—	—	—	—	44,997	—	44,997	—	44,997
Total comprehensive income										
for the period	—	—	—	—	—	44,997	232,661	277,658	49,521	327,179
Acquisition of non-controlling										
interests	—	—	—	8,188	—	—	—	8,188	(98,176)	(89,988)
Acquisition of subsidiaries	—	—	—	—	—	—	—	—	7,634	7,634
Capital contribution by the										
non-controlling shareholders										
of subsidiaries	—	—	—	—	—	—	—	—	61,000	61,000
As at 30 April 2019	—	—*	3,716,600*	8,188*	195,668*	(661)*	609,675*	4,529,470	836,623	5,366,093
As at 31 December 2017 and										
1 January 2018	—	—	3,716,600	—	67,110	48,258	92,034	3,924,002	670,823	4,594,825
Profit for the period										
(unaudited)	—	—	—	—	—	—	50,862	50,862	(5,038)	45,824
Other comprehensive income										
for the period:										
Exchange differences on										
translation of foreign										
operations (unaudited)	—	—	—	—	—	64,091	—	64,091	—	64,091
Total comprehensive income										
for the period (unaudited)	—	—	—	—	—	64,091	50,862	114,953	(5,038)	109,915
Capital contribution by the										
non-controlling shareholders										
of subsidiaries (unaudited)	—	—	—	—	—	—	—	—	4,405	4,405
Disposal of subsidiaries										
(unaudited)	—	—	—	—	—	—	—	—	1	1
As at 30 April 2018										
(unaudited)	—	—	3,716,600	—	67,110	112,349	142,896	4,038,955	670,191	4,709,146

* These reserve accounts represent the total combined reserves of RMB2,574,123,000, RMB3,924,002,000, RMB4,243,624,000 and RMB4,529,470,000 in the combined statements of financial position as at 31 December 2016, 2017 and 2018 and 30 April 2019, respectively.

COMBINED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Four months ended	
					30 April	
		2016	2017	2018	2018	2019
		(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
						(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		216,813	842,403	1,863,489	325,090	1,434,031
Adjustments for:						
Depreciation of items of property, plant and equipment	6,13	4,831	8,872	19,435	6,680	8,312
Depreciation of right-of-use assets		—	—	—	—	7,690
Amortisation of other intangible assets	6,15	60	581	820	126	283
Gain on bargain purchase	36	—	(6,180)	—	—	(2,730)
Gain on disposal of subsidiaries		—	—	(1,187)	(597)	—
Share of profits and losses of joint ventures		3,083	18,255	9,466	5,862	(482)
Share of profits and losses of associates		6,587	(21,239)	(48,854)	190	2,686
Fair value gains on investment properties	14	(77,980)	(86,038)	(110,159)	(49,497)	(27,431)
Gain on disposal of items of property, plant and equipment		—	—	(474)	(57)	—
Fair value (gains)/losses on financial assets at fair value through profit or loss		—	—	(18,861)	(6,096)	20,800
Fair value (gains)/losses on financial liabilities at fair value through profit or loss		82	(74)	(242)	(72)	(100)
Finance costs	7	99,179	317,165	425,774	68,650	185,137
Interest income		(2,518)	(27,417)	(105,680)	(30,414)	(7,756)
		250,137	1,046,328	2,033,527	319,865	1,620,440
Increase in properties under development and completed properties held for sale		(7,595,376)	(16,532,346)	(15,063,889)	(4,396,913)	(3,243,214)
Decrease/(increase) in prepayments and other receivables		429,911	(620,745)	(3,275,158)	(1,237,916)	(232,210)
Increase in other non-current assets		(15,301)	(154,807)	(285,355)	(183,790)	(64,003)
Increase in restricted cash		(33,401)	(906,134)	(1,450,287)	(719,972)	(845,275)

	Year ended 31 December			Four months ended	
				30 April	
	2016	2017	2018	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
				(unaudited)	
Decrease/(increase) in pledged deposits	22,728	(166,250)	(125,597)	(30,946)	(395,225)
Increase in trade receivables	—	—	—	—	(2,403)
Increase in trade and bills payables	207,197	680,613	676,799	23,471	683,972
Increase/(decrease) in other payables and accruals	1,457,593	(765,341)	1,828,039	594,637	(729,747)
Increase in contract liabilities	3,763,738	12,599,733	19,329,198	7,507,918	3,007,681
(Increase)/decrease in amounts due from related parties	(5,833)	(40,751)	8,379	4,633	250
(Decrease)/increase in amounts due to related parties	(291)	10,798	30,428	16,391	45,914
Cash (used in)/generated from operations	(1,518,898)	(4,848,902)	3,706,084	1,897,378	(153,820)
Interest received	2,518	21,787	27,676	4,815	7,756
Interest paid	(274,292)	(1,080,385)	(934,323)	(267,109)	(631,319)
Tax paid	(246,822)	(640,278)	(1,074,510)	(450,646)	(560,277)
Net cash flows (used in)/generated from operating activities	(2,037,494)	(6,547,778)	1,724,927	1,184,438	(1,337,660)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of items of property, plant and equipment	(29,290)	(40,215)	(26,607)	(18,279)	(3,345)
Purchase of intangible assets	(1,530)	(5,378)	(459)	(8)	(34)
Increase in investment properties	(389,055)	(38,182)	(149,371)	(7,403)	(150,569)
Acquisition of subsidiaries	—	(472,181)	—	—	(518,268)
Acquisition of financial assets at fair value through profit or loss	—	—	(46,006)	(46,006)	—
Investments in joint ventures	(205,915)	(3,205,041)	(485,934)	—	(2,793,933)
Investments in associates	(159,000)	(10,799)	(474,767)	(80,605)	(66,254)
Advances to third parties	—	(739,599)	(139,405)	(82,549)	(133,060)
Disposal of intangible assets	—	8	—	—	—
Disposal of items of property, plant and equipment	21	162	2,359	1,502	135

	Year ended 31 December			Four months ended 30 April	
	2016	2017	2018	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Net cash flows used in investing activities	<u>(784,769)</u>	<u>(4,511,225)</u>	<u>(1,320,190)</u>	<u>(233,348)</u>	<u>(3,665,328)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Capital contribution by the then equity holder of subsidiaries	2,400,000	3,000,000	—	—	—
Proceeds from issue of corporate bonds	—	—	586,421	—	415,674
Capital contribution from non-controlling shareholders of the subsidiaries	—	—	4,405	4,405	61,000
Acquisition of subsidiaries by the Group from the then equity holder of subsidiaries	—	(1,793,400)	—	—	—
Advances to related companies	(4,729,414)	(15,737,754)	(10,691,453)	(2,577,241)	(5,291,241)
Repayment of advances to related companies	1,666,099	15,390,665	10,086,115	2,400,408	3,058,958
Advances from related companies	2,091,781	11,781,903	15,790,185	4,364,422	4,007,338
Repayment of advances from related companies	(2,659,055)	(9,691,856)	(16,714,932)	(4,176,165)	(2,916,549)
Payment of lease liabilities	—	—	—	—	(8,416)
Proceeds from interest-bearing bank and other borrowings	6,336,000	14,277,747	16,367,769	2,356,167	9,696,650
Repayment of interest-bearing bank and other borrowings	<u>(1,619,500)</u>	<u>(4,039,600)</u>	<u>(11,603,038)</u>	<u>(2,982,687)</u>	<u>(5,730,648)</u>
Net cash flows generated from/(used in) financing activities	<u>3,485,911</u>	<u>13,187,705</u>	<u>3,825,472</u>	<u>(610,691)</u>	<u>3,292,766</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>663,648</u>	<u>2,128,702</u>	<u>4,230,209</u>	<u>340,399</u>	<u>(1,710,222)</u>

	<i>Notes</i>	Year ended 31 December			Four months ended 30 April	
		2016	2017	2018	2018	2019
		(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Cash and cash equivalents at beginning of year/period		36,293	699,941	2,876,901	2,876,901	7,083,520
Effect of foreign exchange rate, net		—	48,258	(23,590)	18,057	13,839
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		699,941	2,876,901	7,083,520	3,235,357	5,387,137
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances	26	1,033,719	4,283,063	10,065,566	5,392,437	9,609,683
Less: Restricted cash	26	266,726	1,172,860	2,623,147	1,892,832	3,468,422
Pledged deposits	26	67,052	233,302	358,899	264,248	754,124
CASH AND CASH EQUIVALENTS AS STATED IN THE COMBINED STATEMENTS OF FINANCIAL POSITION AND STATEMENTS OF CASH FLOWS		699,941	2,876,901	7,083,520	3,235,357	5,387,137

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	<i>Note</i>	31 December 2018	30 April 2019
		<u>(RMB'000)</u>	<u>(RMB'000)</u>
NON-CURRENT ASSETS			
Right-of-use assets		<u>—</u>	<u>15,973</u>
CURRENT ASSETS			
Cash and cash equivalents		<u>—</u>	<u>—</u>
CURRENT LIABILITIES			
Due to a subsidiary		—	6,813
Lease liabilities within one year		<u>—</u>	<u>562</u>
Total current liabilities		—	7,375
NET CURRENT LIABILITIES		<u>—</u>	<u>7,375</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>—</u>	<u>8,598</u>
NON-CURRENT LIABILITIES			
Lease liabilities		<u>—</u>	<u>8,812</u>
NET ASSETS		<u>—</u>	<u>(214)</u>
EQUITY			
Share capital	33	—	—
Reserves		<u>—</u>	<u>(214)</u>
TOTAL EQUITY		<u>—</u>	<u>(214)</u>

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is an exempted company incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. During the Relevant Periods, the subsidiaries now comprising the Group were involved in property development and property leasing (the "Listing Business"). The controlling shareholders of the Group are Mr. Zhang Yuanlin, Sinic Holdings Group Company Limited, Sinic Group Company Limited, Xin Hong Company Limited and Xin Heng Company Limited (the "Controlling Shareholders").

The Company and its subsidiaries now comprising the Group underwent the Reorganisation which was completed on 17 May 2019 as set out in the paragraph headed "Reorganisation" in the section headed "History, Reorganisation and Corporate Structure" in the Prospectus. Apart from the Reorganisation, the Company has not commenced any business or operation since its incorporation.

As at the date of the report, the Company had direct or indirect interests in more than 200 subsidiaries, all of which are private limited liability companies (or if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of the principal subsidiaries are set out as below.

Name of companies	Notes	Place and date of establishment and place of operations	Nominal value of registered share capital	Effective percentage of the controlling equity interest attributable to the Company	Principal activities
('000)					
Directly held:					
力悦有限公司 Li Yue Company Limited ("Li Yue BVI")	(3)	British Virgin Islands/ 21 September 2018	United States dollar ("US\$") 0.001	100%	Investment holding
森源發展有限公司 Forest Resources Developments Limited ("Forest Resources BVI")	(3)	British Virgin Islands/ 21 February 2019	US\$0.001	100%	Investment holding
力誠有限公司 Li Cheng Company Limited ("Li Cheng BVI")	(3)	British Virgin Islands/ 21 September 2018	US\$0.001	100%	Investment holding
力合控股有限公司 Li He Holdings Limited ("Li He BVI")	(3)	British Virgin Islands/ 21 September 2018	US\$0.001	100%	Investment holding
力銳控股有限公司 Li Rui Holdings Limited ("Li Rui BVI")	(3)	British Virgin Islands/ 21 September 2018	US\$0.001	100%	Investment holding
Indirectly held:					
力悦(香港)控股有限公司 Li Yue (HK) Holdings Limited ("Li Yue HK")	(3)	Hong Kong/ 25 October 2018	Hong Kong dollar ("HK\$") 0.1	100%	Investment holding

Name of companies	Notes	Place and date of incorporation/ establishment and place of operations	Nominal value of registered share capital	Effective percentage of the controlling equity interest attributable to the Company	Principal activities
			('000)		
新星電子有限公司 Icons Electronics Limited ("Icons Electronics HK")	(3)	Hong Kong/ 1 February 2019	HK\$0.001	100%	Investment holding
江西新力商務諮詢有限公司 Jiangxi Sinic Business Consultancy Co., Ltd. ("Sinic Business Consultancy")	(3)	People's Republic of China ("PRC")/ Mainland China 28 February 2019	RMB100,000	100%	Investment holding
江西新力企業管理有限公司 Jiangxi Sinic Corporate Management Co., Ltd. ("Sinic Management")	(3)	PRC/Mainland China 22 January 2019	RMB101,010	100%	Investment holding
新力地產集團有限公司 Sinic Real Estate Group Co., Ltd. ("Sinic Real Estate")	(4)	PRC/Mainland China 14 March 2017	RMB3,000,000	100%	Investment holding
江西新力置地投資有限公司 Jiangxi Sinic Properties Investment Co., Ltd. ("Jiangxi Sinic Properties")	(5)	PRC/Mainland China 25 March 2010	RMB2,500,000	100%	Property development
豐城贛鐵置業有限公司 Fengcheng Gantie Properties Co., Ltd. ("Fengcheng Gantie Properties")	(1,6)	PRC/Mainland China 28 December 2011	RMB6,000	64%	Property development
南昌天華置業有限公司 Nanchang Tianhua Properties Co., Ltd. ("Nanchang Tianhua Properties")	(7)	PRC/Mainland China 22 July 2015	RMB200,000	100%	Property development
江西恒望置業有限公司 Jiangxi Hengwang Properties Co., Ltd. ("Jiangxi Hengwang Properties")	(1,8)	PRC/Mainland China 12 July 2012	RMB102,040	51%	Property development
江西澳斯屯實業有限公司 Jiangxi Aositun Industrial Co., Ltd. ("Jiangxi Aositun Industrial")	(9)	PRC/Mainland China 27 July 2002	RMB50,000	100%	Property development

Name of companies	Notes	Place and date of incorporation/ establishment and place of operations	Nominal value of registered share capital	Effective percentage of the controlling equity interest attributable to the Company	Principal activities
			('000)		
江西駿宇實業有限公司 Jiangxi JunYu Industrial Co., Ltd. ("Jiangxi JunYu Industrial")	(10)	PRC/Mainland China 24 May 2007	RMB30,000	100%	Property development
南昌寶葫蘆農莊有限公司 Nanchang Baohulu Farm Co., Ltd. ("Nanchang Baohulu Farm")	(11)	PRC/Mainland China 10 May 2007	RMB179,620	100%	Property development
武漢保和優誠置業有限公司 Wuhan Baoheyoucheng Properties Co., Ltd. ("Wuhan Baoheyoucheng Properties")	(1,3)	PRC/Mainland China 4 December 2015	RMB57,300	70%	Property development
武漢新力力創置業有限公司 Wuhan Sinic Lichuang Properties Co., Ltd. ("Wuhan Sinic Lichuang Properties")	(3)	PRC/Mainland China 25 August 2016	RMB30,000	100%	Property development
贛州新力力合置業有限公司 Ganzhou Sinic Lihe Properties Co., Ltd. ("Ganzhou Sinic Lihe Properties")	(12)	PRC/Mainland China 10 April 2017	RMB10,000	100%	Property development
贛州新力未來置業有限公司 Ganzhou Sinic Weilai Properties Co., Ltd. ("Ganzhou Sinic Weilai Properties")	(13)	PRC/Mainland China 18 May 2017	RMB10,000	100%	Property development
贛州市匯鑫置業有限公司 Ganzhou Sinic Huixin Properties Co., Ltd. ("Ganzhou Sinic Huixin Properties")	(1,14)	PRC/Mainland China 17 August 2011	RMB10,000	60%	Property development
綠色奔跑置業(北京)有限公 司 Lvse Benpao Properties (Beijing) Co., Ltd. ("Lvse Benpao Properties (Beijing)")	(15)	PRC/Mainland China 13 April 2016	RMB10,000	100%	Property development

Name of companies	Notes	Place and date of incorporation/ establishment and place of operations	Nominal value of registered share capital	Effective percentage of the controlling equity interest attributable to the Company	Principal activities
			('000)		
惠州新力弘發房地產開發有限公司 Huizhou Sinic Hongfa Real Estate Development Co., Ltd. (“Huizhou Sinic Hongfa Real Estate Development”)	(3)	PRC/Mainland China 27 April 2017	RMB20,000	100%	Property development
廣東強科地產有限公司 Guangdong Qiangke Real Estate Co., Ltd. (“Guangdong Qiangke Real Estate”)	(3)	PRC/Mainland China 3 June 2005	RMB5,100	100%	Property development
惠州新力無限房地產開發有限公司 Huizhou Sinic Wuxian Real Estate Development Co., Ltd. (“Huizhou Sinic Wuxian Real Estate Development”)	(3)	PRC/Mainland China 1 November 2016	RMB100,000	100%	Property development
南昌天巨實業有限公司 Nanchang Tianju Industrial Co., Ltd. (“Nanchang Tianju Industrial”)	(1,3,16)	PRC/Mainland China 17 November 2010	RMB5,000	60%	Property development
惠州新力美學房地產開發有限公司 Huizhou Sinic Meixue Real Estate Development Co., Ltd. (“Huizhou Sinic Meixue Real Estate Development”)	(3)	PRC/Mainland China 1 November 2016	RMB100,000	100%	Property development
惠州市均林實業有限公司 Huizhou Junlin Industrial Co., Ltd. (“Huizhou Junlin Industrial”)	(2,3)	PRC/Mainland China 13 September 2013	RMB5,000	100%	Property development
湖南新淼房地產開發有限公司 Hunan Xinmiao Real Estate Development Co., Ltd. (“Hunan Xinmiao Real Estate Development”)	(1,3)	PRC/Mainland China 29 March 2017	RMB50,000	99%	Property development

Name of companies	Notes	Place and date of incorporation/ establishment and place of operations	Nominal value of registered share capital	Effective percentage of the controlling equity interest attributable to the Company	Principal activities
			('000)		
湖南新川房地產開發有限公司 Hunan Xinchuan Real Estate Development Co., Ltd. ("Hunan Xinchuan Real Estate Development")	(1,3)	PRC/Mainland China 29 March 2017	RMB50,000	99%	Property development
湖南新林房地產開發有限公司 Hunan Xinlin Real Estate Development Co., Ltd. ("Hunan Xinlin Real Estate Development")	(1,3)	PRC/Mainland China 30 March 2017	RMB50,000	99%	Property development
北京里士滿信息諮詢有限公司 Beijing Lishiman Information Consulting Co., Ltd. ("Beijing Lishiman Information Consulting")	(3)	PRC/Mainland China 10 August 2016	RMB50,000	100%	Management consulting
南昌順泰置業有限公司 Nanchang Shuntai Properties Co., Ltd. ("Nanchang Shuntai Properties")	(1,17)	PRC/Mainland China 21 April 2014	RMB100,000	70%	Property development
惠州新力泓逸房地產開發有限公司 Huizhou Sinic Hongyi Real Estate Development Co., Ltd. ("Huizhou Sinic Hongyi Real Estate Development")	(3)	PRC/Mainland China 21 April 2017	RMB20,000	100%	Property development
昆山萊克斯投資有限公司 Kunshan Laikesi Investment Co., Ltd. ("Kunshan Laikesi Investment")	(18)	PRC/Mainland China 5 January 2012	RMB100,000	100%	Property development
上海新悅力和房地產開發有限公司 Shanghai Xinyue Lihe Real Estate Development Co., Ltd. ("Shanghai Xinyue Lihe Real Estate Development")	(3)	PRC/Mainland China 13 January 2017	RMB100,000	100%	Property development

Name of companies	Notes	Place and date of incorporation/ establishment and place of operations	Nominal value of registered share capital	Effective percentage of the controlling equity interest attributable to the Company	Principal activities
			('000)		
江西億創置業投資有限公司 Jiangxi Yichuang Properties Investment Co., Ltd. ("Jiangxi Yichuang Properties Investment")	(3)	PRC/Mainland China 7 April 2016	RMB10,000	100%	Investment development
贛州新悅力創房地產開發有 限公司 Ganzhou Xinyuelichuang Real Estate Development Co., Ltd. ("Ganzhou Xinyuelichuang Real Estate Development")	(3)	PRC/Mainland China 10 March 2017	RMB200,000	100%	Investment development
惠州力新美學房地產開發 有限公司 Huizhou Lixinmeixue Real Estate Development Co., Ltd. ("Huizhou Lixinmeixue Real Estate Development")	(2,3)	PRC/Mainland China 16 January 2017	RMB100,000	100%	Investment development
惠州市旺友實業有限公司 Huizhou Wangyou Industrial Co., Ltd. ("Huizhou Wangyou Industrial")	(3)	PRC/Mainland China 26 January 2011	RMB10,000	100%	Property development
惠州市天華宇實業有限公司 Huizhou Tianhuayu Industrial Co., Ltd. ("Huizhou Tianhuayu Industrial")	(3)	PRC/Mainland China 25 May 2012	RMB1,000	100%	Property development
長沙新力鴻房地產開發有限 公司 Changsha Sinic Hong Real Estate Development Co., Ltd. ("Changsha Sinic Hong Real Estate Development")	(3)	PRC/Mainland China 13 October 2017	RMB20,000	100%	Property development
清遠市萬力源投資置業 有限公司 Qingyuan Wanliyuan Investment Properties Co., Ltd. ("Qingyuan Wanliyuan Investment Properties")	(3)	PRC/Mainland China 1 February 2010	RMB25,000	100%	Property development

Name of companies	Notes	Place and date of incorporation/ establishment and place of operations	Nominal value of registered share capital	Effective percentage of the controlling equity interest attributable to the Company	Principal activities
			('000)		
江西力睿置業投資有限公司 Jiangxi Lirui Property Investment Co., Ltd. ("Jiangxi Lirui Property Investment")	(3)	PRC/Mainland China 7 April 2016	RMB10,000	100%	Property development
江西淳華房地產開發有限公 司 Jiangxi Chunhua Real Estate Development Co., Ltd. ("Jiangxi Chunhua Real Estate Development")	(19)	PRC/Mainland China 8 September 2016	RMB10,000	100%	Property development
江西新沃房地產開發有限公 司 Jiangxi Xinwo Real Estate Development Co., Ltd. ("Jiangxi Xinwo Real Estate Development")	(3)	PRC/Mainland China 3 May 2017	RMB50,000	100%	Property development
湖南新力在悅房地產開發有 限公司 Hunan Sinic Zaiyue Real Estate Development Co., Ltd. ("Hunan Sinic Zaiyue Real Estate Development")	(3)	PRC/Mainland China 13 March 2017	RMB200,000	100%	Property development
無錫富安金邸房地產有限公 司 Wuxi Fuan Jindi Real Estate Co., Ltd. ("Wuxi Fuan")	(3)	PRC/Mainland China 17 July 2013	RMB100,000	100%	Property development
惠州市湯普實業有限公司 Huizhou Tangpu Industrial Co., Ltd. ("Huizhou Tangpu Industrial")	(20)	PRC/Mainland China 15 May 2002	US\$109,600	100%	Property development
江西傲宇房地產開發有限公 司 Jiangxi Aoyu Real Estate Development Co., Ltd. ("Jiangxi Aoyu Real Estate Development")	(3)	PRC/Mainland China 19 August 2016	RMB10,000	100%	Property development

Name of companies	Notes	Place and date of incorporation/ establishment and place of operations	Nominal value of registered share capital	Effective percentage of the controlling equity interest attributable to the Company	Principal activities
			('000)		
香港澳銘企業管理有限公司 Hong Kong Oeming Enterprise Management Co., Ltd. ("Oeming Enterprise")	(21)	Hong Kong/ 12 September 2016	HK\$0.001	100%	Investment holding
武漢新力和房地產集團有 限公司 Wuhan Sinic Zaihe Real Estate Group Co., Ltd. ("Wuhan Sinic Zaihe Real Estate Group")	(3)	PRC/Mainland China 10 March 2017	RMB50,000	100%	Property development
江西鴻禛房地產開發有限公 司 Jiangxi Hongzhen Estate Development Co., Ltd. ("Jiangxi Hongzhen Real Estate Development")	(3)	PRC/Mainland China 28 September 2016	RMB100,000	100%	Property development
湖南新卓房地產開發有限公 司 Hunan Xinzhuo Real Estate Development Co., Ltd. ("Hunan Xinzhuo Real Estate Development")	(3)	PRC/Mainland China 30 March 2017	RMB285,710	100%	Property development
江西贛越房地產開發有限公 司 Jiangxi Ganyue Real Estate Development Co., Ltd. ("Jiangxi Ganyue Real Estate Development")	(22)	PRC/Mainland China 21 November 2017	RMB100,000	100%	Property development
惠州新力未來房地產開發有 限公司 Huizhou Sinic Weilai Real Estate Development Co., Ltd. ("Huizhou Sinic Weilai Real Estate Development")	(3)	PRC/Mainland China 1 November 2016	RMB100,000	100%	Property development
惠州力新無限房地產開發有 限公司 Huizhou Lixin Wuxian Real Estate Development Co., Ltd. ("Huizhou Lixin Wuxian Real Estate Development")	(3)	PRC/Mainland China 16 January 2017	RMB100,000	100%	Property development

Name of companies	Notes	Place and date of incorporation/ establishment and place of operations	Nominal value of registered share capital	Effective percentage of the controlling equity interest attributable to the Company	Principal activities
			('000)		
江西新瀚置業有限公司 Jiangxi Xinhai Properties Co., Ltd. ("Jiangxi Xinhai Properties")	(2,23)	PRC/Mainland China 10 December 2015	RMB100,000	100%	Property development
武漢新力聖宇房地產開發有 限公司 Wuhan Sinic Shengyu Real Estate Development Co., Ltd. ("Wuhan Sinic Shengyu Real Estate Development")	(3)	PRC/Mainland China 23 March 2017	RMB50,000	100%	Property development
武漢新力中成房地產開發有 限公司 Wuhan Sinic Zhongcheng Real Estate Development Co., Ltd. ("Wuhan Sinic Zhongcheng Real Estate Development")	(1,3)	PRC/Mainland China 24 March 2017	RMB50,000	70%	Property development
成都力聯房地產開發有限公 司 Chengdu Lilian Real Estate Development Co., Ltd. ("Chengdu Lilian Real Estate Development")	(3)	PRC/Mainland China 31 August 2017	RMB50,000	100%	Property development
江西中河置業有限公司 Jiangxi Zhonghe Properties Co., Ltd. ("Jiangxi Zhonghe Properties")	(3)	PRC/Mainland China 25 March 2014	RMB200,000	100%	Property development
南昌名門世家房產開發經營 有限責任公司 Nanchang Mingmen Shijia Real Estate Development Co., Ltd. ("Nanchang Mingmen Shijia Real Estate Development")	(24)	PRC/Mainland China 21 October 2014	RMB20,000	100%	Property development

Name of companies	Notes	Place and date of incorporation/ establishment and place of operations	Nominal value of registered share capital	Effective percentage of the controlling equity interest attributable to the Company	Principal activities
			('000)		
湖北華中盤龍收藏品交易市場開發有限公司 Hubei Huazhong Panlong Collectibles Market Development Co., Ltd. (“Hubei Huazhong Panlong Collectibles Market Development”)	(3)	PRC/Mainland China 27 May 2011	RMB50,000	100%	Property development
江西璽瑞實業有限公司 Jiangxi Xirui Industrial Co., Ltd. (“Jiangxi Xirui Industrial”)	(1,25)	PRC/Mainland China 20 November 2013	RMB20,400	51%	Property development
贛州新力順泰置業有限公司 Ganzhou Sinic Shuntai Properties Co., Ltd. (“Ganzhou Sinic Shuntai Properties”)	(3)	PRC/Mainland China 10 April 2017	RMB4,000	100%	Property development
惠州市美麗置業有限公司 Huizhou Meili Properties Co., Ltd. (“Huizhou Meili Properties”)	(3)	PRC/Mainland China 14 April 2010	RMB40,000	100%	Property development
長沙旺國置業有限公司 Changsha Wangguo Properties Co., Ltd. (“Changsha Wangguo Properties”)	(1,3)	PRC/Mainland China 7 December 2015	RMB100,000	94%	Property development
長沙新力湘房地產開發有限公司 Changsha Sinic Xiang Real Estate Development Co., Ltd. (“Changsha Sinic Xiang Real Estate Development”)	(1,26)	PRC/Mainland China 13 July 2017	RMB226,421	99%	Property development
江蘇中原置業有限公司 Jiangsu Zhongyuan Properties Co., Ltd. (“Jiangsu Zhongyuan Properties”)	(27)	PRC/Mainland China 30 June 2005	RMB77,200	100%	Property development
江西和之信投資有限公司 Jiangxi Hezhixin Investment Co., Ltd. (“Jiangxi Hezhixin Investment”)	(28)	PRC/Mainland China 6 April 2011	RMB150,000	100%	Property development

Name of companies	Notes	Place and date of incorporation/ establishment and place of operations	Nominal value of registered share capital	Effective percentage of the controlling equity interest attributable to the Company	Principal activities
			('000)		
江西新爵置業投資有限公司 Jiangxi Xinjue Property Investment Co., Ltd. ("Jiangxi Xinjue Property Investment")	(3)	PRC/Mainland China 26 February 2016	RMB10,000	100%	Investment holding
江西金麒麟置業有限公司 Jiangxi Gold Qilin Properties Co., Ltd. ("Jiangxi Gold Qilin Properties")	(29)	PRC/Mainland China 28 March 2007	RMB20,000	100%	Property development
惠州市均城投資有限公司 Huizhou Juncheng Investment Co., Ltd. ("Huizhou Juncheng Investment Estate")	(3)	PRC/Mainland China 5 June 2009	RMB10,000	100%	Property development
江西運發實業有限公司 Jiangxi Yunfa Industrial Co., Ltd. ("Jiangxi Yunfa Industrial")	(2,30)	PRC/Mainland China 28 June 2013	RMB61,230	100%	Property development
成都力新森房地產開發有限 公司 Chengdu Lixinmiao Real Estate Development Co., Ltd. ("Chengdu Lixinmiao Real Estate Development")	(3)	PRC/Mainland China 11 December 2017	RMB10,000	100%	Property development
成都新力錦業房地產開發有 限公司 Chengdu Sinic Jinye Real Estate Development Co., Ltd. ("Chengdu Sinic Jinye Real Estate Development")	(3)	PRC/Mainland China 27 April 2018	RMB10,000	100%	Property development
廣州新力展裕投資有限公司 Guangzhou Sinic Zhanyu Investment Co., Ltd. ("Guangzhou Sinic Zhanyu Investment")	(3)	PRC/Mainland China 16 March 2018	RMB10,000	100%	Property development
湖南悅禧置業有限公司 Hunan Yuexi Properties Co., Ltd. ("Hunan Yuexi Properties")	(1,3)	PRC/Mainland China 5 December 2006	RMB30,000	99%	Property development

Name of companies	Notes	Place and date of incorporation/ establishment and place of operations	Nominal value of registered share capital	Effective percentage of the controlling equity interest attributable to the Company	Principal activities
			('000)		
惠陽區威宇實業發展有限公司 Huiyang Weiyu Industrial Development Co., Ltd. ("Huiyang Weiyu Industrial Development")	(3)	PRC/Mainland China 29 March 2002	RMB50,000	100%	Property development
江西匯濤實業有限公司 Jiangxi Huitao Industrial Co., Ltd. ("Jiangxi Huitao Industrial")	(31)	PRC/Mainland China 2 September 2016	RMB600,000	100%	Property development
武漢市升陽房地產發展有限公司 Wuhan Shengyang Real Estate Development Co., Ltd. ("Wuhan Shengyang Real Estate Development")	(32)	PRC/Mainland China 14 June 2013	RMB10,000	100%	Property development
江西海越房地產開發有限公司 Jiangxi Haiyue Real Estate Development Co., Ltd. ("Jiangxi Haiyue Real Estate Development")	(3)	PRC/Mainland China 23 October 2018	RMB50,000	100%	Property development
江西新騰房地產開發有限公司 Jiangxi Xinteng Real Estate Development Co., Ltd. ("Jiangxi Xinteng Real Estate Development")	(33)	PRC/Mainland China 19 January 2018	RMB10,000	100%	Property development
江西新潯房地產開發有限公司 Jiangxi Xinxun Real Estate Development Co., Ltd. ("Jiangxi Xinxun Real Estate Development")	(34)	PRC/Mainland China 19 January 2018	RMB10,000	100%	Property development
江西陽焱房地產開發有限公司 Jiangxi Yangyan Real Estate Development Co., Ltd. ("Jiangxi Yangyan Real Estate Development")	(2,3)	PRC/Mainland China 30 September 2016	RMB100,000	100%	Property development

Name of companies	Notes	Place and date of incorporation/ establishment and place of operations	Nominal value of registered share capital	Effective percentage of the controlling equity interest attributable to the Company	Principal activities
			('000)		
惠州市勝源投資有限公司 Huizhou Shengyuan Investment Co., Ltd. ("Huizhou Shengyuan")	(3)	PRC/Mainland China 16 June 2011	RMB5,000	100%	Property development
蘇州新力在悅房地產有限 公司 Suzhou Sinic Zaiyue Real Estate Co., Ltd. ("Suzhou Sinic Zaiyue Real Estate")	(3)	PRC/Mainland China 13 February 2017	RMB100,000	100%	Property development
南昌新銘房地產開發有限 公司 Nanchang Xinming Real Estate Development Co., Ltd. ("Nanchang Xinming Real Estate Development")	(35)	PRC/Mainland China 18 December 2017	RMB20,000	100%	Property development
南昌梓棟房地產開發有限 公司 Nanchang Zidong Real Estate Development Co., Ltd. ("Nanchang Zidong Real Estate Development")	(36)	PRC/Mainland China 31 January 2018	RMB20,000	100%	Property development
浮梁縣靜好實業有限公司 Fuliang Jingshu Industrial Co., Ltd. ("Fuliang Jingshu")	(3)	PRC/Mainland China 8 April 2014	RM10,000	95%	Property development
南昌泰新房地產開發有限 公司 Nanchang Taixin Real Estate Development Co., Ltd. ("Nanchang Taixin Real Estate Development")	(37)	PRC/Mainland China 10 May 2018	RMB50,000	100%	Property development
南昌新穎房地產開發有限 公司 Nanchang Xinying Real Estate Development Co., Ltd. ("Nanchang Xinying Real Estate Development")	(38)	PRC/Mainland China 24 January 2018	RMB20,000	100%	Property development

Name of companies	Notes	Place and date of incorporation/ establishment and place of operations	Nominal value of registered share capital	Effective percentage of the controlling equity interest attributable to the Company	Principal activities
			('000)		
廣州坤旺房地產開發有限公司 Guangzhou Kunwang Real Estate Development Co., Ltd. (“Guangzhou Kunwang Real Estate Development”)	(39)	PRC/Mainland China 29 September 2016	RMB10,000	100%	Property development
中山新慧房地產開發有限公司 Zhongshan Xinhui Real Estate Development Co., Ltd. (“Zhongshan Xinhui Real Estate Development”)	(2, 40)	PRC/Mainland China 22 January 2017	RMB100,000	100%	Property development
中山新力力創房地產開發集團有限公司 Zhongshan Sinic Lichuang Real Estate Development Group Co., Ltd. (“Zhongshan Sinic Lichuang Real Estate Development Group”)	(41)	PRC/Mainland China 13 January 2017	RMB2,000,000	100%	Property development
中山市渡頭房地產開發有限公司 Zhongshan Dutou Real Estate Development Co., Ltd. (“Zhongshan Dutou”)	(3)	PRC/Mainland China 14 June 2017	RMB160,214	100%	Property development
惠州市均榮實業有限公司 Huizhou Junrong Industrial Co., Ltd. (“Huizhou Junrong Industrial”)	(42)	PRC/Mainland China 15 March 2011	RMB210,000	100%	Property development
吉安新悅力創房地產開發有限公司 Ji'an Xinyue Lichuang Real Estate Development Co., Ltd. (“Ji'an Xinyue Lichuang Real Estate Development”)	(43)	PRC/Mainland China 26 July 2018	RMB50,000	100%	Property development
惠州市萬基實業有限公司 Huizhou Wanji Industrial Co., Ltd. (“Huizhou Wanji Industrial”)	(44)	PRC/Mainland China 25 January 2010	RMB12,000	100%	Property development

Name of companies	Notes	Place and date of incorporation/ establishment and place of operations	Nominal value of registered share capital	Effective percentage of the controlling equity interest attributable to the Company	Principal activities
			('000)		
諸暨力睿房地產開發有限公司 Zhuji Lirui Real Estate Development Co., Ltd. ("Zhuji Lirui Real Estate Development")	(45)	PRC/Mainland China 6 August 2018	RMB50,000	100%	Property development
惠州市錦繡灣實業有限公司 Huizhou Jinxiu Bay Industrial Co., Ltd. ("Huizhou Jinxiu Bay Industrial")	(46)	PRC/Mainland China 18 January 2011	RMB20,000	100%	Property development
惠州市朗鉅實業有限公司 Huizhou Langju Industrial Co., Ltd. ("Huizhou Langju Industrial")	(1, 47)	PRC/Mainland China 23 November 2010	RMB300,000	75%	Property development
惠州大亞灣新際房地產開發有限公司 Huizhou Daya Bay Xinji Real Estate Development Co., Ltd. ("Huizhou Daya Bay Real Estate Development")	(48)	PRC/Mainland China 11 May 2006	RMB164,000	100%	Property development
蘇州力創香谷置業發展有限公司 Suzhou Lichuang Xianggu Properties Development Co., Ltd. ("Suzhou Lichuang Xianggu Properties Development")	(1, 2, 3)	PRC/Mainland China 26 December 2018	RMB200,000	70%	Property development
溫州力環房地產開發有限公司 Wenzhou Lijing Real Estate Development Co., Ltd. ("Wenzhou Lijing Real Estate Development")	(2, 3)	PRC/Mainland China 6 March 2019	RMB50,000	100%	Property development
合肥新城悅弘房地產開發有限公司 Hefei Xincheng Yuehong Real Estate Development Co., Ltd. ("Hefei Xincheng Yuehong Real Estate Development")	(3)	PRC/Mainland China 28 April 2019	RMB130,000	100%	Property development

Name of companies	Notes	Place and date of incorporation/ establishment and place of operations	Nominal value of registered share capital	Effective percentage of the controlling equity interest attributable to the Company	Principal activities
			('000)		
平潭立新地產有限公司 Pingtan Lixin Real Estate Co., Ltd. ("Pingtan Lixin Real Estate")	(1,3)	PRC/Mainland China 8 January 2019	RMB100,000	48%	Property development
平潭魯新地產有限公司 Pingtan Luxin Real Estate Co., Ltd. ("Pingtan Luxin Real Estate")	(1,3)	PRC/Mainland China 21 June 2018	RMB111,500	48%	Property development
江西賽越房地產開發有限公 司 Jiangxi Saiyue Real Estate Development Co., Ltd. ("Jiangxi Saiyue Real Estate Development")	(2,3)	PRC/Mainland China 25 December 2017	RMB142,857	100%	Property development
合肥力耀房地產開發有限公 司 Hefei Liyao Real Estate Development Co., Ltd. ("Hefei Liyao Real Estate Development")	(2,3)	PRC/Mainland China 15 May 2019	RMB50,000	100%	Property development
無錫新卓房地產開發有限公 司 Wuxi Xinzhuo Real Estate Development Co., Ltd. ("Wuxi Xinzhuo Real Estate Development")	(2,3)	PRC/Mainland China 31 May 2017	RMB71,428	100%	Property development
新力海石房地產開發(廣州) 有限公司 Sinic Haishi Real Estate Development (Guangzhou) Co., Ltd. ("Sinic Haishi Real Estate Development (Guangzhou)")	(1,3)	PRC/Mainland China 25 March 2019	RMB20,000	95%	Property development
成都力璽房地產開發有限公 司 Chengdu Lixi Real Estate Development Co., Ltd. ("Chengdu Lixi Real Estate Development")	(2,3)	PRC/Mainland China 11 June 2019	RMB10,000	100%	Property development

Name of companies	Notes	Place and date of incorporation/ establishment and place of operations	Nominal value of registered share capital	Effective percentage of the controlling equity interest attributable to the Company	Principal activities
			('000)		
安徽力弘房地產開發有限公司 Anhui Lihong Real Estate Development Co., Ltd. ("Anhui Lihong Real Estate Development")	(1,2,3)	PRC/Mainland China 14 May 2019	RMB10,000	70%	Property development
蘇州新力創志房地產有限公司 Suzhou Sinic Chuangzhi Real Estate Co., Ltd. ("Suzhou Sinic Chuangzhi Real Estate")	(3)	PRC/Mainland China 11 May 2017	RMB25,000	100%	Property development
煙台力新房地產開發有限公司 Yantai Lixin Real Estate Development Co., Ltd. ("Yantai Lixin Real Estate Development")	(2,3)	PRC/Mainland China 29 May 2019	RMB10,000	100%	Property development
成都新力力創房地產開發有限公司 Chengdu Sinic Lichuang Real Estate Development Co., Ltd. ("Chengdu Sinic Lichuang Real Estate Development")	(3)	PRC/Mainland China 11 May 2017	RMB100,000	100%	Property development
慈溪力創房地產開發有限公司 Cixi Lichuang Real Estate Development Co., Ltd. ("Cixi Lichuang Real Estate Development")	(3)	PRC/Mainland China 18 February 2019	RMB50,000	100%	Property development
蘇州新力悅創房地產有限公司 Suzhou Sinic Yuechuang Real Estate Co., Ltd. ("Suzhou Sinic Yuechuang Real Estate")	(3)	PRC/Mainland China 10 May 2017	RMB25,000	100%	Property development
成都力盛房地產開發有限公司 Chengdu Lisheng Real Estate Development Co., Ltd. ("Chengdu Lisheng Real Estate Development")	(3)	PRC/Mainland China 2 August 2019	RMB10,000	100%	Property development

Name of companies	Notes	Place and date of incorporation/ establishment and place of operations	Nominal value of registered share capital	Effective percentage of the controlling equity interest attributable to the Company	Principal activities
			('000)		
南昌新嵐房地產開發有限公司 Nanchang Xinlan Real Estate Development Co., Ltd. ("Nanchang Xinlan Real Estate Development")	(3)	PRC/Mainland China 10 September 2017	RMB50,000	100%	Property development
長沙新力源房地產開發有限公司 Changsha Xinliyuan Real Estate Development Co., Ltd. ("Changsha Xinliyuan Real Estate Development")	(3)	PRC/Mainland China 2 August 2017	RMB200,000	100%	Property development
濰坊新力力合房地產開發有限公司 Weifang Sinic Lihe Real Estate Development Co., Ltd. ("Weifang Sinic Lihe Real Estate Development")	(3)	PRC/Mainland China 26 October 2018	RMB20,000	60%	Property development

The English names of the companies registered in Mainland China referred to above in this note represent management's best efforts in translating the Chinese names of those companies as no English names have been registered or are available.

Notes:

- (1) These entities are subsidiaries of a non-wholly-owned subsidiary of the Company and, accordingly, are accounted for as subsidiaries by virtue of the Company's control over it.
- (2) The Group legally transferred partial equity interests of these subsidiaries as collateral to trust financing companies during the Relevant Period. Under such trust financing arrangements, the Group was obliged to purchase at a fixed amount on a future date upon repayment of the borrowings from the trust financing companies.

In addition, the Group retains the power to control these companies in the ordinary course of business by confirmation from the legal equity holder. In this regard, considering the facts that the substance of the arrangements is to collateralise some equity interests in these companies for the borrowings for project development and the Group retains the practical ability to govern the financial and operating policies of these project companies so as to obtain benefits from the operating activities of these project companies, the directors of the Company are of the view that the financial position and operating results of these companies should be combined into the Group's financial statements.

- (3) No audited financial statements have been prepared and issued for these entities since the date of their respective incorporation, as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdictions of incorporation, or have not commenced business.

- (4) The statutory financial statements of this entity for the period from the date of its incorporation to 31 December 2017 and for the year ended 2018 prepared in accordance with PRC generally accepted accounting principles (“PRC GAAP”) and regulations were audited by Baker Tilly China Certified Public Accountants (天職國際會計師事務所(特殊普通合夥)), Ruihua Certified Public Accountants (瑞華會計師事務所(特殊普通合夥)), respectively, certified public accounting firm registered in the PRC.
- Sinic Real Estate Group Co., Ltd. (新力地產集團有限公司), previously known as Sinic Real Estate Co., Ltd. (新力地產有限公司), has completed its name change on 16 May 2018.
- (5) The statutory financial statements of this entity for the year ended 31 December 2018 prepared in accordance with PRC GAAP and regulations were audited by Baker Tilly China Certified Public Accountants (天職國際會計師事務所(特殊普通合夥)), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared and issued for the years ended 31 December 2016 and 2017.
- (6) The statutory financial statements of this entity for the year ended 31 December 2016 prepared in accordance with PRC GAAP and regulations were audited by Jiangxi Huipu Certified Public Accountants (江西惠普會計師事務所有限責任公司), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared and issued for the years ended 31 December 2017 and 2018.
- (7) The statutory financial statements of this entity for the year ended 31 December 2017 prepared in accordance with PRC GAAP and regulations were audited by Nanchang Longxi Joint Accounting Firm (General Partnership) (南昌龍熙聯合會計師事務所(普通合夥)), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared and issued for the years ended 31 December 2016 and 2018.
- (8) The statutory financial statements of this entity for the years ended 31 December 2016, 2017 and 2018 prepared in accordance with PRC GAAP and regulations were audited by Jiangxi Huaxia Certified Public Accountants (江西華夏會計師事務所有限公司), Nanchang Longxi Joint Accounting Firm (General Partnership) (南昌龍熙聯合會計師事務所(普通合夥)) and Nanchang Zhongcheng Certified Public Accountants (南昌中誠會計師事務所(普通合夥)), respectively, certified public accounting firms registered in the PRC.
- (9) The statutory financial statements of this entity for the years ended 31 December 2016 and 2017 prepared in accordance with PRC GAAP and regulations were audited by Nanchang Longxi Joint Accounting Firm (General Partnership) (南昌龍熙聯合會計師事務所(普通合夥)), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared and issued for the year ended 31 December 2018.
- (10) The statutory financial statements of this entity for the years ended 31 December 2016, 2017 and 2018 prepared in accordance with PRC GAAP and regulations were audited by Jiangxi Huaxia Certified Public Accountants (江西華夏會計師事務所有限公司), Jiangxi Huaxia Certified Public Accountants (江西華夏會計師事務所有限公司) and Nanchang Zhongcheng Certified Public Accountants (南昌中誠會計師事務所(普通合夥)), respectively, certified public accounting firms registered in the PRC.
- (11) The statutory financial statements of this entity for the years ended 31 December 2016, 2017 and 2018 prepared in accordance with PRC GAAP and regulations were audited by Jiangxi Huaxia Certified Public Accountants (江西華夏會計師事務所有限公司), Jiangxi Huaxia Certified Public Accountants (江西華夏會計師事務所有限公司) and Nanchang Zhongcheng Certified Public Accountants (南昌中誠會計師事務所(普通合夥)), respectively, certified public accounting firms registered in the PRC.
- (12) The statutory financial statements of this entity for the period from the date of its incorporation to 31 December 2017 and for the year ended 31 December 2018 prepared in accordance with PRC GAAP and regulations were audited by Ganzhou Hongfu Zhicheng Certified Public Accountants (贛州弘富至誠會計師事務所), a certified public accounting firms registered in the PRC.
- (13) The statutory financial statements of this entity for the period from the date of its incorporation to 31 December 2017 and for the year ended 31 December 2018 prepared in accordance with PRC GAAP and regulations were audited by Ganzhou Hongfu Zhicheng Certified Public Accountants (贛州弘富至誠會計師事務所), a certified public accounting firms registered in the PRC.

- (14) The statutory financial statements of this entity for the years ended 31 December 2017 and 2018 prepared in accordance with PRC GAAP and regulations were audited by Ganzhou Hongfu Zhicheng Certified Public Accountants (贛州弘富至誠會計師事務所), a certified public accounting firms registered in the PRC. No audited financial statements have been prepared and issued for the year ended 31 December 2016.
- (15) The statutory financial statements of this entity for the year ended 31 December 2018 prepared in accordance with PRC GAAP and regulations were audited by Nanchang Zuwei Joint Certified Public Accountants (南昌左衛聯合會計師事務所), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared and issued for the period from the date of its incorporation to 31 December 2016 and the year ended 31 December 2017.
- (16) As at 31 December 2016, 2017 and 2018, the Group held 45% of equity interest in Nanchang Tianju Industrial which is accounted for as a subsidiary of the Group because the Group has 70% voting rights in the shareholders' meeting by being delegated 25% of the equity holder's right from the other equity holder to control and operate Nanchang Tianju Industrial.

According to the resolution of the shareholders' meeting on 3 April 2019, one of the shareholders transferred 15% of her shares in Nanchang Tianju Industrial. Thus, the Group owned 85% of voting right with 60% of equity interests and 25% of delegated equity holder's right since then.

- (17) The statutory financial statements of this entity for the year ended 31 December 2016 prepared in accordance with PRC GAAP and regulations were audited by Nanchang Longxi Joint Accounting Firm (General Partnership) (南昌龍熙聯合會計師事務所(普通合夥)), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared and issued for the years ended 31 December 2017 and 2018.
- (18) The statutory financial statements of this entity for the years ended 31 December 2017 and 2018 prepared in accordance with PRC GAAP and regulations were audited by Zhonglei Certified Public Accountants (中磊會計師事務所有限責任公司), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared and issued for the year ended 31 December 2016.
- (19) The statutory financial statements of this entity for the year ended 31 December 2017 prepared in accordance with PRC GAAP and regulations were audited by Nanchang Longxi Joint Accounting Firm (General Partnership) (南昌龍熙聯合會計師事務所(普通合夥)), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared and issued for the period from the date of its incorporation to 31 December 2016 and the year ended 31 December 2018.
- (20) The statutory financial statements of this entity for the year ended 31 December 2017 prepared in accordance with PRC GAAP and regulations were audited by Huizhou Hengzheng Certified Public Accountants (惠州市恒正會計師事務所(普通合夥)), a certified public accounting firms registered in the PRC. No audited financial statements have been prepared and issued for the years ended 31 December 2016 and 2018.
- (21) The statutory financial statements of this entity for the year ended 31 December 2017 prepared in accordance with International Financial Reporting Standards ("IFRS") and regulations were audited by Alan Cheng & Co, a certified public accounting firm registered in Hong Kong. No audited financial statements have been prepared and issued for the year ended 31 December 2018.
- (22) The statutory financial statements of this entity for the period from the date of its incorporation to 31 December 2017 prepared in accordance with PRC GAAP and regulations were audited by Nanchang Longxi Joint Accounting Firm (General Partnership) (南昌龍熙聯合會計師事務所(普通合夥)), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared and issued for the year ended 31 December 2018.
- (23) The statutory financial statements of this entity for the year ended 31 December 2018 prepared in accordance with PRC GAAP and regulations were audited by Nanchang Zuwei Joint Certified Public Accountants (南昌左衛聯合會計師事務所), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared and issued for the years ended 31 December 2016 and 2017.
- (24) The statutory financial statements of this entity for the years ended 31 December 2017 and 2018 prepared in accordance with PRC GAAP and regulations were audited by Nanchang Longxi Joint Accounting Firm (General Partnership) (南昌龍熙聯合會計師事務所(普通合夥)) and Nanchang Zuwei

- Joint Certified Public Accountants (南昌左衛聯合會計師事務所), respectively, certified public accounting firms registered in the PRC. No audited financial statements have been prepared and issued for the year ended 31 December 2016.
- (25) The statutory financial statements of this entity for the year ended 31 December 2018 prepared in accordance with PRC GAAP and regulations were audited by Nanchang Zuwei Joint Certified Public Accountants (南昌左衛聯合會計師事務所), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared and issued for the years ended 31 December 2016 and 2017.
- (26) The statutory financial statements of this entity for the period from the date of its incorporation to 31 December 2017 prepared in accordance with PRC GAAP and regulations were audited by Hunan Hengji Certified Public Accountants (湖南恒基會計師事務所有限責任公司), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared and issued for the year ended 31 December 2018.
- (27) The statutory financial statements of this entity for the years ended 31 December 2017 and 2018 prepared in accordance with PRC GAAP and regulations were audited by Zhonglei Certified Public Accountants (中磊會計師事務所有限責任公司), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared and issued for the year ended 31 December 2016.
- (28) The statutory financial statements of this entity for the years ended 31 December 2016 and 2017 prepared in accordance with PRC GAAP and regulations were audited by Nanchang Longxi Joint Accounting Firm (General Partnership) (南昌龍熙聯合會計師事務所(普通合夥)), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared and issued for the year ended 31 December 2018.
- (29) The statutory financial statements of this entity for the year ended 31 December 2018 prepared in accordance with PRC GAAP and regulations were audited by Nanchang Zuwei Joint Certified Public Accountants (南昌左衛聯合會計師事務所), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared and issued for the years ended 31 December 2016 and 2017.
- (30) The statutory financial statements of this entity for the year ended 31 December 2018 prepared in accordance with PRC GAAP and regulations were audited by Nanchang Zhongcheng Certified Public Accountants (南昌中誠會計師事務所(普通合夥)), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared and issued for the years ended 31 December 2016 and 2017.
- (31) The statutory financial statements of this entity for the year ended 31 December 2018 prepared in accordance with PRC GAAP and regulations were audited by Ganzhou Hongfu Zhicheng Certified Public Accountants (贛州弘富至誠會計師事務所), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared and issued for the period from the date of its incorporation to 31 December 2016 and the year ended 31 December 2017.
- (32) The statutory financial statements of this entity for the year ended 31 December 2017 prepared in accordance with PRC GAAP and regulations were audited by Hubei Gongxin Certified Public Accountants (湖北公信會計師事務所有限公司), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared and issued for the years ended 31 December 2016 and 2018.
- (33) The statutory financial statements of this entity for the period from the date of its incorporation to 31 December 2018 prepared in accordance with PRC GAAP and regulations were audited by Nanchang Shuangyong Lianhe Certified Public Accountants (南昌雙永聯合會計師事務所), a certified public accounting firm registered in the PRC.
- (34) The statutory financial statements of this entity for the period from the date of its incorporation to 31 December 2018 prepared in accordance with PRC GAAP and regulations were audited by Nanchang Shuangyong Lianhe Certified Public Accountants (南昌雙永聯合會計師事務所), a certified public accounting firm registered in the PRC.

- (35) The statutory financial statements of this entity for the year ended 31 December 2018 prepared in accordance with PRC GAAP and regulations were audited by Nanchang Zhongcheng Certified Public Accountants (南昌中誠會計師事務所(普通合夥)), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared and issued for the period from the date of its incorporation to 31 December 2017.
- (36) The statutory financial statements of this entity for the period from the date of its incorporation to 31 December 2018 prepared in accordance with PRC GAAP and regulations were audited by Nanchang Zhongcheng Certified Public Accountants (南昌中誠會計師事務所(普通合夥)), a certified public accounting firm registered in the PRC.
- (37) The statutory financial statements of this entity for the period from the date of its incorporation to 31 December 2018 prepared in accordance with PRC GAAP and regulations were audited by Nanchang Zhongcheng Certified Public Accountants (南昌中誠會計師事務所(普通合夥)), a certified public accounting firm registered in the PRC.
- (38) The statutory financial statements of this entity for the period from the date of its incorporation to 31 December 2018 prepared in accordance with PRC GAAP and regulations were audited by Jiujiang Yixin Certified Public Accountants (九江毅信會計師事務所), a certified public accounting firm registered in the PRC.
- (39) The statutory financial statements of this entity for the year ended 31 December 2017 prepared in accordance with PRC GAAP and regulations were audited by Guangzhou Yuehe Certified Public Accountants (廣州悅禾會計師事務所), a certified public accounting firms registered in the PRC. No audited financial statements have been prepared and issued for the period from the date of its incorporation to 31 December 2016 and the year ended 31 December 2018.
- (40) The statutory financial statements of this entity for the period from the date of its incorporation to 31 December 2017 prepared in accordance with PRC GAAP and regulations were audited by Guangzhou Weide Certified Public Accountants (廣東維德會計師事務所(普通合夥)), a certified public accounting firms registered in the PRC. No audited financial statements have been prepared and issued for the year ended 31 December 2018.
- (41) The statutory financial statements of this entity for the period from the date of its incorporation to 31 December 2017 prepared in accordance with PRC GAAP and regulations were audited by Guangzhou Weide Certified Public Accountants (廣東維德會計師事務所(普通合夥)), a certified public accounting firms registered in the PRC. No audited financial statements have been prepared and issued for the year ended 31 December 2018.
- (42) The statutory financial statements of this entity for the year ended 31 December 2018 prepared in accordance with PRC GAAP and regulations were audited by Nanchang Zuwei Joint Certified Public Accountants (南昌左衛聯合會計師事務所), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared and issued for the years ended 31 December 2016 and 2017.
- (43) The statutory financial statements of this entity for the period from the date of its incorporation to 31 December 2018 prepared in accordance with PRC GAAP and regulations were audited by Ganzhou Hongfu Zhicheng Certified Public Accountants (贛州弘富至誠會計師事務所), a certified public accounting firms registered in the PRC.
- (44) The statutory financial statements of this entity for the year ended 31 December 2018 prepared in accordance with PRC GAAP and regulations were audited by Nanchang Zuwei Joint Certified Public Accountants (南昌左衛聯合會計師事務所), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared and issued for the years ended 31 December 2016 and 2017.
- (45) The statutory financial statements of this entity for the period from the date of its incorporation to 31 December 2018 prepared in accordance with PRC GAAP and regulations were audited by Hangzhou Lianxin Certified Public Accountants Co., Ltd. (杭州聯信會計師事務所有限公司), a certified public accounting firms registered in the PRC.

- (46) The statutory financial statements of this entity for the year ended 31 December 2018 prepared in accordance with PRC GAAP and regulations were audited by Nanchang Zuwei Joint Certified Public Accountants (南昌左衛聯合會計師事務所), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared and issued for the years ended 31 December 2016 and 2017.
- (47) The statutory financial statements of this entity for the year ended 31 December 2018 prepared in accordance with PRC GAAP and regulations were audited by Nanchang Zuwei Joint Certified Public Accountants (南昌左衛聯合會計師事務所), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared and issued for the years ended 31 December 2016 and 2017.
- (48) The statutory financial statements of this entity for the year ended 31 December 2018 prepared in accordance with PRC GAAP and regulations were audited by Nanchang Zuwei Joint Certified Public Accountants (南昌左衛聯合會計師事務所), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared and issued for the years ended 31 December 2016 and 2017.
- Huizhou Daya Bay XinJi Real Estate Development Co., Ltd. (惠州大亞灣新際房地產開發有限公司), previously known as Huizhou Daya Bay Nanhai Xincheng Industrial Co., Ltd. (惠州大亞灣南海新城實業有限公司), has completed its name change on 8 November 2006.
- (49) Wuxi Fuan Jindi Real Estate Co., Ltd. (無錫富安金邸房地產有限公司), previously known as Wuxi Lvcheng Fuan Real Estate Co., Ltd. (無錫綠城富安房地產有限公司), has completed its name change as Wuxi Fuan Yayuan Real Estate Co., Ltd. (無錫富安雅園房地產有限公司) on 19 March 2015 and has completed its name change on 25 March 2015.

2.1 BASIS OF PRESENTATION

Pursuant to the Reorganisation as more fully explained in the paragraph headed “Reorganisation” in the section headed “History, Reorganisation and Corporate Structure” in the Prospectus, the Company became the holding company of the companies now comprising the Group subsequent to the end of Relevant Periods on 17 May 2019. Immediately prior to and after the Reorganisation, the Listing Business is mainly conducted through Jiangxi Sinic Properties and its subsidiaries and is ultimately controlled by Mr. Zhang Yuanlin. Pursuant to the Reorganisation, the Listing Business was transferred to and held by the Company. The Company has not been involved in any other business prior to the Reorganisation and do not meet the definition of a business. The Reorganisation is merely a reorganization of the Listing Business with no change in management and the ultimate owner of the Listing Business remained the same. Accordingly, for the purpose of this report, the Historical Financial Information has been prepared on a combined basis by applying the principles of merger accounting as if the Reorganisation had been completed at the beginning of the Relevant Periods for the companies now comprising the Group which were under the common control of the Controlling Shareholders before and after the Reorganisation; and accordingly, the Financial Information of the Group is presented using the carrying values of the Listing Business for all period presented. However, for the companies acquired from third parties via business combination which now comprising the Group have been accounted for by applying the acquisition method in accordance with IFRS 3 *Business Combinations*.

The combined statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for the Relevant Periods include the results and cash flows of all companies now comprising the Group from the earliest date presented or since the date when the subsidiaries first came under the common control of the Controlling Shareholders, where this is a shorter period. The combined statements of financial position of the Group as at 31 December 2016, 2017 and 2018 and 30 April 2019 have been prepared to present the assets and liabilities of the subsidiaries using the existing book values from the Controlling Shareholders' perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

Equity interest in subsidiaries held by parties other than the Controlling Shareholders, and changes therein, prior to the Reorganisation are presented as non-controlling interests in equity in applying the principles of merger accounting.

Profit or loss is attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intra-group transactions and balances have been eliminated on combination in full.

2.2 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”). All IFRSs effective for the accounting period commencing from 1 January 2019, except for IFRS 16 *Leases* (“IFRS 16”) but including IFRS 9 *Financial Instruments* (“IFRS 9”) and IFRS 15 *Revenue from contracts with customers* (“IFRS 15”), together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information on a consistent basis throughout the Relevant Periods.

The Group applies IFRS 16 effective as of 1 January 2019 for the first time during the four months ended 30 April 2019, the nature and effect of these changes are disclosed in note 2.3.

The Historical Financial Information has been prepared under the historical cost convention, except for investment properties, financial assets at fair value through profit or loss (“FVTPL”) and financial liabilities at FVTPL which have been measured at fair value.

2.3 THE NATURE AND EFFECT OF IFRS 16 LEASES ADOPTED BY THE GROUP SINCE 1 JANUARY 2019

IFRS 16 supersedes IAS 17 *Leases* (“IAS 17”), IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged under IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (“short-term leases”), and lease contracts for which the underlying asset is of low value (“low-value assets”).

The effect of adoption IFRS 16 as at 1 January 2019 (increase/(decrease)) is as follows:

	<i>(RMB'000)</i>
Assets	
Right-of-use assets	41,585
<i>Total assets</i>	41,585
Liabilities	
Lease liabilities	41,585
<i>Total liabilities</i>	41,585
Total adjustment on equity:	
Retained earnings	—
Non-controlling interests	—
	—
	<u>—</u>

(a) Nature of the effect of adoption of IFRS 16

The Group has lease contracts for offices and other equipment. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised, and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term lease exemptions to leases with lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use assets at the date of initial application

Based on the foregoing, as at 1 January 2019:

- Right-of-use assets of RMB41,585,000 were recognised and presented separately in the statement of financial position. There are no lease assets recognised previously under finance leases that were reclassified from Property, plant and equipment.
- Additional lease liabilities of RMB41,585,000 (included in Interest bearing loans and borrowings) were recognised.

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018 as follows:

	<i>(RMB'000)</i>
Operating lease commitments as at 31 December 2018	67,964
Weighted average incremental borrowing rate as at 1 January 2019	6.00%
Discounted operating lease commitments at 1 January 2019	44,086
Less:	
Commitments relating to short-term leases	(2,501)
	<hr/>
Lease liabilities as at 1 January 2019	41,585
	<hr/> <hr/>

(b) Summary of new accounting policies

The new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application, has been disclosed in note 2.5.

(c) Amounts recognised in the statement of financial position and profit or loss

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

	Right-of-use assets			Lease liabilities (RMB'000)
	Building (RMB'000)	Other equipment (RMB'000)	Sub-total (RMB'000)	
As at 1 January 2019	41,441	144	41,585	41,585
Additions	16,167	–	16,167	9,374
Depreciation expense	(7,664)	(26)	(7,690)	–
Interest expense	–	–	–	832
Payments	–	–	–	(8,416)
As at 30 April 2019	49,944	118	50,062	43,375

The Group recognised rent expense from short-term leases of RMB3,248,000 for the four months ended 30 April 2019.

2.4 ISSUED BUT NOT YET EFFECTIVE IFRSs

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in this Historical Financial Information. The Group intends to adopt them, if applicable, when they become effective.

Amendments to IFRS 3	<i>Definition of a Business¹</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
IFRS 17	<i>Insurance Contracts²</i>
Amendments to IAS 1 and IAS 8	<i>Definition of Material¹</i>

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

² Effective for annual periods beginning on or after 1 January 2021

³ No mandatory effective date yet determined but available for adoption

Further information about those IFRSs that are expected to be applicable to the Group is described below.

Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The results of subsidiaries are included in the Company's statements of profit or loss and other comprehensive income to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are stated at cost less any impairment losses.

Business combinations other than common control combinations

Business combinations other than those under common control are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interest and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the combined statements of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the combined statements of profit or loss and other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the combined statements of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Fair value measurement

The Group measures its investment properties, financial assets at FVTPL and financial liabilities at FVTPL at fair value at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than financial assets, properties under development, completed properties held for sale and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statements of profit or loss and other comprehensive income in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	5%
Motor vehicles	25%-33%
Office equipment and electronic devices	20%-33%
Leasehold improvements	33%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statements of profit or loss and other comprehensive income in the year the asset derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of each of the Relevant Periods.

Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with IAS 16 *Property, Plant and Equipment* up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation and carried in the asset revaluation reserve in equity. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in profit or loss.

Transfers to or from investment property

Transfers to or from investment property shall be made when and only when there is a change in use evidenced by:

- (a) commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- (b) commencement of development with a view to sale, for a transfer from investment property to inventories;
- (c) end of owner-occupation, for a transfer from owner-occupied property to investment property; or
- (d) commencement of an operating lease to another party, for a transfer from inventories to investment property.

Properties under development

Properties under development are intended to be held for sale after completion.

Properties under development are stated at the lower of cost comprising land costs, construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period and net realisable value.

Properties under development are classified as current assets unless those will not be realised in normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

Completed properties held for sale

Completed properties held for sale are stated in the statements of financial position at the lower of cost and net realisable value. Cost is determined by an apportionment of the total costs of land and buildings attributable to the unsold properties. Net realisable value takes into account the price ultimately expected to be realised, less estimated costs to be incurred in selling the properties.

Allocation of property development costs

Land costs are allocated to each unit according to their respective saleable gross floor areas ("GFA") to the total saleable GFA. Construction costs relating to units were identified and allocated specifically. Common construction costs have been allocated according to the saleable GFA similar to land costs.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software is stated at cost less any impairment loss and is amortised on the straight-line basis over its estimated useful life of 5 years.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

Leases (Before 1 January 2019)

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Leases (On and after 1 January 2019)

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Investments and other financial assets***Initial recognition and measurement***

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes cash and cash equivalents, trade receivables, long-term debt investments, and other financial assets included in prepayments, deposits and other receivables.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in statements of profit or loss and other comprehensive income when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's combined statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each end of relevant periods, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

In certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include interest-bearing bank and other borrowings, corporate bonds, trade and bills payables, and other payables.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of financial position.

Cash and cash equivalents

For the purpose of the combined statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the combined statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in statements of profit or loss and other comprehensive income.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Revenue recognition

Revenue from contracts with customers

Revenue is measured at the fair value of the consideration received or receivable for the sales of properties and services in the ordinary course of the Group's activities. Revenue is recognised after eliminating intragroup sales income and costs.

Sale of properties

Revenue is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the purchaser obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of each reporting period as a percentage of total estimated costs for each contract.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of financing component if it is significant.

For a property development and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has the present right to payment and the collection of the consideration is probable.

Consulting services

Consulting services income derived from the provision of support services in connection with development of property projects is recognised when the relevant services are rendered and the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

Revenue from other sources

Rental income

Rental income is recognised on a time proportion basis over the lease terms.

Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts over the expected life of the financial instrument of the net carrying amount of the financial asset.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Employee retirement benefits

Pension scheme

The employees of the Company and its subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain proportion of these payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of

- the amount determined in accordance with the expected credit loss model under *IFRS 9 Financial Instruments*; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with principles of *IFRS 15 Revenue from Contracts with Customers*.

The fair value of financial guarantee is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of joint ventures and associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

Items included in the financial information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Historical Financial Information is presented in RMB, which is the functional currency of the Company because the Group's principal operations are carried out in the PRC. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the relevant period and their statements of profit or loss and other comprehensive income are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Operating lease commitments — Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Classification of subsidiaries, joint ventures and associates

The classification of an investment as a subsidiary, a joint venture or an associate is based on whether the Group is determined to have control, joint control or significant influence over the investee, which involves judgements through the analysis of various factors, including the Group's representation on the chief decision-making authorities of an investee, such as board of directors' meetings and shareholders' meetings, as well as other facts and circumstances.

Subsidiaries are consolidated, which means each of their assets, liabilities and transactions are included line-by-line in the Group's combined financial statements, whereas the interests in joint ventures and associates are equity accounted for as investments on the combined balance sheet.

Revenue recognition

Revenue from sales of properties is recognised over time when the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date; otherwise, revenue is recognised at a point in time when the buyer obtains control of the completed property. The Group may not change or substitute the property unit or redirect the property unit for another use due to the contractual restrictions with the customer and thus the property unit does not have an alternative use to the Group. However, whether there is an enforceable right to payment depends on the terms of sales contract and the interpretation of the applicable laws that applies to the contract. Such determination requires significant judgements.

In assessing whether the Group has an enforceable right to payment for its sale contracts, the Group has obtained legal counsel opinion regarding the enforceability of the right to payment, including an assessment on the contractual terms as well as any legislation that could supplement or override those contractual terms, and conducted an evaluation of any existence of circumstances that could restrict the Group to enforce its right to payment for specific performance. Management uses judgements, based on legal counsel's opinion, to classify sales contracts into

those with right to payment and those without the right. Management will reassess their judgements on a regular basis to identify and evaluate the existence of any circumstances that could affect the Group's enforceable right to payment and the implication on the accounting for sales contracts.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, and carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are included in note 19 to the Historical Financial Information.

Significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the timing value of money if the timing of payments agreed by the parties to the contract provides the Group with a significant benefit of financing.

Certain advance payments received from customers provide a significant financing benefit to the Group. Although the Group is required by the government to place all deposits and periodic payments received from the pre-completion sales in a stakeholder account, the Group is able to benefit from those advance payments as it can withdraw money from that account to pay for expended construction costs on the project. The advance payments received in effect reduce the Group's need to rely on other sources of financing.

The amount of the financing component is estimated at the inception of the contract. After contract inception, the discount rate is not updated for changes in interest rates or other circumstances, such as a change in credit risk. The period of financing is from the time that the payment is received until the transfer of goods to the customers is completed.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are disclosed below:

Revenue recognition

The Group recognises property development revenue over time by reference to the progress towards complete satisfaction of the performance obligation at the reporting date. The progress is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of each reporting period as a percentage of total estimated costs for each property unit in the contract. The Group calculated the cost allocation based on the type of properties, gross and saleable floor areas. Significant judgements and estimations are required in determining the completeness of the estimated total costs and the accuracy of progress towards complete satisfaction of the performance obligation at the reporting date. The Group has a standard monthly cost budgeting and estimate completion process in which management reviews the development progress and execution of the performance obligations. As part of this process, management reviews information including but not limited to, the cost to achieve the schedule. Changes in cost estimates in future periods can affect the Group's revenue recognised. In making the above estimations, the Group relies on past experience and work of contractors and, if appropriate, surveyors.

Provision for properties under development and completed properties held for sale

The Group's properties under development and completed properties held for sale are stated at the lower of cost and net realisable value. Based on the Group's historical experience and the nature of the subject properties, the Group makes estimates of the selling prices, the costs of completion of properties under development, and the costs to be incurred in selling the properties based on prevailing market conditions.

If there is an increase in costs to completion or a decrease in net sales value, the net realisable value will decrease and this may result in a provision for properties under development and completed properties held for sale. Such provision requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and provision for properties in the periods in which such estimate is changed will be adjusted accordingly.

PRC corporate income tax (“CIT”)

The Group is subject to corporate income taxes in the PRC. As a result of the fact that certain matters relating to the income taxes have not been confirmed by the local tax bureau, objective estimate and judgement based on currently enacted tax laws, regulations and other related policies are required in determining the provision for income taxes to be made. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the income tax and tax provisions in the period in which the differences realise.

PRC land appreciation tax (“LAT”)

The Group is subject to LAT in the PRC. The provision for LAT is based on management's best estimates according to the understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its LAT calculation and payments with the tax authorities for certain of its property development projects. The final outcome could be different from the amounts that were initially recorded, and any differences will impact on the LAT expenses and the related provision in the period in which the differences realise.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each of the Relevant Periods. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Estimate of fair value of investment properties

Investment properties carried at fair value were revalued at each reporting date based on the appraised market value provided by independent professional valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the estimation, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at the end of each of the Relevant Periods.

The principal assumptions for the Group's estimation of the fair value include those related to estimated rental values with reference to the current market rents for similar properties in the same location and condition, appropriate capitalisation rates and expected profit margin. The carrying amounts of investment properties at 31 December 2016, 2017 and 2018 and 30 April 2019 were RMB769,280,000, RMB893,500,000, RMB1,153,030,000 and RMB1,331,030,000, respectively.

4. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group's business which includes property development by project location for the purpose of making decisions about resource allocation and performance assessment, while no revenue, net profit or total assets from a single location exceeded 10% of the Group's combined revenue, net profit or total assets, respectively. As all locations have similar economic characteristics with similar nature of property development and leasing and management, nature of the aforementioned business processes, type or class of customers for the aforementioned businesses and methods used to distribute the properties or provide the services, all locations were aggregated as one reportable operating segment.

Geographical information

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Mainland China and no non-current assets of the Group are located outside Mainland China.

Information about major customers

No revenue from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue for each of the Relevant Periods.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue and other income and gains is as follows:

	Year ended 31 December			Four months ended 30 April	
	2016	2017	2018	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
				<i>(unaudited)</i>	
Revenue from contracts with customers					
Sale of properties	2,207,757	5,230,494	8,389,269	1,507,957	5,684,232
Consulting services	15,243	9,384	23,628	—	22,554
Revenue from other sources					
Property lease income	—	1,208	2,756	919	2,639
	<u>2,223,000</u>	<u>5,241,086</u>	<u>8,415,653</u>	<u>1,508,876</u>	<u>5,709,425</u>
Represented by:					
Revenue from the sale of properties:					
Recognised at a point in time	2,143,164	4,579,525	6,657,526	730,061	4,808,596
Recognised over time	64,593	650,969	1,731,743	777,896	875,636
Revenue from consulting services:					
Recognised over time	15,243	9,384	23,628	—	22,554
Revenue from other sources:					
Property lease income	—	1,208	2,756	919	2,639
	<u>2,223,000</u>	<u>5,241,086</u>	<u>8,415,653</u>	<u>1,508,876</u>	<u>5,709,425</u>

	Year ended 31 December			Four months ended 30 April	
	2016	2017	2018	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Other income and gains					
Gain on bargain purchase (note 36)	—	6,180	—	—	2,730
Gain on disposal of subsidiaries	—	—	1,187	597	—
Subsidy income	—	—	2,190	100	—
Forfeiture of deposit	340	550	1,564	854	866
Gain on disposal of items of property, plant and equipment	—	—	482	57	—
Others	34	284	522	451	940
	374	7,014	5,945	2,059	4,536

6. PROFIT BEFORE TAX

	Year ended 31 December			Four months ended 30 April	
	2016	2017	2018	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Cost of inventories sold (notes 20, 21)	1,669,435	3,471,227	5,266,765	948,285	3,735,369
Cost of services provided	3,811	2,648	5,892	103	8,553
Impairment losses (notes 18, 23)	77	1,036	693	283	159
Rental expenses	4,640	25,848	37,522	11,266	3,248
Depreciation (note 13)	4,831	8,872	19,435	6,680	8,312
Depreciation of right-of-use assets	—	—	—	—	7,690
Amortisation of other intangible assets (note 15)	60	581	820	126	283
Auditor's remuneration	265	1,205	6,164	755	1,650
Employee benefit expense (including directors' and chief Executive's remuneration in note 8):					
Wages and salaries	64,087	126,318	213,379	54,367	92,029
Pension scheme contributions and social welfare	11,856	23,723	39,056	9,787	16,451

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Four months ended 30 April	
	2016	2017	2018	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Interest on bank and other borrowings, corporate bonds and lease liabilities	292,587	1,109,377	1,218,042	268,970	547,418
Interest expense arising from revenue contracts	293,865	337,623	803,381	249,019	522,489
Total interest expense on financial liabilities not at FVTPL	586,452	1,447,000	2,021,423	517,989	1,069,907
Less: Interest capitalised	(487,273)	(1,129,835)	(1,595,649)	(449,339)	(884,770)
	<u>99,179</u>	<u>317,165</u>	<u>425,774</u>	<u>68,650</u>	<u>185,137</u>

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

The Company did not have any chief executive, executive directors, non-executive directors and independent non-executive directors at any time during the Relevant Periods until the Company was incorporated on 18 September 2018. Mr. Zhang Yuanlin was appointed as the executive director and chief executive officer of the Company on 18 September 2018.

Subsequent to the end of the Relevant Periods, Mr. Wang Zhe, Mr. She Runting and Ms. Tu Jing were appointed as executive directors of the Company on 14 May 2019. Mr. Wang Zhe resigned as an executive director of the Company on 8 October 2019.

Certain of the directors received remuneration from the subsidiaries now comprising the Group for their appointment as directors of these subsidiaries. The remuneration of each of these directors as recorded in the financial statements of the subsidiaries is set out below:

	Year ended 31 December			Four months ended 30 April	
	2016	2017	2018	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Salaries, allowances and benefits in kind	324	2,150	3,489	1,163	1,452
Pension scheme contributions and social welfare	106	270	324	108	129
Total	<u>430</u>	<u>2,420</u>	<u>3,813</u>	<u>1,271</u>	<u>1,581</u>

(a) Independent non-executive directors

Mr. Tam Chi Choi, Mr. Au Yeung Po Fung and Mr. Qiao Yongyuan were appointed as independent non-executive directors of the Company on 26 August 2019. There was no emolument payable to the independent non-executive directors during the Relevant Periods and the four months ended 30 April 2018.

(b) Executive directors and non-executive directors

Year ended 31 December 2016

	Salaries, allowances and benefits in kind	Pension scheme contributions and social welfare	Total remuneration
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Executive directors:			
— Mr. Zhang Yuanlin	100	53	153
— Mr. Wang Zhe	—	—	—
— Mr. She Runting	—	—	—
— Ms. Tu Jing	224	53	277
	<u>324</u>	<u>106</u>	<u>430</u>

Year ended 31 December 2017

	Salaries, allowances and benefits in kind	Pension scheme contributions and social welfare	Total remuneration
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Executive directors:			
— Mr. Zhang Yuanlin	1,200	95	1,295
— Mr. Wang Zhe	—	—	—
— Mr. She Runting	420	80	500
— Ms. Tu Jing	530	95	625
	<u>2,150</u>	<u>270</u>	<u>2,420</u>

Year ended 31 December 2018

	Salaries, allowances and benefits in kind	Pension scheme contributions and social welfare	Total remuneration
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Executive directors:			
— Mr. Zhang Yuanlin	1,200	108	1,308
— Mr. Wang Zhe	—	—	—
— Mr. She Runting	1,680	108	1,788
— Ms. Tu Jing	609	108	717
	<u>3,489</u>	<u>324</u>	<u>3,813</u>

Four months ended 30 April 2018 (unaudited)

	Salaries, allowances and benefits in kind	Pension scheme contributions and social welfare	Total remuneration
	(RMB'000)	(RMB'000)	(RMB'000)
Executive directors:			
— Mr. Zhang Yuanlin	400	36	436
— Mr. Wang Zhe	—	—	—
— Mr. She Runting	560	36	596
— Ms. Tu Jing	203	36	239
	<u>1,163</u>	<u>108</u>	<u>1,271</u>

Four months ended 30 April 2019

	Salaries, allowances and benefits in kind	Pension scheme contributions and social welfare	Total remuneration
	(RMB'000)	(RMB'000)	(RMB'000)
Executive directors:			
— Mr. Zhang Yuanlin	400	37	437
— Mr. Wang Zhe	150	18	168
— Mr. She Runting	700	37	737
— Ms. Tu Jing	202	37	239
	<u>1,452</u>	<u>129</u>	<u>1,581</u>

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees for the years ended 31 December 2016, 2017 and 2018 and the four months ended 30 April 2018 and 2019 included nil, one director, one director, one director, and one director, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration for the years ended 31 December 2016, 2017 and 2018 and the four months ended 30 April 2018 and 2019 of the five, four, four, four, and four highest paid employees who are neither a director nor chief executive of the Company, respectively, are as follows:

	Year ended 31 December			Four months ended 30 April	
	2016	2017	2018	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Salaries, allowances and benefits in kind	3,622	4,373	5,945	1,973	2,290
Pension scheme contributions and social welfare	266	381	431	144	148
Total	<u>3,888</u>	<u>4,754</u>	<u>6,376</u>	<u>2,117</u>	<u>2,438</u>

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December			Four months ended 30 April	
	2016	2017	2018	2018	2019
				<i>(unaudited)</i>	
Nil to HK\$1,000,000	4	—	—	4	4
HK\$1,000,001 to HK\$2,000,000	1	4	3	—	—
HK\$2,000,001 to HK\$3,000,000	—	—	1	—	—
Total	<u>5</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands, the Company and the Group's subsidiaries incorporated in the Cayman Islands are not subject to any income tax. The Group's subsidiary incorporated in Hong Kong is not liable for income tax as it did not have any assessable profits arising in Hong Kong during the Relevant Periods and the four months ended 30 April 2018.

Subsidiaries of the Group operating in Mainland China were subject to the PRC corporate income tax with a tax rate of 25% for the Relevant Periods and the four months ended 30 April 2018.

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant Mainland China tax laws and regulations. The LAT provision is subject to the final review and approval by the local tax bureau.

	Year ended 31 December			Four months ended 30 April	
	2016	2017	2018	2018	2019
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
				<i>(unaudited)</i>	
Current tax:					
Corporate income tax	292,276	879,694	1,169,488	348,680	740,847
LAT	28,644	366,068	757,219	172,400	769,199
Deferred tax (<i>note 19</i>)	<u>(234,984)</u>	<u>(681,564)</u>	<u>(618,171)</u>	<u>(241,814)</u>	<u>(358,197)</u>
Total tax charge for the year/period	<u>85,936</u>	<u>564,198</u>	<u>1,308,536</u>	<u>279,266</u>	<u>1,151,849</u>

A reconciliation of income tax expense applicable to profit before tax at the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the income tax expense at the effective income tax rate for each of the Relevant Periods and the four months ended 30 April 2018 is as follows:

	Year ended 31 December			Four months ended 30 April	
	2016	2017	2018	2018	2019
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
				<i>(unaudited)</i>	
Profit before tax	<u>216,813</u>	<u>842,403</u>	<u>1,863,489</u>	<u>325,090</u>	<u>1,434,031</u>

	Year ended 31 December			Four months ended 30 April	
	2016	2017	2018	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
				(unaudited)	
At the statutory income tax rate	54,203	210,601	465,872	81,273	358,508
Expenses not deductible for tax	4,257	15,464	19,706	3,522	4,527
Costs not deductible for tax	2,196	29,228	137,554	32,978	174,603
Profits and losses attributable to joint ventures and associates	2,418	(746)	(9,847)	1,513	551
Gain on bargain purchase	—	(1,545)	—	—	(683)
Tax losses utilised from previous years	(6,513)	(38,363)	(8,938)	(576)	(6,051)
Tax losses not recognised	7,892	75,008	136,275	31,256	43,495
Provision for LAT	28,644	366,068	757,219	172,400	769,199
Tax effect on LAT	(7,161)	(91,517)	(189,305)	(43,100)	(192,300)
Tax charge at the Group's effective rate	85,936	564,198	1,308,536	279,266	1,151,849

The share of tax charge attributable to joint ventures and associates amounted to nil, RMB9,055,000, RMB28,691,000, RMB1,081,000 and RMB6,398,000 for the years ended 31 December 2016, 2017 and 2018 and the four months ended 30 April 2018 and 2019, respectively. The share of tax credit attributable to joint ventures and associates amounted to RMB3,224,000, RMB8,060,000, RMB15,561,000, RMB3,098,000 and RMB7,133,000 for the years ended 31 December 2016, 2017 and 2018 and the four months ended 30 April 2018 and 2019, respectively. Both are included in 'Share of profits and losses of joint ventures and associates' in the combined statements of profit or loss and other comprehensive income.

Tax payables in the combined statements of financial position represent:

	31 December			30 April
	2016	2017	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Tax payables:				
Corporate income tax	114,105	505,230	1,058,917	1,475,504
LAT	8,664	255,068	627,396	1,298,000
	122,769	760,298	1,686,313	2,773,504

11. DIVIDENDS

No dividends have been paid or declared by the Company since its date of incorporation.

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Earnings per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful due to the Reorganisation and the basis of presentation of the results of the Group for the Relevant Periods and the four months ended 30 April 2018 as disclosed in note 2.1 to the Historical Financial Information.

13. PROPERTY, PLANT AND EQUIPMENT

	<u>Buildings</u>	<u>Motor vehicles</u>	<u>Office equipment and electronic devices</u>	<u>Construction in progress</u>	<u>Leasehold improvements</u>	<u>Total</u>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
31 December 2016						
At 31 December 2015 and 1 January 2016:						
Cost	—	6,034	6,512	46,127	361	59,034
Accumulated depreciation	—	(3,172)	(2,331)	—	(97)	(5,600)
Net carrying amount	<u>—</u>	<u>2,862</u>	<u>4,181</u>	<u>46,127</u>	<u>264</u>	<u>53,434</u>
At 1 January 2016, net of accumulated depreciation						
Additions	—	1,946	9,163	16,305	1,520	28,934
Acquisition of subsidiaries	—	309	47	—	—	356
Transferred from construction in progress	—	—	405	(405)	—	—
Disposals	—	(21)	—	—	—	(21)
Depreciation provided during the year (<i>note 6</i>)	—	(1,679)	(2,703)	—	(449)	(4,831)
At 31 December 2016, net of accumulated depreciation	<u>—</u>	<u>3,417</u>	<u>11,093</u>	<u>62,027</u>	<u>1,335</u>	<u>77,872</u>
At 31 December 2016:						
Cost	—	9,403	16,557	62,027	1,881	89,868
Accumulated depreciation	—	(5,986)	(5,464)	—	(546)	(11,996)
Net carrying amount	<u>—</u>	<u>3,417</u>	<u>11,093</u>	<u>62,027</u>	<u>1,335</u>	<u>77,872</u>
31 December 2017						
At 31 December 2016 and 1 January 2017:						
Cost	—	9,403	16,557	62,027	1,881	89,868
Accumulated depreciation	—	(5,986)	(5,464)	—	(546)	(11,996)
Net carrying amount	<u>—</u>	<u>3,417</u>	<u>11,093</u>	<u>62,027</u>	<u>1,335</u>	<u>77,872</u>
At 1 January 2017, net of accumulated depreciation						
Additions	—	1,825	19,737	9,417	6,793	37,772

	Buildings	Motor vehicles	Office equipment and electronic devices	Construction in progress	Leasehold improvements	Total
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Acquisition of subsidiaries	—	2,263	180	—	—	2,443
Transferred from construction in progress	40,474	—	112	(40,586)	—	—
Disposals	—	—	(162)	—	—	(162)
Depreciation provided during the year (<i>note 6</i>)	—	(1,971)	(6,132)	—	(769)	(8,872)
At 31 December 2017, net of accumulated depreciation	<u>40,474</u>	<u>5,534</u>	<u>24,828</u>	<u>30,858</u>	<u>7,359</u>	<u>109,053</u>
At 31 December 2017:						
Cost	40,474	13,491	36,585	30,858	8,677	130,085
Accumulated depreciation	—	(7,957)	(11,757)	—	(1,318)	(21,032)
Net carrying amount	<u>40,474</u>	<u>5,534</u>	<u>24,828</u>	<u>30,858</u>	<u>7,359</u>	<u>109,053</u>
31 December 2018						
At 31 December 2017 and 1 January 2018:						
Cost	40,474	13,491	36,585	30,858	8,677	130,085
Accumulated depreciation	—	(7,957)	(11,757)	—	(1,318)	(21,032)
Net carrying amount	<u>40,474</u>	<u>5,534</u>	<u>24,828</u>	<u>30,858</u>	<u>7,359</u>	<u>109,053</u>
At 1 January 2018, net of accumulated depreciation	40,474	5,534	24,828	30,858	7,359	109,053
Additions	—	2,098	11,894	1,351	11,264	26,607
Transferred from construction in progress	29,809	—	2,400	(32,209)	—	—
Disposals	—	(540)	(1,345)	—	—	(1,885)
Depreciation provided during the year (<i>note 6</i>)	(2,111)	(2,175)	(10,626)	—	(4,523)	(19,435)
At 31 December 2018, net of accumulated depreciation	<u>68,172</u>	<u>4,917</u>	<u>27,151</u>	<u>—</u>	<u>14,100</u>	<u>114,340</u>
At 31 December 2018:						
Cost	70,283	15,589	50,879	—	19,941	156,692
Accumulated depreciation	(2,111)	(10,672)	(23,728)	—	(5,841)	(42,352)
Net carrying amount	<u>68,172</u>	<u>4,917</u>	<u>27,151</u>	<u>—</u>	<u>14,100</u>	<u>114,340</u>

	Buildings	Motor vehicles	Office equipment and electronic devices	Leasehold improvements	Total
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
30 April 2019					
At 31 December 2018 and 1 January 2019:					
Cost	70,283	15,589	50,879	19,941	156,692
Accumulated depreciation	(2,111)	(10,672)	(23,728)	(5,841)	(42,352)
Net carrying amount	<u>68,172</u>	<u>4,917</u>	<u>27,151</u>	<u>14,100</u>	<u>114,340</u>
At 1 January 2019, net of accumulated depreciation					
Additions	—	—	1,257	2,088	3,345
Acquisition of a subsidiary	—	—	880	—	880
Disposals	—	—	(135)	—	(135)
Depreciation provided during the period (<i>note 6</i>)	(1,171)	(711)	(4,248)	(2,182)	(8,312)
At 30 April 2019, net of accumulated depreciation	<u>67,001</u>	<u>4,206</u>	<u>24,905</u>	<u>14,006</u>	<u>110,118</u>
At 30 April 2019:					
Cost	70,283	15,589	53,017	22,029	160,918
Accumulated depreciation	(3,282)	(11,383)	(28,112)	(8,023)	(50,800)
Net carrying amount	<u>67,001</u>	<u>4,206</u>	<u>24,905</u>	<u>14,006</u>	<u>110,118</u>

Certain of the Group's property, plant and equipment with amounts of approximately RMB62,027,000, RMB71,332,000, RMB68,172,000 and RMB67,001,000 as at 31 December 2016, 2017 and 2018 and 30 April 2019, respectively, have been pledged to secure bank and other borrowings granted to the Group (note 30).

As at 30 April 2019, the Group was in the process of obtaining the relevant property ownership certificates for certain buildings with an aggregate net carrying amount of approximately RMB67,001,000.

14. INVESTMENT PROPERTIES

	Completed	Under construction	Total
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Carrying amount at 1 January 2016	3,000	299,245	302,245
Additions	—	389,055	389,055
Transferred from investment properties under construction	439,473	(439,473)	—
Net gain from a fair value adjustment	727	77,253	77,980
Carrying amount at 31 December 2016 and 1 January 2017	443,200	326,080	769,280
Additions	—	38,182	38,182
Transferred from investment properties under construction	1,061	(1,061)	—
Net gain from a fair value adjustment	5,239	80,799	86,038
Carrying amount at 31 December 2017 and 1 January 2018	449,500	444,000	893,500
Additions	—	149,371	149,371
Transferred from investment properties under construction	9,642	(9,642)	—
Net gain from a fair value adjustment	6,888	103,271	110,159
Carrying amount at 31 December 2018 and 1 January 2019	466,030	687,000	1,153,030
Additions	—	150,569	150,569
Net gain from a fair value adjustment	—	27,431	27,431
Carrying amount at 30 April 2019	466,030	865,000	1,331,030

The Group's investment properties are situated in Mainland China. The Group's investment properties were revalued on 31 December 2016, 2017 and 2018 and the four months ended 30 April 2019 based on valuations performed by Cushman & Wakefield Limited ("C&W"), an independent professionally qualified valuer, at RMB769,280,000, RMB893,500,000, RMB1,153,030,000, and RMB1,331,030,000, respectively. The Group's senior finance manager and the chief financial officer decide, after approval from the board of directors of the Company, to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's senior finance manager and the chief financial officer have discussions with the valuer on the valuation assumptions and valuation results when the valuation is performed for financial reporting.

Certain of the Group's investment properties with fair values of approximately nil, RMB411,450,000, RMB416,067,000 and RMB416,067,000 as at 31 December 2016, 2017 and 2018 and 30 April 2019, respectively, have been pledged to secure bank and other borrowings granted to the Group (note 30).

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

Fair value measurement as at 31 December 2016 using				
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Recurring fair value measurement for:				
Commercial properties under construction	—	—	326,080	326,080
completed	—	—	443,200	443,200
	—	—	769,280	769,280
	—	—	769,280	769,280
Fair value measurement as at 31 December 2017 using				
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Recurring fair value measurement for:				
Commercial properties under construction	—	—	444,000	444,000
completed	—	—	449,500	449,500
	—	—	893,500	893,500
	—	—	893,500	893,500
Fair value measurement as at 31 December 2018 using				
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Recurring fair value measurement for:				
Commercial properties under construction	—	—	687,000	687,000
completed	—	—	466,030	466,030
	—	—	1,153,030	1,153,030
	—	—	1,153,030	1,153,030

	Fair value measurement as at 30 April 2019 using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Recurring fair value measurement for:				
Commercial properties under construction	—	—	865,000	865,000
completed	—	—	466,030	466,030
	—	—	1,331,030	1,331,030

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

	Valuation technique	Significant unobservable inputs	Range or weighted average			
			31 December			30 April 2019
			2016	2017	2018	
Commercial properties completed	Income approach	Expected rental value (per square metre and per month)	RMB120-123	RMB57-126	RMB57-129	RMB57-129
		Capitalisation rate	4%	4%	4%	4%
Commercial properties under construction	Residual method	Expected rental value (per square meter and per month)	RMB54-60	RMB60	N/A	N/A
		Capitalisation rate	4%	4%	N/A	N/A
		Expected profit margin	6%	6%	N/A	N/A
	Direct comparison method	Unit accommodation price	RMB1,434-1,440	RMB1,707-1,768	RMB2,087-2,189	RMB2,087-2,189

The fair value of completed commercial properties is determined using the income approach by taking into account the rental income of the properties derived from the existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalised to determine the fair value at an appropriate capitalisation rate. Where appropriate, reference to the comparable sales transactions as available in the relevant market has also been considered.

A significant increase (decrease) in the estimated rental value would result in a significant increase (decrease) in the fair value of the investment properties. A significant increase (decrease) in the capitalisation rate would result in a significant decrease (increase) in the fair value of the investment properties.

The fair value of commercial properties under construction is determined using the comparison method, with reference to comparable sales evidence as available in the relevant market to derive the fair value of the properties assuming they were completed and, where appropriate, after deducting the following items:

- Estimated construction cost, marketing cost, management fees, finance cost and professional fees to be expensed to complete the properties that would be incurred by a market participant;
- Estimated profit margin that a market participant would require to hold and develop the properties to completion.

The higher expected profit margin would result in the lower fair value of the investment properties under construction.

15. INTANGIBLE ASSETS

	31 December			30 April
	2016	2017	2018	2019
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
<u>Software</u>				
At the beginning of the year/period:				
Cost	21	1,551	7,013	7,472
Accumulated amortisation	(8)	(68)	(741)	(1,561)
Net carrying amount	<u>13</u>	<u>1,483</u>	<u>6,272</u>	<u>5,911</u>
Carrying amount at the beginning of the year/period				
13	13	1,483	6,272	5,911
Additions	1,530	5,351	459	34
Acquisition of a subsidiary	—	27	—	—
Disposal	—	(8)	—	—
Amortisation provided during the year/period (<i>note 6</i>)	(60)	(581)	(820)	(283)
Carrying amount at the end of the year/period	<u>1,483</u>	<u>6,272</u>	<u>5,911</u>	<u>5,662</u>
At the end of the year/period:				
Cost	1,551	7,013	7,472	7,506
Accumulated amortisation	(68)	(741)	(1,561)	(1,844)
Net carrying amount	<u>1,483</u>	<u>6,272</u>	<u>5,911</u>	<u>5,662</u>

16. INVESTMENTS IN JOINT VENTURES

	31 December			30 April
	2016	2017	2018	2019
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Share of net assets	<u>202,832</u>	<u>3,389,618</u>	<u>3,866,086</u>	<u>7,086,884</u>

The Group's receivable and payable balances with joint ventures are disclosed in note 41 to the Historical Financial Information.

(a) Particulars of the Group's joint ventures

Name of companies	Place and year of registration	Nominal value of registered share capital	Statutory percentage of ownership interest attributable to the Group	Principal activities
		('000)		
Shenzhen Hanyu Investment Development Co., Ltd. 深圳瀚域投資發展有限公司	Shenzhen, PRC 2017	RMB50,000	50.00%	Business service
Jiangxi Baixing Real Estate Investment Co., Ltd. (note) 江西百興房地產投資有限公司	Nanchang, PRC 2002	RMB50,000	60.00%	Property development
Wuhan Furui Decheng Real Estate Development Co., Ltd. (note) 武漢福瑞德成房地產開發有限公司	Wuhan, PRC 2016	RMB550,000	50.70%	Property development
Ezhou Jiayu Real Estate Development Co., Ltd. 鄂州市嘉裕房地產發展有限公司	Ezhou, PRC 2013	RMB50,000	49.00%	Property development
De'an Zhongbang Properties Co., Ltd. 德安眾邦置業有限公司	De'an, PRC 2018	RMB20,000	50.00%	Property development
Jiangxi Jinyue Real Estate Development Co., Ltd. (note) 江西金越房地產開發有限公司	Fuzhou, PRC 2018	RMB50,000	66.00%	Property development
Nanchang Jiangyue Real Estate Development Co., Ltd. 南昌江越房地產開發有限公司	Nanchang, PRC 2018	RMB10,000	50.00%	Property development
Guangzhou Sinic Kunshan Investment Development Co., Ltd. 廣州新力坤山投資發展有限公司	Guangzhou, PRC 2018	RMB100,000	50.00%	Business service
Wuxi Xinkun Langxu Properties Co., Ltd. (note) 無錫新坤朗叙置業有限公司	Wuxi, PRC 2019	RMB20,000	55.00%	Property development
Jiangxi Xinyue Honglan Real Estate Development Co., Ltd. (note) 江西新越弘嵐房地產開發有限公司	Nanchang, PRC 2019	RMB650,000	51.00%	Property development
Jiangxi Cheyue Real Estate Development Co., Ltd. (note) 江西澈越房地產開發有限公司	Nanchang, PRC 2019	RMB80,000	60.00%	Property development
Nanchang Dimei Real Estate Development Co., Ltd. (note) 南昌市地美房地產開發有限公司	Nanchang, PRC 2019	RMB900,000	60.00%	Property development
Jiangxi Dongyi Properties Co., Ltd. 江西東屹置業有限公司	Nanchang, PRC 2019	RMB50,000	50.00%	Property development

Name of companies	Place and year of registration	Nominal value of registered share capital	Statutory percentage of ownership interest attributable to the Group	Principal activities
		('000)		
Nanchang Hezhan Properties Co., Ltd. 南昌和展置業有限公司	Nanchang, PRC 2019	RMB50,000	50.00%	Property development
Nanjing Jinming Real Estate Development Co., Ltd. <i>(note)</i> 南京金銘新房地產開發有限公司	Nanjing, PRC 2019	RMB20,000	34.00%	Property development
Suzhou Hengxin Properties Co., Ltd. 蘇州恒信置業有限公司	Suzhou, PRC 2016	RMB10,000	50.00%	Property development
Jiangxi Yuetong Real Estate Development Co., Ltd. <i>(note)</i> 江西越通房地產開發有限公司	Nanchang, PRC 2019	RMB200,000	51.00%	Property development
Zibo Jincheng Real Estate Development Co., Ltd. <i>(note)</i> 淄博錦城房地產開發有限公司	Zibo, PRC 2018	RMB10,000	20.00%	Property development

Note: Pursuant to the investment framework agreement and the articles of association of these companies, all shareholder resolutions of these companies shall be resolved by all shareholders on a unanimous basis. Therefore, these companies were accounted for as joint ventures of the Group during the Relevant Periods.

- (b) Jiangxi Baixing Real Estate Investment Co., Ltd. (“Jiangxi Baixing”), Wuhan Furui Decheng Real Estate Development Co., Ltd. (“Wuhan Furui Decheng”), Ezhou Jiayu Real Estate Development Co., Ltd. (“Ezhou Jiayu”), Jiangxi Dongyi Properties Co., Ltd. (“Jiangxi Dongyi”), and Nanchang Dimei Real Estate Development Co., Ltd. (“Nanchang Dimei”), which are considered material joint ventures of the Group during the Relevant Periods, co-develop a property development project with the other joint venture partners in Mainland China and are accounted for using the equity method.

The Group accounts for its investment in Jiangxi Baixing as a joint venture although the Group holds 60% of equity interest of this entity. According to the articles of association and the contract between the Group and the other equity interest holders of Jiangxi Baixing (the “Contract A”), the Group does not have control over Jiangxi Baixing.

According to the profit sharing arrangement stated in the Contract A, the Group has control over some specified assets of Jiangxi Baixing and is entitled to the returns from these specified assets. These specified assets are the only source of payment for the specified liabilities as stipulated in the Contract A. However, the above mentioned specified assets, liabilities and equity in the Contract A are not legally ring-fenced from the overall investee. There exists possibility that the specified assets could be used to meet liabilities of the rest of the investee. Therefore, in the opinion of the Directors, such arrangement does not qualify the concept of “deemed separate entity” as stated in IFRS 10.

The following table illustrates the summarised financial information of Jiangxi Baixing attributable to the Group according to the profit sharing terms under the Contract A:

	31 December			30 April
	2016	2017	2018	2019
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Cash and cash equivalents	5,086	8,995	41,723	2,540
Other current assets	551,115	4,987,118	4,774,420	4,101,476
Current assets	556,201	4,996,113	4,816,143	4,104,016
Non-current assets	2,950	42,625	33,447	24,722
Current liabilities	(356,319)	(4,548,428)	(4,453,115)	(3,901,564)
Non-current financial liabilities, excluding trade and other payables and provisions	—	(300,000)	(170,000)	—
Carrying amount of the investment	202,832	190,310	226,475	227,174
Revenue	5	218	457,178	179,024
Expenses	(3,944)	(16,901)	(367,910)	(137,430)
Tax	856	4,161	(65,103)	(28,895)
(Loss)/income for the year/period	(3,083)	(12,522)	24,165	12,699
Total comprehensive income for the year/period	(3,083)	(12,522)	24,165	12,699

The Group accounts for its investment in Wuhan Furui Decheng as a joint venture although the Group holds 50.70% of equity interest of this entity. According to the articles of association and the contract between the Group and the other equity interest holders of Wuhan Furui Decheng (the "Contract B"), the Group does not have control over Wuhan Furui Decheng.

According to the profit sharing arrangement stated in the Contract B, the Group has control over some specified assets of Wuhan Furui Decheng and is entitled to the returns from these specified assets. These specified assets are the only source of payment for the specified liabilities as stipulated in the Contract B. However, the above mentioned specified assets, liabilities and equity in the Contract B are not legally ring-fenced from the overall investee. There exists possibility that the specified assets could be used to meet liabilities of the rest of the investee. Therefore, in the opinion of the Directors, such arrangement does not qualify the concept of "deemed separate entity" as stated in IFRS 10.

The following table illustrates the summarised financial information of Wuhan Furui Decheng attributable to the Group according to the profit sharing terms under the Contract B:

	31 December		30 April
	2017	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)
Cash and cash equivalents	1,264	111,619	62,010
Other current assets	6,094,232	6,526,264	9,268,064
Current assets	6,095,496	6,637,883	9,330,074
Non-current assets	57	335	20,909
Current liabilities	(2,597,536)	(3,455,444)	(5,021,197)
Non-current financial liabilities, excluding trade and other payables and provisions	(300,000)	(10,000)	(322,954)
Carrying amount of the investment	3,198,017	3,172,774	4,006,832
Revenue	—	163	—
Expenses	(1,982)	(25,406)	(14,055)
Tax	—	—	12,936
Loss for the year/period	(1,982)	(25,243)	(1,119)
Total comprehensive income for the year/period	(1,982)	(25,243)	(1,119)

Wuhan Furui Decheng commenced construction work and pre-sale work during the Relevant Periods and will complete construction in 2021. According to the profit forecast, Wuhan Furui Decheng will realize sustainable profit upon the delivery of the property and the recoverable amount of it will be higher than the cost. The directors of the Company are of the opinion that no provision for impairment was necessary for the investment in Wuhan Furui Decheng as at 31 December 2017 and 2018 and 30 April 2019.

According to the articles of association and the contract between the Group and the other equity interest holders of Ezhou Jiayu (the "Contract C"), the Group has control over some specified assets of Ezhou Jiayu and is entitled to the returns from these specified assets. These specified assets are the only source of payment for the specified liabilities as stipulated in the Contract C. However, the abovementioned specified assets, liabilities and equity in the Contract C are not legally ring-fenced from the overall investee. There exists possibility that the specified assets could be used to meet liabilities of the rest of the investee. Therefore, in the opinion of the Directors, such arrangement does not qualify the concept of "deemed separate entity" as stated in IFRS 10.

The following table illustrates the summarised financial information of Ezhou Jiayu attributable to the Group according to the profit sharing terms under the Contract C:

	31 December 2018	30 April 2019
	(RMB'000)	(RMB'000)
Cash and cash equivalents	20,905	483
Other current assets	358,973	387,523
Current assets	379,878	388,006
Non-current assets	—	—
Current liabilities	(20,028)	(28,329)
Carrying amount of the investment	359,850	359,677

	<u>31 December 2018</u>	<u>30 April 2019</u>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Revenue	—	—
Expenses	(150)	(173)
Tax	—	—
	<u> </u>	<u> </u>
Loss for the year/period	(150)	(173)
	<u> </u>	<u> </u>
Total comprehensive income for the year/period	<u>(150)</u>	<u>(173)</u>

Ezhou Jiayu will commence construction work and pre-sale work in June 2020 and December 2020, respectively, and complete construction in 2022. According to the profit forecast, Ezhou Jiayu will realize sustainable profit upon the delivery of the property and the recoverable amount of it will be higher than the cost. The directors of the Company are of the opinion that no provision for impairment was necessary for the investment in Ezhou Jiayu as at 31 December 2018 and 30 April 2019.

The following table illustrates the summarised financial information in respect of Jiangxi Dongyi, adjusted for any differences in accounting policies and reconciled to the carrying amount in the combined financial statements:

	<u>30 April 2019</u>
	<i>(RMB'000)</i>
Cash and cash equivalents	10,081
Other current assets	1,385,817
	<u> </u>
Current assets	1,395,898
	<u> </u>
Non-current assets	67
	<u> </u>
Current liabilities	(671,737)
	<u> </u>
Non-current financial liabilities, excluding trade and other payables and provisions	—
	<u> </u>
Net assets	724,228
	<u> </u>
Reconciliation to the Group's interest in the joint venture:	
Proportion of the Group's ownership	50%
Group's share of net assets of the joint venture	362,114
	<u> </u>
Carrying amount of the investment	<u>362,114</u>
	<u> </u>
Revenue	—
Expenses	(1,031)
Tax	—
	<u> </u>
Loss for the period	(1,031)
	<u> </u>
Total comprehensive income for the period	<u>(1,031)</u>

Jiangxi Dongyi commenced construction work and pre-sale work in July 2019 and September 2019, respectively, and will complete construction in 2021. According to the profit forecast, Jiangxi Dongyi will realize sustainable profit upon the delivery of the property and the recoverable amount of it will be higher than the cost. The directors of the Company are of the opinion that no provision for impairment was necessary for the investment in Jiangxi Dongyi as at 30 April 2019.

The following table illustrates the summarised financial information in respect of Nanchang Dimei, adjusted for any differences in accounting policies and reconciled to the carrying amount in the combined financial statements:

	30 April 2019
	<i>(RMB'000)</i>
Cash and cash equivalents	16,369
Other current assets	2,017,670
Current assets	2,034,039
Current liabilities	(1,081,776)
Non-current financial liabilities, excluding trade and other payables and provisions	—
Net assets	952,263
Reconciliation to the Group's interest in the joint venture:	
Proportion of the Group's ownership	60%
Group's share of net assets of the joint venture	571,358
Carrying amount of the investment	571,358
Revenue	—
Expenses	(1,819)
Tax	174
Loss for the period	(1,645)
Total comprehensive income for the period	(1,645)

Nanchang Dimei commenced construction work and pre-sale work in March 2019 and June 2019, respectively, and will complete construction in 2021. According to the profit forecast, Nanchang Dimei will realize sustainable profit upon the delivery of the property and the recoverable amount of it will be higher than the cost. The directors of the Company are of the opinion that no provision for impairment was necessary for the investment in Nanchang Dimei as at 30 April 2019.

- (c) The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	31 December			30 April
	2016	2017	2018	2019
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Share of the joint ventures' profits and losses for the year/period	—	(3,751)	(8,238)	(9,423)
Share of the joint ventures' total comprehensive loss	—	(3,751)	(8,238)	(9,423)
Aggregate carrying amount of the Group's investments in the joint ventures	—	1,291	106,987	1,559,729

The joint ventures have been accounted for using the equity method in this financial information.

The directors of the Company are of the opinion that no provision for impairment was necessary as at 31 December 2016, 2017 and 2018 and 30 April 2019.

17. INVESTMENTS IN ASSOCIATES

	31 December			30 April
	2016	2017	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Share of net assets	152,413	184,451	708,072	771,640

The Group's receivable and payable balances with associates are disclosed in note 41 to the Historical Financial Information.

(a) Particulars of the Group's associates

Name of companies	Place and year of registration	Nominal value of registered share capital ('000)	Statutory percentage of ownership interest attributable to the Group	Principal activities
Nanchang Weiting Properties Co., Ltd. (note 1) 南昌市威汀置業有限公司	Nanchang, PRC 2013	RMB10,000	50.00%	Property development
Nanchang Zhengrun Properties Co., Ltd. 南昌正潤置業有限公司	Nanchang, PRC 2017	RMB40,000	27.00%	Property development
Nanchang Lizhou Properties Co., Ltd. 南昌力洲置業有限公司	Nanchang, PRC 2014	RMB3,000	20.00%	Property development
Wuhan Changxin Lihe Properties Co., Ltd. 武漢長信力合置業有限公司	Wuhan, PRC 2015	RMB30,000	30.00%	Property development
Shangrao Meiyue Real Estate Development Co., Ltd. 上饒市美越房地產開發有限公司	Shangrao, PRC 2018	RMB50,000	33.00%	Property development
Nanchang Junyue Real Estate Development Co., Ltd. 南昌駿越房地產開發有限公司	Nanchang, PRC 2018	HK\$100,000	25.00%	Property development
Nanchang Shengdu Properties Co., Ltd. (note 2) 南昌盛都置業有限公司	Nanchang, PRC 2017	RMB300,000	18.00%	Property development
Zhongshan Shengying Real Estate Development Co., Ltd. 中山市昇盈房地產開發有限公司	Zhongshan, PRC 2014	RMB1,000	30.00%	Property development
Qingyuan Tianhe Real Estate Co., Ltd. (note 3) 清遠天河房地產有限公司	Qingyuan, PRC 2005	RMB12,032	31.50%	Property development

Name of companies	Place and year of registration	Nominal value of registered share capital	Statutory percentage of ownership interest attributable to the Group	Principal activities
		('000)		
Xiamen Nanshui Real Estate Development Co., Ltd. 廈門南水房地產開發有限公司	Xiamen, PRC 2016	RMB288,000	20.00%	Property development
Nanchang Jianmei Real Estate Co., Ltd. (note 4) 南昌建美房地產有限公司	Nanchang, PRC 2017	RMB10,000	19.00%	Property development

Note 1: The Group accounts for its investment in Nanchang Weiting Properties Co., Ltd. as an associate although the Group holds 50% of equity interest of this entity. According to the articles of association and the contract between the Group and the other equity interest holders of Nanchang Weiting Properties Co., Ltd., the Group only has 18.75% voting rights in the shareholders' meeting.

Note 2: During the Relevant Periods, Nanchang Shengdu Properties Co., Ltd. ("Nanchang Shengdu") had five directors, one of which was appointed by the Group. Pursuant to the articles of association of Nanchang Shengdu, the Group has significant influence over Nanchang Shengdu. Therefore, Nanchang Shengdu was accounted for as an associate of the Group.

Note 3: During the Relevant Periods, Qingyuan Tianhe Real Estate Co., Ltd. ("Qingyuan Tianhe") had been controlled by the other equity interest holder according to the articles of association and the contract between the Group and the other equity interest holder, so the Group accounted it for as an associate. The Group holds 31.5% statutory percentage of Qingyuan Tianhe. Meanwhile, the shareholders of Qingyuan Tianhe legally transferred 30% equity interests, among which 13.5% equity interests belong to the Group, as collateral to a trust financing company. Under such the financing arrangement, the shareholders of Qingyuan Tianhe was obliged to purchase at a fixed amount on a future date upon repayment of the borrowings from the trust financing company. Considering the facts that the substance of the arrangement is to collateralise some equity interests in Qingyuan Tianhe for the borrowings for project development and the Group retains the practical ability to exercise the 45% voting rights of this entity, the directors of the Company are of the view that the Group retains 45% equity interests in this entity.

Note 4: Pursuant to the investment framework agreement and the articles of association of Nanchang Jianmei Real Estate Co., Ltd. ("Nanchang Jianmei"), all shareholder resolutions shall be resolved by all shareholders on a unanimous basis, the Group accounted for it as a joint venture as at 31 December 2017 and 2018. As at 30 April 2019, pursuant to an afresh agreement and the updated articles of association of Nanchang Jianmei, it was controlled by one of other equity interest holders, the Group accounted for it as an associate.

- (b) Nanchang Lizhou Properties Co., Ltd. ("Nanchang Lizhou"), Nanchang Weiting Properties Co., Ltd. ("Nanchang Weiting") and Qingyuan Tianhe Real Estate Co., Ltd. ("Qingyuan Tianhe"), which are considered material associates of the Group for the years ended 31 December 2016, 2017 and 2018 and the four months ended 30 April 2019, respectively, co-develop a property development project with other associate partners in Mainland China and are accounted for using the equity method.

The following table illustrates the summarised financial information in respect of Nanchang Lizhou, adjusted for any differences in accounting policies and reconciled to the carrying amount in the combined financial statements:

	31 December			30 April
	2016	2017	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Cash and cash equivalents	21,326	497	1,839	242
Other current assets	761,045	715,225	606,109	594,454
Current assets	782,371	715,722	607,948	594,696
Non-current assets	36,389	28,732	14,388	14,364
Current liabilities	(820,263)	(607,367)	(356,463)	(344,097)
Non-current financial liabilities, excluding trade and other payables and provisions	(2,617)	(1,266)	—	—
Net assets	(4,120)	135,821	265,873	264,963
Reconciliation to the Group's interest in the associate:				
Proportion of the Group's ownership	20%	20%	20%	20%
Group's share of net assets of the associate	(824)	27,164	53,175	52,993
Carrying amount of the investment	—	27,164	53,175	52,993
Revenue	43,238	662,884	559,752	—
Expenses	(48,563)	(441,647)	(346,878)	(1,198)
Tax	1,298	(81,296)	(82,822)	288
(Loss)/profit for the year/period	(4,027)	139,941	130,052	(910)
Total comprehensive income for the year/period	(4,027)	139,941	130,052	(910)

The following table illustrates the summarised financial information in respect of Nanchang Weiting, adjusted for any differences in accounting policies and reconciled to the carrying amount in the combined financial statements:

	31 December			30 April
	2016	2017	2018	2019
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Cash and cash equivalents	63,384	14,802	4,878	55,421
Other current assets	783,754	887,566	947,586	758,348
Current assets	847,138	902,368	952,464	813,769
Non-current assets	9,481	17,207	49,909	350
Current liabilities	(559,085)	(608,061)	(396,582)	(147,713)
Non-current financial liabilities, excluding trade and other payables and provisions	—	(20,000)	(242,480)	(303,700)
Net assets	297,534	291,514	363,311	362,706
Reconciliation to the Group's interest in the associate:				
Proportion of the Group's ownership	50%	50%	50%	50%
Group's share of net assets of the associate	148,767	145,757	181,656	181,353
Carrying amount of the investment	148,767	145,757	181,656	181,353
Revenue	—	—	483,556	—
Expenses	(11,324)	(13,854)	(402,141)	(605)
Tax	8,859	7,834	(9,618)	—
(Loss)/profit for the year/period	(2,465)	(6,020)	71,797	(605)
Total comprehensive income for the year/period	(2,465)	(6,020)	71,797	(605)

The following table illustrates the summarised financial information in respect of Qingyuan Tianhe, adjusted for any differences in accounting policies and reconciled to the carrying amount in the combined financial statements:

	31 December 2018	30 April 2019
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Cash and cash equivalents	23,565	26,564
Other current assets	753,360	970,674
Current assets	776,925	997,238
Non-current assets	68	62
Current liabilities	–	(1,460)
Non-current financial liabilities, excluding trade and other payables and provisions	(230,000)	(450,000)
Net assets	546,993	545,840
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	45%	45%
Group's share of net assets of the associate	246,147	245,628
Carrying amount of the investment	246,147	245,628
Revenue	–	–
Expenses	(1,850)	(3,374)
Tax	–	–
Loss for the year/period	(1,850)	(3,374)
Total comprehensive income for the year/period	(1,850)	(3,374)

Qingyuan Tianhe commenced construction work and pre-sale work during the Relevant Periods and will complete construction in 2020. According to the profit forecast, Qingyuan Tianhe will realize sustainable profit upon the delivery of the property and the recoverable amount of it will be higher than the cost. The directors of the Company are of the opinion that no provision for impairment was necessary for the investment in Qingyuan Tianhe as at 31 December 2018 and 30 April 2019.

- (c) The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	31 December			30 April 2019
	2016	2017	2018	2019
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Share of the associates' profits and losses for the year/period	(4,549)	(3,739)	(12,222)	(683)
Share of the associates' total comprehensive loss	(4,549)	(3,739)	(12,222)	(683)
Aggregate carrying amount of the Group's investments in the associates	3,646	11,530	227,094	291,666

The associates have been accounted for using the equity method in this financial information.

The directors of the Company are of the opinion that no provision for impairment was necessary as at 31 December 2016, 2017 and 2018 and 30 April 2019.

18. LONG-TERM DEBT INVESTMENTS

	31 December			30 April
	2016	2017	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Debt investments	—	740,340	879,884	1,013,077
Less: Impairment	—	(741)	(880)	(1,013)
	—	739,599	879,004	1,012,064
Less: Portion classified as current assets	—	(121,930)	(314,942)	(355,498)
Non-current portion	—	617,669	564,062	656,566

Long-term debt investments are recorded in the amortised cost less allowance for impairment.

The movements in provision for long-term debt investments are as follows:

	31 December			30 April
	2016	2017	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
At the beginning of the year/period	—	—	741	880
Impairment losses recognised (note 6)	—	741	139	133
At the end of the year/period	—	741	880	1,013

The internal credit rating of long-term debt investments was regarded as the grade of performing. The Group has assessed that the credit risk of the long-term debt investments has not increased significantly since initial recognition. The expected loss rate of the long-term debt investments is assessed to be 0.1%. The Group has evaluated the expected loss rate and gross carrying amount, measured the impairment based on the 12-month expected credit losses, and assessed that the expected credit losses were nil, RMB741,000, RMB880,000 and RMB1,013,000 as at 31 December 2016, 2017 and 2018 and 30 April 2019, respectively.

19. DEFERRED TAX ASSETS AND LIABILITIES

The movements in deferred tax assets and liabilities during each of the Relevant Periods are as follows:

Deferred tax assets

	Fair value adjustments arising from financial assets at FVTPL <i>(RMB'000)</i>	Fair value adjustments arising from financial liabilities at FVTPL <i>(RMB'000)</i>	Losses available for offsetting against future taxable profits <i>(RMB'000)</i>	Expenses for offsetting against future taxable profits <i>(RMB'000)</i>	Impairment of assets <i>(RMB'000)</i>	Unrealised revenue in contract liabilities <i>(RMB'000)</i>	Accrued LAT <i>(RMB'000)</i>	Total <i>(RMB'000)</i>
At 1 January 2016	—	—	—	62,198	37	113,764	—	175,999
Deferred tax credited to profit or loss during the year <i>(note 10)</i>	—	21	1,241	40,531	19	214,817	2,166	258,795
At 31 December 2016 and 1 January 2017	—	21	1,241	102,729	56	328,581	2,166	434,794
Deferred tax credited/(charged) to profit or loss during the year <i>(note 10)</i>	—	(19)	89,440	(20,311)	6,029	615,534	61,601	752,274
At 31 December 2017 and 1 January 2018	—	2	90,681	82,418	6,085	944,115	63,767	1,187,068
Deferred tax (charged)/credited to profit or loss during the year <i>(note 10)</i>	—	(2)	2,559	(20,333)	(298)	688,944	93,082	763,952
At 31 December 2018 and 1 January 2019	—	—	93,240	62,085	5,787	1,633,059	156,849	1,951,020
Deferred tax (charged)/credited to profit or loss during the period <i>(note 10)</i>	485	—	11,486	16,915	(146)	202,502	167,651	398,893
At 30 April 2019	485	—	104,726	79,000	5,641	1,835,561	324,500	2,349,913

Deferred tax liabilities

	Fair value adjustments arising from financial assets at FVTPL	Fair value adjustments arising from financial liabilities at FVTPL	Fair value adjustments arising from investment properties	Fair value adjustments arising from business combinations	Recognition of revenue over time	Total
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
At 1 January 2016	—	—	697	—	563	1,260
Deferred tax charged to profit or loss during the year (note 10)	—	—	19,495	—	4,316	23,811
At 31 December 2016 and 1 January 2017	—	—	20,192	—	4,879	25,071
Acquisition of subsidiaries (note 36)	—	—	—	177,507	—	177,507
Deferred tax charged/(credited) to profit or loss during the year (note 10)	—	—	21,510	5,285	43,915	70,710
At 31 December 2017 and 1 January 2018	—	—	41,702	182,792	48,794	273,288
Deferred tax charged/(credited) to profit or loss during the year (note 10)	4,715	58	27,540	(10,551)	124,019	145,781
At 31 December 2018 and 1 January 2019	4,715	58	69,242	172,241	172,813	419,069
Acquisition of subsidiaries (note 36)	—	—	—	123,652	—	123,652
Deferred tax charged/(credited) to profit or loss during the period (note 10)	(4,715)	25	6,858	(88)	38,616	40,696
At 30 April 2019	—	83	76,100	295,805	211,429	583,417

For presentation purposes, certain deferred tax assets and liabilities have been offset in the combined statements of financial position. The following is an analysis of the deferred tax balances for financial reporting purposes:

	31 December			30 April
	2016	2017	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Net deferred tax assets recognised in the combined statements of financial position	430,262	1,065,296	1,652,258	2,008,147
Net deferred tax liabilities recognised in the combined statements of financial position	(20,539)	(151,516)	(120,307)	(241,651)
	<u>409,723</u>	<u>913,780</u>	<u>1,531,951</u>	<u>1,766,496</u>

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 December 2016, 2017 and 2018 and the four months ended 30 April 2019, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Company and the Group's subsidiaries established in Mainland China. In the opinion of the directors of the Company, the Group's fund will be retained in Mainland China for the expansion of the Group's operation, so it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB80,534,000 as at 30 April 2019.

Deferred tax assets have not been recognised in respect of the following items:

	31 December			30 April
	2016	2017	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Tax losses	<u>9,076</u>	<u>45,721</u>	<u>173,057</u>	<u>210,501</u>

Tax losses not recognised expires as follows:

	31 December			30 April
	2016	2017	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
2020	4,734	—	—	—
2021	31,570	—	—	—
2022	—	182,884	147,128	137,137
2023	—	—	545,100	530,887
2024	—	—	—	173,980
	<u>36,304</u>	<u>182,884</u>	<u>692,228</u>	<u>842,004</u>

20. PROPERTIES UNDER DEVELOPMENT

	31 December			30 April
	2016	2017	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
At the beginning of the year/period	4,140,486	9,201,729	28,340,270	43,560,301
Additions	8,617,733	20,611,432	22,769,382	8,237,628
Acquisition of subsidiaries (note 36)	—	1,144,356	—	718,056
Transferred to cost of inventories sold (note 6)	(35,119)	(429,961)	(966,978)	(507,479)
Transferred to completed properties held for sale (note 21)	(3,521,371)	(2,187,286)	(6,582,373)	(3,530,233)
At the end of the year/period	<u>9,201,729</u>	<u>28,340,270</u>	<u>43,560,301</u>	<u>48,478,273</u>

The Group's properties under development are situated on leasehold lands in Mainland China.

Certain of the Group's properties under development with aggregate carrying amounts of approximately RMB4,193,046,000, RMB13,918,738,000, RMB17,316,129,000 and RMB21,222,163,000 as at 31 December 2016, 2017 and 2018 and 30 April 2019, respectively, have been pledged to secure bank and other borrowings granted to the Group (note 30).

The value of properties under development is assessed at the end of each of the Relevant Periods. An impairment exists when the carrying value exceeds its recoverable amount, which is the higher of its fair value less costs of disposal. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset.

The Group has guaranteed certain bank and other borrowings of its related parties of RMB1,650,000,000, RMB1,605,000,000 and RMB1,605,000,000 as at 31 December 2017 and 2018 and 30 April 2019, respectively. The abovementioned bank and other borrowings were also secured by the pledges of the Group's assets with aggregate carrying amounts of RMB1,937,328,000, RMB2,580,844,000 and RMB2,580,844,000 as at 31 December 2017 and 2018 and 30 April 2019, respectively. Further details are included in note 38 and note 41 to the Historical Financial Information.

Certain of the Group's properties under development with aggregate carrying amounts of approximately RMB1,627,905,000 and RMB1,627,905,000 as at 31 December 2018 and 30 April 2019, respectively, have been pledged to secure bank and other borrowings granted to a third party (note 38).

21. COMPLETED PROPERTIES HELD FOR SALE

	31 December			30 April
	2016	2017	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Carrying amount at the beginning of the year/period	426,210	2,313,265	1,811,813	4,094,399
Acquisition of a subsidiary (note 36(b))	—	352,528	—	—
Transferred from properties under development (note 20)	3,521,371	2,187,286	6,582,373	3,530,233
Transferred to cost of inventories sold (note 6)	(1,634,316)	(3,041,266)	(4,299,787)	(3,227,890)
At the end of the year/period	<u>2,313,265</u>	<u>1,811,813</u>	<u>4,094,399</u>	<u>4,396,742</u>

Certain of the Group's completed properties held for sale with aggregate carrying amounts of approximately RMB38,109,000, RMB617,025,000, RMB1,538,211,000 and RMB1,089,180,000 as at 31 December 2016, 2017 and 2018 and 30 April 2019, respectively, have been pledged to secure bank and other borrowings granted to the Group (note 30).

The value of completed properties held for sale is assessed at the end of each of the Relevant Periods. An impairment exists when the carrying value exceeds its recoverable amount, which is the higher of its fair value less costs of disposal. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset.

22. TRADE RECEIVABLES

	31 December			30 April
	2016	2017	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Trade receivables	—	—	—	2,403
Impairment	—	—	—	—
	—	—	—	2,403

Trade receivables mainly represent rentals receivable from tenants. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Trade receivables are unsecured and non-interest-bearing. The carrying amounts of trade receivables approximate to their fair values. An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	31 December			30 April
	2016	2017	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Less than 1 year	—	—	—	2,403
Over 1 year	—	—	—	—
	—	—	—	2,403

Receivables that were not past due relate to a large number of diversified customers for whom there was no recent history of default.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rate of trade receivables is assessed to be 0.1%. Based on the evaluation on the expected loss rate and the gross carrying amount, the directors of the Company are of the opinion that the expected credit losses in respect of these balances are immaterial, and therefore, there has not been a loss allowance provision.

23. PREPAYMENTS AND OTHER RECEIVABLES

	31 December			30 April
	2016	2017	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Prepayments for acquisition of land use rights	—	57,191	1,713,863	1,851,848
Prepaid taxes and other tax recoverables	169,551	471,029	1,277,833	1,556,824
Prepayments for construction cost	24,192	101,703	128,758	157,328
Deposits for land auction	—	44,710	285,125	135,000
Other deposits (<i>note</i>)	172,946	411,608	896,467	958,980
Due from non-controlling shareholders of the subsidiaries	6,517	15,177	18,977	39,724
Interest receivable	16,260	21,890	99,894	99,894
Other receivables	35,239	82,873	138,980	165,946
	424,705	1,206,181	4,559,897	4,965,544
Less: Impairment	(224)	(519)	(1,073)	(1,099)
	<u>424,481</u>	<u>1,205,662</u>	<u>4,558,824</u>	<u>4,964,445</u>

Note: Other deposits include deposits for wall materials, migrant workers' deposits and deposits made to general contractors subject to the construction agreements, etc.

Other receivables are unsecured, non-interest-bearing and have no fixed terms of repayment.

The movements in provision for impairment of receivables are as follows:

	31 December			30 April
	2016	2017	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
At the beginning of the year/period	147	224	519	1,073
Impairment losses recognised (<i>note 6</i>)	77	295	554	26
At the end of the year/period	<u>224</u>	<u>519</u>	<u>1,073</u>	<u>1,099</u>

The internal credit rating of amounts due from non-controlling shareholders of subsidiaries, interest receivable, and other deposits were regarded as the grade of performing. The Group has assessed that the credit risk of these receivables has not increased significantly since initial recognition. The expected loss rate of these receivables is assessed to be 0.1%. The Group has evaluated the expected loss rate and gross carrying amount, measured the impairment based on the 12-month expected credit losses, and assessed that the expected credit losses were RMB224,000, RMB519,000, RMB1,073,000 and RMB1,099,000 as at 31 December 2016, 2017 and 2018 and 30 April 2019, respectively.

24. OTHER NON-CURRENT ASSETS

	31 December			30 April 2019
	2016	2017	2018	
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	
Prepayments for equity investments	1,261,144	2,044,164	1,201,085	834,444
Deferred commission for external agents	15,301	170,108	455,463	519,466
	1,276,445	2,214,272	1,656,548	1,353,910

25. FINANCIAL ASSETS AT FVTPL

	31 December			30 April 2019
	2016	2017	2018	
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	
Listed equity investments, at fair value	—	—	64,867	44,067
	—	—	64,867	44,067

The above equity investments at 31 December 2018 and 30 April 2019 were classified as financial assets at FVTPL as they were held for trading.

26. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND PLEDGED DEPOSITS

	31 December			30 April 2019
	2016	2017	2018	
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	
Cash and bank balances	1,033,719	4,283,063	10,065,566	9,609,683
Less: Restricted cash	266,726	1,172,860	2,623,147	3,468,422
Pledged deposits	67,052	233,302	358,899	754,124
Cash and cash equivalents	699,941	2,876,901	7,083,520	5,387,137

Pursuant to relevant regulations in the PRC, certain property development companies of the Group are required to place certain amounts of cash in designated bank accounts for specified use. As at 31 December 2016, 2017 and 2018 and 30 April 2019, such restricted cash amounted to RMB266,723,000, RMB1,172,856,000, RMB2,623,126,000 and RMB3,468,412,000, respectively. As at 31 December 2016, 2017 and 2018 and 30 April 2019, the restricted cash included construction loan mortgage amounting to RMB3,000, RMB4,000, RMB14,000 and RMB10,000, respectively. As at 31 December 2016, 2017 and 2018 and 30 April 2019, the restricted cash amounting to nil, nil, RMB7,000 and nil was frozen by the People's court due to lawsuits, respectively.

Bank deposits of RMB5,266,000, RMB30,433,000, RMB31,615,000 and RMB34,952,000 were pledged as security for bank and other borrowings as at 31 December 2016, 2017 and 2018 and 30 April 2019, respectively. Bank deposits of RMB61,786,000, RMB202,869,000, RMB327,284,000 and RMB719,172,000, were pledged as security for purchasers' mortgage loans, construction of projects and notes payable as at 31 December 2016, 2017 and 2018 and 30 April 2019, respectively.

	31 December			30 April 2019
	2016	2017	2018	
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Cash and cash equivalents				
Denominated in RMB	699,941	2,858,735	7,042,201	5,342,432
Denominated in HK\$	—	18,166	41,319	44,705
	699,941	2,876,901	7,083,520	5,387,137

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximated to their fair values.

The internal credit rating of restricted cash, pledged deposits and cash and cash equivalents were regarded as the grade of performing. The Group has assessed that the credit risk of the restricted cash, pledged deposits and cash and cash equivalents has not increased significantly since initial recognition and measured the impairment based on 12-month expected credit losses, and has assessed that the expected credit losses are immaterial.

27. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	31 December			30 April 2019
	2016	2017	2018	
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Less than 1 year	1,571,692	2,458,229	3,095,914	3,774,758
Over 1 year	183	7,234	46,348	51,476
	1,571,875	2,465,463	3,142,262	3,826,234

Trade and bills payables are unsecured and interest-free and are normally settled based on the progress of construction.

The fair values of trade and bills payables as at the end of each of the Relevant Periods approximated to their corresponding carrying amounts due to their relatively short maturity terms.

28. OTHER PAYABLES AND ACCRUALS

	31 December			30 April
	2016	2017	2018	2019
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Outstanding consideration for assets acquisition	1,633,602	1,390,124	3,051,198	2,554,930
Interest payable	21,903	50,895	328,965	235,700
Deposits related to sales of properties	30,051	50,265	155,116	219,711
Other tax and surcharges	18,526	84,489	99,137	78,724
Maintenance fund	17,502	39,212	75,244	100,177
Payroll and welfare payable	13,086	36,083	48,468	56,030
Retention deposits related to construction	1,973	54,701	39,632	39,679
Commission payable	6,639	25,141	23,815	21,620
Due to non-controlling shareholders of subsidiaries	2,852	13,452	4,598	48,514
Others	7,283	49,295	72,405	66,048
	1,753,417	1,793,657	3,898,578	3,421,133

Other payables and advances from non-controlling shareholders of subsidiaries are unsecured, non-interest-bearing and repayable on demand. The fair values of other payables at the end of each of the Relevant Periods approximated to their corresponding carrying amounts.

29. CONTRACT LIABILITIES

The Group recognised the following revenue-related contract liabilities:

	31 December			30 April
	2016	2017	2018	2019
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Contract liabilities	7,118,885	20,063,821	40,196,400	43,726,570

The Group receives payments from customers based on billing schedules as established in the property sales contracts. Payments are usually received in advance of the performance under the contracts which are mainly from property development and sales.

The following table shows the revenue recognised during the Relevant Periods related to carried-forward contract liabilities.

	31 December			30 April
	2016	2017	2018	2019
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Revenue recognised that was included in the contract liability balance at the beginning of the year/period				
Sale of properties	2,078,441	4,526,775	8,197,060	5,233,617

The following table includes the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) related to sales of properties as at the end of each of the Relevant Periods.

	31 December			30 April
	2016	2017	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Expected to be satisfied				
within 1 year	4,575,856	7,171,449	21,136,377	23,743,586
over 1 year	3,562,413	19,157,386	26,581,826	27,603,107
	<u>8,138,269</u>	<u>26,328,835</u>	<u>47,718,203</u>	<u>51,346,693</u>

30. INTEREST-BEARING BANK AND OTHER BORROWINGS

	31 December 2016		31 December 2017		31 December 2018		30 April 2019					
	Effective interest rate	Maturity	Effective interest rate	Maturity	Effective interest rate	Maturity	Effective interest rate	Maturity				
	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)				
Current												
Bank loans — secured	7.83	2017	20,000	—	8.00	2019	50,000	8.00	2019	50,000		
Other loans — secured	10.20	2017	98,000	8.10-10.51	2018	596,400	8.00-16.00	2019	2,713,907	8.00-14.00	2019-20	2,726,548
Other loans — unsecured			—			—		12.00	2019			311,242
Current portion of long term bank loans — secured	5.70-6.98	2017	675,000	4.75-9.00	2018	2,424,627	6.30-10.00	2019	3,107,694	5.70-10.00	2019-20	3,089,476
Current portion of other loans — secured	7.00-15.00	2017	2,203,600	8.50-11.50	2018	6,228,100	9.50-15.10	2019	3,353,363	9.50-15.10	2019-20	4,157,184
			<u>2,996,600</u>			<u>9,249,127</u>			<u>9,224,964</u>			<u>10,334,450</u>
Non-current												
Bank loans — secured	6.98	2019	750,000	6.30-9.00	2019-20	3,648,961	5.23-9.50	2020-21	5,914,494	4.67-10.00	2020-22	7,883,001
Other loans — secured	9.45-10.10	2018-19	2,690,900	8.62-13.62	2019-20	3,777,559	9.20-15.46	2020	6,371,246	9.20-15.46	2020-21	7,228,097
			<u>3,440,900</u>			<u>7,426,520</u>			<u>12,285,740</u>			<u>15,111,098</u>
			<u>6,437,500</u>			<u>16,675,647</u>			<u>21,510,704</u>			<u>25,445,548</u>

Bank and other borrowings

	31 December			30 April
	2016	2017	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Analysed into:				
Bank loans repayable:				
Within one year	695,000	2,424,627	3,157,694	3,139,476
In the second year	—	930,000	4,516,794	4,683,101
In the third to fifth years, inclusive	750,000	2,718,961	1,397,700	3,199,900
	<u>1,445,000</u>	<u>6,073,588</u>	<u>9,072,188</u>	<u>11,022,477</u>

	31 December			30 April
	2016	2017	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Other borrowings repayable:				
Within one year	2,301,600	6,824,500	6,067,270	7,194,974
In the second year	2,089,900	3,597,559	6,371,246	7,228,097
In the third to fifth years, inclusive	601,000	180,000	—	—
	<u>4,992,500</u>	<u>10,602,059</u>	<u>12,438,516</u>	<u>14,423,071</u>
	<u>6,437,500</u>	<u>16,675,647</u>	<u>21,510,704</u>	<u>25,445,548</u>

The Group's bank and other borrowings are mainly denominated in RMB, except for a bank loan from LUSO International Banking Limited amounting to HK\$1,697,050,000.

Certain of the Group's bank and other borrowings are secured by the pledges of the following assets with carrying values at the end of each of the Relevant Periods as follows:

	Notes	31 December			30 April
		2016	2017	2018	2019
		(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Property, plant and equipment	13	62,027	71,332	68,172	67,001
Investment properties	14	—	411,450	416,067	416,067
Properties under development	20	<u>4,193,046</u>	<u>13,918,738</u>	<u>17,316,129</u>	<u>21,222,163</u>
Completed properties held for sale	21	38,109	617,025	1,538,211	1,089,180
Pledged deposits	26	<u>5,266</u>	<u>30,433</u>	<u>31,615</u>	<u>34,952</u>

The management of the Company has assessed that the fair values of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the fact that such borrowings were made between the Group and independent third party financial institutions based on prevailing market interest rates.

Sinic Technology Group Co., Ltd. has pledged with RMB1,620,000,000, RMB1,620,000,000, and RMB1,620,000,000 deposits for certain of the Group's bank and other borrowings up to RMB1,493,688,000, RMB1,529,407,000 and RMB1,455,797,000 as at 31 December 2017 and 2018 and 30 April 2019, respectively.

The Controlling Shareholder has guaranteed certain of the bank and other borrowings up to RMB1,764,700,000 and RMB860,700,000 as at 31 December 2018 and 30 April 2019, respectively.

The Controlling Shareholder and Ms. Wu Chengping have guaranteed certain of the bank and other borrowings up to RMB980,500,000, RMB246,400,000, RMB3,763,516,000 and RMB5,777,784,000 as at 31 December 2016, 2017 and 2018 and 30 April 2019, respectively.

The Controlling Shareholder, Ms. Wu Chengping and Mr. Shen Linghua have guaranteed certain of the bank and other borrowings up to RMB161,000,000 as at 31 December 2016.

The Controlling Shareholder, Ms. Wu Chengping, Mr. Shen Linghua and Ms. Ouyang Hongli have guaranteed certain of the bank and other borrowings up to RMB5,001,000,000, RMB7,258,900,000, RMB2,690,880,000 and RMB1,885,480,000 as at 31 December 2016, 2017 and 2018 and 30 April 2019, respectively.

The Controlling Shareholder, Ms. Wu Chengping, Mr. Shen Linghua, Ms. Ouyang Hongli, Mr. Li Haiwen and Ms. Lin Jianhua have guaranteed certain of the bank and other borrowings up to RMB155,000,000 as at 31 December 2016.

The Controlling Shareholder, Mr. Shen Linghua, Mr. Zhang Chunhua, Mr. Hu Wenyong, Mr. Liu Chengwei, 南昌交新物流有限公司 (“Nanchang Jiaoxin Logistical Co., Ltd.”) and 南昌市嘉洋實業發展有限公司 (“Nanchang Jiayang Industrial Development Co., Ltd.”) have guaranteed certain of the bank and other borrowings up to RMB20,000,000 as at 31 December 2016.

The Controlling Shareholder, Ms. Wu Chengping and Sinic Technology Group Co., Ltd. have guaranteed certain of the bank and other borrowings up to RMB5,196,659,000, RMB3,626,493,000 and RMB2,946,064,000 as at 31 December 2017 and 2018 and 30 April 2019, respectively.

The Controlling Shareholder, Ms. Wu Chengping, Mr. Shen Linghua, Ms. Ouyang Hongli and Sinic Technology Group Co., Ltd. have guaranteed certain of the bank and other borrowings up to RMB980,000,000, RMB700,000,000 and RMB400,000,000 as at 31 December 2017 and 2018 and 30 April 2019, respectively.

Sinic Technology Group Co., Ltd. has guaranteed certain of the bank and other borrowings up to RMB1,493,688,000, RMB1,779,407,000 and RMB1,455,797,000 as at 31 December 2017 and 2018 and 30 April 2019, respectively.

The Controlling Shareholder, Ms. Wu Chengping and 南昌市建鼎實業發展有限公司 (“Nanchang Jiandin Industrial Development Co., Ltd.”) have guaranteed certain of the bank and other borrowings up to RMB300,000,000 as at 31 December 2017.

The Controlling Shareholder, Mr. Peng Xiaobao, Sinic Technology Group Co., Ltd., and 南昌市寶龍建築工程有限公司 (“Nanchang Baolong Construction Co., Ltd.”) have guaranteed certain of the bank and other borrowings up to RMB1,200,000,000 as at 31 December 2017.

The Controlling Shareholder, Ms. Wu Chengping and 武漢正和置業有限公司 (“Wuhan Zhenghe Properties Co., Ltd.”) have guaranteed certain of the Group’s bank and other borrowings up to RMB27,800,000 and RMB474,900,000 as at 31 December 2018 and 30 April 2019, respectively.

The Controlling Shareholder, Ms. Wu Chengping and Wuhan Furui Decheng Real Estate Development Co., Ltd. have guaranteed certain of the Group’s bank and other borrowings up to RMB1,736,000,000 and RMB1,388,800,000 as at 31 December 2018 and 30 April 2019, respectively.

31. FINANCIAL LIABILITIES AT FVTPL

	31 December			30 April
	2016	2017	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Contingent consideration	935	861	619	519

On 22 March 2016, the Group acquires 100% interests of Jiangxi JunYu Industrial Co., Ltd. from the original shareholders. According to the contractual terms, the Group agreed with the original shareholders that if the profit margin of the project is higher than 10%, the Group should distribute 30% of the exceeding part, a contingent consideration for the business combination, to the original shareholders. The contingent consideration to be transferred to the original shareholders is recognised at fair value at the acquisition date and measured at fair value with changes in fair value recognised in profit or loss.

32. CORPORATE BONDS

Name of bonds	1 January 2018	Issued in	Interest		31 December 2018
	Opening balance	2018	expense	Payment	Closing balance
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Sinic Bond I	—	312,005	5,070	—	317,075
Sinic Bond II	—	274,416	579	—	274,995
	—	586,421	5,649	—	592,070
Name of bonds	1 January 2019	Issued in	Interest		30 April 2019
	Opening balance	2019	expense	Payment	Closing balance
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Sinic Bond I	317,075	—	8,221	—	325,296
Sinic Bond II	274,995	—	6,944	—	281,939
Sinic Bond III	—	415,674	921	—	416,595
	592,070	415,674	16,086	—	1,023,830

As at the end of each of the year/period, the Group's corporate bonds were repayable as follows:

	31 December 2018	30 April 2019
	(RMB'000)	(RMB'000)
Repayable within one year	—	—
Repayable within two to five years	592,070	1,023,830
	592,070	1,023,830

On 18 October 2018, Sinic Real Estate issued a three-year corporate bond with a principal amount of RMB313,000,000 ("Sinic Bond I"), which was privately issued on the Shanghai Stock Exchange. Sinic Bond I is denominated in RMB and bears interest at a rate of 7.9% per annum, payable annually in arrears 19 October on or on the business day nearest hereto each year, beginning 19 October 2018. After deducting the issuance costs, the Group received net proceeds of RMB312,004,660 from the issuance. The effective interest rate was 8.02% on an annual basis for the year ended 31 December 2018.

According to the terms of Sinic Bond I, Sinic Real Estate may at its option adjust the interest rate at the end of the second year, and the bondholders may at their option sell the bond back to Sinic Real Estate at the end of the second year, in whole or in part at a price equal to 100% of the principal amount of the bond plus accrued and unpaid interest to the option exercise date.

On 21 December 2018, Sinic Real Estate issued a three-year corporate bond with a principal amount of RMB276,000,000 ("Sinic Bond II"), which was privately listed on the Shanghai Stock Exchange. Sinic Bond II is denominated in RMB and bears interest at a rate of 7.5% per annum, payable annually in arrears 24 December or on the business day nearest hereto each year, beginning 24 December 2018. After deducting the issuance costs, the Group received net proceeds of RMB274,416,360 from the issuance. The effective interest rate was 7.70% on an annual basis for the year ended 31 December 2018.

According to the terms of Sinic Bond II, Sinic Real Estate may at its option adjust the interest rate at the end of the second year, and the bondholders may at their option sell the bond back to Sinic Real Estate at the end of the second year, in whole or in part at a price equal to 100% of the principal amount of the bond plus accrued and unpaid interest to the option exercise date.

On 19 April 2019, Sinic Real Estate issued a three-year corporate bond with a principal amount of RMB417,000,000 ("Sinic Bond III"), which was privately listed on the Shanghai Stock Exchange. Sinic Bond III is denominated in RMB and bears interest at a rate of 7.5% per annum, payable annually in arrears 22 April or on the business day nearest hereto each year, beginning 22 April 2020. After deducting the issuance costs, the Group received net proceeds of RMB415,673,940 from the issuance. The effective interest rate was 7.60% on an annual basis for the four months ended 30 April 2019.

According to the terms of Sinic Bond III, Sinic Real Estate may at its option adjust the interest rate at the end of the second year, and the bondholders may at their option sell the bond back to Sinic Real Estate at the end of the second year, in whole or in part at a price equal to 100% of the principal amount of the bond plus accrued and unpaid interest to the option exercise date.

After initial recognition, the corporate bonds are subsequently measured at amortised cost, using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

The fair values of corporate bonds were RMB590,492,000 and RMB1,011,137,000 as at 31 December 2018 and 30 April 2019, respectively (note 43).

33. SHARE CAPITAL

Shares

	31 December 2018	30 April 2019
	<i>(HK\$)</i>	<i>(HK\$)</i>
Authorised:		
38,000,000 ordinary shares of HK\$0.01 each	—	—
At 31 December 2018 and 30 April 2019, respectively	<u>—</u>	<u>—</u>

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital
		<i>(RMB'000)</i>
At 18 September 2018 (date of incorporation)	—	—
Issuance of new shares	<u>100</u>	<u>—</u>
At 31 December 2018 and 1 January 2019	100	—
Issuance of new shares	<u>—</u>	<u>—</u>
At 30 April 2019	<u>100</u>	<u>—</u>

The Company was incorporated in the Cayman Islands on 18 September 2018 with authorised share capital of HK\$380,000 divided into 38,000,000 shares of HK\$0.01 at par value each.

On 18 September 2018, 95 and 5 ordinary shares of HK\$0.01 were allotted by the Company for cash to Xin Hong Company Limited and Xin Heng Company Limited, respectively.

On 13 May 2019, Xin Hong Company Limited has transferred its 95 ordinary shares to Sinic Holdings Group Company Limited.

On 17 May 2019, the Company further allotted and issued 845 and 45 shares of HK\$0.01 to Sinic Holdings Group Company and Xin Heng Company Limited, respectively. On the same day, Forever Elite Ventures Limited transferred all the shares of Forest Resources Developments Limited to the Company in exchange for the allotment and issue by the Company of 10 shares to Forever Elite Ventures Limited.

On 15 October 2019, the authorized share capital of the Company was increased from HK\$380,000 divided into 38,000,000 shares of a par value of HK\$0.01 each to HK\$200,000,000 divided into 20,000,000,000 shares of a par value of HK\$0.01 each.

34. RESERVES

The amounts of the Group's reserves and the movements therein for the years ended 31 December 2016, 2017 and 2018 and the four months ended 30 April 2019 are presented in the combined statements of changes in equity.

(a) Share premium

The share premium represents the difference between the par value of the shares issued and the consideration received.

(b) Merger reserve

The merger reserve of the Group represents the issued capital of the then holding company of the companies now comprising the Group and the capital contributions from the equity holders of certain subsidiaries now comprising the Group before the completion of the Reorganisation.

(c) Capital reserve

The capital reserve represents any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid for acquisition of non-controlling interests in subsidiaries. Details of the movements in capital reserve are set out in the combined statement of changes in equity.

(d) Statutory surplus reserve

In accordance with the PRC Company Law and the articles of association of the subsidiaries established in the PRC, the Group is required to appropriate 10% of its net profits after tax, as determined under PRC GAAP, to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital. Subject to certain restrictions set out in the relevant PRC regulations and in the articles of association of the Group, the statutory surplus reserve may be used either to offset losses, or to be converted to increase share capital provided that the balance after such conversion is not less than 25% of the registered capital of the Group. The reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends.

(e) Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of the Group's entities. The reserve is dealt with in accordance with the accounting policy set out in note 2.5.

35. NOTES TO THE COMBINED STATEMENTS OF CASH FLOWS

Changes in liabilities arising from financing activities

	Interest- bearing bank and other borrowings	Corporate bonds	Due to related companies	Lease liabilities	Total liabilities from financing activities
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
At 1 January 2016	1,721,000	—	759,151	—	2,480,151
Cash flows from/(used in) financing activities	4,716,500	—	(567,274)	—	4,149,226
Cash flows from non-financing activities	—	—	1,784	—	1,784
At 31 December 2016	6,437,500	—	193,661	—	6,631,161
Cash flows from financing activities	10,238,147	—	2,090,047	—	12,328,194
Cash flows from non-financing activities	—	—	10,798	—	10,798
At 31 December 2017	16,675,647	—	2,294,506	—	18,970,153
Cash flows from/(used in) financing activities	4,764,731	586,421	(924,747)	—	4,426,405
Cash flows from non-financing activities	—	—	30,428	—	30,428
Accrual of interest	—	5,649	—	—	5,649
Effect of foreign exchange rate changes	70,326	—	—	—	70,326
At 31 December 2018	21,510,704	592,070	1,400,187	—	23,502,961
Impact of adopting IFRS 16 (note 2.3)	—	—	—	41,585	41,585
Restated balance at 1 January 2019	21,510,704	592,070	1,400,187	41,585	23,544,546
Cash flows from/(used in) financing activities	3,966,002	415,674	1,090,789	(8,416)	5,464,049
Cash flows from non-financing activities	—	—	472,297	—	472,297
New operating lease	—	—	—	9,374	9,374
Accrual of interest	—	16,086	—	832	16,918
Effect of foreign exchange rate changes	(31,158)	—	—	—	(31,158)
At 30 April 2019	<u>25,445,548</u>	<u>1,023,830</u>	<u>2,963,273</u>	<u>43,375</u>	<u>29,476,026</u>

36. BUSINESS COMBINATIONS**(a) Acquisition of Huizhou Shengyuan**

On 8 February 2017, the Group acquired a 100% equity interest in Huizhou Shengyuan, an unlisted company with registered capital of RMB5,000,000 from Huizhou Daya Bay Lijia Property Development Co., Ltd. and Shenzhen Chufeng Industrial Co., Ltd. They are mainly engaged in real estate development and operation. The acquisition was part of the Group's strategy to expand its market share of property development and operation. The acquisition was satisfied by cash of RMB379,630,000 at the acquisition date.

Since the acquisition, Huizhou Shengyuan contributed RMB40,867,000 to the Group's revenue and a loss of RMB12,856,000 to the combined statements of profit or loss and other comprehensive income for the year ended 31 December 2017. Had the combination taken place at 1 January 2017, the revenue and profit of the Group would have been RMB5,241,086,000 and RMB278,021,000, respectively.

The fair values of the identifiable assets and liabilities of Huizhou Shengyuan as at the date of acquisition were as follows:

	Fair value recognised on acquisition
	<i>(RMB'000)</i>
Properties under development	558,488
Cash and cash equivalents	44
Deferred tax liabilities (<i>note 19</i>)	(109,596)
Other payables and accruals	(66,500)
	<u>382,436</u>
Total identifiable net assets at fair value	<u>382,436</u>
Gains on bargain purchase recognised in other income and gains in profit or loss	(2,806)
Satisfied by cash	<u>379,630</u>

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	<i>(RMB'000)</i>
Cash considerations	(379,630)
Cash and cash equivalents acquired	44
	<u>44</u>
Net outflow of cash and cash equivalents included in cash flows from investing activities	<u>(379,586)</u>

(b) Acquisition of Wuxi Fuan

On 30 April 2017, the Group acquired a 100% equity interest in Wuxi Fuan, an unlisted company with registered capital of RMB100,000,000 from Jiangsu Fuan Investment Group Co., Ltd. Wuxi Fuan is mainly engaged in real estate development and operation. The acquisition was part of the Group's strategy to expand its market share of property development and operation. The acquisition was satisfied by cash of RMB95,000,000 at the acquisition date.

Since the acquisition, Wuxi Fuan contributed nil to the Group's revenue and a loss of RMB42,690,000 to the combined statements of profit or loss and other comprehensive income for the year ended 31 December 2017. Had the combination taken place at 1 January 2017, the revenue and profit of the Group would have been RMB5,241,086,000 and RMB260,192,000, respectively.

The fair values of the identifiable assets and liabilities of Wuxi Fuan as at the date of acquisition were as follows:

	Fair value recognised on acquisition
	<i>(RMB'000)</i>
Completed properties held for sale	352,528
Properties under development	585,868
Tax receivable	1,442
Cash and cash equivalents	2,405
Prepayments and other receivables	154,806
Trade payables	(212,975)
Tax payables	(120)
Deferred tax liabilities (<i>note 19</i>)	(67,911)
Contract liabilities	(7,580)
Other payables and accruals	(710,089)
	<hr/>
Total identifiable net assets at fair value	98,374
	<hr/> <hr/>
Gains on bargain purchase recognised in other income and gains in profit or loss	(3,374)
	<hr/>
Satisfied by cash	95,000
	<hr/> <hr/>

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	<i>(RMB'000)</i>
Cash considerations	(95,000)
Cash and cash equivalents acquired	2,405
	<hr/>
Net outflow of cash and cash equivalents included in cash flows from investing activities	(92,595)
	<hr/> <hr/>

(c) Acquisition of Zhongshan Dutou

On 31 January 2019, the Group acquired a 100% equity interest in Zhongshan Dutou, an unlisted company with registered capital of RMB160,213,800 from Zhongshan Guilin Properties Co., Ltd. Zhongshan Dutou is mainly engaged in real estate development and operation. The acquisition was part of the Group's strategy to expand its market share of property development and operation. The acquisition was satisfied by cash of RMB524,450,000 at the acquisition date.

Since the acquisition, Zhongshan Dutou contributed nil to the Group's revenue and a loss of RMB5,579,000 to the combined statements of profit or loss and other comprehensive income for the four months ended 30 April 2019. Had the combination taken place at 1 January 2019, the revenue and profit of the Group would have been RMB5,709,425,000 and RMB280,523,000, respectively.

The fair values of the identifiable assets and liabilities of Zhongshan Dutou as at the date of acquisition were as follows:

	Fair value recognised on acquisition
	<i>(RMB'000)</i>
Properties under development	718,056
Property, plant and equipment	880
Cash and cash equivalents	6,182
Prepayments and other receivables	180,204
Tax recoverable	8,643
Other payables and accruals	(263,133)
Deferred tax liabilities (<i>note 19</i>)	(123,652)
Total identifiable net assets at fair value	<u>527,180</u>
Gains on bargain purchase recognised in other income and gains in profit or loss	<u>(2,730)</u>
Satisfied by cash	<u>524,450</u>

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	<i>(RMB'000)</i>
Cash considerations	(524,450)
Cash and cash equivalents acquired	<u>6,182</u>
Net outflow of cash and cash equivalents included in cash flows from investing activities	<u>(518,268)</u>

37. DISPOSAL OF SUBSIDIARIES

(a) 惠州新力力鴻房地產開發有限公司 (“Huizhou Sinic Lihong Real Estate Development Co., Ltd.”)

Pursuant to the share transfer agreement dated 20 November 2018, the Group disposed of its 70% equity interest in Huizhou Sinic Lihong Real Estate Development Co., Ltd. to 上海鴻碁新材料有限公司 (“Shanghai Hongqi New Material Co., Ltd.”) for a consideration of RMB1. The consideration was determined by reference to the corresponding value of the equity interest disposed of as at 21 November 2018.

(b) 江西夢龍房地產開發有限公司 (“Jiangxi Menglong Real Estate Development Co., Ltd.”)

Pursuant to the share transfer agreement dated 16 November 2018, the Group disposed of its 100% equity interest in Jiangxi Menglong Real Estate Development Co., Ltd. to 新力力創實業有限公司 (“Sinic Lichuang Industrial Co., Ltd.”) for a consideration of nil. The consideration was determined by reference to the corresponding value of the equity interest disposed of as at 20 November 2018.

(c) 江西綠洋建築工程有限公司 (“Jiangxi Lvyang Construction Co., Ltd.”)

Pursuant to the share transfer agreement dated 25 April 2018, the Group disposed of its 100% equity interest in Jiangxi Lvyang Construction Co., Ltd. to 南昌市頂豐投資諮詢有限公司 (“Nanchang Dinfeng Investment Consulting Ltd.”) for a consideration of nil. The consideration was determined by reference to the corresponding value of the equity interest disposed of as at 27 April 2018.

(d) 惠州新力泓悅房地產開發有限公司 (“Huizhou Sinic Hongyue Real Estate Development Co., Ltd.”)

Pursuant to the share transfer agreement dated 2 November 2018, the Group disposed of its 100% equity interest in Huizhou Sinic Hongyue Real Estate Development Co., Ltd. to 上海鴻碁新材料有限公司 (“Shanghai Hongqi New Material Co., Ltd.”) for a consideration of RMB1. The consideration was determined by reference to the corresponding value of the equity interest disposed of as at 2 November 2018.

(e) 惠州新力泓軒房地產開發有限公司 (“Huizhou Sinic Hongxuan Real Estate Development Co., Ltd.”)

Pursuant to the share transfer agreement dated 2 November 2018, the Group disposed of its 100% equity interest in Huizhou Sinic Hongxuan Real Estate Development Co., Ltd. to 上海鴻碁新材料有限公司 (“Shanghai Hongqi New Material Co., Ltd.”) for a consideration of RMB1. The consideration was determined by reference to the corresponding value of the equity interest disposed of as at 2 November 2018.

(f) 惠州新力泓豐房地產開發有限公司 (“Huizhou Sinic Hongfeng Real Estate Development Co., Ltd.”)

Pursuant to the share transfer agreement dated 2 November 2018, the Group disposed of its 100% equity interest in Huizhou Sinic Hongfeng Real Estate Development Co., Ltd. to 上海鴻碁新材料有限公司 (“Shanghai Hongqi New Material Co., Ltd.”) for a consideration of RMB1. The consideration was determined by reference to the corresponding value of the equity interest disposed of as at 2 November 2018.

(g) 惠州力新在悅房地產開發有限公司 (“Huizhou Lixin Zaiyue Real Estate Development Co., Ltd.”)

Pursuant to the share transfer agreement dated 7 November 2018, the Group disposed of its 100% equity interest in Huizhou Lixin Zaiyue Real Estate Development Co., Ltd. to 上海鴻碁新材料有限公司 (“Shanghai Hongqi New Material Co., Ltd.”) for a consideration of RMB2. The consideration was determined by reference to the corresponding value of the equity interest disposed of as at 12 November 2018.

(h) 惠州新悅力和房地產開發有限公司 (“Huizhou Xinyue Lihe Real Estate Development Co., Ltd.”)

Pursuant to the share transfer agreement dated 7 November 2018, the Group disposed of its 100% equity interest in Huizhou Xinyue Lihe Real Estate Development Co., Ltd. to 上海鴻碁新材料有限公司 (“Shanghai Hongqi New Material Co., Ltd.”) for a consideration of RMB2. The consideration was determined by reference to the corresponding value of the equity interest disposed of as at 12 November 2018.

(i) 惠州新力品質房地產開發有限公司 (“Huizhou Sinic Pinzhi Real Estate Development Co., Ltd.”)

Pursuant to the share transfer agreement dated 7 November 2018, the Group disposed of its 75% equity interest in Huizhou Sinic Pinzhi Real Estate Development Co., Ltd. to 上海鴻碁新材料有限公司 (“Shanghai Hongqi New Material Co., Ltd.”) for a consideration of RMB1. The consideration was determined by reference to the corresponding value of the equity interest disposed of as at 13 November 2018.

All the above-mentioned subsidiaries are dormant since the date of establishment, and have not commenced any operations before they were disposed of.

The carrying values of the assets and liabilities on the dates of disposal were as follows:

	Year ended 31 December 2018
	<i>(RMB'000)</i>
Net assets disposed of:	
Cash and cash equivalents	–
Prepayments and other receivables	35,303
Other payables and accruals	(36,490)
	<u>(1,187)</u>
Gain on disposal of subsidiaries	<u>1,187</u>
	<u>–</u>
Satisfied by cash	<u>–</u>

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of the subsidiaries is as follows:

	Year ended 31 December 2018
	<i>(RMB'000)</i>
Cash consideration	—
Cash and cash equivalents disposed of	—
Net outflow of cash and cash equivalents in respect of the disposal of subsidiaries	<u>—</u>

The directors of the Company consider that all subsidiaries disposed of were not significant to the Group and thus the individual financial information of subsidiaries on the disposal date was not disclosed.

38. CONTINGENT LIABILITIES

At the end of each of the Relevant Periods, contingent liabilities not provided for in the combined financial statements were as follows:

	<i>Notes</i>	31 December			30 April
		2016	2017	2018	2019
		<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Guarantees given to banks in connection with facilities granted to purchasers of the Group's properties	<i>(1)</i>	<u>3,560,606</u>	<u>9,059,100</u>	<u>27,465,861</u>	<u>28,527,100</u>
Guarantees given to banks in connection with facilities granted to related parties and third parties	<i>(2)</i>	<u>280,000</u>	<u>2,607,400</u>	<u>4,854,792</u>	<u>4,893,942</u>

- (1) The Group provided guarantees in respect of mortgage facilities granted by certain banks to the purchasers of the Group's completed properties held for sale. Pursuant to the terms of the guarantee arrangements, in case of default on mortgage payments by the purchasers, the Group is responsible to repay the outstanding mortgage principals together with any accrued interest and penalties owed by the defaulted purchasers to those banks.

Under the above arrangement, the related properties were pledged to the banks as collateral for the mortgage loans, upon default on mortgage repayments by these purchasers, the banks are entitled to take over the legal titles and will realise the pledged properties through open auction.

The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon the issuance and registration of property ownership certificates to the purchasers, which will generally be available within half a year to two years after the purchasers take possession of the relevant properties.

The Group did not incur any material losses during the Relevant Periods in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's completed properties held for sale. The directors of the Company considered that in case of default on payments, the net realisable value of the related properties would be sufficient to repay the outstanding mortgage loans together with any accrued interest and penalty, and therefore no provision has been made in connection with the guarantees.

- (2) The Group provided guarantees to banks and other institutions in connection with financial facilities granted to the related companies and third parties. The directors of the Company consider that no provision is needed in respect of the guarantees, since the fair value is immaterial.
- (3) In June 2018, one subsidiary of the Group, Sinic Real Estate, entered into an agreement with Zhejiang Bokang Property Co., Ltd. and Anji Xingshang Holding Investment Enterprise Co., Ltd. (together, "Bokang Anji") to acquire certain equity interest in a project company in Anji County, Zhejiang Province ("Anji Project Company"), for an aggregate amount of RMB475,000,000. In October 2018, Sinic Real Estate issued a letter to Bokang Anji to dissolve the agreement on the ground that Bokang Anji had failed to fulfil the terms of the contract to allow Sinic Real Estate to develop the relevant land parcels held by Anji Project Company. In November 2018, Bokang Anji filed a lawsuit with Anji County People's Court against Sinic Real Estate for an aggregate amount of approximately RMB24,700,000, alleging that Sinic Real Estate caused damages to Bokang Anji by terminating the agreement. In December 2018, Sinic Real Estate filed a countersuit against Bokang Anji for an aggregate amount of approximately RMB47,500,000. On July 25, 2019, the Anji County People's Court issued its decision in which it held that the agreement between Sinic Real Estate and Bokang Anji was terminated on December 26, 2018 and that Bokang Anji owed damages and legal fees totaling approximately RMB3,200,000 to Sinic Real Estate for breaching the relevant terms of the agreement. Bokang Anji has appealed the decision to the Intermediate People's Court of Huzhou City, arguing that Sinic Real Estate owed Bokang Anji damages. Sinic Real Estate claimed on the appeal that the damages owed by Bokang Anji to Sinic Real Estate should be the amount claimed by Sinic Real Estate in the initial lawsuit filed in December 2018. As of the date of this prospectus, the appeals are pending before the local court. The Group's external PRC counsel for the lawsuit advised that it was of the view that Bokang Anji had a relatively low likelihood of success in claiming damages from Sinic Real Estate on the appeal because, as Anji County People's Court has held, Bokang Anji failed to fulfill its obligations under the agreement which were precondition to our making payments to them as set forth in the agreement and because Bokang Anji did not raise any new evidence on the appeal. Accordingly, the group has not made any provision for this lawsuit because the Directors consider the likelihood of being found having to pay damages by the local court remote based on the advice from their external PRC counsel for the lawsuit. As such, the Directors believe that the lawsuit would not have a material adverse effect on the Group's financial condition or results of operations.

Since April 2019, one subsidiary of the Group, Huizhou Shengyuan has received total of 84 lawsuits filed by some of the purchasers of Xiangshan Ju, one of the Group's property projects, with the People's Court of Huizhou Daya Bay Economic and Technology Development District ("Daya Bay Court"), alleging their decisions to purchase the property units at Xiangshan Ju were based on the misleading claims and/or certain sales and marketing materials of Xiangshan Ju shared the same facilities and ancillary resources with Huizhou Dong Yuan, another one of the Group's property projects which is adjacent to Xiangshan Ju ("the Alleged Claims"). As of the date of this prospectus, of these 84 lawsuits, two were settled, 82 lawsuits are pending before the Daya Bay Court. Of the two lawsuits that were settled, one was first decided by the Daya Bay Court on July 5, 2019 before the settlement agreement between the plaintiffs and the Group. In the July 5, 2019 decision, the Daya Bay Court held that (i) there was no ground to support the plaintiffs' request to terminate the relevant sales agreement between the plaintiffs and the Group because (x) the plaintiffs entered into the agreement as natural persons with full capacity, and therefore the agreement is legal, valid and binding on such plaintiffs, and (y) the conditions for termination under the PRC Contract Law were not met, which require, among others, mutual consent by the contracting parties to terminate or failure of or breach by a contracting party that prevents the purpose of the agreement from being achieved, and the Daya Bay Court found that the purpose of the agreement has been achieved when the relevant property unit was delivered to the plaintiffs in the conditions set forth in the agreement; (ii) notwithstanding the above, the Alleged Claims had a material impact on the plaintiffs' decision to enter into the relevant sales agreement and the pricing of the relevant property unit, and therefore were considered a part of the terms of the relevant sales agreement; (iii) the Company failed to fulfill the Alleged Claims, which constitutes a breach under the relevant sales agreement. The Daya Bay Court awarded the plaintiffs damages of approximately RMB18,930.4 representing 1.5% of the sales price of the relevant property unit sold to the plaintiffs,

instead of the RMB1,100,000 as claimed by the plaintiffs, which was based on the entire sales price of the relevant property unit. As of the date of this prospectus, both the Group and the plaintiffs appealed the decision and the case was pending before the Intermediate People's Court of Huizhou City. Accordingly, there were 82 lawsuits pending before the Daya Bay Court and the Intermediate People's Court of Huizhou City as of the date of this prospectus, with an aggregate amount of the claims of approximately RMB128,500,000, which consisted of approximately RMB87,700,000 for termination of the relevant sales agreements, which represents the aggregate amount of sales prices of the property units plus interests arising from the mortgage loans (if any) by the plaintiffs, and approximately RMB40,800,000 for damages and other miscellaneous fees and expenses. The Group's external PRC counsel is of the view that the likelihood of the courts ruling entirely in favour of the plaintiffs is very low, because: i) there is a lack of factual and legal basis to terminate the relevant sales agreements between the plaintiffs and the Group, as the Alleged Claims do not constitute valid ground for termination; ii) there is insufficient evidence to prove that the Group marketed and sold Xiangshan Ju as sharing facilities and ancillary resources with Huizhou Dong Yuan, because the relevant sales agreements clearly set out the sales conditions of the relevant property units which do not support the Alleged Claims.

On May 23, 2019, the Market Supervision Administrative Bureau of Huizhou Dayawan Economic and Technology Development District (the "Daya Bay Administrative Bureau") imposed an administrative fine of RMB145,000 on the Group by finding that the Group failed to comply with certain provisions of the PRC Advertising Law for making the Alleged Claims to potential customers of Xiangshan Ju. The Group has paid the administrative fine in full as required and filed an application to review of the administrative decision with the Huizhou Market Supervision Administrative Bureau (the "Huizhou Administrative Bureau") on June 17, 2019. The Huizhou Administrative Bureau decided on August 1, 2019 to uphold the administrative decision of the Daya Bay Administrative Bureau, primarily based on the determination that the Group's efforts to distinguish Xiangshan Ju from Huizhou Dong Yuan during the pre-sales activities were insufficient. The Group lodged an administrative lawsuit against the Daya Bay Administrative Bureau and the Huizhou Administrative Bureau with the People's Court of Boluo County ("the Boluo County Court") on August 21, 2019. As of the date of this prospectus, this administrative lawsuit is pending before the Boluo County Court.

Based on the Group's records, should all purchasers of property units of Xiangshan Ju file lawsuits based on the same claims against the Group the total amount from the termination of all sales agreements for Xiangshan Ju (including the above-mentioned 82 lawsuits and excluding the two that have been settled) would be approximately RMB868,600,000 and the total amount of the estimated damages (including the abovementioned 82 lawsuits and excluding the two that has been settled), if the courts conclude with the same ruling as that by Daya Bay Court (i.e. award plaintiffs with damages amounting to 1.5% of the properties' sales price), is approximately RMB13,000,000. In addition, the Controlling Shareholders have undertaken to indemnify the Company against all losses, liabilities or damages suffered by any member of the Group in respect of and to the extent arising from or relating to the above-mentioned Xiangshan Ju selling and marketing dispute. In consideration of (i) the facts that the Group have made efforts and taken various measures to separate and distinguish Xiangshan Ju from Huizhou Dong Yuan during the pre-sale activities, (ii) the relatively low amount of damages awarded to the plaintiffs by the Daya Bay Court in the lawsuit as mentioned above, which was on appeal, (iii) the fact that the administrative lawsuit regarding the administrative decisions of the Daya Bay Administration Bureau and the Huizhou Administration Bureau is pending before the Boluo County Court as of the date of this prospectus, (iv) the advice from the Group's external PRC legal counsel for these lawsuits that the likelihood of the courts to rule in favor of the plaintiffs' claims in full is very low, and (v) the indemnity undertaking from the Controlling Shareholders, the Group has not made any provision. The Group believes that these lawsuits would not have a material adverse effect on the Group's business, financial condition or result of operations.

Except as disclosed above, during the Relevant Periods and up to the end of the Relevant Periods, neither the Group nor the Company were involved in any litigation, arbitration or administrative proceedings, claims or disputes which had a material adverse effect on the Group's financial condition or results of operation.

39. OPERATING LEASE ARRANGEMENTS**As lessor**

The Group leases out its investment properties (note 14) under operating lease arrangements with leases negotiated from terms ranging from six to twenty years. The terms of leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At the end of each of the Relevant Periods, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	31 December			30 April
	2016	2017	2018	2019
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Within one year	—	2,756	7,209	7,997
In the second to fifth years, inclusive	—	21,408	27,035	31,989
Over five years	—	70,076	94,476	100,253
	—	94,240	128,720	140,239
	—	94,240	128,720	140,239

As lessee

The Group leases certain of its office properties under operating lease arrangements, negotiated for terms of one to six years with an option for renewal after the end of the lease terms, at which time all terms will be renegotiated.

At the end of 31 December 2016, 2017 and 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	31 December		
	2016	2017	2018
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Within one year	2,669	19,204	28,364
In the second to fifth years, inclusive	2,801	32,356	39,600
	5,470	51,560	67,964
	5,470	51,560	67,964

Since the adoption of the IFRS 16, operating leases have been recognised in the combined statements of financial position. For more details, please refer to note 2.3.

40. COMMITMENTS

In addition to the operating lease commitments detailed in note 39 above, the Group had the following capital commitments at the end of each of the Relevant Periods:

	31 December			30 April
	2016	2017	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Contracted, but not provided for:				
Property development activities	8,090,821	9,035,011	14,421,385	15,783,185
Acquisition of land use rights	—	262,809	—	151,044
Acquisition of equity interests	2,316,475	1,770,108	2,324,914	4,014,717
Capital contribution for investments in joint ventures and associates	—	24,000	79,692	251,799
	<u>10,407,296</u>	<u>11,091,928</u>	<u>16,825,991</u>	<u>20,200,745</u>

41. RELATED PARTY TRANSACTIONS

(1) Name and relationship

Name of related party	Relationship with the Group
Mr. Zhang Yuanlin	Controlling Shareholder
Mr. Zhang Guoyin	A family member of the Controlling Shareholder
Mr. Zhang Zhitao	A family member of the Controlling Shareholder
Ms. Wu Chengping	A family member of the Controlling Shareholder
新力科技集團有限公司 ("Sinic Technology Group Co., Ltd.")	Company controlled by the Controlling Shareholder
惠州市景恒實業發展有限公司 ("Huizhou Jingheng Industrial Development Co., Ltd.")	Company controlled by the Controlling Shareholder
江西新力商業管理有限公司 ("Jiangxi Sinic Business Management Co., Ltd.")	Company controlled by the Controlling Shareholder
新力物業集團有限公司 ("Sinic Services Group Co., Ltd.")	Company controlled by the Controlling Shareholder
惠州新力置地物業服務有限公司 ("Huizhou Sinic Property Management Co., Ltd.")	Company controlled by the Controlling Shareholder
江西有家實業有限公司 ("Jiangxi Youjia Industrial Co., Ltd.")	Company controlled by the Controlling Shareholder
新力力創實業有限公司 ("Sinic Lichuang Industrial Co., Ltd.")	Company controlled by the Controlling Shareholder

Name of related party	Relationship with the Group
江西夢龍房地產開發有限公司 ("Jiangxi Menglong Real Estate Development Co., Ltd.")	Company controlled by the Controlling Shareholder
惠州新力泓悅房地產開發有限公司 ("Huizhou Sinic Hongyue Real Estate Development Co., Ltd.")	Company controlled by the Controlling Shareholder
惠州新力力鴻房地產開發有限公司 ("Huizhou Sinic Lihong Real Estate Development Co., Ltd.")	Company controlled by the Controlling Shareholder
惠州新力泓豐房地產開發有限公司 ("Huizhou Sinic Hongfeng Real Estate Development Co., Ltd.")	Company controlled by the Controlling Shareholder
惠州力新在悅房地產開發有限公司 ("Huizhou Lixin Zaiyue Real Estate Development Co., Ltd.")	Company controlled by the Controlling Shareholder
惠州新力品質房地產開發有限公司 ("Huizhou Sinic Pinzhi Real Estate Development Co., Ltd.")	Company controlled by the Controlling Shareholder
惠州新悅力和房地產開發有限公司 ("Huizhou Xinyue Lihe Real Estate Development Co., Ltd.")	Company controlled by the Controlling Shareholder
惠州新力泓軒房地產開發有限公司 ("Huizhou Sinic Hongxuan Real Estate Development Co., Ltd.")	Company controlled by the Controlling Shareholder
江西悅璟實業有限公司 ("Jiangxi Yuejing Industrial Co., Ltd.")	Company controlled by the Controlling Shareholder
深圳瀚域投資發展有限公司 ("Shenzhen Hanyu Investment Development Co., Ltd.")	Joint venture
江西百興房地產投資有限公司 ("Jiangxi Baixing Real Estate Investment Co., Ltd.")	Joint venture
鄂州市嘉裕房地產發展有限公司 ("Ezhou Jiayu Real Estate Development Co., Ltd.")	Joint venture
德安眾邦置業有限公司 ("De'an Zhongbang Properties Co., Ltd.")	Joint venture
江西金越房地產開發有限公司 ("Jiangxi Jinyue Real Estate Development Co., Ltd.")	Joint venture
南昌江越房地產開發有限公司 ("Nanchang Jiangyue Real Estate Development Co., Ltd.")	Joint venture

Name of related party	Relationship with the Group
廣州新力坤山投資發展有限公司 ("Guangzhou Sinic Kunshan Investment Development Co., Ltd.")	Joint venture
無錫新坤朗叙置業有限公司 ("Wuxi Xinkun Langxu Properties Co., Ltd.")	Joint venture
江西新越弘嵐房地產開發有限公司 ("Jiangxi Xinyue Honglan Real Estate Development Co., Ltd.")	Joint venture
江西澈越房地產開發有限公司 ("Jiangxi Cheyue Real Estate Development Co., Ltd.")	Joint venture
南昌市地美房地產開發有限公司 ("Nanchang Dimei Real Estate Development Co., Ltd.")	Joint venture
江西東屹置業有限公司 ("Jiangxi Dongyi Properties Co., Ltd.")	Joint venture
南昌和展置業有限公司 ("Nanchang Hezhan Properties Co., Ltd.")	Joint venture
南京金銘新房地產開發有限公司 ("Nanjing Jinming Real Estate Development Co., Ltd.")	Joint venture
蘇州恒信置業有限公司 ("Suzhou Hengxin Properties Co., Ltd.")	Joint venture
淄博錦城房地產開發有限公司 ("Zibo Jincheng Real Estate Development Co., Ltd.")	Joint venture
武漢福瑞德成房地產開發有限公司 ("Wuhan Furui Decheng Real Estate Development Co., Ltd.")	Joint venture
南昌正潤置業有限公司 ("Nanchang Zhengrun Properties Co., Ltd.")	Associate
南昌力洲置業有限公司 ("Nanchang Lizhou Properties Co., Ltd.")	Associate
南昌市威汀置業有限公司 ("Nanchang Weiting Properties Co., Ltd.")	Associate
武漢長信力合置業有限公司 ("Wuhan Changxin Lihe Properties Co., Ltd.")	Associate

Name of related party	Relationship with the Group
上饒市美越房地產開發有限公司 ("Shangrao Meiyue Real Estate Development Co., Ltd.")	Associate
南昌駿越房地產開發有限公司 ("Nanchang Junyue Real Estate Development Co., Ltd.")	Associate
南昌盛都置業有限公司 ("Nanchang Shengdu Properties Co., Ltd.")	Associate
中山市昇盈房地產開發有限公司 ("Zhongshan Shengying Real Estate Development Co., Ltd.")	Associate
清遠天河房地產有限公司 ("Qingyuan Tianhe Real Estate Co., Ltd.")	Associate
南昌建美房地產有限公司 ("Nanchang Jianmei Real Estate Co., Ltd.")	Associate
江西新力慈善基金會 ("Jiangxi Xinli Charity Foundation")	Controlling Shareholder is the chairman of the charity
江西省昌景實業發展有限公司 ("Jiangxi Changjing Industrial Development Co., Ltd.")	Controlling Shareholder has significant influence over the company
江西省第五建設集團有限公司 ("Jiangxi Fifth Construction Group Co., Ltd.")	Company controlled by a family member of the Controlling Shareholder
廣西路港建設集團有限公司 ("Guangxi Lulang Construction Group Co., Ltd.")	Company controlled by a family member of the Controlling Shareholder
江西省豐城市希爾頓置地有限公司 ("Jiangxi Fengcheng Xi'erdun Property Co., Ltd.")	Company controlled by a family member of the Controlling Shareholder
南昌市頂豐投資諮詢有限公司 ("Nanchang Dingfeng Investment Consulting Co., Ltd.")	Company controlled by a family member of the Controlling Shareholder
江西裕仁投資有限公司 ("Jiangxi Yuren Investment Co., Ltd.")	Company controlled by a family member of the Controlling Shareholder

(2) Significant related party transactions

The following transactions were carried out with related parties during the Relevant Periods and the four months ended 30 April 2018:

	Year ended 31 December			Four months ended 30 April	
	2016 (RMB'000)	2017 (RMB'000)	2018 (RMB'000)	2018 (RMB'000)	2019 (RMB'000)
Advance from related companies:					
Joint ventures	–	683,333	3,035,701	1,687,149	1,352,133
Associates	164,027	1,564,341	402,848	6,331	215,406
Companies controlled by the Controlling Shareholder	739,652	8,482,247	11,251,364	2,353,406	1,842,156
Companies owned by a family member of the Controlling Shareholder	1,076,900	1,051,468	955,887	267,001	556,776
Companies over which the Controlling Shareholder has significant influence	111,202	514	144,385	50,535	40,867
Repayment of advance from related companies:					
Joint ventures	–	–	2,938,152	229,081	670,396
Associates	45,060	72,135	1,682,342	1,382,141	124,372
Companies controlled by the Controlling Shareholder	1,501,500	8,493,045	11,251,364	2,353,406	1,842,156
Companies owned by a family member of the Controlling Shareholder	1,001,753	1,051,468	698,689	161,002	238,758
Companies over which the Controlling Shareholder has significant influence	110,742	75,208	144,385	50,535	40,867
Advance to related companies:					
Joint ventures	339,138	18,874	1,513,638	41,297	1,570,158
Associates	296,098	192,405	533,682	176,647	83,862
Companies controlled by the Controlling Shareholder	3,364,696	14,151,572	8,084,491	2,072,901	2,660,600
Companies owned by a family member of the Controlling Shareholder	729,482	1,263,922	364,303	209,896	941,198
Companies over which the Controlling Shareholder has significant influence	–	110,981	195,339	76,500	35,423
Repayment of advance to related companies:					
Joint ventures	138,000	201,251	558,242	49,383	170,960
Associates	181,803	51,530	354,514	104,477	195,760
Companies controlled by the Controlling Shareholder	1,272,796	13,276,983	8,482,963	2,133,427	2,397,033
Companies owned by a family member of the Controlling Shareholder	73,500	1,779,973	566,464	59,814	278,829
Companies over which the Controlling Shareholder has significant influence	–	80,928	123,932	53,307	16,376

The following transactions were carried out with related parties during the Relevant Periods and the four months ended 30 April 2018 (continued):

	Year ended 31 December			Four months ended 30 April	
	2016	2017	2018	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Construction services provided by a company controlled by a family member of the Controlling Shareholder (<i>note</i>)	385,810	598,060	1,063,711	329,945	296,326
Miscellaneous purchases from a company controlled by the Controlling Shareholder (<i>note</i>)	2,033	9,852	10,402	1,245	1,318
Property management services provided by companies controlled by the Controlling Shareholder (<i>note</i>)	17,943	31,794	123,798	20,564	50,308
Management consulting services provided by companies controlled by the Controlling Shareholder (<i>note</i>)	—	84,246	151,960	50,653	53,123
Sales to a family member of the Controlling Shareholder (<i>note</i>)	—	21,024	32,052	—	19,372
Donation to a charity of which the Controlling Shareholder is the chairman	—	—	3,024	3,024	—

Note: These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

(3) Other transactions with related parties

- i. The Controlling Shareholder and Sinic Technology Group Co., Ltd. have jointly guaranteed certain of the Group's bank and other borrowings up to RMB1,200,000,000 as at 31 December 2017.
- ii. The Controlling Shareholder has guaranteed certain of the bank and other borrowings up to RMB20,000,000, RMB1,764,700,000 and RMB860,700,000 as at 31 December 2016 and 2018 and 30 April 2019, respectively.
- iii. The Controlling Shareholder and Ms. Wu Chengping have guaranteed certain of the bank and other borrowings up to RMB6,297,500,000, RMB7,805,300,000, RMB6,482,196,000 and RMB8,318,164,000 as at 31 December 2016, 2017 and 2018 and 30 April 2019, respectively.
- iv. The Controlling Shareholder, Ms. Wu Chengping and Sinic Technology Group Co., Ltd., have guaranteed certain of the bank and other borrowings up to RMB6,176,659,000 and RMB4,326,493,000, and RMB3,346,064,000 as at 31 December 2017 and 2018 and 30 April 2019, respectively.
- v. Sinic Technology Group Co., Ltd. has guaranteed certain of the bank and other borrowings up to RMB1,493,688,000, RMB1,779,407,000 and RMB1,455,797,000 as at 31 December 2017 and 2018 and 30 April 2019, respectively.

- vi. Sinic Technology Group Co., Ltd. has pledged with deposits of RMB1,620,000,000, RMB1,620,000,000 and RMB1,620,000,000 for certain of the Group's bank and other borrowings up to RMB1,493,688,000, RMB1,529,407,000 and RMB1,455,797,000 as at 31 December 2017 and 2018 and 30 April 2019, respectively.
- vii. The Controlling Shareholder, Ms. Wu Chengping and Wuhan Furui Decheng Real Estate Development Co., Ltd. have guaranteed certain of the bank and other borrowings of up to RMB1,736,000,000 and RMB1,388,800,000 as at 31 December 2018 and 30 April 2019, respectively.
- viii. The Group, its Controlling Shareholder, Ms. Wu Chengping, Mr. Shen Linghua, and Ms. Ouyang Hongli have jointly guaranteed certain bank and other borrowings made to Jiangxi Baixing Real Estate Investment Co., Ltd. up to the extent of RMB300,000,000, RMB170,000,000, RMB120,000,000 as at 31 December 2017 and 2018 and 30 April 2019, respectively.
- ix. The Group, its Controlling Shareholder and Ms. Wu Chengping have jointly guaranteed certain bank and other borrowings of Sinic Services Group Co., Ltd. to the extent of RMB140,000,000 and RMB140,000,000 as at 31 December 2018 and 30 April 2019, respectively. The abovementioned bank and other borrowings were also secured by the pledges of the Group's assets with aggregate carrying amounts of RMB87,948,000 and RMB87,948,000 as at 31 December 2018 and 30 April 2019, respectively. Further details are included in note 20 to the Historical Financial Information.
- x. The Group, its Controlling Shareholder and Ms. Wu Chengping have jointly guaranteed certain bank and other borrowings of Sinic Technology Group Co., Ltd. to the extent of RMB1,650,000,000, RMB1,164,500,000 and RMB1,058,900,000 as at 31 December 2017 and 2018 and 30 April 2019, respectively. Certain amounts of the abovementioned bank and other borrowings up to RMB1,650,000,000, RMB7,650,000,000 and RMB7,650,000,000 were also secured by the pledges of the Group's assets with aggregate carrying amounts of RMB1,937,328,000, RMB1,937,328,000 and RMB1,937,328,000 as at 31 December 2017 and 2018 and 30 April 2019, respectively. Further details are included in note 20 to the Historical Financial Information.
- xi. The Group, its Controlling Shareholder and Ms. Wu Chengping have guaranteed certain bank and other borrowings of Huizhou Jingheng Industrial Development Co., Ltd. to the extent of RMB113,000,000 as at 31 December 2017.
- xii. The Group, its Controlling Shareholder and Ms. Wu Chengping have jointly guaranteed certain bank and other borrowings of Guangxi Lugang Construction Group Co., Ltd. to the extent of RMB700,000,000 and RMB700,000,000 as at 31 December 2018 and 30 April 2019, respectively. The abovementioned bank and other borrowings were also secured by the pledges of the Group's assets with aggregate carrying amounts of RMB555,568,000 and RMB555,568,000 as at 31 December 2018 and 30 April 2019, respectively. Further details are included in note 20 to the Historical Financial Information. The Group also have pledged 100% of its shares of Jiangsu Zhongyuan Properties to provide guarantee for the abovementioned bank and other borrowings as at 31 December 2018 and 30 April 2019.
- xiii. The Group has guaranteed certain bank and other borrowings made to Nanchang Jianmei Real Estate Co., Ltd. up to RMB144,400,000 as at 31 December 2017.
- xiv. The Group, Mr. Shen Linghua and Ms. Ouyang Hongli have jointly guaranteed certain bank and other borrowings of Jiangxi Changjing Industrial Development Co., Ltd. to the extent of RMB130,000,000 and RMB110,000,000 as at 31 December 2018 and 30 April 2019, respectively.
- xv. The Group, its Controlling Shareholder and Ms. Wu Chengping have guaranteed certain bank and other borrowings of Nanchang Weiting Properties Co., Ltd. to the extent of RMB180,000,000, RMB20,000,000, RMB303,700,000 and RMB303,700,000 as at 31 December 2016, 2017 and 2018 and 30 April 2019, respectively. The Group also have pledged its shares in Nanchang Weiting Properties Co., Ltd. to provide guarantee for the abovementioned bank and other borrowings as at 31 December 2016 and 2017.
- xvi. The Group has guaranteed certain bank and other borrowings of Nanchang Shengdu Properties Co., Ltd. to the extent of RMB75,600,000 and RMB75,600,000 as at 31 December 2018 and 30 April 2019, respectively.

- xvii. The Group has guaranteed certain bank and other borrowings of Jiangxi Jinyue Real Estate Development Co., Ltd. to the extent of RMB145,992,000 and RMB145,992,000 as at 31 December 2018 and 30 April 2019, respectively.
- xviii. The Group has guaranteed certain bank and other borrowings of Qingyuan Tianhe Real Estate Co., Ltd. to the extent of RMB450,000,000 and RMB450,000,000 as at 31 December 2018 and 30 April 2019, respectively. The Group also have pledged its shares in Qingyuan Tianhe Real Estate Co., Ltd. to provide guarantee for the abovementioned bank and other borrowings as at 31 December 2018 and 30 April 2019, respectively.
- xix. The Group, its Controlling Shareholder, Ms. Wu Chengping, Mr. Kuang Lin, Ms. Wang Juan, Nanchang Weidin Industrial Co., Ltd. and Xiaochang Ruilin Real Estate Development Co., Ltd. have guaranteed certain bank and other borrowings of Wuhan Furui Decheng Real Estate Development Co., Ltd. to the extent of RMB420,000,000, RMB420,000,000 as at 31 December 2018 and 30 April 2019, respectively.

(4) Outstanding balances with related parties

	31 December			30 April
	2016	2017	2018	2019
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Due from related companies:				
Trade-related:				
Companies controlled by the Controlling Shareholder	418	488	502	598
Companies owned by a family member of the Controlling Shareholder	3,696	33,579	27,412	27,066
Due from related companies:				
Non trade-related:				
Joint ventures	201,138	18,761	974,157	2,373,355
Associates	119,880	260,755	439,923	328,025
Companies controlled by the Controlling Shareholder	3,060,527	3,975,797	3,568,932	3,832,499
Companies owned by a family member of the Controlling Shareholder	741,928	195,994	—	662,369
Companies over which the Controlling Shareholder has significant influence	—	30,053	101,460	120,507
Due to related companies:				
Trade-related:				
Companies owned by a family member of the Controlling Shareholders	—	—	32,654	78,568
Due to related companies:				
Non trade-related:				
Joint ventures	—	683,333	780,882	1,889,002
Associates	118,967	1,611,173	362,107	453,141
Companies owned by a family member of the Controlling Shareholder	—	—	224,544	542,562
Companies over which the Controlling Shareholder has significant influence	74,694	—	—	—

Balances with the above related parties were unsecured, non-interest bearing and repayable on demand.

(5) Compensation of key management personnel of the Group

	31 December			30 April
	2016	2017	2018	2019
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Short-term employee benefits	1,606	5,131	9,095	3,560
Pension scheme contributions	266	648	755	277
Total compensation paid to key management personnel	1,872	5,779	9,850	3,837

Further details of directors' emoluments are included in note 8 to the Historical Financial Information.

42. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

31 December 2016

Financial assets

	Financial assets at amortised cost	Financial assets at FVTPL	Total
	(RMB'000)	(RMB'000)	(RMB'000)
Financial assets included in prepayments and other receivables (note 23)	195,723	—	195,723
Due from related companies (note 41)	4,127,587	—	4,127,587
Restricted cash (note 26)	266,726	—	266,726
Pledged deposits (note 26)	67,052	—	67,052
Cash and cash equivalents (note 26)	699,941	—	699,941
	5,357,029	—	5,357,029

Financial liabilities

	Financial liabilities at amortised cost	Financial liabilities at FVTPL	Total
	(RMB'000)	(RMB'000)	(RMB'000)
Trade and bills payables (note 27)	1,571,875	—	1,571,875
Due to related companies (note 41)	193,661	—	193,661
Financial liabilities included in other payables and accruals (note 28)	1,691,754	—	1,691,754
Financial liabilities at FVTPL (note 31)	—	935	935
Interest-bearing bank and other borrowings (note 30)	6,437,500	—	6,437,500
	9,894,790	935	9,895,725

31 December 2017

Financial assets

	Financial assets at amortised cost	Financial assets at FVTPL	Total
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Long-term debt investments (<i>note 18</i>)	740,340	—	740,340
Financial assets included in prepayments and other receivables (<i>note 23</i>)	448,675	—	448,675
Due from related companies (<i>note 41</i>)	4,515,427	—	4,515,427
Restricted cash (<i>note 26</i>)	1,172,860	—	1,172,860
Pledged deposits (<i>note 26</i>)	233,302	—	233,302
Cash and cash equivalents (<i>note 26</i>)	2,876,901	—	2,876,901
	<u>9,987,505</u>	<u>—</u>	<u>9,987,505</u>

Financial liabilities

	Financial liabilities at amortised cost	Financial liabilities at FVTPL	Total
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Trade and bills payables (<i>note 27</i>)	2,465,463	—	2,465,463
Due to related companies (<i>note 41</i>)	2,294,506	—	2,294,506
Financial liabilities included in other payables and accruals (<i>note 28</i>)	1,622,820	—	1,622,820
Financial liabilities at FVTPL (<i>note 31</i>)	—	861	861
Interest-bearing bank and other borrowings (<i>note 30</i>)	16,675,647	—	16,675,647
	<u>23,058,436</u>	<u>861</u>	<u>23,059,297</u>

31 December 2018

Financial assets

	Financial assets at amortised cost	Financial assets at FVTPL	Total
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Long-term debt investments (<i>note 18</i>)	879,884	—	879,884
Financial assets included in prepayments and other receivables (<i>note 23</i>)	1,015,338	—	1,015,338
Financial assets at FVTPL (<i>note 25</i>)	—	64,867	64,867
Due from related companies (<i>note 41</i>)	5,112,386	—	5,112,386
Restricted cash (<i>note 26</i>)	2,623,147	—	2,623,147
Pledged deposits (<i>note 26</i>)	358,899	—	358,899
Cash and cash equivalents (<i>note 26</i>)	7,083,520	—	7,083,520
	<u>17,073,174</u>	<u>64,867</u>	<u>17,138,041</u>

Financial liabilities

	Financial liabilities at amortised cost	Financial liabilities at FVTPL	Total
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Trade and bills payables (note 27)	3,142,262	—	3,142,262
Due to related companies (note 41)	1,400,187	—	1,400,187
Financial liabilities included in other payables and accruals (note 28)	3,595,857	—	3,595,857
Financial liabilities at FVTPL (note 31)	—	619	619
Interest-bearing bank and other borrowings (note 30)	21,510,704	—	21,510,704
Corporate bonds (note 32)	592,070	—	592,070
	<u>30,241,080</u>	<u>619</u>	<u>30,241,699</u>

30 April 2019

Financial assets

	Financial assets at amortised cost	Financial assets at FVTPL	Total
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Long-term debt investments (note 18)	1,013,077	—	1,013,077
Trade receivables (note 22)	2,403	—	2,403
Financial assets included in prepayments and other receivables (note 23)	1,098,598	—	1,098,598
Financial assets at FVTPL (note 25)	—	44,067	44,067
Due from related companies (note 41)	7,344,419	—	7,344,419
Restricted cash (note 26)	3,468,422	—	3,468,422
Pledged deposits (note 26)	754,124	—	754,124
Cash and cash equivalents (note 26)	5,387,137	—	5,387,137
	<u>19,068,180</u>	<u>44,067</u>	<u>19,112,247</u>

Financial liabilities

	Financial liabilities at amortised cost	Financial liabilities at FVTPL	Total
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Trade and bills payables (note 27)	3,826,234	—	3,826,234
Due to related companies (note 41)	2,963,273	—	2,963,273
Financial liabilities included in other payables and accruals (note 28)	3,066,668	—	3,066,668
Financial liabilities at FVTPL (note 31)	—	519	519
Lease liabilities	43,375	—	43,375
Interest-bearing bank and other borrowings (note 30)	25,445,548	—	25,445,548
Corporate bonds (note 32)	1,023,830	—	1,023,830
	<u>36,368,928</u>	<u>519</u>	<u>36,369,447</u>

43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments as at the end of each of the Relevant Periods, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts				Fair values			
	31 December 2016 <i>(RMB'000)</i>	31 December 2017 <i>(RMB'000)</i>	31 December 2018 <i>(RMB'000)</i>	30 April 2019 <i>(RMB'000)</i>	31 December 2016 <i>(RMB'000)</i>	31 December 2017 <i>(RMB'000)</i>	31 December 2018 <i>(RMB'000)</i>	30 April 2019 <i>(RMB'000)</i>
Financial assets								
Financial assets at FVTPL	—	—	64,867	44,067	—	—	64,867	44,067
Financial liabilities								
Interest-bearing bank and other borrowings <i>(note 30)</i>	6,437,500	16,675,647	21,510,704	25,445,548	6,402,890	16,630,408	21,519,275	25,449,750
Corporate bonds <i>(note 32)</i>	—	—	592,070	1,023,830	—	—	590,492	1,011,137
Financial liabilities at FVTPL	935	861	619	519	935	861	619	519

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, restricted cash, amounts due from related companies, financial assets included in prepayments, deposits and other receivables, trade payables, financial liabilities included in other payables and accruals and amounts due to related companies approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank and other borrowings as at 31 December 2016, 2017 and 2018 and 30 April 2019 was assessed to be insignificant.

For the fair values of other financial liabilities, management has estimated by discounting the expected future cash flows using expected return rates for the underlying assets in order to estimate the cash outflow amounts to settle the liability. The fair value measurement of the financial liabilities is categorised within level 3 of the fair value hierarchy.

The Group's corporate finance team headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer and the board of directors. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the board of directors twice a year for annual financial reporting.

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and liabilities.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2016, 2017 and 2018 and 30 April 2019:

	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range</u>	<u>Sensitivity of fair value to the input</u>
Financial liabilities at FVTPL	Scenario based method	Discount rate	2016: 15%	5% increase/decrease in discount rate would result in a decrease/increase in fair value by RMB31,000/RMB33,000
			2017: 15%	5% increase/decrease in discount rate would result in a decrease/increase in fair value by RMB23,000/RMB24,000
			2018: 15%	5% increase/decrease in discount rate would result in a decrease/increase in fair value by RMB13,000/RMB13,000
			20190430: 15%	5% increase/decrease in discount rate would result in a decrease/increase in fair value by RMB10,000/RMB10,000

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

*Assets measured at fair value:**Financial assets at FVTPL*

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
As at 31 December 2016	—	—	—	—
As at 31 December 2017	—	—	—	—
As at 31 December 2018	64,867	—	—	64,867
As at 30 April 2019	44,067	—	—	44,067

*Liabilities measured at fair value:**Financial liabilities at FVTPL*

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
As at 31 December 2016	—	—	935	935
As at 31 December 2017	—	—	861	861
As at 31 December 2018	—	—	619	619
As at 30 April 2019	—	—	519	519

*Liabilities for which fair values are disclosed:**Interest-bearing bank and other borrowings*

	Fair value measurement using			Total (RMB'000)
	Quoted prices in active markets (Level 1) (RMB'000)	Significant observable inputs (Level 2) (RMB'000)	Significant unobservable inputs (Level 3) (RMB'000)	
As at 31 December 2016	—	6,402,890	—	6,402,890
As at 31 December 2017	—	16,630,408	—	16,630,408
As at 31 December 2018	—	21,519,275	—	21,519,275
As at 30 April 2019	—	25,449,750	—	25,449,750

Corporate bonds

	Fair value measurement using			Total (RMB'000)
	Quoted prices in active markets (Level 1) (RMB'000)	Significant observable inputs (Level 2) (RMB'000)	Significant unobservable inputs (Level 3) (RMB'000)	
As at 31 December 2018	590,492	—	—	590,492
As at 30 April 2019	1,011,137	—	—	1,011,137

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments mainly include cash and bank equivalents, restricted cash, pledged deposits, other receivables, trade payables and other payables, which arise directly from its operations. The Group has other financial assets and liabilities such as lease liabilities, interest-bearing bank and other borrowings, financial assets at FVTPL, financial liabilities at FVTPL, other financial liabilities, amounts due to related companies and amounts due from related companies. The main purpose of these financial instruments is to raise finance for the Group's operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, and liquidity risk. Generally, the Group introduces conservative strategies on its risk management. To keep the Group's exposure to these risks to a minimum, the Group has not used any derivatives and other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest rate risk

The Group's exposure to risk for changes in market interest rates relates primarily to the Group's interest-bearing bank and other borrowings set out in note 30. The Group does not use derivative financial instruments to hedge interest rate risk. The Group manages its interest cost using variable rate bank borrowings and other borrowings.

If the interest rate of bank and other borrowings had increased/decreased by 1% and all other variables held constant, the profit before tax of the Group, through the impact on floating rate borrowings, would have decreased/increased by approximately nil, RMB19,937,000, RMB36,654,000 and RMB6,686,000 for the years ended 31 December 2016, 2017 and 2018 and the four months ended 30 April 2019, respectively.

(b) Foreign currency risk

The Group has transactional currency exposures. Such exposures mainly arise from the Group's interest-bearing bank and other borrowings. The currency denominated in these borrowings is HK\$. There is no significant impact on foreign currency risk.

	Increase/(decrease) in HK\$ rate	Increase/(decrease) in net assets
	%	(RMB'000)
31 December 2016		
If the RMB weakens against the HK\$	-5%	—
If the RMB strengthens against the HK\$	+5%	—
31 December 2017		
If the RMB weakens against the HK\$	-5%	(95,276)
If the RMB strengthens against the HK\$	+5%	95,276
31 December 2018		
If the RMB weakens against the HK\$	-5%	(104,601)
If the RMB strengthens against the HK\$	+5%	104,601
30 April 2019		
If the RMB weakens against the HK\$	-5%	(103,923)
If the RMB strengthens against the HK\$	+5%	103,923

(c) Credit risk

The Group divides financial instruments on the basis of shared credit risk characteristics, such as instrument type and credit risk ratings for the purpose of determining significant increases in credit risk and calculation of impairment. To manage risk arising from trade receivables, the Group has policies in place to ensure that credit terms are made only to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the Group's counterparties. The credit period granted to the customers is generally six months and the credit quality of these customers is assessed, taking into account their financial position, past experience and other factors. The Group also has other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group reviews regularly the recoverable amount of trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts. The Group has no significant concentrations of credit risk, with exposure spread over a large number of counterparties and customers.

Management makes periodic collective assessments for financial assets included in prepayments and other receivables and amounts due from related companies as well as individual assessments on the recoverability of other receivables and amounts due from related companies based on historical settlement records and past experience. The Group classified financial assets included in prepayments and other receivables and amounts due from related companies in Stage 1 and continuously monitored their credit risk. The directors of the Company believe that there is no material credit risk inherent in the Group's outstanding balance of financial assets included in prepayments and other receivables and amounts due from related companies.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification. The amounts presented are gross carrying amounts for financial assets.

31 December 2016

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	
Financial assets included in prepayments and other receivables					
— Normal**	195,723	—	—	—	195,723
Restricted cash	266,726	—	—	—	266,726
Pledged deposits	67,052	—	—	—	67,052
Cash and cash equivalents	699,941	—	—	—	699,941
	1,229,442	—	—	—	1,229,442
	1,229,442	—	—	—	1,229,442

31 December 2017

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	
Long-term debt investments	740,340	—	—	—	740,340
Financial assets included in prepayments and other receivables					
— Normal**	448,675	—	—	—	448,675
Restricted cash	1,172,860	—	—	—	1,172,860
Pledged deposits	233,302	—	—	—	233,302
Cash and cash equivalents	2,876,901	—	—	—	2,876,901
	5,472,078	—	—	—	5,472,078
	5,472,078	—	—	—	5,472,078

31 December 2018

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	
Long-term debt investments	879,884	—	—	—	879,884
Financial assets included in prepayments and other receivables					
— Normal**	1,015,338	—	—	—	1,015,338
Restricted cash	2,623,147	—	—	—	2,623,147
Pledged deposits	358,899	—	—	—	358,899
Cash and cash equivalents	7,083,520	—	—	—	7,083,520
	<u>11,960,788</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>11,960,788</u>

30 April 2019

	ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	
Long-term debt investments	1,013,077	—	—	—	1,013,077
Trade receivables*	—	—	—	2,403	2,403
Financial assets included in prepayments and other receivables					
— Normal**	1,098,598	—	—	—	1,098,598
Restricted cash	3,468,422	—	—	—	3,468,422
Pledged deposits	754,124	—	—	—	754,124
Cash and cash equivalents	5,387,137	—	—	—	5,387,137
	<u>11,721,358</u>	<u>—</u>	<u>—</u>	<u>2,403</u>	<u>11,723,761</u>

* For trade receivables to which the Group applies the simplified approach for impairment information based on the expected credit losses are disclosed in note 22 to the Historical Financial Information. There is no significant concentration of credit risk.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition.

(d) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings. Cash flows are closely monitored on an ongoing basis.

The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on contractual undiscounted payments, is as follows:

	<u>On demand</u>	<u>Less than 3 months</u>	<u>3 to 12 months</u>	<u>Over 1 year</u>	<u>Total</u>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
31 December 2016					
Trade and bills payables	1,571,875	—	—	—	1,571,875
Other payables	1,753,417	—	—	—	1,753,417
Due to related companies	193,661	—	—	—	193,661
Financial liabilities at FVTPL	—	—	—	935	935
Interest-bearing bank and other borrowings	—	466,099	3,019,471	3,715,520	7,201,090
	<u>3,518,953</u>	<u>466,099</u>	<u>3,019,471</u>	<u>3,716,455</u>	<u>10,720,978</u>
31 December 2017					
Trade and bills payables	2,465,463	—	—	—	2,465,463
Other payables	1,793,657	—	—	—	1,793,657
Due to related companies	2,294,506	—	—	—	2,294,506
Financial liabilities at FVTPL	—	—	—	861	861
Interest-bearing bank and other borrowings	—	1,319,224	9,304,948	7,834,068	18,458,240
	<u>6,553,626</u>	<u>1,319,224</u>	<u>9,304,948</u>	<u>7,834,929</u>	<u>25,012,727</u>
31 December 2018					
Trade and bills payables	3,142,262	—	—	—	3,142,262
Other payables	3,898,578	—	—	—	3,898,578
Due to related companies	1,400,187	—	—	—	1,400,187
Financial liabilities at FVTPL	—	—	—	619	619
Interest-bearing bank and other borrowings	—	2,954,475	7,870,531	13,527,630	24,352,636
Corporate bonds	—	—	45,427	679,854	725,281
	<u>8,441,027</u>	<u>2,954,475</u>	<u>7,915,958</u>	<u>14,208,103</u>	<u>33,519,563</u>

	<u>On demand</u>	<u>Less than 3 months</u>	<u>3 to 12 months</u>	<u>Over 1 year</u>	<u>Total</u>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
30 April 2019					
Trade and bills payables	3,826,234	—	—	—	3,826,234
Other payables	3,421,133	—	—	—	3,421,133
Due to related companies	2,963,273	—	—	—	2,963,273
Lease liabilities	—	6,309	16,537	22,827	45,673
Financial liabilities at FVTPL	—	—	—	519	519
Interest-bearing bank and other borrowings	—	1,171,604	9,832,830	17,701,084	28,705,518
Corporate bonds	—	—	76,702	1,159,404	1,236,106
	<u>10,210,640</u>	<u>1,177,913</u>	<u>9,926,069</u>	<u>18,883,834</u>	<u>40,198,456</u>

(e) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes, within net debt, trade payables, other payables and accruals, amounts due to related companies, lease liabilities, interest-bearing bank and other borrowings and corporate bonds, less cash and cash equivalents. Capital represents equity attributable to owners of the parent. The gearing ratio as at the end of each of the Relevant Periods was as follows:

	<u>31 December</u>			<u>30 April</u>
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Trade and bills payables	1,571,875	2,465,463	3,142,262	3,826,234
Other payables and accruals	1,753,417	1,793,657	3,898,578	3,421,133
Due to related companies	193,661	2,294,506	1,400,187	2,963,273
Lease liabilities	—	—	—	43,375
Interest-bearing bank and other borrowings	6,437,500	16,675,647	21,510,704	25,455,548
Corporate bonds	—	—	592,070	1,023,830
Less: Cash and cash equivalents	<u>(699,941)</u>	<u>(2,876,901)</u>	<u>(7,083,520)</u>	<u>(5,387,137)</u>
Net debt	<u>9,256,512</u>	<u>20,352,372</u>	<u>23,460,281</u>	<u>31,346,256</u>
Equity attributable to owners of the parent	<u>2,574,123</u>	<u>3,924,002</u>	<u>4,243,624</u>	<u>4,529,470</u>
Capital and net debt	<u>11,830,635</u>	<u>24,276,374</u>	<u>27,703,905</u>	<u>35,875,726</u>
Gearing ratio	<u>78%</u>	<u>84%</u>	<u>85%</u>	<u>87%</u>

45. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests were set out below:

31 December 2016

	Percentage of equity interest held by non-controlling interests	Profit for the year allocated to non-controlling interests	Accumulated balances of non-controlling interests
	%	(RMB'000)	(RMB'000)
Nanchang Shuntai Properties	30	38,844	59,024
Nanchang Tianju Industrial	55	16,004	9,507
Jiangxi Hengwang Properties	49	14,494	38,203
		<u> </u>	<u> </u>

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

	Nanchang Shuntai Properties	Nanchang Tianju Industrial	Jiangxi Hengwang Properties
	(RMB'000)	(RMB'000)	(RMB'000)
Revenue	779,576	283,766	287,265
Total expenses	(599,843)	(245,101)	(232,326)
Income tax expense	(50,253)	(11,958)	(25,359)
	<u> </u>	<u> </u>	<u> </u>
Profit and total comprehensive income for the year	<u>129,480</u>	<u>26,707</u>	<u>29,580</u>
Attributable to:			
Owners of the parent	129,480	23,784	29,580
Non-controlling interests	<u> </u>	<u>2,923</u>	<u> </u>
	<u>129,480</u>	<u>26,707</u>	<u>29,580</u>
Current assets	1,530,486	638,095	1,107,207
Non-current assets	531,064	11,965	38,913
Current liabilities	(1,864,803)	(636,315)	(1,068,154)
Non-current liabilities	<u> </u>	<u> </u>	<u> </u>
	<u>196,747</u>	<u>13,745</u>	<u>77,966</u>
Attributable to:			
Owners of the parent	196,747	9,418	77,966
Non-controlling interests	<u> </u>	<u>4,327</u>	<u> </u>
	<u>196,747</u>	<u>13,745</u>	<u>77,966</u>

	Nanchang Shuntai Properties	Nanchang Tianju Industrial	Jiangxi Hengwang Properties
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Net cash flows generated from operating activities	602,795	15,931	303,664
Net cash flows used in investing activities	(140,953)	(71)	(360)
Net cash flows (used in)/generated from financing activities	(457,516)	3,512	(176,692)
Net increase in cash and cash equivalents	<u>4,326</u>	<u>19,372</u>	<u>126,612</u>

31 December 2017

	Percentage of equity interest held by non-controlling interests	Profit for the year allocated to non-controlling interests	Accumulated balances of non-controlling interests
	<i>%</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Nanchang Shuntai Properties	30	93,630	152,654
Nanchang Tianju Industrial	55	40,847	50,354
Jiangxi Hengwang Properties	49	38,310	76,515

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

	Nanchang Shuntai Properties	Nanchang Tianju Industrial	Jiangxi Hengwang Properties
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Revenue	1,180,264	422,799	355,469
Total expenses	(616,516)	(328,360)	(223,643)
Income tax expense	(251,648)	(25,789)	(53,642)
Profit and total comprehensive income for the year	<u>312,100</u>	<u>68,650</u>	<u>78,184</u>
Attributable to:			
Owners of the parent	312,100	61,785	78,184
Non-controlling interests	—	6,865	—
	<u>312,100</u>	<u>68,650</u>	<u>78,184</u>
Current assets	2,306,642	855,418	1,411,515
Non-current assets	531,049	18,359	60,620
Current liabilities	(1,388,845)	(791,382)	(1,315,982)
Non-current liabilities	(940,000)	—	—
	<u>508,846</u>	<u>82,395</u>	<u>156,153</u>

	Nanchang Shuntai Properties	Nanchang Tianju Industrial	Jiangxi Hengwang Properties
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Attributable to:			
Owners of the parent	508,846	71,203	156,153
Non-controlling interests	—	11,192	—
	<u>508,846</u>	<u>82,395</u>	<u>156,153</u>
Net cash flows generated from operating activities	296	442,483	360,905
Net cash flows used in investing activities	(370)	(75)	(70)
Net cash flows used in financing activities	(1,988)	(459,700)	(494,677)
Net decrease in cash and cash equivalents	<u>(2,062)</u>	<u>(17,292)</u>	<u>(133,842)</u>

31 December 2018

	Percentage of equity interest held by non-controlling interests	Profit for the year allocated to non-controlling interests	Accumulated balances of non-controlling interests
	<i>%</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Jiangxi Hengwang Properties	<u>49</u>	<u>94,287</u>	<u>170,802</u>

The following table illustrate the summarised financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

	Jiangxi Hengwang Properties
	<i>(RMB'000)</i>
Revenue	761,726
Total expenses	(427,866)
Income tax expense	(141,438)
Profit and total comprehensive income for the year	<u>192,422</u>
Attributable to:	
Owners of the parent	192,422
Non-controlling interests	—
	<u>192,422</u>
Current assets	1,110,308
Non-current assets	41,929

	Jiangxi Hengwang Properties
	<i>(RMB'000)</i>
Current liabilities	(803,661)
Non-current liabilities	—
	<u>348,576</u>
Attributable to:	
Owners of the parent	348,576
Non-controlling interests	—
	<u>348,576</u>
Net cash flows used in operating activities	(104,916)
Net cash flows used in investing activities	(366)
Net cash flows generated from financing activities	105,883
Net increase in cash and cash equivalents	<u>601</u>

30 April 2019

	Percentage of equity interest held by non-controlling interests	Profit for the period allocated to non-controlling interests	Accumulated balances of non-controlling interests
	<i>%</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Nanchang Tianju Industrial	<u>40</u>	<u>42,845</u>	<u>76,166</u>

The following table illustrates the summarised financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

	Nanchang Tianju Industrial
	<i>(RMB'000)</i>
Revenue	271,747
Total expenses	(171,791)
Income tax expense	(28,014)
Profit and total comprehensive income for the period	<u>71,942</u>
Attributable to:	
Owners of the parent	64,727
Non-controlling interests	7,215
	<u>71,942</u>

	Nanchang Tianju Industrial
	<i>(RMB'000)</i>
Current assets	876,924
Non-current assets	11,012
Current liabilities	(697,522)
Non-current liabilities	—
	<u>190,414</u>
Attributable to:	
Owners of the parent	190,414
Non-controlling interests	—
	<u>190,414</u>
Net cash flows used in operating activities	(65,815)
Net cash flows generated from financing activities	62,471
	<u>(3,344)</u>

46. EVENTS AFTER THE REPORTING PERIOD

On 26 August 2019, the Company issued senior notes with a principal amount of US\$87,000,000 due in 2020. The senior notes bear interest at 12.5% per annum which is payable quarterly in arrears. The repayment date of the senior notes is 26 February 2020. At any time prior to maturity, the Company may at its option redeem the senior notes, at a predetermined redemption price.

On 9 October 2019, the Company issued senior notes with a principal amount of US\$82,940,000 due in 2020. The senior notes bear interest at 12.5% per annum which is payable quarterly in arrears. The original repayment date of the senior notes is 26 February 2020. At any time prior to maturity, the Company may at its option redeem the senior notes, at a predetermined redemption price.

47. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Group or any of its subsidiaries in respect of any period subsequent to 30 April 2019.

The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this prospectus, and is included herein for information purposes only. The unaudited pro forma financial information should be read in conjunction with "Financial Information" and the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA ADJUSTED COMBINED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted combined net tangible assets attributable to the owners of the Company has been prepared in accordance with Rule 4.29 of the Hong Kong Listing Rules and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for inclusion in Investment Circulars" issued by the HKICPA for illustration purposes only, and is set out here to illustrate the effect of the Global Offering on our combined net tangible assets attributable to the owners of the Company as of 30 April 2019 as if it had taken place on 30 April 2019.

The unaudited pro forma adjusted combined net tangible assets attributable to the owners of the Company has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Global Offering been completed as of 30 April 2019 or any future date. It is prepared based on our combined net tangible assets as of 30 April 2019 as set out in the Accountants' Report as set out in Appendix I to this prospectus, and adjusted as described below. The unaudited pro forma adjusted combined net tangible assets attributable to the owners of the Company does not form part of the Accountants' Report as set out in Appendix I to this prospectus.

	Audited Combined Net Tangible Assets attributable to owners of the Company as of April 30, 2019	Estimated Net Proceeds from the Global Offering	Unaudited Pro Forma Adjusted Combined Net Tangible Assets	Unaudited Pro Forma Adjusted Net Tangible assets attributable to owners of the Company per Share	
	<i>(RMB'000)</i> <i>(Note 1)</i>	<i>(RMB'000)</i> <i>(Note 2)</i>	<i>(RMB'000)</i>	<i>(RMB)</i> <i>(Note 3)</i>	<i>(HK\$)</i> <i>(Note 4)</i>
Based on an Offer Price Of HK\$2.97 per Share, after a Downward Offer Price Adjustment of 10%	4,523,808	1,312,392	5,836,200	1.65	1.83
Based on an Offer Price Of HK\$3.30 per Share	4,523,808	1,464,348	5,988,156	1.70	1.89
Based on an Offer Price Of HK\$4.25 per Share	4,523,808	1,901,797	6,425,605	1.82	2.02

Notes:

- (1) The combined net tangible assets attributable to owners of the Company as of 30 April 2019 is extracted from the Accountants' Report, which is based on the audited combined equity attributable to owners of the Company as of 30 April 2019 of approximately RMB4,529.5 million less the Group's intangible assets attributable to owners of the Company as at 30 April 2019 of approximately RMB5.7 million.

- (2) The estimated net proceeds from the Global Offering are based on the Offer Price of HK\$3.30 per Share, HK\$4.25 per Share and HK\$2.97 per Share after making a Downward Offer Price Adjustment of 10%, after deduction of the underwriting fees and other related expenses payable by the Company and does not take into account of any Shares which may be issued upon the exercise of the Over-allotment Option. The estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi at an exchange rate of HK\$1.0 to RMB0.9014.
- (3) The unaudited pro forma adjusted combined net tangible assets per Share is calculated based on 529,412,000 Shares in issue immediately following the completion of the Global Offering and does not take into account of any Shares which may be issued upon the exercise of the Over-allotment Option.
- (4) The unaudited pro forma adjusted combined net tangible assets per Share is converted into Hong Kong dollars at an exchange rate of HK\$1.0 to RMB0.9014.

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF PRO FORMA FINANCIAL INFORMATION**

22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

To the Directors of Sinic Holdings (Group) Company Limited

We have completed our assurance engagement to report on the compilation of pro forma financial information of Sinic Holdings (Group) Company Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The pro forma financial information consists of the pro forma combined net tangible assets as at 30 April 2019, and related notes as set out on pages II-1 of the prospectus dated 30 October 2019 issued by the Company (the “Pro Forma Financial Information”). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in Appendix II to the Prospectus.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group’s financial position as at 30 April 2019 as if the transaction had taken place at 30 April 2019. As part of this process, information about the Group’s financial position, has been extracted by the Directors from the Group’s financial statements for the period ended 30 April 2019, on which an accountants’ report has been published.

Directors’ responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline (“AG”) 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the

compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Certified Public Accountants

Hong Kong

30 October 2019

The following is the text of a letter, summary of valuations and valuation report prepared for the purpose of incorporation in this prospectus received from Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of values of the Group in the PRC as at 31 July 2019.



16th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

30 October 2019

The Directors
Sinic Holdings (Group) Company Limited
7th Floor, Hong Qiao Vanke Center T6
No. 988 Shen Chang Road
Min Hang District
Shanghai
PRC

Dear Sirs,

RE: PORTFOLIO VALUATION

**Instructions,
Purpose &
Valuation Date**

We refer to the instruction of Sinic Holdings (Group) Company Limited (the “Company”) for Cushman & Wakefield Limited (“C&W”) to prepare market valuations of the properties in which the Company and/or its subsidiaries (together referred to as the “Group”) have interests in the People’s Republic of China (the “PRC”). We confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing the Company with our opinion of the values of the properties as at 31 July 2019 (the “valuation date”).

Valuation Basis

Our valuation of each of the properties represents its market value which in accordance with The HKIS Valuation Standards 2017 Edition published by The Hong Kong Institute of Surveyors is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

We confirm that the valuations are undertaken in accordance with The HKIS Valuation Standards 2017 Edition issued by The Hong Kong Institute of Surveyors.

In valuing the properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules governing the Listing of Securities published by the Stock Exchange of the Hong Kong Limited.

We also confirm that we are an independent qualified valuer, as referred to Rule 5.08 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Our valuation of each of the properties is on an entirety interest basis.

Valuation Assumptions

Our valuations of the properties exclude an estimated price inflated or deflated by special terms or circumstances such as a typical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

In the course of our valuation of the properties, we have assumed that transferable land use rights in respect of the properties for their respective specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have relied on the advice given by the Company regarding the title to the properties and the interest in the properties.

In valuing the properties, we have assumed that the owner of each of the properties has enforceable title to the properties and has free and uninterrupted rights to use, occupy or assign the properties for the whole of the unexpired terms as granted.

We have assumed that all consents, approvals and licences from relevant government authorities for the developments have been obtained without onerous conditions or delays. We have also assumed that the design and construction of the development are in compliance with the local planning and other relevant regulations and have been approved by the relevant authorities.

No allowances have been made in our valuations for any charges, mortgages or amounts owing on the properties nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of any onerous nature which could affect their values.

**Method of
Valuation**

In valuing the properties in Group I, property no. 20 in Group II and properties in Group IV we have valued the properties using Market Comparison Method by making reference to comparable sales evidence as available in the relevant market subject to appropriate adjustments including but not limited to size, time and other relevant factors.

In respect of property Nos. 21 to 25 in Group II which are completed and held for investment in the PRC, we have used Investment Method by capitalising the rental income derived from the existing tenancies, if any, with due provision for the reversionary potential or Market Comparison Method by making reference to comparable sales evidence as available in the relevant market.

When using Investment Method, we have mainly made reference to lettings within the subject property as well as other relevant comparable rental evidence of properties of similar use type subject to appropriate adjustments including but not limited to location, accessibility, age, quality, size, time and other relevant factors.

The capitalisation rates adopted in our valuations are based on our analyses of the yields of properties of similar use type after due adjustments. Such capitalisation rates are estimated by reference to the yields generally expected by the market for comparable properties of similar use type, which implicitly reflect the type and quality of the properties, the expectation of the potential future rental growth, capital appreciation and relevant risk factors. The capitalisation rates adopted are reasonable and in line with the market norm having regard to the aforesaid analyses.

Unless otherwise stated, we have valued property no. 19 in Group II and the properties in Group III on the basis that each of the properties will be developed and completed in accordance with the latest development proposals provided to us by the Group. We have assumed that all consents, approvals and licences from relevant government authorities for the development proposals have been obtained without onerous conditions or delays. We have also assumed that the design and construction of the developments are in compliance with the local planning and other relevant regulations and have been approved by the relevant authorities. In arriving at our valuations, we have adopted Market Comparison Method by making reference to comparable sales evidence as available in the relevant market and have also taken into account the expended construction costs as well as the costs that will be expended to complete the developments. The development value if completed represents our opinion of the aggregate values of the development assuming it had been completed at the valuation date.

We have attributed no commercial value to the properties in Group V as the land use rights certificate of the properties have not been obtained. As per the Group's instruction, for reference purpose, we have provided a hypothetical value for reference by Market Comparison Method assuming the Group had obtained the State-owned Land Use Rights Certificate of the property, been entitled to transfer the property and all land premium or other onerous payment had been fully settled to the government.

**Source of
Information**

In the course of our valuation, we have relied to a very considerable extent on the information given to us by the Group and its legal adviser, King & Wood Mallesons, regarding the title to the properties and the interests of the Group in the properties. We have made a reasonable inspections and inquiries on the information provided by the Group. We have accepted advice given by the Group on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, particulars of occupancy, tenancy details, site and floor areas, site and floor plans, completion date of buildings, number of parking spaces, construction cost, construction time schedule, interest attributable to the Group and all other relevant matters.

Dimensions, measurements and areas are based on the copies of documents or other information provided to us by the Company and are therefore only approximations. No on-site measurement has been carried out. We have had no reason to doubt the truth and accuracy of the information provided by the Company which is material to the valuations. We were also advised that no material facts have been omitted from the information provided to us.

Title Investigation We have been provided with copies of the title documents relating to the properties but have not carried out any land title searches. Moreover, we have not inspected the original documents to verify ownership or to ascertain any amendments which may not appear on the copies handed to us. We are also unable to ascertain the title of the properties in the PRC and we have therefore relied on the advice given by the Company regarding its interests in the properties.

In the course of our valuation, we have relied to a considerable extent on the information given by the Group and its legal adviser, King & Wood Mallesons, in respect of the title to the properties in the PRC.

Site Inspection Joan Chai (Senior Manager, 12 years of experience) and Shirley Li (Senior Valuer, 1 year of experience) of our Chengdu office; Ada Chai (Assistant Manager, 3 years of experience), Jessie Zhang (Assistant Manager, 3 years of experience) and Kay Zhu (Senior Valuer, 1 year of experience) of our Changsha office; Mirro Zhou (Assistant Valuer, 4 years of experience), Vikki Fang (Valuer, 2 years of experience) and Wynne Wang (Assistant Manager, 6 years of experience) of our Hangzhou office; Sarah Zhang (Assistant Manager, 3 years of experience) of our Nanjing office; Joyce Tan (Senior Manager, 9 years of experience), Jun Wang (Manager, 8 years of experience) and Susie Li (Valuer, 1 year of experience) of our Shanghai office; Cathy Tang (Valuer, 1 years of experience), Julino Luo (Assistant Manager, 3 years of experience), LiZheng Li (Senior Manager, 8 year of experiences), Mindy Yao (Valuer, 1 year of experience) and Vicky Wang (Assistant Manager, 2 years of experience) of our Shenzhen office; and Andy Zhao (Senior Manager, 13 years of experience), Candy Nie (Manager, 10 years of experience) and Glenn Lu (Senior Manager, 11 years of experiences) of our Wuhan office; inspected the exterior and, where possible, the interior of the properties in between November 2018 and September 2019. However, no structural survey has been made, but in the course of our inspections, we did not note any serious defects. We are, however, not able to report that the properties are free of rot, infestation or other structural defects. No test was carried out on any of the services. Our valuations are prepared on the assumption that these aspects are satisfactory.

Moreover, we have not carried out investigation on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period.

Unless otherwise stated, we have not carried out detailed on-site measurements to verify the site and floor areas of the properties and we have assumed that the areas shown on the documents handed to us are correct.

Currency	Unless otherwise stated, all monetary amounts stated in our valuation report are in Renminbi (“RMB”), the official currency of the PRC.
Confirmation of Independence	We hereby confirm that C&W and the undersigned have no pecuniary or other interests that could conflict with the proper valuation of the properties or could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion.
Intended Use and User of Report	This valuation report is issued only for the use of the Company for inclusion into its prospectus.

We enclose herewith a summary of valuations and our valuation report for your attention.

Yours faithfully,
For and on behalf of
Cushman & Wakefield Limited
Andrew K. F. Chan
MSc, MRICS, FHKIS, MCIREA, RPS (GP)
Managing Director
Valuation & Advisory Services, Greater China

Note: Andrew K.F. Chan is a member of the Royal Institution of Chartered Surveyors, a Fellow Member of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice). Mr. Chan has over 30 years of experience in the professional property valuation and advisory services in the Greater China region and various overseas countries. Mr. Chan has sufficient current national knowledge of the market, and the skills and understanding to undertake the valuations competently.

SUMMARY OF VALUATIONS

<u>Property</u>	<u>Market value in existing state as at 31 July 2019</u> <i>RMB</i>	<u>Attributable interest to the Group</u> <i>%</i>	<u>Market value in existing state as at 31 July 2019 attributable to the Group</u> <i>RMB</i>
Group I — Properties held by the Group for sale in the PRC			
1. The unsold portions of Huizhou East Yuan, Daya Bay Economic and Technological Development Zone, Huizhou, Guangdong Province, the PRC (惠州東園)	75,000,000	100	75,000,000
2. The unsold portions of Huizhou Dibo Wan Phase I, Huiyang District Huizhou, Guangdong Province, the PRC (惠州帝泊灣I期)	1,250,000,000	100	1,250,000,000
3. The unsold portions of Huizhou Xinli City, Huicheng District, Huizhou, Guangdong Province, the PRC (惠州新力城)	1,090,000,000	100	1,090,000,000

Property	Market value	Attributable	Market value
	in existing state		in existing state
	as at	interest to	as at
	31 July 2019	the Group	31 July 2019
	<i>RMB</i>	%	attributable to
			the Group
			<i>RMB</i>
4. The unsold portions of Wuxi Dibo Wan, Binhu District, Wuxi, Jiangsu Province, the PRC (無錫帝泊灣)	260,000,000	100	260,000,000
5. The unsold portions of Ganzhou Dibo Wan Phase II, Economic and Technological Development Zone, Ganzhou, Jiangxi Province, the PRC (贛州帝泊灣II期)	214,000,000	100	214,000,000
6. The unsold portions of Nanchang Yayuan, Zhou Yue, Xihu District, Nanchang, Jiangxi Province, the PRC (南昌雅園、洲悦)	890,000,000	100	890,000,000
7. The unsold portions of Fengcheng Dibo Wan, Hezhou street, Fengcheng, Jiangxi Province, the PRC (豐城帝泊灣)	33,000,000	64	21,120,000

Property	Market value	Attributable	Market value
	in existing state		in existing state
	as at	interest to	as at
	31 July 2019	the Group	31 July 2019
	<i>RMB</i>	%	attributable to
			the Group
			<i>RMB</i>
8. The unsold portions of Nanchang Jinsha Wan, Nanchang County, Nanchang, Jiangxi Province, the PRC (南昌金沙灣)	38,000,000	100	38,000,000
9. The unsold portions of Nanchang Yinhu Wan, Nanchang County, Nanchang, Jiangxi Province, the PRC (南昌銀湖灣)	492,000,000	100	492,000,000
10. The unsold portions of Nanchang Yujing Wan, Duhui, Changnan Xincheng, Nanchang, Jiangxi Province, the PRC (南昌愉景灣、都薈)	66,110,000	70	46,277,000
11. The unsold portions of Phase 1 Nanchang Long Wan, Jiulong Lake Area, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌龍灣)	317,000,000	100	317,000,000

Property	Market value	Attributable	Market value
	in existing state		in existing state
	as at	interest to	as at
	31 July 2019	the Group	31 July 2019
	<i>RMB</i>	<i>%</i>	<i>RMB</i>
12. The unsold portions of Nanchang Amber Yuan Phase I and II, Jiulong Lake Area, Nanchang, Jiangxi Province, the PRC (南昌琥珀園I及II期)	1,368,000,000	100	1,368,000,000
13. The unsold portions of Nanchang Sinic Center, Xihu District, Nanchang, Jiangxi Province, the PRC (南昌新力中心)	671,000,000	100	671,000,000
14. The unsold portions of Nanchang Xi Yuan, Wangcheng Economic and Technological Development Zone, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌禧園)	1,670,000,000	100	1,670,000,000

Property	Market value	Attributable	Market value
	in existing state		in existing state
	as at	interest to	as at
	31 July 2019	the Group	31 July 2019
	<i>RMB</i>	%	attributable to
			the Group
			<i>RMB</i>
15. The unsold portions of Nanchang Yulong Wan, Wangcheng Economic and Technological Development Zone, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌鈺瓏灣)	420,000,000	51	214,200,000
16. The unsold portions of Nanchang Dibo Wan, Nanchang, Jiangxi Province, the PRC (南昌帝泊灣)	11,000,000	100	11,000,000
17. The unsold portions of Wuhan Amber Yuan, Hanyang District, Wuhan, Hubei Province, the PRC (武漢琥珀園)	16,800,000	79	13,272,000
18. The unsold portions of Wuhan Dibo Wan, Panlongcheng Economic Development Zone, Huangpi District, Wuhan, Hubei Province, the PRC (武漢帝泊灣)	618,000,000	100	618,000,000
Sub-total:	9,499,910,000		9,258,869,000

Property	Market value in existing state as at 31 July 2019 <i>RMB</i>	Attributable interest to the Group <i>%</i>	Market value in existing state as at 31 July 2019 attributable to the Group <i>RMB</i>
Group II — Properties held by the Group for investment in the PRC			
19. The property under construction known as Nanchang Park No. 1, Nanchang High-tech Development Zone, Phase II, Nanchang, Jiangxi Province, the PRC (南昌公園壹號)	285,000,000	100	285,000,000
20. The property under construction known as Phase 2 of Nanchang Times Square, Nanchang High-tech Development Zone, Nanchang, Jiangxi Province, the PRC (南昌時代廣場二期)	580,000,000	100	580,000,000
21. The retail portion of Nanchang Jinsha Wan, Nanchang, Jiangxi Province, the PRC (南昌金沙灣)	2,600,000	100	2,600,000
22. The retail portion of Nanchang Yinhu Wan, Nanchang County, Nanchang, Jiangxi Province, the PRC (南昌銀湖灣)	8,800,000	100	8,800,000

Property	Market value	Attributable	Market value
	in existing state		in existing state
	as at	interest to	as at
	31 July 2019	the Group	31 July 2019
	<i>RMB</i>	%	attributable to
			the Group
			<i>RMB</i>
23. The commercial podium of Nanchang Yujing Wan, Duhui, Changnan Xincheng, Nanchang, Jiangxi Province, the PRC (南昌愉景灣都薈)	450,000,000	70	315,000,000
24. The retail portion of Nanchang Yulong Wan, Wangcheng Economic and Technological Development Zone, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌鈺瓏灣)	1,230,000	51	627,300
25. The retail portion, commercial podium, Nanchang Dibo Wan, Nanchang, Jiangxi Province, the PRC (南昌帝泊灣)	3,400,000	100	3,400,000
Sub-total:	1,331,030,000		1,195,427,300

<u>Property</u>	<u>Market value in existing state as at 31 July 2019</u> <i>RMB</i>	<u>Attributable interest to the Group</u> <i>%</i>	<u>Market value in existing state as at 31 July 2019 attributable to the Group</u> <i>RMB</i>
Group III — Properties held by the Group under development in the PRC			
26. The property under construction known as Huizhou Dong Yuan Phase I, Daya Bay Economic and Technological Development Zone, Huizhou, Guangdong Province, the PRC (惠州東園I期)	1,410,000,000	100	1,410,000,000
27. The property under construction known as Huizhou Amber Yuan, Daya Bay Economic and Technological Development Zone, Huizhou, Guangdong Province, the PRC (惠州琥珀園)	1,080,000,000	75	810,000,000
28. The property under construction known as Huizhou Upper Yuan, Daya Bay Economic and Technological Development Zone, Huizhou, Guangdong Province, the PRC (惠州上園)	900,000,000	100	900,000,000

Property	Market value	Attributable	Market value
	in existing state		in existing state
	as at	interest to	as at
	31 July 2019	the Group	31 July 2019
	<i>RMB</i>	%	attributable to
			the Group
			<i>RMB</i>
29. The property under construction known as Xiangshan Ju, Daya Bay Economic and Technological Development Zone, Huizhou, Guangdong Province, the PRC (惠州香山居)	960,000,000	100	960,000,000
30. The property under construction known as Huizhou Dibo Wan, Zhenlong Town, Huiyang District Huizhou, Guangdong Province, the PRC (惠州帝泊灣I期)	1,030,000,000	100	1,030,000,000
31. The property under construction known as Huizhou Dibo Wan Phase II, Zhenlong Town, Huiyang District Huizhou, Guangdong Province, the PRC (惠州帝泊灣II期) (君悦灣)	566,000,000	100	566,000,000

Property	Market value	Attributable	Market value
	in existing state		in existing state
	as at	interest to	as at
	31 July 2019	the Group	31 July 2019
	<i>RMB</i>	%	attributable to
			the Group
			<i>RMB</i>
32. The property under construction known as Huizhou Long Wan, Economic and Technological Development Zone, Huiyang District, Huizhou, Guangdong Province, the PRC (惠州龍灣)	670,000,000	100	670,000,000
33. The property under construction known as Huizhou Rui Yuan, Tuhu Village, Huiyang District Huizhou, Guangdong Province, the PRC (惠州睿園)	1,190,000,000	100	1,190,000,000
34. The property under construction known as Huizhou Xi Yuan, Huiyang District, Huizhou, Guangdong Province, the PRC (惠州璽園)	355,000,000	100	355,000,000

Property	Market value	Attributable	Market value
	in existing state		in existing state
	as at	interest to	as at
	31 July 2019	the Group	31 July 2019
	<i>RMB</i>	%	attributable to
			the Group
			<i>RMB</i>
35. The property under construction known as Huizhou Sinic City, Huicheng District, Huizhou, Guangdong Province, the PRC (惠州新力城)	4,290,000,000	100	4,290,000,000
36. The property under construction known as Qingyuan Feicui Wan, Qingyuan, Guangdong Province, the PRC (清遠翡翠灣)	440,000,000	100	440,000,000
37. The property under construction known as Guangzhou Amber Yuan, Huadu District, Guangzhou, Guangdong Province, the PRC (廣州琥珀園)	1,140,000,000	100	1,140,000,000
38. The property under construction known as Zhongshan Feicui Wan, Zhongshan, Guangdong Province, the PRC (中山翡翠灣)	775,000,000	100	775,000,000

Property	Market value	Attributable	Market value
	in existing state		in existing state
	as at	interest to	as at
	31 July 2019	the Group	31 July 2019
	<i>RMB</i>	%	attributable to
			the Group
			<i>RMB</i>
39. The property under construction known as Wuxi Dibo Wan Phase II, Binhu District, Wuxi, Jiangsu Province, the PRC (無錫帝泊灣II期)	1,650,000,000	100	1,650,000,000
40. The property under construction known as Kunshan Chenghu Yard No. 1, Ba Cheng Town, Kunshan, Jiang Su Province, the PRC (昆山澄湖壹號院)	880,000,000	100	880,000,000
41. The property under construction known as Kunshan Central Park, Gaoxin District, Kunshan, Jiangsu Province, the PRC (昆山中央公園)	850,000,000	100	850,000,000
42. The property under construction known as Suzhou Bo Yuan, Wuzhong District, Suzhou the PRC (蘇州鉑園)	1,262,000,000	70	883,400,000

Property	Market value in existing state as at 31 July 2019	Attributable interest to the Group	Market value in existing state as at 31 July 2019 attributable to the Group
	<i>RMB</i>	<i>%</i>	<i>RMB</i>
43. The property under construction known as Zhuji Dibo Wan, Caota District, Zhuji, Zhejiang Province, the PRC (諸暨帝泊灣)	610,000,000	100	610,000,000
44. The property under construction known as Cixi Dibo Wan, Cixi, Zhejiang Province, the PRC (慈溪帝泊灣)	260,000,000	100	260,000,000
45. The property under construction known as Ruian Dibo Wan, Development Zone of Ruian Economic Area, Ruian, Zhejiang Province, the PRC (瑞安帝泊灣)	483,000,000	100	483,000,000
46. The property under construction known as Ganzhou Dibo Wan Phase I, Economic and Technological Development Zone, Ganzhou, Jiangxi Province, the PRC (贛州帝泊灣I期)	1,680,000,000	100	1,680,000,000

Property	Market value	Attributable	Market value
	in existing state		in existing state
	as at	interest to	as at
	31 July 2019	the Group	31 July 2019
	<i>RMB</i>	%	attributable to
			the Group
			<i>RMB</i>
47. The property under construction known as Ganzhou Dibo Wan Phase II, Economic and Technological Development Zone, Ganzhou, Jiangxi Province, the PRC (贛州帝泊灣II期)	810,000,000	100	810,000,000
48. The property under construction known as Ganzhou Yulong Wan, Hongxing village Zhanggong District, Ganzhou, Jiangxi Province, the PRC (贛州鈺龍灣)	790,000,000	60	474,000,000
49. The property under construction known as Ganzhou Yinhu Wan, Ganxian, Ganzhou, Jiangxi Province, the PRC (贛州銀湖灣)	140,000,000	100	140,000,000

Property	Market value	Attributable	Market value
	in existing state		in existing state
	as at	interest to	as at
	31 July 2019	the Group	31 July 2019
	<i>RMB</i>	%	attributable to
			the Group
			<i>RMB</i>
50. The property under construction known as Ji'an Dibo Wan, Jian, Jiangxi Province, the PRC (吉安帝泊灣)	690,000,000	100	690,000,000
51. The property under construction known as Nanchang Jin Yuan, Qingyunpu District, Nanchang, Jiangxi Province, the PRC (南昌錦園)	1,110,000,000	100	1,110,000,000
52. The property under construction known as Nanchang Jinrui Yuan, Qingyunpu District, Nanchang, Jiangxi Province, the PRC (南昌錦睿園)	730,000,000	100	730,000,000
53. The property under construction known as Fengcheng Dibo Wan, Fengcheng, Jiangxi Province, the PRC (豐城帝泊灣)	240,000,000	64	153,600,000

Property	Market value	Attributable	Market value
	in existing state		in existing state
	as at	interest to	as at
	31 July 2019	the Group	31 July 2019
	<i>RMB</i>	%	attributable to
			the Group
			<i>RMB</i>
54. The property under construction known as Phase I, Nanchang Park No. 1, Nanchang High-tech Development Zone, Nanchang, Jiangxi Province, the PRC (南昌公園壹號I期)	1,280,000,000	100	1,280,000,000
55. The property under construction known as Phase I, Nanchang Times Square, Nanchang High-tech Development Zone, Nanchang, Jiangxi Province, the PRC (南昌時代廣場I期)	1,900,000,000	100	1,900,000,000

Property	Market value in existing state as at 31 July 2019	Attributable interest to the Group	Market value in existing state as at 31 July 2019 attributable to the Group
	<i>RMB</i>	<i>%</i>	<i>RMB</i>
56. The property under construction known as Nanchang Bo Yuan, Jiulong Lake New Area, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌鉞園)	1,370,000,000	100	1,370,000,000
57. The property under construction known as Nanchang Yinhu Wan, Nanchang County, Nanchang, Jiangxi Province, the PRC (南昌銀湖灣)	180,000,000	100	180,000,000

Property	Market value	Attributable	Market value
	in existing state		in existing state
	as at	interest to	as at
	31 July 2019	the Group	31 July 2019
	<i>RMB</i>	%	attributable to
			the Group
			<i>RMB</i>
58. The property under construction known as Nanchang Xingtang Wan, Xiangtang Village, Xiangtang Town, Nanchang County, Nanchang, Jiangxi Province, the PRC (南昌星塘灣)	330,000,000	51	168,300,000
59. The development site for the proposed development to be known as Wo Yuan, Gaoxin District, Nanchang, Jiangxi Province, the PRC (南昌渥園)	1,020,000,000	100	1,020,000,000
60. The property under construction known as Nanchang Long Wan, Jiulong Lake Area, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌龍灣)	2,750,000,000	100	2,750,000,000

Property	Market value	Attributable	Market value
	in existing state		in existing state
	as at	interest to	as at
	31 July 2019	the Group	31 July 2019
	<i>RMB</i>	%	attributable to
			the Group
			<i>RMB</i>
61. The property under construction known as Nanchang Amber Yuan, Jiulong Lake Area, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌琥珀園)	1,474,000,000	100	1,474,000,000
62. The property under construction known as Nanchang Dong Yuan, Jiulong Lake Area, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌東園)	1,850,000,000	100	1,850,000,000
63. The property under construction known as Nanchang Lan Wan, South of Yingxiong Road, East of Huanggu Road, Economic and Technological Development Zone, Nanchang, Jiangxi Province, the PRC (南昌瀾灣)	950,000,000	100	950,000,000

Property	Market value	Attributable	Market value
	in existing state		in existing state
	as at	interest to	as at
	31 July 2019	the Group	31 July 2019
	<i>RMB</i>	%	attributable to
			the Group
			<i>RMB</i>
64. The property under construction known as Nanchang Rong Yuan, Xihu District, Nanchang, Jiangxi Province, the PRC (南昌榕園)	690,000,000	100	690,000,000
65. The property under construction known as Nanchang Qinglan Wan, Minhe Town, Jinxian County, Nanchang, Jiangxi Province, the PRC (南昌青嵐灣)	410,000,000	100	410,000,000
66. The property under construction known as Nanchang Xi Yuan, Wangcheng Economic and Technological Development Zone, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌禧園)	810,000,000	100	810,000,000

Property	Market value in existing state as at 31 July 2019	Attributable interest to the Group	Market value in existing state as at 31 July 2019 attributable to the Group
	<i>RMB</i>	<i>%</i>	<i>RMB</i>
67. The property under construction known as Nanchang Yulong Wan, Wangcheng Economic and Technological Development Zone, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌鈺瓏灣)	57,000,000	51	29,070,000
68. The property under construction known as Nanchang Sinic City, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌新力城)	2,780,000,000	100	2,780,000,000
69. The property under construction known as Nanchang Jiang Yue, Jiulong Lake Area, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌江悦)	398,000,000	100	398,000,000

Property	Market value in existing state as at 31 July 2019	Attributable interest to the Group	Market value in existing state as at 31 July 2019 attributable to the Group
	<i>RMB</i>	<i>%</i>	<i>RMB</i>
70. The property under construction known as Nanchang Jingdezhen Dibo Wan, Jingde, Jiangxi Province, the PRC (景德鎮帝泊灣)	240,000,000	95	228,000,000
71. The property under construction known as Jinsha Wan, Tongyuan Village, Xinzhou District, Wuhan, Hubei Province, the PRC (武漢金沙灣)	550,000,000	100	550,000,000

Property	Market value	Attributable	Market value
	in existing state		in existing state
	as at	interest to	as at
	31 July 2019	the Group	31 July 2019
	<i>RMB</i>	%	attributable to
			the Group
			<i>RMB</i>
72. The property under construction known as Wuhan Dibo Wan, Panlongcheng Economic Development Zone, Huangpi District, Wuhan, Hubei Province, the PRC (武漢帝泊灣)	960,000,000	100	960,000,000
73. The property under construction known as Phases I of Changsha Zi Yuan, Kaifu District, Changsha, Hunan Province, the PRC (長沙紫園I期)	450,000,000	99	445,500,000
74. The property under construction known as Changsha Yulong Wan, Changsha, Hunan Province, the PRC (長沙鈺龍灣)	610,000,000	99	603,900,000
75. The property under construction known as Changsha Bo Yuan Phase I, Changsha, Hunan Province, the PRC (長沙鉑園I期)	1,555,000,000	100	1,555,000,000

Property	Market value in existing state as at 31 July 2019	Attributable interest to the Group	Market value in existing state as at 31 July 2019 attributable to the Group
	<i>RMB</i>	<i>%</i>	<i>RMB</i>
76. The property under construction known as Phase 1 of Chengdu Jade Wan, Qingbaijiang District, Chengdu, Sichuan Province, the PRC (成都翡翠灣)	600,000,000	100	600,000,000
77. The property under construction known as Chengdu Amber Yuan, Chengdu, the PRC (成都琥珀園)	484,000,000	100	484,000,000
Sub-total:	50,689,000,000		49,425,770,000

Property	Market value in existing state as at 31 July 2019 <i>RMB</i>	Attributable interest to the Group <i>%</i>	Market value in existing state as at 31 July 2019 attributable to the Group <i>RMB</i>
Group IV — Properties held by the Group for future development in the PRC			
78. The development site for the proposed development to be known as Huizhou Lan Wan, Daya Bay Economic and Technological Development Zone, Huizhou, Guangdong Province, the PRC (惠州藍灣)	490,000,000	100	490,000,000
79. The development site for the proposed development to be known as Huizhou Ya Yuan, North of Hutou Mountain of Daya Bay Economic and Technological Development Zone, Huizhou, Guangdong Province, the PRC (惠州雅園)	393,000,000	100	393,000,000
80. The development site for the proposed development to be known as Huizhou Gaoling Village, Huiyang District, Huizhou, Guangdong Province, the PRC (惠州市高嶺村)	980,000,000	100	980,000,000

Property	Market value in existing state as at 31 July 2019	Attributable interest to the Group	Market value in existing state as at 31 July 2019 attributable to the Group
	<i>RMB</i>	<i>%</i>	<i>RMB</i>
81. The development site for the proposed development to be known as Guangzhou Amber Yuan, Huadu District, Guangzhou, Guangdong Province, the PRC (廣州琥珀園)	670,000,000	100	670,000,000
82. The development site for the proposed development to be known as Ganzhou Yinhu Wan, Ganxian, Ganzhou, Jiangxi Province, the PRC (贛州銀湖灣)	81,000,000	100	81,000,000
83. The development site for the proposed development to be known as Nanchang Times Square Phase II, East of Minjia Road Nanchang High-tech Development Zone, Nanchang, Jiangxi Province, the PRC (南昌時代廣場II期)	430,000,000	100	430,000,000

Property	Market value	Attributable	Market value
	in existing state		in existing state
	as at	interest to	as at
	31 July 2019	the Group	31 July 2019
	<i>RMB</i>	<i>%</i>	<i>RMB</i>
			attributable to
			the Group
84. The development site for the proposed development to be known as Nanchang Dong Yuan, Jiulong Lake Area, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌東園)	770,000,000	100	770,000,000
85. The development site for the proposed development to be known as Nanchang Xi Yuan, Wangcheng Economic and Technological Development Zone, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌禧園)	1,280,000,000	100	1,280,000,000

Property	Market value	Attributable	Market value
	in existing state		in existing state
	as at	interest to	as at
	31 July 2019	the Group	31 July 2019
	<i>RMB</i>	%	attributable to
			the Group
			<i>RMB</i>
86. The development known as Phase I of Changsha Zi Yuan, Kaifu District, Changsha, Hunan Province, the PRC (長沙紫園I期)	9,300,000	99	9,207,000
87. The development known as Phase II of Changsha Zi Yuan, Kaifu District, Changsha, Hunan Province, the PRC (長沙紫園II期)	135,700,000	99	134,343,000
88. The development site for the proposed development to be known as Changsha Bo Yuan, Changsha, Hunan Province, the PRC (長沙鉑園)	170,000,000	100	170,000,000
89. The development site for the proposed development to be known as Changsha Amber Yuan, Kaifu District, Changsha, Hunan Province, the PRC (長沙琥珀園)	640,000,000	94.05	601,920,000

Property	Market value in existing state as at 31 July 2019	Attributable interest to the Group	Market value in existing state as at 31 July 2019 attributable to the Group
	RMB	%	RMB
90. The development site for the proposed development to be known as Phases I of Changsha Dibo Wan, Wangcheng District, Changsha, Hunan Province, the PRC (長沙帝泊灣)	530,000,000	99	524,700,000
91. The development site for the proposed development to be known as Weifang Dibo Wan, Hanting District, Weifang, Shandong Province, the PRC (濰坊帝泊灣)	92,000,000	60	55,200,000
92. A parcel of land (3501282016B00011) with 73 Mu, Pingtan, Fuzhou, Fujian Province, the PRC	820,000,000	48	393,600,000
93. A parcel of land (E1902) with 49.6 Mu, Hefei, Anhui Province, the PRC	541,000,000	100	541,000,000
94. A parcel of land with 102 (XZQTD242) Mu, Hefei, Anhui Province, the PRC	1,075,000,000	70	752,500,000
Sub-total:	9,107,000,000		8,276,470,000

Property	Market value in existing state as at 31 July 2019 <i>RMB</i>	Attributable interest to the Group <i>%</i>	Market value in existing state as at 31 July 2019 attributable to the Group <i>RMB</i>
Group V — Properties to be acquired by the Group for future development in the PRC			
95. A parcel of land (XDG-2019-16) with 120 Mu, Wuxi, Jiangsu Province, the PRC	No commercial value	100	No commercial value
96. A parcel of land (SLG-107-2018-011) with 92 Mu, Chengdu, Sichuan Province, the PRC	No commercial value	100	No commercial value
97. A parcel of land (2018 G 042) with 32 Mu, Pingtan, Fujian Province, the PRC	No commercial value	48	No commercial value
Sub-total:	No commercial value		No commercial value
Total:	70,626,940,000		68,156,536,300

VALUATION REPORT

Group I — Properties held by the Group for sale in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019
1. The unsold portions of Huizhou Dong Yuan, Daya Bay Economic and Technological Development Zone, Huizhou, Guangdong Province, the PRC (惠州東園)	<p>The property comprises car park of a comprehensive development completed in 2019.</p> <p>The property has a total gross floor area of 22,018.79 sq m.</p> <p>The property is located in the center of Daya Bay District. Developments nearby are mainly residential and commercial in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for a term due to expire on 12 May 2078 for residential use and due to expire on 12 May 2048 for commercial use.</p>	As at the valuation date, the property was vacant.	RMB75,000,000 (Renminbi Seventy Five Million)

Notes:

- (1) According to a State-owned Land Use Rights Certificate issued by the Huizhou Land Resources Bureau (惠州國土資源局), the land use rights of an enlarged development including the property with a total site area of 82,338 sq m have been vested in 惠州大亞灣新際房地產開發有限公司 (Huizhou Daya Bay Xinji Real Estate Development Co., Ltd).

- (2) In valuing the property, we have assumed about RMB120,000 per lot for the car park spaces with title.

In undertaking our valuation of the property, we have made reference to various recent sales prices of car parking spaces within the same district. The price ranges from about RMB100,000 to RMB150,000 per lot. The unit rate assumed by us is consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age and location in arriving at the key assumptions.

- (3) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The State-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws.
 - (b) Huizhou Daya Bay Xinji Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Huizhou Daya Bay Xinji Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
2. The unsold portions of Huizhou Dibo Wan Phase I, Huiyang District Huizhou, Guangdong Province, the PRC (惠州帝泊灣I期)	<p>The property comprises various residential and commercial units of a comprehensive development completed in 2019.</p> <p>The property has a gross floor areas as follows:—</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Gross Floor Area</th> </tr> <tr> <td></td> <th style="text-align: right;">(sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">127,031.91</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">3,736.36</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">29,503.76</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">160,272.03</td> </tr> </tbody> </table>	Use	Gross Floor Area		(sq m)	Residential	127,031.91	Commercial	3,736.36	Car park	29,503.76	Total:	160,272.03	As at the valuation date, the property was vacant.	RMB1,250,000,000 (Renminbi One Billion Two Hundred and Fifty Million)
Use	Gross Floor Area														
	(sq m)														
Residential	127,031.91														
Commercial	3,736.36														
Car park	29,503.76														
Total:	160,272.03														
	<p>The property is located in the sub-urban of Huiyang District. Developments nearby are mainly residential and commercial in nature. According to the information provided by the Group, the property is for residential, office and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 19 May 2087 for residential use and due to expire on 19 May 2057 for commercial use.</p>														

Notes:

- (1) According to a State-owned Land Use Rights Certificate issued by the Huizhou Land Resources Bureau (惠州國土資源局), the land use rights of an enlarged development including the property with a total site area of 122,152.00 sq m have been vested in 惠州市均榮實業有限公司 (Huizhou Junrong Investment Co., Ltd).
- (2) According to 2 Completion and Acceptance Certificates for Construction Works, the property has been completed.
- (3) According to the Group, portions of the property with a total gross floor area of 129,306.65 sq m have been committed for sale at a total consideration of approximately RMB1,134,076,000. We have included such portions and taken into account the consideration in our valuation.
- (4) In valuing the property, we have assumed about RMB9,000 per sq m for the residential portion, RMB11,500 per sq m for the commercial portion and RMB100,000 per lot for the car park portion with title.

In undertaking our valuation of the property, we have made reference to various recent sales prices of residential, office and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential developments with ancillary commercial accommodations within the same district. The price of residential premises ranges from about RMB8,500 to RMB9,500 per sq m. The price of office premises ranges from about RMB10,000 to RMB12,000 per sq m. The price of commercial premises ranges from about RMB13,000 to RMB16,000 per sq m. In respect of car parking spaces, the price ranges from about RMB100,000 to RMB140,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The State-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws.
 - (b) Huizhou Junrong Investment Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Huizhou Junrong Investment Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>										
3. The unsold portions of Huizhou Xinli City, Huicheng District, Huizhou, Guangdong Province, the PRC (惠州新力城)	<p>The property comprises various residential units of a comprehensive development completed in 2019.</p> <p>The property has gross floor areas as follows:—</p> <table style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;"><u>Use</u></th> <th style="text-align: right;"><u>Gross Floor Area</u></th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: right;"><i>(sq m)</i></td> </tr> <tr> <td>Residential</td> <td style="text-align: right;">79,486.03</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;"><u>68,960.20</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u><u>148,446.23</u></u></td> </tr> </tbody> </table>	<u>Use</u>	<u>Gross Floor Area</u>		<i>(sq m)</i>	Residential	79,486.03	Car park	<u>68,960.20</u>	Total:	<u><u>148,446.23</u></u>	As at the valuation date, the property was vacant.	RMB1,090,000,000 (Renminbi One Billion and Ninety Million)
<u>Use</u>	<u>Gross Floor Area</u>												
	<i>(sq m)</i>												
Residential	79,486.03												
Car park	<u>68,960.20</u>												
Total:	<u><u>148,446.23</u></u>												
	<p>The property is located in the center of Huicheng District. Developments nearby are mainly residential and commercial in nature. According to the information provided by the Group, the property is for residential and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 1 May 2077 for residential use and due to expire on 1 May 2047 for commercial use.</p>												

Notes:

- (1) According to 5 State-owned Land Use Rights Certificates issued by the Huizhou Municipal People's Government (惠州市人民政府), the land use rights of an enlarged development including the property with a total site area of 475,144.1 sq m have been vested in 惠州市湯普實業有限公司 (Huizhou Tangpu Industrial Co., Ltd).
- (2) According to a Completion and Acceptance Certificate for Construction Works, the property has been completed.
- (3) According to the Group, portions of the property with a total gross floor area of 79,486.03 sq m have been committed for sale at a total consideration of approximately RMB853,551,000. We have included such portions and taken into account the consideration in our valuation.
- (4) In valuing the property, we have assumed about RMB10,400 per sq m for the residential portion, and RMB120,000 per lot for the car park portion with title.

- (5) In undertaking our valuation of the property, we have made reference to various recent sales prices of residential premises and car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential developments with ancillary commercial accommodations within the same district. The price of residential premises ranges from about RMB10,000 to RMB12,000 per sq m. In respect of car parking spaces, the price ranges from about RMB100,000 to RMB140,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.
- (6) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The State-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws.
 - (b) Huizhou Tangpu Industrial Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Huizhou Tangpu Industrial Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>
4. The unsold portions of Wuxi Dibo Wan, Binhu District, Wuxi, Jiangsu Province, the PRC (無錫帝泊灣)	<p>The property comprises various residential units of a comprehensive development completed in 2016.</p> <p>The property has a total gross floor area of 20,378.98 sq m.</p> <p>The property is located in the sub-urban area of Wuxi. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for a term due to expire on 3 November 2083 for residential use.</p>	As at the valuation date, the property was vacant.	RMB260,000,000 (Renminbi Two Hundred Sixty Million)

Notes:—

- (1) According to a State-owned Land Use Rights Certificate issued by the Wuxi Binhu Land Resources Bureau, the land use rights of an enlarged development including the property with a total site area of 57,409.50 sq m have been vested in 無錫富安金邸房地產有限公司 (Wuxi Fu'an Jindi Real Estate Co., Ltd) with details as follows:—

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> (sq m)
(2015)012309	11 June 2015	Residential	3 November 2083	57,409.50

- (2) According to the Completion and Acceptance Certificates for Construction Works, the property has been completed.
- (3) According to the Group, portions of the property with a total gross floor area of 15,069.20 sq m have been committed for sale at a total consideration of approximately RMB188,764,000. We have included such portions and taken into account the consideration in our valuation.
- (4) In valuing the property, we have assumed about RMB13,000 per sq m for the residential property.

In undertaking our valuation of the property, we have made reference to various recent sales prices of residential premises within the same district. These comparable properties are selected as they have characteristics comparable to the property. The price of residential premises ranges from about RMB11,600 to RMB14,200 per sq m. The unit rate assumed by us is consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumption.

- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Wuxi Fu'an Jindi Real Estate Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Wuxi Fu'an Jindi Real Estate Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>
5. The unsold portions of Ganzhou Dibo Wan Phase II, Economic and Technological Development Zone, Ganzhou, Jiangxi Province, the PRC (贛州帝泊灣II期)	<p>The property comprises various residential units of a comprehensive development completed in 2019.</p> <p>The property has a total gross floor area of 21,674.83 sq m.</p> <p>The property is located in the center of economic development zone. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 30 March 2087 for residential use and due to expire on 30 March 2057 for retail use.</p>	As at the valuation date, the property was vacant.	RMB214,000,000 (Renminbi Two Hundred and Fourteen Million)

Notes:

- (1) According to a State-owned Land Use Rights Certificate issued by the Ganzhou Real Estate Registration Bureau (贛州不動產登記局), the land use rights of an enlarged development including the property with a total site area of 83,934 sq m have been vested in 贛州新力未來置業有限公司 (Ganzhou Xinli Future Property Co., Ltd).
- (2) According to the Completion and Acceptance Certificates for Construction Works, the property have been completed.
- (3) According to the Group, portions of the property with a total gross floor area of 19,884.28 sq m have been committed for sale at a total consideration of approximately RMB196,415,900. We have included such portions and taken into account the consideration in our valuation.
- (4) In valuing the property, we have assumed about RMB9,800 per sq m for the residential property.

In undertaking our valuation of the property, we have made reference to various recent sales prices of residential premises within the same district. These comparable properties are selected as they have characteristics comparable to the property. The price of residential premises ranges from about RMB9,100 to RMB11,000 per sq m. The unit rate assumed by us is consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumption.

- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The State-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws.
 - (b) Ganzhou Xinli Future Property Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Ganzhou Xinli Future Property Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>
6. The unsold portions of Nanchang Yayuan, Zhou Yue, Xihu District, Nanchang, Jiangxi Province, the PRC (南昌雅園、洲悅)	<p>The property comprises various residential units of a comprehensive development completed in 2017.</p> <p>The property has a total gross floor area of 28,672.53 sq m.</p> <p>The property is located in the center of Xihu District. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 6 July 2081 for residential use and due to expire on 6 July 2051 for commercial use.</p>	As at the valuation date, the property was vacant.	RMB890,000,000 (Renminbi Eight Hundred and Ninety Million)

Notes:

- (1) According to a State-owned Land Use Rights Certificate issued by the Nanchang Municipal People's Government (南昌市人民政府), the land use rights of an enlarged development including the property with a site area of 63,568 sq m have been vested in 江西新力置地投資有限公司 (Jiangxi Sinic Properties Investment Co., Ltd) with details as follows:—

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> (sq m)
(2013) D295	8 May 2013	Residential/ Commercial	6 July 2081/ 6 July 2051	63,568

- (2) According to 7 Completion and Acceptance Certificates for Construction Works, portions of the property have been completed.
- (3) According to the Group, portions of the property with a total gross floor area of 14,773.76 sq m have been committed for sale at a total consideration of approximately RMB501,686,000. We have included such portions and taken into account the consideration in our valuation.

- (4) In valuing the property, we have assumed about RMB27,600 per sq m for the residential property.

In undertaking our valuation of the property, we have made reference to various recent sales prices of residential premises within the same district. These comparable properties are selected as they have characteristics comparable to the property. The price of residential premises ranges from about RMB21,000 to RMB29,000 per sq m. The unit rate assumed by us is consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumption.

- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Jiangxi Sinic Properties Investment Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Jiangxi Sinic Properties Investment Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019								
7. The unsold portions of Fengcheng Dibo Wan, Hezhou street, Fengcheng, Jiangxi Province, the PRC (豐城帝泊灣)	<p>The property comprises various residential, commercial and office units of a comprehensive development completed in 2019.</p> <p>The property has gross floor areas as follows:—</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Use</th> <th style="text-align: right; border-bottom: 1px solid black;">Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">274.92</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">2,642.70</td> </tr> <tr> <td>Total:</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">2,917.62</td> </tr> </tbody> </table>	Use	Gross Floor Area (sq m)	Residential	274.92	Commercial	2,642.70	Total:	2,917.62	<p>As at the valuation date, the property was vacant.</p>	<p>RMB33,000,000 (Renminbi Thirty Three Million)</p> <p>(64% interest attributable to the Group: RMB21,120,000) (Renminbi Twenty One Million One Hundred and Twenty Thousand)</p>
Use	Gross Floor Area (sq m)										
Residential	274.92										
Commercial	2,642.70										
Total:	2,917.62										
	<p>The property is located in the sub-urban area of Fengcheng. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential/commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 14 February 2082 for residential use and due to expire on 14 February 2052 for commercial use.</p>										

Notes:

- (1) According to 2 State-owned Land Use Rights Certificates issued by the Fengcheng Land Resources Bureau (豐城市國土資源局), the land use rights of an enlarged development including the property with a total site area of 121,850.90 sq m have been vested in 豐城贛鐵置業有限公司 (Fengcheng Gantie Properties Co., Ltd).
- (2) According to the Completion and Acceptance Certificates for Construction Works, the property has been completed.
- (3) In valuing the property, we have assumed about RMB5,800 per sq m for the residential portion and RMB12,000 per sq m for the commercial portion.

In undertaking our valuation of the property, we have made reference to various recent sales prices of residential and commercial premises within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development within the same district. The price of residential premises ranges from about RMB5,000 to RMB6,500 per sq m. The price of commercial premises ranges from about RMB10,900 to RMB12,000 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The State-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws.
 - (b) Fengcheng Gantie Properties Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Fengcheng Gantie Properties Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019										
8. The unsold portions of Nanchang Jinsha Wan, Nanchang County, Nanchang, Jiangxi Province, the PRC (南昌金沙灣)	<p>The property comprises various residential and commercial units of a comprehensive development completed in 2019.</p> <p>The property has gross floor areas as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Gross Floor Area</th> </tr> <tr> <td></td> <th style="text-align: right;">(sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">1,934.98</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">1,078.48</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">3,013.46</td> </tr> </tbody> </table>	Use	Gross Floor Area		(sq m)	Residential	1,934.98	Commercial	1,078.48	Total:	3,013.46	As at the valuation date, the property was vacant.	RMB38,000,000 (Renminbi Thirty Eight Million)
Use	Gross Floor Area												
	(sq m)												
Residential	1,934.98												
Commercial	1,078.48												
Total:	3,013.46												
	<p>The property is located in the center of Nanchang County. Developments nearby are mainly residential and industrial in nature. According to the information provided by the Group, the property is for residential and retail uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 8 November 2073 for residential use and due to expire on 8 November 2043 for commercial use.</p>												

Notes:—

- (1) According to 6 State-owned Land Use Rights Certificates issued by the People's Government of Nanchang County (南昌縣人民政府), the land use rights of an enlarged development including the property with a total site area of 193,167 sq m have been vested in 江西澳斯屯實業有限公司 (Jiangxi Aositun Industrial Co., Ltd) with details as follows:—

Certificate No.	Issue Date	Land Use	Land Use Expiry Date	Site area
				(sq m)
(2013) 00221-1	20 November 2013	Residential/ Commercial	8 November 2073/ 8 November 2043	34,494
(2013) 00221-2	20 November 2013	Residential/ Commercial	8 November 2073/ 8 November 2043	39,666

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> (sq m)
(2013) 00221-3	20 November 2013	Residential/ Commercial	8 November 2073/ 8 November 2043	31,458
(2013) 00221-4	20 November 2013	Residential/ Commercial	8 November 2073/ 8 November 2043	35,200
(2013) 00221-5	20 November 2013	Residential/ Commercial	8 November 2073/ 8 November 2043	29,487
(2013) 00221-6	20 November 2013	Residential/ Commercial	8 November 2073/ 8 November 2043	22,862
Total:				193,167

- (2) In valuing the property, we have assumed about RMB13,000 per sq m for the residential portion and RMB12,000 per sq m for the commercial portion.

In undertaking our valuation of the property, we have made reference to various recent sales prices of residential and commercial premises within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodations within the same district. The price of residential premises ranges from about RMB11,500 to RMB13,000 per sq m. The price of commercial premises ranges from about RMB12,000 to RMB16,000 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (3) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The State-owned Land use Rights Certificates of the property are valid, legal and enforceable under the PRC laws; and
 - (b) Jiangxi Aositun Industrial Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>										
9. The unsold portions of Nanchang Yinhu Wan, Nanchang County, Nanchang, Jiangxi Province, the PRC (南昌銀湖灣)	<p>The property comprises various residential and commercial units of a comprehensive development completed in 2019.</p> <p>The property has gross floor areas as follows:—</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;"><u>Use</u></th> <th style="text-align: right;"><u>Gross Floor Area</u></th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: right;"><i>(sq m)</i></td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">6,284.58</td> </tr> <tr> <td>Apartment</td> <td style="text-align: right;">70,060.87</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>76,345.45</u></td> </tr> </tbody> </table>	<u>Use</u>	<u>Gross Floor Area</u>		<i>(sq m)</i>	Commercial	6,284.58	Apartment	70,060.87	Total:	<u>76,345.45</u>	As at the valuation date, the property was vacant.	RMB492,000,000 (Renminbi Four Hundred and Ninety Two Million)
<u>Use</u>	<u>Gross Floor Area</u>												
	<i>(sq m)</i>												
Commercial	6,284.58												
Apartment	70,060.87												
Total:	<u>76,345.45</u>												
	<p>The property is located in the center of Nanchang County. Developments nearby are mainly residential and industrial in nature. According to the information provided by the Group, the property is for residential, retail and apartment uses.</p> <p>The land use rights of the property have been granted for terms due to expire on between 17 May 2081 and 29 July 2081 for residential use and due to expire on between 17 May 2051 and 29 July 2051 for commercial use.</p>												

Notes:

- (1) According to 3 State-owned Land Use Rights Certificates issued by the People's Government of Nanchang County (南昌縣人民政府), the land use rights of an enlarged development including the property with a total site area of 132,533 sq m have been vested in 江西和之信投資有限公司 (Jiangxi Hezhixin Investment Co., Ltd) with details as follows:—

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u>
				<i>(sq m)</i>
(2015) 0090	15 May 2015	Commercial	29 July 2051	29,000
(2015) 0091	15 May 2015	Residential/ Commercial	17 May 2081/ 17 May 2051	50,200
(2015) 0089	15 May 2015	Residential/ Commercial	29 July 2081/ 29 July 2051	53,333
			Total:	<u>132,533</u>

- (2) According to the Completion and Acceptance Certificates for Construction Works, portions of the property have been completed.
- (3) According to the Group, portions of the property with a total gross floor area of 75,376.10 sq m. have been committed for sale at a total consideration of approximately RMB479,977,500. We have included such portions and taken into account the consideration in our valuation.
- (4) In valuing the property, we have assumed about RMB12,400 per sq m for residential property.

In undertaking our valuation of the property, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered the comparables of similar types of residential development within the same district. The price of residential premises ranges from about RMB11,500 to RMB13,000 per sq m. The unit rate assumed by us is consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - (a) The State-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws.
 - (b) Jiangxi Hezhixin Investment Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Jiangxi Hezhixin Investment Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019
10. The unsold portions of Nanchang Yujing Wan, Duhui, Changnan Xincheng, Nanchang, Jiangxi Province, the PRC (南昌愉景灣、都奮)	<p>The property comprises various residential units of a comprehensive development completed in between 2016 and 2018.</p> <p>The property has a total gross floor area of 6,008.39 sq m.</p> <p>The property is located in the center of Nanchang. Developments nearby are mainly residential and industrial in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 17 May 2081 and 29 July 2081 respectively for residential use, and due to expire on 17 May 2051 and 29 July 2051 respectively for commercial use.</p>	As at the valuation date, the property was vacant.	<p>RMB66,110,000 (Renminbi Sixty Six Million One Hundred And Ten Thousand)</p> <p>(70% interest attributable to the Group: RMB46,277,000) (Renminbi Forty Six Million Two Hundred and Seventy Seven Thousand)</p>

Notes:

- (1) According to 3 Real Estate Title Certificates, the real estate title of an enlarged development including property with a total gross floor area of 38,875.59 sq m has been vested in 南昌順泰置業有限公司 (Nanchang Shuntai Properties Co., Ltd) for terms from 29 May 2014 to 29 May 2054 for commercial use.
- (2) According to the Completion and Acceptance Certificates for Construction Works, portions of the property have been completed.
- (3) In valuing the property, we have assumed about RMB11,000 per sq m for the residential property.
- (4) In undertaking our valuation of the property, we have made reference to various recent sales prices of residential premises within the same district. These comparable properties are selected as they have characteristics comparable to the property. The price of residential premises ranges from about RMB10,900 to RMB11,000 per sq m. The unit rate assumed by us is consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.
- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - (a) The Real Estate Title Certificates of the property are valid, legal and enforceable under the PRC laws.
 - (b) Nanchang Shuntai Properties Co., Ltd is the legal owner of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Nanchang Shuntai Properties Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>
11. The unsold portions of Phase 1 Nanchang Long Wan, Jiulong Lake Area, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌龍灣)	<p>The property comprises various commercial units of a comprehensive development completed in 2018.</p> <p>The property has a total gross floor area of 24,930.51 sq m.</p> <p>The property is located in the center of Jiulong Lake Area. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on between 16 July 2084 and 2 February 2085 for residential use and due to expire on between 16 July 2054 and 29 September 2054 for commercial use.</p>	As at the valuation date, the property was vacant.	RMB317,000,000 (Renminbi Three Hundred and Seventeen Million)

Notes:

- (1) According to 5 State-owned Land Use Rights Certificates issued by the Nanchang Municipal People's Government and the Nanchang Real Estate Registration Bureau (南昌市人民政府、南昌市不動產登記局), the land use rights of an enlarged development including the property with a total site area of 333,350.58 sq m have been vested in 南昌寶葫蘆農莊有限公司 (Nanchang Baohulu Farm Co., Ltd) with details as follows:—

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> (sq m)
(2014) D616	18 July 2014	Residential/ Commercial	16 July 2084/ 16 July 2054	73,271.16
(2016) 1091409	2 September 2016	Residential/ Commercial	2 February 2085/ 2 February 2055	144,478.57

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> <i>(sq m)</i>
(2014) D615	18 July 2014	Residential/ Commercial	16 July 2084/ 16 July 2054	32,006.85
(2015) D476	19 October 2015	Residential/ Commercial	29 September 2084/ 29 September 2054	18,992.63
(2015) D477	19 October 2015	Residential/ Commercial	29 September 2084/ 29 September 2054	64,601.37
Total:				333,350.58

(2) According to 52 Completion and Acceptance Certificates for Construction Works, the property has been completed.

(3) According to the Group, portions of the commercial portion of the property with a total gross floor area of 14,497.36 sq m have been committed for sale at a total consideration of approximately RMB175,859,000. We have included such portions and taken into account the consideration in our valuation.

(4) In valuing the property, we have assumed about RMB13,500 per sq m for the commercial property.

In undertaking our valuation of the property, we have made reference to various recent sales prices of commercial premises within the same district. These comparable properties are selected as they have characteristics comparable to the property. The price of commercial premises ranges from about RMB11,000 to RMB16,000 per sq m. The unit rate assumed by us is consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

(5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:

- (a) The Stated-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;
- (b) Nanchang Baohulu Farm Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
- (c) Nanchang Baohulu Farm Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
12. The unsold portions of Nanchang Amber Yuan Phase I and II, Jiulong Lake Area, Nanchang, Jiangxi Province, the PRC (南昌琥珀園I及II期)	<p>The property comprises various residential, commercial and office units of a comprehensive development completed in 2018.</p> <p>The property has gross floor areas as follows:—</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: center;">Use</th> <th style="text-align: center;">Gross Floor Area</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">(sq m)</td> </tr> <tr> <td>Residential</td> <td style="text-align: right;">39,424.90</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">24,732.34</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">53,619.93</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">117,777.17</td> </tr> </tbody> </table>	Use	Gross Floor Area		(sq m)	Residential	39,424.90	Commercial	24,732.34	Office	53,619.93	Total:	117,777.17	As at the valuation date, the property was vacant.	RMB1,368,000,000 (Renminbi One Billion Three Hundred and Sixty Eight Million)
Use	Gross Floor Area														
	(sq m)														
Residential	39,424.90														
Commercial	24,732.34														
Office	53,619.93														
Total:	117,777.17														
	<p>The property is located in the center of Jiulong Lake Area. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential, office and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 17 July 2084 for residential use and due to expire on 17 July 2054 for commercial use.</p>														

Notes:

- (1) According to 4 State-owned Land Use Rights Certificates issued by the Nanchang Land Resources Bureau (南昌國土資源局), the land use rights of an enlarged development including the property with a total site area of 216,756.45 sq m have been vested in 江西駿宇實業有限公司 (Jiangxi Junyu Industrial Co., Ltd) with details as follows:—

Certificate No.	Issue Date	Land Use	Land Use Expiry Date	Site area
				(sq m)
(2015) D601	25 December 2015	Residential/ Commercial	17 July 2084/ 17 July 2054	81,615.27
(2013) D598	25 December 2015	Residential/ Commercial	17 July 2084/ 17 July 2054	104,914.14

Certificate No.	Issue Date	Land Use	Land Use Expiry Date	Site area <i>(sq m)</i>
(2015) D599	25 December 2015	Commercial	17 July 2054	15,113.52
(2015) D600	25 December 2015	Commercial	17 July 2054	15,113.52
			Total:	<u><u>216,756.45</u></u>

- (2) According to 35 Completion and Acceptance Certificates for Construction Works, the property has been completed.
- (3) According to the Group, portions of the residential portion of the property with a total gross floor area of 38,990.75 sq m have been committed for sale at a total consideration of approximately RMB582,518,000, portions of the commercial portion of the property with a total gross floor area of 8,053.28 sq m have been committed for sale at a total consideration of approximately RMB128,841,000 and portions of the office portion of the property with a total gross floor area of 52,930.79 sq m have been committed for sale at a total consideration of approximately RMB370,041,000. We have included such portions and taken into account the consideration in our valuation.
- (4) In valuing the property, we have assumed about RMB13,500 per sq m for the residential portion, RMB16,500 per sq m for the commercial portion and RMB10,000 per sq m for the office portion.

In undertaking our valuation of the property, we have made reference to various recent sales prices of residential, commercial and office premises within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodations as well as office premises within the same district. The price of residential premises ranges from about RMB13,000 to RMB14,000 per sq m. The price of commercial premises ranges from about RMB16,000 to RMB17,000 per sq m. In respect of office, the price ranges from about RMB9,000 to RMB11,000 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;
- (b) Jiangxi Junyu Industrial Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
- (c) Jiangxi Junyu Industrial Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>
13. The unsold portions of Nanchang Sinic Center, Xihu District, Nanchang, Jiangxi Province, the PRC (南昌新力中心)	<p>The property comprises various office units of a comprehensive development completed in 2019.</p> <p>The property has a total gross floor area of 46,356.29 sq m.</p> <p>The property is located in the center of Xihu District which is the traditional center of Nanchang. Developments nearby are mainly office and commercial in nature. According to the information provided by the Group, the property is for office use.</p> <p>The land use rights of the property have been granted for a term due to expire on 3 April 2051 for commercial use.</p>	As at the valuation date, the property was vacant.	RMB671,000,000 (Renminbi Six Hundred and Seventy One Million)

Notes:—

- (1) According to a State-owned Land Use Rights Certificate issued by the Nanchang Municipal People's Government (南昌市人民政府), the land use rights of an enlarged development including the property with a total site area of 15,813 sq m have been vested in 江西新力置地投资有限公司 (Jiangxi Sinic Properties Investment Co., Ltd).
- (2) According to the Grant Contract of State-owned Land Use Rights entered into between the Nanchang Land and Resources Bureau (南昌市国土资源局) ("Party A") and Jiangxi Sinic Properties Investment Co., Ltd ("Party B"), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site Area</u> (sq m)	<u>Land Premium</u> (RMB)
D01-04	4 March 2011	Commercial	3 April 2051	15,813	92,508,000

- (3) According to a Permit for Commencement of Construction Works issued by the Nanchang Urban and Rural Planning Bureau, the construction works of the property with a total gross floor area of 90,027.18 sq m are in compliance with the requirements for the works commencement and have been permitted by the relevant authorities.

(4) According to the information provided by the Group, various office units with a total gross floor area of 20,282.03 sq m of the property have been committed for sale for a consideration of approximately RMB247,932,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.

(5) In valuing the property, we have assumed about RMB16,000 per sq m for the office property.

In undertaking our valuation of the property, we have made reference to various recent sales prices of office premises within the same district. These comparable properties are selected as they have characteristics comparable to the property. The price of official premises ranges from about RMB16,000 to RMB18,800 per sq m. The unit rate assumed by us is consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumption.

(6) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:

(a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;

(b) Jiangxi Sinic Properties Investment Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and

(c) Jiangxi Sinic Properties Investment Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>
14. The unsold portions of Nanchang Xi Yuan, Wangcheng Economic and Technological Development Zone, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌禧園)	<p>The property comprises various residential units of a comprehensive development completed in 2019.</p> <p>The property has a total gross floor area of 127,550.51 sq m.</p> <p>The property is located in the center of Xinjian District. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 27 July 2080, 19 September 2080, 7 December 2082 for residential use and due to expire on 27 July 2050, 19 September 2050, 7 December 2052 for commercial use.</p>	As at the valuation date, the property was vacant.	RMB1,670,000,000 (Renminbi One Billion Six Hundred and Seventy Million)

Notes:

- (1) According to 12 State-owned Land Use Rights Certificates issued by the Nanchang County People's Government (南昌縣人民政府), the land use rights of an enlarged development including the property with a total site area of 461,741 sq m have been vested in 江西金麒麟置業有限公司 (Jiangxi Jinqiling Real Estate Co., Ltd).
- (2) According to the Completion and Acceptance Certificates for Construction Works, portions of the property have been completed.
- (3) According to the Group, portions of the property with a total gross floor area of 127,424.65 sq m have been committed for sale at a total consideration of approximately RMB1,663,922,000. We have included such portions and taken into account the consideration in our valuation.
- (4) In valuing the property, we have assumed about RMB13,000 per sq m for the residential property.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential premises within the same district. These comparable properties are selected as they have characteristics comparable to the property. The price of residential premises ranges from about RMB13,000 to RMB13,500 per sq m. The unit rate assumed by us is consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumption.

- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The State-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws.
 - (b) Jiangxi Jinqiling Real Estate Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Jiangxi Jinqiling Real Estate Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019										
15. The unsold portions of Nanchang Yulong Wan, Wangcheng Economic and Technological Development Zone, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌鈺龍灣)	The property comprises various commercial and office units of a comprehensive development completed in 2019. The property has gross floor areas as follows:—	As at the valuation date, the property was vacant.	RMB420,000,000 (Renminbi Four Hundred and Twenty Million) (51% interest attributable to the Group: RMB214,200,000) (Renminbi Two Hundred Fourteen Million and Two Hundred Thousand)										
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Use</th> <th style="text-align: center;">Gross Floor Area</th> </tr> <tr> <td></td> <td style="text-align: center;">(sq m)</td> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td style="text-align: right;">18,213.22</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">14,276.90</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">32,490.12</td> </tr> </tbody> </table>	Use	Gross Floor Area		(sq m)	Commercial	18,213.22	Office	14,276.90	Total:	32,490.12		
Use	Gross Floor Area												
	(sq m)												
Commercial	18,213.22												
Office	14,276.90												
Total:	32,490.12												
	<p>The property is located in the center of Xinjian District. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for commercial and office uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 24 April 2083 and 23 September 2083 respectively for residential use and due to expire on 24 April 2053 and 23 September 2053 respectively for commercial use.</p>												

Notes:

- (1) According to 4 State-owned Land Use Rights Certificates issued by the Nanchang Land Resources Bureau (南昌國土資源局), the land use rights of an enlarged development including the property with a total site area of 163,009.66 sq m have been vested in 江西恒望置業有限公司 (Jiangxi Hengwang Properties Co., Ltd) with details as follows:—

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> (sq m)
(2013) 06006	4 June 2013	Residential/ Commercial	24 April 2083/ 24 April 2053	40,688.00
(2013) 06007	4 June 2013	Residential/ Commercial	24 April 2083/ 24 April 2053	42,367.33
(2013) 11005	18 November 2013	Residential/ Commercial	23 September 2083/ 23 September 2053	64,543.33
(2015) 08002	14 August 2015	Commercial	23 September 2053	15,411.00
Total:				163,009.66

- (2) According to 9 Completion and Acceptance Certificates for Construction Works, the property has been completed.
- (3) According to the Group, the commercial portion of the property with a total gross floor area of 17,879.65 sq m have been committed for sale at a total consideration of approximately RMB214,478,000. We have included such portions and taken into account the consideration in our valuation.
- (4) In valuing the property, we have assumed about RMB14,000 per sq m for the commercial portion and RMB14,000 per sq m for the office portion.
- (5) In undertaking our valuation of the property, we have made reference to various recent sales prices of commercial and office premise within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of office and commercial development within the same district. The price of commercial premises ranges from about RMB14,000 to RMB15,000 per sq m. The price of office premises ranges from about RMB13,000 to RMB15,000 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.
- (6) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;
 - (b) Jiangxi Hengwang Properties Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Jiangxi Hengwang Properties Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>
16. The unsold portions of Nanchang Dibo Wan, Nanchang, Jiangxi Province, the PRC (南昌帝泊灣)	<p>The property comprises the unsold residential portions with a gross floor area of 880.56 sq m.</p> <p>The property was completed in 2018.</p> <p>The property is located in the center of Economic and Technological Development Zone. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 16 September 2080 for residential use.</p>	As at the valuation date, the property was vacant.	RMB11,000,000 (Renminbi Eleven Million)

Notes:—

- (1) According to 3 State-owned Land Use Rights Certificates Nos. (2011)D017, (2011)D018 and (2011)D019, the land use rights of the development with a total site area of 185,564.60 sq m have been vested in 江西新力置地投資有限公司 (Jiangxi Sinic Properties Investment Co., Ltd) for terms due to expire on 16 September 2080 for residential use.
- (2) According to a Completion and Acceptance Certificate for Construction Works, the construction works for the development have been completed.
- (3) In valuing the property, we have assumed about RMB11,500 per sq m for the residential property.

In undertaking our valuation of the property, we have made reference to various recent sales prices of residential premises within the same district. These comparable properties are selected as they have characteristics comparable to the property. The price of residential premises ranges from about RMB11,100 to RMB13,000 per sq m. The unit rate assumed by us is consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumption.

- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - (a) The Stated-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws; and
 - (b) Jiangxi Sinic Properties Investment Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019														
17. The unsold portions of Wuhan Amber Yuan Hanyang District, Wuhan, Hebei Province, the PRC (武漢琥珀園)	<p>The property comprises various commercial and office units of a comprehensive development completed in 2018.</p> <p>The property has gross floor areas as follows:—</p>	As at the valuation date, the property was vacant.	<p>RMB16,800,000 (Renminbi Sixteen Million and Eight Hundred Thousand)</p> <p>(79% interest attributable to the Group: RMB13,272,000) (Renminbi Thirteen Million Two Hundred And Seventy Two Thousand)</p>														
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Use</th> <th style="text-align: center;">Gross Floor Area</th> </tr> <tr> <th style="text-align: center;">Use</th> <th style="text-align: center;">Area</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">(sq m)</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">694.22</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">70.31</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">11,220.14</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">11,984.67</td> </tr> </tbody> </table>	Use	Gross Floor Area	Use	Area		(sq m)	Commercial	694.22	Office	70.31	Car park	11,220.14	Total:	11,984.67		
Use	Gross Floor Area																
Use	Area																
	(sq m)																
Commercial	694.22																
Office	70.31																
Car park	11,220.14																
Total:	11,984.67																
	<p>The property is located in the sub-urban of Hanyang District. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 30 August 2086 for residential use and due to expire on 30 August 2056 for commercial use.</p>																

Notes:

- (1) According to State-owned Land Use Rights Certificate No. (2016) 0000917, the land use rights of an enlarged development including the property with a total site area of 17,373.9 sq m have been vested in 武漢保和優誠置業有限公司 (Wuhan Baohe Youcheng Real Estate Co., Ltd).
- (2) According to the Completion and Acceptance Certificates for Construction Works, portions of the property have been completed.
- (3) In valuing the property, we have assumed about RMB11,500 per sq m for the office portion and RMB23,000 per sq m for the commercial portion.

- (4) In undertaking our valuation of the property, we have made reference to various recent sales prices of residential office and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of office and commercial developments within the same district. The price of office premises ranges from about RMB10,000 to RMB13,000 per sq m. The price of commercial premises ranges from RMB20,100 to RMB25,500 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.
- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The State-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws.
 - (b) Wuhan Baohe Youcheng Real Estate Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Wuhan Baohe Youcheng Real Estate Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>										
18. The unsold portions of Wuhan Dibo Wan, Panlongcheng Economic Development Zone, Huangpi District, Wuhan, Hubei Province, the PRC (武漢帝泊灣)	<p>The property comprises various residential and commercial units of a comprehensive development completed in 2018.</p> <p>The property has gross floor areas as follows:—</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Use</u></th> <th style="text-align: right;"><u>Gross Floor Area</u></th> </tr> <tr> <td></td> <td style="text-align: right;"><i>(sq m)</i></td> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">55,907.05</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">4,944.40</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>60,851.45</u></td> </tr> </tbody> </table>	<u>Use</u>	<u>Gross Floor Area</u>		<i>(sq m)</i>	Residential	55,907.05	Commercial	4,944.40	Total:	<u>60,851.45</u>	As at the valuation date, the property was vacant.	RMB618,000,000 (Renminbi Six Hundred and Eighteen Million)
<u>Use</u>	<u>Gross Floor Area</u>												
	<i>(sq m)</i>												
Residential	55,907.05												
Commercial	4,944.40												
Total:	<u>60,851.45</u>												
	<p>The property is located in the sub-urban area of Wuhan. Developments nearby are mainly residential and industrial in nature. According to the information provided by the Group, the property is for residential and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 26 January 2075 for residential use and due to expire on 26 January 2045 for commercial use.</p>												

Notes:—

- (1) According to Real Estate Certificate No. (2017)0001453, the land use rights of an enlarged development including the property with a total site area of 110,445.57 sq m have been vested in 湖北華中盤龍收藏品交易市場開發有限公司 (Hubei Central China Panlong Collection Trading Market Development Co., Ltd) for terms due to expire on 26 January 2075 for residential use and due to expire on 26 January 2045 for commercial use.
- (2) According to the Group, the residential portion of the property with a total gross floor area of 54,742.40 sq m have been committed for sale at a total consideration of approximately RMB528,696,000. The commercial portion of the property with a total gross floor area of 4,518.82 sq m have been committed for sale at a total consideration of approximately RMB82,488,000. We have included such portions and taken into account the consideration in our valuation.
- (3) In valuing the property, we have assumed a unit rate of RMB16,400 per sq m for the commercial portion.

In undertaking our valuation of the property, we have made reference to various recent sales prices of residential and commercial premises within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential developments with ancillary commercial accommodations within the same district. The price of commercial premises ranges from about RMB16,400 to RMB22,700 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Real Estate Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Hubei Central China Panlong Collection Trading Market Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Hubei Central China Panlong Collection Trading Market Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Group II — Properties held by the Group for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019
19. The property under construction known as Nanchang Park No. 1, Phase II Nanchang High-tech Development Zone, Nanchang, Jiangxi Province, the PRC (南昌公園壹號)	<p>The property comprises a parcel of land with a total site area of 80,203 sq m.</p> <p>The property, currently under construction, is a planned development of hotel use. According to the information provided by the Group, the planned gross floor area of the property is 55,065.13 sq m.</p> <p>The property is located in the East of Gaoxin District of Nanchang where needs further development. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for a term from 4 August 2015 to 3 August 2055 for commercial use.</p>	As at the valuation date, the property was under construction and scheduled to be completed in 2020.	RMB285,000,000 (Renminbi Two Hundred and Eighty Five Million)

Notes:—

- (1) According to the State-owned Land Use Rights Certificate, the land use rights of the property with a site area of 80,203 sq m have been vested in 南昌天華置業有限公司 (Nanchang Tianhua Real Estate Development Co., Ltd) for a land use term from 4 August 2015 to 3 August 2055 for commercial use.
- (2) According to the Grant Contract of State-owned Land Use Rights and its Supplementary Agreement entered into between the Nanchang Land Resources Management Bureau (南昌市土地管理局) (“Party A”) and Nanchang Tianhua Real Estate Development Co., Ltd (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

Contract No.	Issue Date	Land Use	Land Use Expiry Date	Site Area (sq m)	Land Premium (RMB)
360101101523K	4 August 2015	Residential, Commercial	3 August 2085 for residential use 3 August 2055 for commercial use	193,765	203,453,250

- (3) According to the Permit for Commencement of Construction Works, the construction works of portions of an enlarged development with a gross floor area of 55,065.13 sq m are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.

- (4) In valuing the property, we have assumed a unit rate of RMB2,300 per sq m for the composite land.

In valuing the property, we have made reference to various recent sales evidences of land in the locality within the same district. These comparable properties are selected as they have characteristics comparable to the property. The accommodation value of these comparable land sites ranges from RMB1,800 to RMB2,290 per sq m for commercial use. Due adjustments to the accommodation values of those sales evidences have been made to reflect these factors including but not limited to location, size and other characteristics in arriving at the assumed accommodation value.

- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
 - (b) Nanchang Tianhua Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Nanchang Tianhua Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019										
20. The property under construction known as Phase 2 of Nanchang Times Square, Nanchang High-tech Development Zone, Nanchang, Jiangxi Province, the PRC (南昌時代廣場II期)	<p>The property comprises a parcel of land with a total site area of 180,170 sq m.</p> <p>The property is a planned development of commercial use. According to the information provided by the Group, the constituent planned gross floor areas are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td style="text-align: right;">50,773</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">89,220</td> </tr> <tr> <td>Hotel</td> <td style="text-align: right;">30,007</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">170,000</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Commercial	50,773	Office	89,220	Hotel	30,007	Total:	170,000	As at the valuation date, the property was vacant.	RMB580,000,000 (Renminbi Five Hundred and Eighty Million)
Use	Planned Gross Floor Area (sq m)												
Commercial	50,773												
Office	89,220												
Hotel	30,007												
Total:	170,000												
	<p>The property is located in the center of Nanchang High-tech Development Zone, Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for comprehensive use.</p> <p>The land use rights of the property have been granted for terms due to expire on 26 January 2086 for residential use and due to expire on 26 January 2056 for commercial use.</p>												

Notes:—

- (1) According to the State-owned Land Use Rights Certificates issued by the Nanchang Real Estate Registration Office (南昌市不動產登記局), the land use rights of the property with a total site area of 180,170 sq m have been vested in 江西新瀚置業有限公司 (Jiangxi Xinhuan Real Estate Co., Ltd).

- (2) According to the Grant Contract of State-owned Land Use Rights entered into between the Nanchang Land Resources Management Bureau (南昌市國土資源局) (“Party A”) and 江西新瀚置業有限公司 (Jiangxi Xinhan Real Estate Co., Ltd.) (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Contract No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site Area</u> <i>(sq m)</i>	<u>Land Premium</u> <i>(RMB)</i>
36010110160	27 January 2016	Residential, Commercial	26 January 2086 for residential use and 26 January 2056 for commercial use	180,170	702,663,000

- (3) According to the Permits for Commencement of Construction Works issued by the Nanchang Urban and Rural Planning Bureau, the construction works of portions of an enlarged development including the property with a total gross floor area of approximately 231,487.57 sq m are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.

- (4) In valuing the property, we have assumed a unit rate of RMB2,300 per sq m for the composite land.

In valuing the property, we have made reference to various recent sales evidences of land in the locality within the same district. These comparable properties are selected as they have characteristics comparable to the property. The accommodation value of these comparable land sites ranges from RMB1,800 to RMB2,300 per sq m for residential use. Due adjustments to the accommodation values of those sales evidences have been made to reflect these factors including but not limited to location, size and other characters in arriving at assumed accommodation value.

- (5) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Jiangxi Xinhan Real Estate Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Jiangxi Xinhan Real Estate Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019
21. The retail portion of Nanchang Jinsha Wan, Nanchang, Jiangxi Province, the PRC (南昌金沙灣)	<p>The property comprises the retail portion with a gross floor area of 224.50 sq m.</p> <p>The property was completed in 2018.</p> <p>The property is located in the center of Nanchang County. Developments nearby are mainly residential and industrial in nature. According to the information provided by the Group, the property is for retail use.</p> <p>The land use rights of the property have been granted for terms due to expire on 8 November 2073 for residential use and due to expire on 8 November 2043 for commercial use.</p>	As at the valuation date, the property was vacant.	RMB2,600,000 (Renminbi Two Million and Six Hundred Thousand)

Notes:—

- (1) According to 6 State-owned Land Use Rights Certificates Nos. (2013)00221-1, (2013)00221-2, (2013)00221-3, (2013)00221-4, (2013)00221-5 and (2013)00221-6, the land use rights of an enlarged premises including the property with a total site area of 193,167 sq m have been vested in 江西澳斯屯實業有限公司 (Jiangxi Aositun Industrial Co., Ltd) for terms due to expire on 8 November 2073 for residential use and due to expire on 8 November 2043 for commercial use.
- (2) According to various Completion and Acceptance Certificates for Construction Works, the property has been completed.
- (3) According to Survey Report No. (2018)42, the property has a gross floor area of 224.50 sq m.
- (4) Our key assumptions in Investment Method are:

Market Monthly Rent (per sq.m.)	Capitalisation rate
RMB61	4%

In undertaking our valuation, we have made reference to various recent lettings within similar properties. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of retail developments within the same district. The rental levels of those major office lettings range from RMB42 to RMB62 per sq m per month.

We have gathered and analyzed various recent sales and noted that the yields implied in those sales are generally within the range from 4% to 5% for retail premises.

The above market rent assumed by us is consistent with the level of the recent lettings within the property and other similar properties as mentioned above. The capitalisation rate is reasonable having regard to the yields analyzed from sales of comparable properties which we have collected. When determining the capitalisation rate, we have also taken into account factors including but not limited to location, quality of the property and commercial atmosphere.

- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - (a) The Stated-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws; and
 - (b) Jiangxi Aositun Industrial Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>
22. The retail portion of Nanchang Yinhu Wan, Nanchang County, Nanchang, Jiangxi Province, the PRC (南昌銀湖灣)	<p>The property comprises the retail portion with a gross floor area of 658.45 sq m.</p> <p>The property was completed in 2018.</p> <p>The property is located in the center of Nanchang County. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for commercial use.</p> <p>The land use rights of the property have been granted for terms due to expire on 17 May 2081 and 29 July 2081 respectively for residential use, due to expire on 17 May 2051 and 29 July 2051 respectively for commercial use.</p>	As at the valuation date, the property was vacant.	RMB8,800,000 (Renminbi Eight Million and Eight Hundred Thousand)

Notes:—

- (1) According to 3 State-owned Land Use Rights Certificates, the land use rights of an enlarged development including the property with a total site area of 132,533 sq m have been vested in 江西和之信投資有限公司 (Jiangxi Hezhixin Investment Co., Ltd) with details as follows:—

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> (sq m)
(2015) 0090	15 May 2015	Commercial	29 July 2051	29,000
(2015) 0091	15 May 2015	Residential/ Commercial	17 May 2051/ 17 May 2081	50,200
(2015) 0089	15 May 2015	Residential/ Commercial	29 July 2051 29 July 2081	53,333
			Total:	132,533

- (2) According to 26 Completion and Acceptance Certificates for Construction Works, the property has been completed.

- (3) Our key assumptions in Investment Method are:

<u>Market Monthly Rent</u>	<u>Capitalisation rate</u>
<i>(per sq.m.)</i>	
RMB61	4%

In undertaking our valuation, we have made reference to various recent lettings within similar properties. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of retail developments within the same district. The rental level of those major retail lettings ranges from RMB43 to RMB63 per sq m per month.

We have gathered and analyzed various recent sales and noted that the yields implied in those sales are generally within the range from 4% to 5% for retail premises.

The above market rent assumed by us is consistent with the level of the recent lettings within the property and other similar properties as mentioned above. The capitalisation rate is reasonable having regard to the yields analyzed from sales of comparable properties which we have collected. When determining the capitalisation rate, we have also taken into account factors including but not limited to location, quality of the property and commercial atmosphere.

- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;
 - (b) Jiangxi Hezhixin Investment Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Jiangxi Hezhixin Investment Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>
23. The commercial podium of Nanchang Yujing Wan, Duhui, Changnan Xincheng, Nanchang, Jiangxi Province, the PRC (南昌愉景灣都荟)	<p>The property comprises portions of the retail podium with a gross floor area of 42,102.34 sq m.</p> <p>The property was completed in 2016.</p> <p>The property is located in the center of Nanchang. Developments nearby are mainly residential and industrial in nature. According to the information provided by the Group, the property is for commercial use.</p> <p>The land use rights of the property have been granted for terms from 29 May 2014 to 29 May 2054 for commercial use.</p>	<p>As at the valuation date, the property was subject to various tenancies with the latest expiry on 9 November 2036 at a total monthly rent of RMB600,500 (exclusive of management fee).</p>	<p>RMB450,000,000 (Renminbi Four Hundred and Fifty Million)</p> <p>(70% interest attributable to the Group: RMB315,000,000 (Renminbi Three Hundred and Fifteen Million))</p>

Notes:—

- (1) According to 3 Real Estate Title Certificates, the real estate title of portions of the property with a total gross floor area of 38,875.59 sq m have been vested in 南昌順泰置業有限公司 (Nanchang Shuntai Properties Co., Ltd) for terms from 29 May 2014 to 29 May 2054 for commercial use.
- (2) Our key assumptions in Investment Method are:

<u>Market Monthly Rent</u>	<u>Capitalisation rate</u>
(per sq.m.)	
RMB147	4%

In undertaking our valuation, we have made reference to various recent lettings within similar properties. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of retail developments within the same district. The rental level of those major retail lettings ranges from RMB100 to RMB150 per sq m per month.

We have gathered and analyzed various recent sales and noted that the yields implied in those sales are generally within the range from 4% to 5% for retail premises.

The above market rent assumed by us is consistent with the level of the recent lettings within the property and other similar properties as mentioned above. The capitalisation rate is reasonable having regard to the yields analyzed from sales of comparable properties which we have collected. When determining the capitalisation rate, we have also taken into account factors including but not limited to location, quality of the property and commercial atmosphere.

- (3) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Real Estate Title Certificates of the property are valid, legal and enforceable under the PRC laws;
 - (b) Nanchang Shuntai Properties Co., Ltd is the legal owner of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Nanchang Shuntai Properties Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the real estate title of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>
24. The retail portion of Nanchang Yulong Wan, Wangcheng Economic and Technological Development Zone, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌鈺瓏灣)	<p>The property comprises portions of the retail podium with a gross floor area of 107.33 sq m.</p> <p>The property was completed in 2017.</p> <p>The property is located in the center of Xinjian District. Developments nearby are mainly residential in nature. According to the Group, the property is for commercial use.</p> <p>The land use rights of the property have been granted for terms due to expire on 24 April 2083 for residential use and 24 April 2053 for commercial use.</p>	As at the valuation date, the property was vacant.	<p>RMB1,230,000 (Renminbi One Million and Two Hundred Thirty Thousand)</p> <p>(51% interest attributable to the Group: RMB627,300) (Renminbi Six Hundred Twenty Seven Thousand and Three Hundred)</p>

Notes:—

- (1) According to 4 State-owned Land Use Rights Certificates, the land use rights of the development with a total site area of 163,010 sq m have been vested in 江西恒望置業有限公司 (Jiangxi Hengwang Properties Co., Ltd) with details as follows:—

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> (sq m)
(2013) 06006	4 June 2013	Residential/ Commercial	24 April 2083/ 24 April 2053/	40,688.00
(2013) 06007	4 June 2013	Residential/ Commercial	24 April 2083/ 24 April 2053/	42,367.33
(2013) 11005	18 November 2013	Residential/ Commercial	23 September 2083/ 23 September 2053	64,543.33
(2015) 08002	14 August 2015	Commercial	23 September 2053	15,411.00
Total:				<u>163,009.66</u>

- (2) According to 9 Completion and Acceptance Certificates for Construction Works, the property has been completed.

- (3) Our key assumptions in Investment Method are:

<u>Market Monthly Rent</u>	<u>Capitalisation rate</u>
<i>(per sq.m.)</i>	
RMB58	4%

In undertaking our valuation, we have made reference to various recent lettings within similar properties. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of retail developments within the same district. The rental level of those major retail lettings ranges from RMB42 to RMB62 per sq m per month.

We have gathered and analyzed various recent sales and noted that the yields implied in those sales are generally within the range from 4% to 5% for retail premises.

The above market rent assumed by us is consistent with the level of the recent lettings within the property and other similar properties as mentioned above. The capitalisation rate is reasonable having regard to the yields analyzed from sales of comparable properties which we have collected. When determining the capitalisation rate, we have also taken into account factors including but not limited to location, quality of the property and commercial atmosphere.

- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;
 - (b) Jiangxi Hengwang Properties Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (d) Jiangxi Hengwang Properties Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019
25. The retail portion, commercial podium, Nanchang Dibo Wan, Nanchang, Jiangxi Province, the PRC (南昌帝泊灣)	<p>The property comprises a retail unit with a gross floor area of 121.06 sq m.</p> <p>The property was completed in 2015.</p> <p>The property is located in the center of Economic and Technological Development Zone. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for commercial use.</p> <p>The land use rights of the property have been granted for terms due to expire on 16 September 2080 for residential use.</p>	As at the valuation date, the property was vacant.	RMB3,400,000 (Renminbi Three Million and Four Hundred Thousand)

Notes:—

- (1) According to 3 State-owned Land Use Rights Certificates Nos. (2011) D017, (2011) D018 and (2011) D019, the land use rights of the development with a total site area of 185,564.60 sq m have been vested in 江西新力置地投資有限公司 (Jiangxi Sinic Properties Investment Co., Ltd) for terms due to expire on 16 September 2080 for residential use.
- (2) According to the Completion and Acceptance Certificate for Construction Works, the construction works for the development have been completed.
- (3) Our key assumptions in Investment Method are:

Market Monthly Rent	Capitalisation rate
<i>(per sq.m.)</i>	
RMB130	4%

In undertaking our valuation, we have made reference to various recent lettings within similar properties. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of retail developments within the same district. The rental level of those major retail lettings ranges from RMB71 to RMB150 per sq m per month.

We have gathered and analyzed various recent sales and noted that the yields implied in those sales are generally within the range from 4% to 5% for retail premises.

The above market rent assumed by us are consistent with the level of the recent lettings within the property and other similar properties as mentioned above. The capitalisation rate is reasonable having regard to the yields analyzed from sales of comparable properties which we have collected. When determining the capitalisation rate, we have also taken into account factors including but not limited to location, quality of the property and commercial atmosphere.

- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - (a) The Stated-owned Land Use Rights Certificate of the property are valid, legal and enforceable under the PRC laws; and
 - (b) Jiangxi Sinic Properties Investment Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Group III — Properties held by the Group under development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019														
26. The property under construction known as Huizhou Dong Yuan Phase I, Daya Bay Economic and Technological Development Zone, Huizhou, Guangdong Province, the PRC (惠州東園I期)	<p>The property comprises portions of a composite development to be erected on a parcel of land with a total site area of 82,338 sq m.</p> <p>The property, currently under construction, is a planned development for residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor areas of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Use</th> <th style="text-align: center;">Planned Gross Floor Area</th> </tr> <tr> <td></td> <td style="text-align: center;"><i>(sq m)</i></td> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">148,522.33</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">2,310.54</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">51,013.24</td> </tr> <tr> <td>Ancillary facilities</td> <td style="text-align: right;">10,916.83</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">212,762.94</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area		<i>(sq m)</i>	Residential	148,522.33	Commercial	2,310.54	Car park	51,013.24	Ancillary facilities	10,916.83	Total:	212,762.94	As at valuation date, the property was under construction and scheduled to be completed in the end of 2019.	RMB1,410,000,000 (Renminbi One Billion Four Hundred and Ten Million)
Use	Planned Gross Floor Area																
	<i>(sq m)</i>																
Residential	148,522.33																
Commercial	2,310.54																
Car park	51,013.24																
Ancillary facilities	10,916.83																
Total:	212,762.94																
	<p>The property is located in the center of Daya Bay District. Developments nearby are mainly residential and commercial in nature. According to the information provided by the Group, the property is for residential and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 12 May 2078 for residential use and due to expire on 12 May 2048 for commercial use.</p>																

Notes:—

- (1) According to State-owned Land Use Rights Certificate issued by the Huizhou Land Resources Bureau (惠州國土資源局), the land use rights of the property with a total site area of 82,338 sq m have been vested in 惠州大亞灣新際房地產開發有限公司 (Huizhou Daya Bay Xinji Real Estate Development Co., Ltd).

- (2) According to 2 Transfer Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between Huizhou Daya Bay Economic and Technological Development Zone Land Resources Bureau (惠州大亞灣開發區國土資源局) (“Party A”) and 惠陽房地產開發集團大亞灣總公司 (Huiyang Real Estate Development Group Daya Bay Corporation) and 惠州大亞灣南海新城實業有限公司 (Huizhou Daya Bay Nanhai New Town Industrial Co., Ltd.) (collectively “Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Contract No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site Area</u> <i>(sq m)</i>	<u>Land Premium</u> <i>(RMB)</i>
043093	18 July 2006	Residential, Commercial	12 May 2078 for residential use and 12 May 2048 for commercial use	37,000	12,177,400
043094	18 July 2006	Residential, Commercial	12 May 2078 for residential use and 12 May 2048 for commercial use	55,100	18,134,500
Total				<u>92,100</u>	<u>30,311,900</u>

- (3) According to 2 Commencement Permits for Construction Works by Housing and Planning Bureau of Daya Bay Economic and Technological Development Zone of Huizhou (惠州大亞灣經濟開發區住房和規劃建設局), the construction works of the development are in compliance with the requirements for works commencement and have been permitted.
- (4) The name of the company had been changed from “Huizhou Daya Bay Nanhai Xincheng Industrial Co., Ltd” to “Huizhou Daya Bay Xinji Real Estate Development Co., Ltd.”.
- (5) The development value of the property as if completed as at 31 July 2019 was RMB2,070,000,000.
- (6) According to the information provided by the Group, various residential units with a total gross floor area of 147,974.48 sq m of the property have been committed to be sold for a consideration of approximately RMB1,885,992,000. Various commercial units with a total gross floor area of 2,310.54 sq m of the property have been committed to be sold for a consideration of approximately RMB36,968,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (7) According to the information provided by the Group, the construction cost incurred as at the valuation date was approximately RMB311,500,000. The estimated total construction cost was approximately RMB625,000,000. In the course of our valuation, we have taken into account such costs.
- (8) In valuing the property if completed, we have assumed about RMB13,000 per sq m for the residential portion, and RMB120,000 per lot for the car park portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development within the same district. The price of residential premises ranges from about RMB12,000 to RMB13,500 per sq m. In respect of car parking spaces, the price ranges from about RMB90,000 to RMB140,000 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (9) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Huizhou Daya Bay Xinji Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Huizhou Daya Bay Xinji Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
27. The property under construction known as Huizhou Amber Yuan, Daya Bay Economic and Technological Development Zone, Huizhou, Guangdong Province, the PRC (惠州琥珀園)	<p>The property comprises portions of a composite development to be erected on a parcel of land with a total site area of 37,560 sq m.</p> <p>The property, currently under construction, is a planned development for residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor areas of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">103,088.34</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">349.96</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">30,744.32</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">4,464.44</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">138,647.06</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	103,088.34	Commercial	349.96	Car park	30,744.32	Ancillary	4,464.44	Total:	138,647.06	As at the valuation date, the property was under construction and scheduled to be completed in the end of 2019.	RMB1,080,000,000 (Renminbi One Billion and Eighty Million) (75% interest attributable to the Group: RMB810,000,000 (Renminbi Eight Hundred and Ten Million))
Use	Planned Gross Floor Area (sq m)														
Residential	103,088.34														
Commercial	349.96														
Car park	30,744.32														
Ancillary	4,464.44														
Total:	138,647.06														
	<p>The property is located in the center of Daya Bay District. Developments nearby are mainly residential and commercial in nature. According to the information provided by the Group, the property is for residential and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 12 January 2081 for residential use and due to expire on 12 January 2051 for commercial use.</p>														

Notes:—

- (1) According to State-owned Land Use Rights Certificate issued by the Huizhou Land Resources Bureau (惠州國土資源局), the land use rights of the property with a total site area of 37,560 sq m have been vested in 惠州市朗鉅實業有限公司 (Huizhou Langju Industrial Co., Ltd).

- (2) According to the Transfer Contract of State-owned Land Use Rights and its Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between the Huizhou Land Resources Bureau (惠州國土資源局) (“Party A”) and Huizhou Langju Industrial Co., Ltd. (惠州市朗鉅實業有限公司) (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Contract No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Site Area</u> (sq m)
(2012)22	22 May 2013	Residential/ Commercial	37,560

- (3) According to the Commencement Permits for Construction Works issued by the Housing and Planning Bureau of Daya Bay Economic and Technological Development Zone of Huizhou (惠州大亞灣經濟開發區住房和規劃建設局), the construction works of the development are in compliance with the requirements for works commencement and have been permitted with a scale of 138,647.06 sq m.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB1,430,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 102,891.28 sq m of the property have been committed to be sold for a consideration of approximately RMB1,330,455,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at the valuation date was approximately RMB330,600,000. The estimated total construction cost was approximately RMB507,000,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB13,000 per sq m for the residential portion, RMB25,000 per sq m for the commercial portion and RMB120,000 per lot for the car park portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development within the same district. The price of residential premises ranges from about RMB12,000 to RMB13,500 per sq m. The price of commercial premises ranges from about RMB22,000 to RMB26,000 per sq m. In respect of car parking spaces, the price ranges from about RMB900,000 to RMB140,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - Huizhou Langju Industrial Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - Huizhou Langju Industrial Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
28. The property under construction known as Huizhou Upper Yuan, Daya Bay Economic and Technological Development Zone, Huizhou, Guangdong Province, the PRC (惠州上園)	<p>The property comprises a composite development to be erected on a parcel of land with a total site area of 36,516 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Use</th> <th style="text-align: right; border-bottom: 1px solid black;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">89,991.23</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">1,845.12</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">27,510.72</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right; border-bottom: 1px solid black;">3,275.14</td> </tr> <tr> <td>Total:</td> <td style="text-align: right; border-bottom: 3px double black;">122,622.21</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	89,991.23	Commercial	1,845.12	Car park	27,510.72	Ancillary	3,275.14	Total:	122,622.21	As at valuation date, the property was under construction and scheduled to be completed in 2020.	RMB900,000,000 (Renminbi Nine Hundred Million)
Use	Planned Gross Floor Area (sq m)														
Residential	89,991.23														
Commercial	1,845.12														
Car park	27,510.72														
Ancillary	3,275.14														
Total:	122,622.21														
	<p>The property is located in the center of Daya Bay District. Developments nearby are mainly residential and commercial in nature. According to the information provided by the Group, the property is for residential and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 30 May 2080 for residential use and due to expire on 30 May 2050 for commercial use.</p>														

Notes:—

- (1) According to State-owned Land Use Rights Certificate issued by Huizhou Land Resources Bureau of Daya Bay Economic and Technological Development Zone (惠州國土資源局大亞灣經濟技術開發區分局), the land use rights of the property with a total site area of 36,516 sq m have been vested in 惠州市均城投資有限公司 (Huizhou Juncheng Investment Co., Ltd).

- (2) According to Transfer Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between Huizhou Land Resources Bureau (惠州國土資源局) (“Party A”) and Huizhou Juncheng Investment Co., Ltd, the land use rights of the property have been contracted to be granted to Party B with key details as follows:

No.	Land Plot No.	Issue Date	Land Use	Site Area (sq m)	Land Premium (RMB)
(2013)0162	88-01-186	18 August 2013	Residential/ Commercial	36,516	182,580,000

- (3) According to Commencement Permits for Construction Works by Housing and Planning Bureau of Daya Bay Economic and Technological Development Zone of Huizhou (惠州大亞灣經濟開發區住房和規劃建設局), the construction works of the development are in compliance with the requirements for works commencement and have been permitted.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB1,320,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 89,991.23 sq m of the property have been committed to be sold for a consideration of approximately RMB1,209,055,000 and various commercial units with a total gross floor area of 1,240.58 sq m of the property have been committed to be sold for a consideration of approximately RMB18,147,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB237,900,000. The estimated total construction cost was approximately RMB401,880,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB13,800 per sq m for the residential portion, RMB19,500 per sq m for the commercial portion and RMB120,000 per lot for the car park portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development within the same district. The price of residential premises ranges from about RMB13,000 to RMB14,500 per sq m. The price of the 1st floor of commercial premises ranges from about RMB23,000 to RMB28,000 per sq m. In respect of car parking spaces, the price ranges from about RMB900,000 to RMB140,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Huizhou Juncheng Investment Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Huizhou Juncheng Investment Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
29. The property under construction known as Xiangshan Ju, Daya Bay Economic and Technological Development Zone, Huizhou City, Guangdong Province, the PRC (惠州香山居)	<p>The property comprises a composite development to be erected on a parcel of land with a total site area of 22,940 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">73,531.97</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">4,426.87</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">18,503.87</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">2,882.37</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">99,345.08</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	73,531.97	Commercial	4,426.87	Car park	18,503.87	Ancillary	2,882.37	Total:	99,345.08	As at valuation date, the property was under construction and scheduled to be completed in the end of 2019.	RMB960,000,000 (Renminbi Nine Hundred and Sixty Million)
Use	Planned Gross Floor Area (sq m)														
Residential	73,531.97														
Commercial	4,426.87														
Car park	18,503.87														
Ancillary	2,882.37														
Total:	99,345.08														
	<p>The property is located in the center of Daya Bay District. Developments nearby are mainly residential and commercial in nature. According to the information provided by the Group, the property is for residential and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 23 January 2080 for residential use and due to expire on 23 January 2050 for commercial use.</p>														

Notes:—

- (1) According to State-owned Land Use Rights Certificate issued by the Huizhou Land Resources Bureau (惠州國土資源局), the land use rights of the property with a total site area of 22,940 sq m have been vested in 惠州市勝源投資有限公司 (Huizhou Shengyuan Investment Co., Ltd).

- (2) According to 3 Transfer Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between Huixing Long Trading and Transport Company (惠興隆貿易運輸公司) and Huizhou Daya Bay Hengxing Development Co., Ltd. (惠州大亞灣恒興發展有限公司) (“Party A”) and Huizhou Shengyuan Investment Co., Ltd (collectively “Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Site Area</u> <i>(sq m)</i>	<u>Land Premium</u> <i>(RMB)</i>
013015	18 April 2012	comprehensive	7,330	11,090,300
021016	18 April 2012	comprehensive	7,510	15,280,000
013014	18 April 2012	comprehensive	8,100	12,376,800
Total			22,940	38,747,100

- (3) According to Commencement Permits for Construction Works by Housing and Planning Bureau of Daya Bay Economic and Technological Development Zone of Huizhou (惠州大亞灣經濟開發區住房和規劃建設局), the construction works of the development are in compliance with the requirements for works commencement and have been permitted.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB1,011,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 72,944.83 sq m of the property have been committed to be sold for a consideration of approximately RMB881,802,000 and various commercial units with a total gross floor area of 4,426.87 sq m of the property have been committed to be sold for a consideration of approximately RMB57,607,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB266,800,000. The estimated total construction cost was approximately RMB266,900,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB13,000 per sq m for the residential portion and RMB120,000 per lot for the car park portion with title.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development within the same district. The price of residential premises ranges from about RMB12,000 to RMB13,500 per sq m. In respect of car parking spaces, the price ranges from about RMB90,000 to RMB140,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Huizhou Shengyuan Investment Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Huizhou Shengyuan Investment Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019														
30. The property under construction known as Huizhou Dibo Wan, Zhenlong Town, Huiyang District Huizhou City, Guangdong Province, the PRC (惠州帝泊灣I期)	<p>The property comprises a composite development to be erected on a parcel of land with a total site area of 122,152 sq m.</p> <p>The property, currently under construction, is a planned development of residential, office and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">134,430.44</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">5,118.78</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">20,623.00</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">42,027.24</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">3,179.78</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">205,379.24</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	134,430.44	Commercial	5,118.78	Office	20,623.00	Car park	42,027.24	Ancillary	3,179.78	Total:	205,379.24	As at valuation date, the property was under construction and scheduled to be completed in the 2021.	RMB1,030,000,000 (Renminbi One Billion and Thirty Million)
Use	Planned Gross Floor Area (sq m)																
Residential	134,430.44																
Commercial	5,118.78																
Office	20,623.00																
Car park	42,027.24																
Ancillary	3,179.78																
Total:	205,379.24																
	<p>The property is located in the sub-urban of Huiyang District. Developments nearby are mainly residential and commercial in nature. According to the information provided by the Group, the property is for residential, office commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 19 May 2087 for residential use and due to expire on 19 May 2057 for commercial use.</p>																

Notes:—

- (1) According to State-owned Land Use Rights Certificate issued by Huizhou Land Resources Bureau (惠州國土資源局), the land use rights of the property with a total site area of 122,152 sq m have been vested in 惠州市均榮實業有限公司 (Huizhou Junrong Investment Co., Ltd).

- (2) According to the Grant Contract of State-owned Land Use Rights entered into between Huizhou Land Resources Bureau (惠州國土資源局) (“Party A”) and Huizhou Junrong Investment Co., Ltd, the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>No.</u>	<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Site Area</u> (sq m)	<u>Land Premium</u> (RMB)
(2017)3042035	88-01-186	7 August 2017	Residential/ Commercial	122,152	72,228,500

- (3) According to 2 Commencement Permits for Construction Works issued by Huiyang District Housing and Urban-rural Planning Construction bureau 惠陽區住房和城鄉規劃建設局, the construction works of portions of the property with a total gross floor area of approximately 402,122.00 sq m are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB1,600,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 70,478.02 sq m of the property have been committed to be sold for a consideration of approximately RMB623,536,000 and various commercial units with a total gross floor area of 3,598.78 sq m of the property have been committed to be sold for a consideration of approximately RMB36,920,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB395,500,000. The estimated total construction cost was approximately RMB539,100,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB9,000 per sq m for the residential portion, RMB11,500 per sq m for the commercial portion, RMB10,000 per sq m for the office portion and RMB100,000 per lot for the car park portion with title.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential, office and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with 5 ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB8,700 to RMB9,400 per sq m. The price of office premises ranges from about RMB13,000 to RMB16,000 per sq m. The price of commercial premises ranges from about RMB12,000 to RMB17,000 per sq m. In respect of car parking spaces, the price ranges from about RMB100,000 to RMB150,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - Huizhou Junrong Investment Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - Huizhou Junrong Investment Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019														
31. The property under construction known as Huizhou Dibo Wan Phase II, Zhenlong Town, Huiyang District Huizhou City, Guangdong Province, the PRC (惠州帝泊灣II期(君悦灣))	<p>The property comprises a composite development to be erected on a 2 parcels of land with a total site area of 44,440.60 sq m.</p> <p>The property, currently under construction, is a planned development of residential, office and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area</th> </tr> <tr> <td></td> <th style="text-align: right;">(sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">101,936.00</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">11,788.00</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">39,775.00</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">180.00</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">153,679.00</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area		(sq m)	Residential	101,936.00	Commercial	11,788.00	Car park	39,775.00	Ancillary	180.00	Total:	153,679.00	As at valuation date, the property was under construction and scheduled to be completed in 2021.	RMB566,000,000 (Renminbi Five Hundred and Sixty Six Million)
Use	Planned Gross Floor Area																
	(sq m)																
Residential	101,936.00																
Commercial	11,788.00																
Car park	39,775.00																
Ancillary	180.00																
Total:	153,679.00																
	<p>The property is located in the sub-urban of Huiyang District. Developments nearby are mainly residential and commercial in nature. According to the information provided by the Group, the property is for residential, office commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 21 November 2083 for residential use and due to expire on 21 November 2053 for commercial use.</p>																

Notes:—

- (1) According to 2 State-owned Land Use Rights Certificates issued by Huiyang District Housing and Urban-rural Planning Construction bureau 惠陽區住房和城鄉規劃建設局, the land use rights of the property with a total site area of 44,440.60 sq m have been vested in 惠州市天華宇實業有限公司 (Huizhou Tianhuayu Industrial Co., Ltd).
- (2) According to 2 Grant Contracts of State-owned Land Use Rights entered into between Huizhou Land Resources Bureau (惠州國土資源局) (“Party A”) and Huizhou Tianhuayu Industrial Co., Ltd, the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site Area</u> (sq m)	<u>Land Premium</u> (RMB)
GP1325	25 November 2013	Residential, Commercial	21 November 2083 for residential use and due to expire on 21 November 2053 for commercial use.	7,967.6	8,490,000
GP1326	25 November 2013	Residential, Commercial	21 November 2083 for residential use and due to expire on 21 November 2053 for commercial use.	36,473	38,850,000
Total				<u>44,440.60</u>	<u>47,340,000</u>

- (3) According to the Commencement Permits for Construction Works issued by Huiyang District Housing and Urban-rural Planning Construction bureau 惠陽區住房和城鄉規劃建設局, the construction works of portions of the property with a total gross floor area of approximately 153,679.00 sq m are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB1,133,000,000.
- (5) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB188,500,000. The estimated total construction cost was approximately RMB438,490,000. In the course of our valuation, we have taken into account such costs.
- (6) In valuing the property if completed, we have assumed about RMB9,000 per sq m for the residential portion, RMB14,000 per sq m for the first-floor commercial portion and RMB9,000 per sq m for the second-floor commercial, RMB10,000 per sq m for the office portion and RMB100,000 per lot for the car park portion with title.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential, office and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB8,700 to RMB9,500 per sq m. The price of office premises ranges from about RMB10,000 to RMB13,000 per sq m. The price of commercial premises ranges from about RMB13,000 to RMB16,000 per sq m. In respect of car parking spaces,

the price ranges from about RMB90,000 to RMB140,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (7) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;
 - (b) Huizhou Tianhuayu Industrial Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Huizhou Tianhuayu Industrial Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019														
32. The property under construction known as Huizhou Long Wan, Economic and Technological Development Zone, Huiyang District, Huizhou, Guangdong Province, the PRC (惠州龍灣)	<p>The property comprises a composite development to be erected on 2 parcels of land with a total site area of 36,670 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">98,718.74</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">2,525.53</td> </tr> <tr> <td>Serviced Apartment</td> <td style="text-align: right;">4,536.55</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">37,690.00</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">6,364.18</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">149,835.00</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	98,718.74	Commercial	2,525.53	Serviced Apartment	4,536.55	Car park	37,690.00	Ancillary	6,364.18	Total:	149,835.00	As at valuation date, the property was under construction and scheduled to be completed in 2021.	RMB670,000,000 (Renminbi Six Hundred and Seventy Million)
Use	Planned Gross Floor Area (sq m)																
Residential	98,718.74																
Commercial	2,525.53																
Serviced Apartment	4,536.55																
Car park	37,690.00																
Ancillary	6,364.18																
Total:	149,835.00																
	<p>The property is located in the center of Economic and Technological Development Zone/in the sub-urban area of Huizhou. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is mainly for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 8 April 2081 or 10 September 2082 for residential use and due to expire on 10 September 2052 for commercial use.</p>																

Notes:—

- (1) According to the State-owned Land Use Rights Certificate issued by the Huizhou Municipal People's Government (惠州市人民政府), the land use rights of the property with a total site area of 36,670 sq m have been vested in 惠州市旺友實業有限公司 (Huizhou Wangyou Industrial Co., Ltd).
- (2) According to 2 Grant Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between Huizhou Land Resources Management Bureau (惠州市國土資源管理局) ("Party A") and Huizhou Wangyou Industrial Co., Ltd ("Party B"), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

Contract No.	Land Plot No.	Issue Date	Land Use	Land Use Expiry Date	Site Area	Land Premium
					(sq m)	(RMB)
441303-2012-000316	GP1244	10 September 2012	Residential, Commercial	10 September 2082 for residential use and 10 September 2052 for commercial use	15,180.00	13,810,000
441303-2011-000124	GP1245	8 April 2011	Residential,	8 April 2081 residential use	21,490.00	16,117,500

- (3) According to the Permit for Commencement of Construction Works issued by Huizhou Housing and Urban and Rural Planning and Construction Bureau, the construction works of portions of the property with a total gross floor area of approximately 149,835.00 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB1,131,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 39,637.25 sq m of the property have been committed to be sold for a consideration of approximately RMB363,034,000 various commercial units with a total gross floor area of 1,545.14 sq m of the property have been committed to be sold for a consideration of approximately RMB15,514,000 and various serviced apartment units with a total gross floor area of 4,171.10 sq m of the property have been committed to be sold for a consideration of approximately RMB45,927,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB228,900,000. The estimated total construction cost was approximately RMB485,280,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB10,000 per sq m for the residential portion, RMB11,500 per sq m for the apartment portion, RMB15,000 per sq m for the first-floor commercial portion and RMB10,000 per sq m for the second-floor commercial and RMB120,000 per lot for the car park portion with title.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential, apartment and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB8,800 to RMB9,500 per sq m. The price of apartment premises ranges from about RMB9,500 to RMB12,000 per sq m. The price of commercial premises ranges from about RMB15,000 to RMB18,000 per sq m. In respect of car parking spaces, the price ranges from about RMB90,000 to RMB140,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Huizhou Wangyou Industrial Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Huizhou Wangyou Industrial Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
33. The property under construction known as Huizhou Rui Yuan, Tuhu Village, Huiyang District Huizhou, Guangdong Province, the PRC (惠州睿園)	<p>The property comprises a composite development to be erected on a parcel of land with a total site area of 37,025 sq m.</p> <p>The property, currently under construction, is a planned development of residential, office and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Use</th> <th style="text-align: center;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">150,050.00</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">2,175.00</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">50,430.00</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">160.00</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">202,815.00</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	150,050.00	Commercial	2,175.00	Car park	50,430.00	Ancillary	160.00	Total:	202,815.00	As at valuation date, the property was under construction and scheduled to be completed in 2021.	RMB1,190,000,000 (Renminbi One Billion One Hundred and Ninety Million)
Use	Planned Gross Floor Area (sq m)														
Residential	150,050.00														
Commercial	2,175.00														
Car park	50,430.00														
Ancillary	160.00														
Total:	202,815.00														
	<p>The property is located in the sub-urban of Huiyang District. Developments nearby are mainly residential and commercial in nature. According to the information provided by the Group, the property is for residential and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 10 April 2080 for residential use and due to expire on 10 April 2050 for commercial use.</p>														

Notes:—

- (1) According to State-owned Land Use Rights Certificate No. (2018) 304449 issued by Huizhou Municipal People's Government (惠州市人民政府), the land use rights of the property with a total site area of 37,025 sq m have been vested in 惠州市美麗置業有限公司 (Huizhou Meili Properties Co., Ltd).
- (2) According to the Grant Contract of State-owned Land Use Rights entered into between Huizhou Land Resources Bureau (惠州國土資源局) ("Party A") and Huizhou Meili Properties Co., Ltd, the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>No.</u>	<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Site Area</u>	<u>Land Premium</u>
				<i>(sq m)</i>	<i>(RMB)</i>
441303-2010-000107	GP1025	10 April 2080, 10 April 2050	Residential/ Commercial	42,567	34,138,700

- (3) According to 2 Commencement Permits for Construction Works issued by Huiyang District Housing and Urban-rural Planning Construction bureau 惠陽區住房和城鄉規劃建設局, the construction works of portions of the property with a total gross floor area of approximately 202,815 sq m are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB2,240,000,000.
- (5) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB146,200,000. The estimated total construction cost was approximately RMB641,140,000. In the course of our valuation, we have taken into account such costs.
- (6) In valuing the property if completed, we have assumed about RMB13,800 per sq m for the residential portion, RMB19,000 per sq m for the commercial portion and RMB120,000 per lot for the car park portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB12,600 to RMB14,000 per sq m. The price of commercial premises ranges from about RMB21,000 to RMB25,000 per sq m. In respect of car parking spaces, the price ranges from about RMB90,000 to RMB140,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (7) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
- (b) Huizhou Meili Properties Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
- (c) Huizhou Meili Properties Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019														
34. The property under construction known as Huizhou Xi Yuan, Huiyang District, Huizhou, Guangdong Province, the PRC (惠州璽園)	<p>The property comprises two parcels of land with a total site area of 23,891 sq m.</p> <p>The property is a planned development of residential, office and commercial uses.</p> <p>According to the information provided by the Group, the constituent planned gross floor areas of the property are as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area</th> </tr> <tr> <td></td> <td style="text-align: right;"><i>(sq m)</i></td> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">40,800.00</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">121.00</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">3,150.00</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">20,100.00</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">64,171.00</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area		<i>(sq m)</i>	Residential	40,800.00	Commercial	121.00	Office	3,150.00	Car park	20,100.00	Total:	64,171.00	At the valuation date, the property was a under construction and scheduled to be completed in 2021.	RMB355,000,000 (Renminbi Three Hundred and Fifty Five Million)
Use	Planned Gross Floor Area																
	<i>(sq m)</i>																
Residential	40,800.00																
Commercial	121.00																
Office	3,150.00																
Car park	20,100.00																
Total:	64,171.00																
	<p>The property is located at the center of Huiyang district. Developments nearby are mainly residential and commercial uses in nature. According to the information provided by the Group, the property is for residential, office and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 26 November 2087 for residential use and 26 November 2057 for office and commercial use.</p>																

Notes:—

- (1) According to 3 State-owned Land Use Rights Certificate issued by Huizhou Land Resources Bureau (惠州國土資源局), the land use rights of the property with a total site area of 23,891 sq m have been vested in 惠州市萬基實業有限公司 (Huizhou Wanji Industrial Co., Ltd) with details as follows:

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> (sq m)
(2017) 3045946	25 November 2017	Residential, Commercial	2087/11/26 2057/11/26	660.00
(2017) 3045943	25 November 2017	Residential, Commercial	2087/11/26 2057/11/26	2,118.00
(2011) 0100036	14 January 2011	Residential, Commercial	2081/1/26 2051/1/26	21,113.00
Total				<u>23,891.00</u>

- (2) According to 3 Grant and Transfer Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights the land use rights of the property have been contracted to be granted to Huizhou Wanji Industrial Co., Ltd with key details as follows:

<u>Issue Date</u>	<u>Land Use</u>	<u>Permissible Gross Floor Area</u> (sq m)	<u>Land Premium</u> (RMB)
27 November 2017	Residential, Commercial	660.00	3,860,000
27 November 2017	Residential, Commercial	2,118.00	12,300,000
28 November 2018	Residential, Commercial	21,113.00	22,587,900
Total		<u>23,891.00</u>	<u>38,747,900</u>

- (3) According to 3 Planning Permits for Construction Use of Land issued by Housing, Urban and Rural Construction of Huizhou City Huiyang District Municipality (惠州市惠陽區住房和城鄉規劃建設局), the construction site of the property with a total area of 23,891 sq m is in compliance with the urban planning requirements.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB764,000,000.
- (5) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB57,000,000. The estimated total construction cost was approximately RMB282,700,000. In the course of our valuation, we have taken into account such costs.
- (6) In valuing the property if completed, we have assumed about RMB16,500 per sq m for the residential portion, RMB23,000 per sq m for the commercial portion and RMB120,000 per lot for the car park portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development within the same district. The price of residential premises ranges from about RMB12,600 to RMB14,000 per sq m. The price of the 1st floor of commercial premises ranges from about RMB21,000 to RMB25,000 per sq m. In respect of car parking spaces, the price

ranges from about RMB90,000 to RMB140,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (7) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Huizhou Wanji Industrial Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Huizhou Wanji Industrial Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
35. The property under construction known as Huizhou Sinic City, Huicheng District, Huizhou, Guangdong Province, the PRC (惠州新力城)	<p>The property comprises a composite development to be erected on 3 parcels of land with a total site area of 452,346.70 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">819,912.76</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">16,869.04</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">275,445.00</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">22,085.10</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">1,134,311.90</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	819,912.76	Commercial	16,869.04	Car park	275,445.00	Ancillary	22,085.10	Total:	1,134,311.90	As at valuation date, the property was under construction and scheduled to be completed in 2021.	RMB4,290,000,000 (Renminbi Four Billion Two Hundred and Ninety Million)
Use	Planned Gross Floor Area (sq m)														
Residential	819,912.76														
Commercial	16,869.04														
Car park	275,445.00														
Ancillary	22,085.10														
Total:	1,134,311.90														
	<p>The property is located in the center of Huicheng District. Developments nearby are mainly residential and commercial in nature. According to the information provided by the Group, the property is for residential and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 1 May 2077 for residential use and due to expire on 1 May 2047 for commercial use.</p>														

Notes:—

- (1) According to 3 State-owned Land Use Rights Certificate issued by Huizhou Municipal People's Government (惠州市人民政府), the land use rights of the property with a total site area of 452,346.70 sq m have been vested in 惠州市湯普實業有限公司 (Huizhou Tangpu Industrial Co., Ltd).
- (2) According to Transfer Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between Huizhou Land Resources Bureau (惠州國土資源局) ("Party A") and Huizhou Tangpu Industrial Co., Ltd, the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Site Area</u> (sq m)	<u>Land Premium</u> (RMB)
GSK2006-8	5 January 2007	Residential/ Commercial	478,306	312,420,000

- (3) According to 3 Commencement Permits for Construction Works by Urban and Rural Planning and Construction Bureau of Huicheng District (惠城區城鄉規劃建設局), the construction works of the development are in compliance with the requirements for works commencement and have been permitted.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB9,880,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 329,397.66 sq m of the property have been committed to be sold for a consideration of approximately RMB3,568,335,000, various commercial units with a total gross floor area of 4,660.29 sq m of the property have been committed to be sold for a consideration of approximately RMB81,555,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB1,442,000,000. The estimated total construction cost was approximately RMB3,720,000,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB10,400 to 11,000 per sq m for the residential portion, RMB25,000 per sq m for the commercial portion and RMB120,000 per lot for the car park portion with title.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB10,000 to RMB11,000 per sq m. The price of commercial premises ranges from about RMB24,000 to RMB30,000 per sq m. In respect of car parking spaces, the price ranges from about RMB120,000 to RMB150,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - (a) The Stated-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;
 - (b) Huizhou Tangpu Industrial Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019														
36. The property under construction known as Qingyuan Feicui Wan, Qingyuan, Guangdong Province, the PRC (清遠翡翠灣)	<p>The property comprises a composite development to be erected on a parcel of land with a total site area of 15,473.35 sq m.</p> <p>The property, currently under construction, is a planned development of commercial and residential uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area</th> </tr> <tr> <th></th> <th style="text-align: right;">(sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">66,618.61</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">2,444.89</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">24,499.40</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">1,688.85</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">95,251.75</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area		(sq m)	Residential	66,618.61	Commercial	2,444.89	Car park	24,499.40	Ancillary	1,688.85	Total:	95,251.75	As at the valuation date, the property was under construction and scheduled to be completed in 2020.	RMB440,000,000 (Renminbi Four Hundred and Forty Million)
Use	Planned Gross Floor Area																
	(sq m)																
Residential	66,618.61																
Commercial	2,444.89																
Car park	24,499.40																
Ancillary	1,688.85																
Total:	95,251.75																
	<p>The property is located in the center of Qingcheng District of Qingyuan. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 27 June 2052 for residential and commercial uses.</p>																

Notes:—

- (1) According to the State-owned Land Use Rights Certificate issued by the Qingyuan Land Resources Bureau (清遠國土資源局), the land use rights of the property with a total site area of 15,473.35 sq m have been vested in 清遠市萬力源投資置業有限公司 (Qingyuan Wanliyuan Real Estate Investment Co., Ltd) with details as follows:—

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> (sq m)
(2010) 00135	24 March 2010	Residential and Commercial	27 June 2052	15,473.35

- (2) The development value of the property as if completed as at 31 July 2019 was RMB745,000,000.
- (3) According to the information provided by the Group, various residential units with a total gross floor area of 38,533.60 sq m of the property have been committed to be sold for a consideration of approximately RMB332,639,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (4) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB123,300,000. The estimated total construction cost was approximately RMB297,350,000. In the course of our valuation, we have taken into account such costs.
- (5) In valuing the property if completed, we have assumed about RMB9,500 per sq m for the residential portion, RMB17,300 per sq m for the commercial portion and RMB150,000 per lot for the car park portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB10,000 to RMB11,000 per sq m. The price of commercial premises ranges from about RMB16,700 to RMB19,000 per sq m. In respect of car parking spaces, the price ranges from about RMB120,000 to RMB160,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (6) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - Qingyuan Wanliyuan Real Estate Investment Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - Qingyuan Wanliyuan Real Estate Investment Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019										
37. The property under construction known as Guangzhou Amber Yuan, Huadu District, Guangzhou, Guangdong Province, the PRC (廣州琥珀園)	<p>The property comprises of a composite development to be erected on one parcel of land with a total site area of 56,562.71 sq m.</p> <p>The property, currently under construction, is a planned development of residential use. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Use</th> <th style="text-align: center;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">54,660.60</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">52,161.60</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">14,466.80</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">121,289.00</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	54,660.60	Car park	52,161.60	Ancillary	14,466.80	Total:	121,289.00	As at the valuation date, the property was under construction and scheduled to be completed in 2021.	RMB1,140,000,000 (Renminbi One Billion One Hundred and Forty Million)
Use	Planned Gross Floor Area (sq m)												
Residential	54,660.60												
Car park	52,161.60												
Ancillary	14,466.80												
Total:	121,289.00												
	<p>The property is located in the sub-urban area of Guangzhou. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 14 February 2065 for residential use and due to expire on 14 February 2035 for commercial use.</p>												

Notes:—

- (1) According to the State-owned Land Use Rights Certificate issued by the Guangzhou Land Resources Bureau, the land use rights of the property with a total site area of 56,562.71 sq m have been vested in 廣東強科地產有限公司 (Guangdong Qiangke Real Estate Co., Ltd) with details as follows:—

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> (sq m)
(2006) 721388	January 2006	Residential	14 February 2065/ 14 February 2035	56,562.71

- (2) According to one Transfer Contracts of State-owned Land Use Rights entered into between Guangzhou Huadu District Real Estate Company (廣州市花都區地產公司) (“Party A”) and Guangdong Qiangke Real Estate Co., Ltd (“Party B”), the land use rights of the property have been contracted to be transferred to Party B with key details as follows:

<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Site Area</u> (sq m)	<u>Permissible Gross Floor Area</u> (sq m)	<u>Land Premium</u> (RMB)
0206046, 0206047	28 December 2005	Residential	56,562.71	113,125.42	20,650,000

- (3) According to Planning Permit for Construction Use of Land No. (2008) 71 dated 2 February 2002 issued by Urban Planning Bureau of Guangzhou Municipality (廣州市城市規劃局), the proposed construction land use of the property complies with the town planning requirements and permit for construction of a site area of 62,730 sq m (including net site area of 55,244 sq m and 7,488 sq m for road).
- (4) According to Permits for Commencement of Construction Works, the construction works of portions of the property with a total gross floor area of approximately 309,209.61 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities with details as follows:

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Project name</u>	<u>Gross Floor Area</u> (sq m)
4201032010070800214BJ4001	10 November 2011	Block Nos. 1, 2, 7 and 8 of Oceanwide International SOHO Town (Phase 1)	309,209.61

- (5) The development value of the property as if completed as at 31 July 2019 was RMB1,753,000,000.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB332,700,000. The estimated total construction cost was approximately RMB485,500,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB25,000 per sq m for the residential portion and RMB250,000 per lot for the car park portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development within the same district. The prices of residential premises ranges from about RMB21,000 to RMB27,000 per sq m. In respect of car parking spaces, the prices range from about

RMB230,000 to RMB260,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Guangdong Qiangke Real Estate Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Guangdong Qiangke Real Estate Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
38. The property under construction known as Zhongshan Feicui Wan, Zhongshan, Guangdong Province, the PRC (中山翡翠灣)	<p>The property comprises a composite development to be erected on a parcel of land with a site area of 48,519.30 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Use</th> <th style="text-align: right; border-bottom: 1px solid black;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">88,371.97</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">3,311.76</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">25,914.63</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right; border-bottom: 1px solid black;">8,443.53</td> </tr> <tr> <td>Total:</td> <td style="text-align: right; border-bottom: 3px double black;">126,041.89</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	88,371.97	Commercial	3,311.76	Car park	25,914.63	Ancillary	8,443.53	Total:	126,041.89	As at the valuation date, the property was under construction and scheduled to be completed in 2020.	RMB775,000,000 (Renminbi Seven Hundred and Seventy Five Million)
Use	Planned Gross Floor Area (sq m)														
Residential	88,371.97														
Commercial	3,311.76														
Car park	25,914.63														
Ancillary	8,443.53														
Total:	126,041.89														
	<p>The property is located in the South District of Zhongshan. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 5 October 2082.</p>														

Notes:—

- (1) According to the State-owned Land Use Rights Certificate issued by the Zhongshan Land Resources Bureau (中山市國土資源局), the land use rights of the property with a total site area of 48,519.30 sq m have been vested in 中山市渡頭房地產開發有限公司 (Zhongshan Dutou Real Estate Development Co., Ltd) with details as follows:—

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> (sq m)
(2017) 0305166	29 December 2017	Residential	5 October 2082	48,519.30

- (2) According to Grant Contracts of State-owned Land Use Rights entered into between Zhongshan Land Resources Bureau (中山市國土資源局) (“Party A”) and Zhongshan South District Dutou Joint Stock Cooperative Economic Association (中山市南區渡頭股份合作經濟聯合社) (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Contract No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Term</u>	<u>Plot Ratio</u>	<u>Land Premium</u> (RMB)
442000-2012-002025	23 August 2012	Commercial & Residential	70 years	Not higher than 2; Not lower than 1	12,081,306

- (3) According to Planning Permits for Construction Use of Land issued by Urban-rural Planning Bureau of Zhongshan Municipality (中山市城鄉規劃局) to Zhongshan South District Dutou Joint Stock Cooperative Economic Association (中山市南區渡頭股份合作經濟聯合社), are summarized as follows:

<u>Nos.</u>	<u>Issue Date</u>	<u>Type of development</u>	<u>Location</u>	<u>Site area</u> (sq m)
DZD281222012090001	8 October 2012	Commercial & Residential	Songzailing, Dutou Village, South District, Zhongshan	48,519.30

- (4) According to Planning Permits of Construction Works issued by Urban-rural Planning Bureau of Zhongshan Municipality (中山市城鄉規劃局) to Zhongshan Dutou Real Estate Development Co., Ltd regarding the construction works on Dutou Project (Phase I), South District, Zhongshan are summarized as follows:

<u>No.</u>	<u>Issue Date</u>	<u>No. of Block</u>	<u>Location</u>	<u>Planned gross floor area</u> (sq m)
JZD281212018060082	12 July 2018	5	Dutou Village, South District, Zhongshan	30,711.79

- (5) According to Permit for Commencement of Construction Works issued by Housing and Urban-rural Construction Bureau of Zhongshan Municipality (中山市住房和城鄉建設局), the construction works of portion of the property with a total gross floor area of approximately 30,711.79 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities with details as follows:

Certificate No.	Issue Date	Project name	Gross Floor Area (sq m)
442000201809141301	14 September 2018	Xincui Garden (Phase 1)	30,711.79

- (6) The development value of the property as if completed as at 31 July 2019 was RMB1,236,000,000.
- (7) According to the information provided by the Group, various residential units with a total gross floor area of 33,362 sq m of the property have been committed to be sold for a consideration of approximately RMB413,743,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (8) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB109,200,000. The estimated total construction cost was approximately RMB454,000,000. In the course of our valuation, we have taken into account such costs.
- (9) In valuing the property if completed, we have assumed about RMB13,200 per sq m for the residential portion and RMB160,000 per lot for the car park portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential properties as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The prices of residential premises ranges from about RMB12,500 to RMB14,500 per sq m. In respect of car parking spaces, the prices range from about RMB150,000 to RMB180,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (10) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Zhongshan Dutou Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Zhongshan Dutou Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>														
39. The property under construction known as Wuxi Dibo Wan Phase II, Binhu District, Wuxi, Jiangsu Province, the PRC (無錫帝泊灣II期)	<p>The property comprises Phases 1 and 2 of a composite development to be erected on one parcel of land with a total site area of 154,752.5 sq m.</p> <p>The property, currently under construction, is a planned development of commercial and residual uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Use</u></th> <th style="text-align: right;"><u>Planned Gross Floor Area</u></th> </tr> <tr> <td></td> <td style="text-align: right;"><i>(sq m)</i></td> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">164,641.26</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">2,276.62</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">62,621.00</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">10,443.15</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u><u>239,982.03</u></u></td> </tr> </tbody> </table>	<u>Use</u>	<u>Planned Gross Floor Area</u>		<i>(sq m)</i>	Residential	164,641.26	Commercial	2,276.62	Car park	62,621.00	Ancillary	10,443.15	Total:	<u><u>239,982.03</u></u>	As at valuation date, the property was under construction and scheduled to be completed in the end of 2019.	RMB1,650,000,000 (Renminbi One Billion Six Hundred and Fifty Million)
<u>Use</u>	<u>Planned Gross Floor Area</u>																
	<i>(sq m)</i>																
Residential	164,641.26																
Commercial	2,276.62																
Car park	62,621.00																
Ancillary	10,443.15																
Total:	<u><u>239,982.03</u></u>																
	<p>The property is located in the sub-urban area of Wuxi. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 23 May 2087 for residential use and due to expire on 23 May 2057 for commercial use.</p>																

Notes:—

- (1) According to State-owned Land Use Rights Certificates Nos. (2015) 012309 and (2017) 0093240, the land use rights of the property with a total site area of 154,752.50 sq m have been vested in 無錫富安金邸房地產有限公司 (Wuxi Fu'an Jindi Real Estate Co., Ltd) for terms due to expire on 3 November 2083 and 23 May 2087 respectively for residential use.
- (2) According to the Grant Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between Wuxi Land Resources Bureau (無錫國土資源局) ("Party A") and 江蘇富安投資集團有限公司 ("Party B"), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

Contract No.	Land Plot No.	Issue Date	Land Use	Land Use Expiry Date	Site Area (sq m)	Building Covenant (for completion)	Land Premium (RMB)
3202022012CR0010	XGD-2011-95	9 May 2012	Residential	23 May 2087	154,752.5	31 December 2019	350,000,000

- (3) According to two Permits for Commencement of Construction Works issued by Wuxi Binhu District Administration Service Center, the construction works of portions of the property with a total gross floor area of approximately 275,374 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities with details as follows:

Certificate No.	Issue Date	Project name	Gross Floor Area (sq m)
320211020140122	18 August 2014	Block Nos. 1-1~1-7, 1-10~1-15, 1-17~1-24, 1-24-a, 1-26~1-30	31,452
320211020140121	15 August 2014	Block Nos. 1-8, 1-9, 1-16	3,940
320211201708170101	17 August 2017	XGD-2011-95, Phase II	239,982
		Total:	<u>275,374</u>

- (4) The development value of the property as if completed as at 31 July 2019 was RMB1,991,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 164,641.26 sq m of the property have been committed to be sold for a consideration of approximately RMB1,834,614,000 and various commercial units with a total gross floor area of 937.41 sq m of the property have been committed to be sold for a consideration of approximately RMB17,098,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB667,100,000. The estimated total construction cost was approximately RMB850,110,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB11,500 per sq m for the low rise apartment portion, RMB10,500 per sq m for the residential portion, RMB16,000 per sq m for the commercial portion and RMB82,000 per lot for the car park portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of villa, residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation

within the same district. The price of residential premises ranges from about RMB10,000 to RMB13,000 per sq m. The price of commercial premises ranges from about RMB19,000 to RMB23,000 per sq m. In respect of car parking spaces, the price ranges from about RMB75,000 to RMB95,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;
 - (b) Wuxi Fu'an Jindi Real Estate Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Wuxi Fu'an Jindi Real Estate Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019										
40. The property under construction known as Kunshan Chenghu Yard No. 1, Ba Cheng Town, Kunshan, Jiangsu Province, the PRC (昆山澄湖壹號院)	<p>The property is erected on one parcel of land with a total site area of 74,222.20 sq m.</p> <p>The property, currently under construction, is a planned development of residential use. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: center;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">95,234.87</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">34,562.41</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">7,932.48</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">137,729.76</td> </tr> </tbody> </table> <p>The property is located in the in the sub-urban area of Kunshan. Developments nearby are mainly restaurant in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 19 March 2082 for residential use.</p>	Use	Planned Gross Floor Area (sq m)	Residential	95,234.87	Car park	34,562.41	Ancillary	7,932.48	Total:	137,729.76	As at valuation date, the property was under construction and scheduled to be completed in 2020.	RMB880,000,000 (Renminbi Eight Hundred and Eighty Million)
Use	Planned Gross Floor Area (sq m)												
Residential	95,234.87												
Car park	34,562.41												
Ancillary	7,932.48												
Total:	137,729.76												

Notes:—

- (1) According to one State-owned Land Use Rights Certificate issued by the Kunshan Land Resources Bureau (昆山市國土資源局), the land use rights of the property with a total site area of 74,222.20 sq m have been vested in 昆山萊克斯投資有限公司 (Kunshan Laikesi Investment Co., Ltd) with details as follows:—

Certificate No.	Issue Date	Use	Land Use Expiry Date	Site area (sq m)
(2016) DW72	17 June 2016	Residential	19 March 2082	74,222.20

- (2) According to one Grant Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between Kunshan Land Resources Management Bureau (昆山市土地管理局) (“Party A”) and Kunshan Laikesi Investment Co., Ltd (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Contract No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Permissible Gross Floor Area</u> <i>(sq m)</i>	<u>Building Covenant (for completion)</u>	<u>Land Premium</u> <i>(RMB)</i>
3205832011CR0325	20 August 2014	Residential,	19 March 2082	89,066.64	21 March 2014	166,999,995

- (3) According to one Permit for Commencement of Construction Works issued by Kunshan Urban and Rural Construction Commission, the construction works of the property with a total gross floor area of approximately 137,729.76 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities with details as follows:

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Project name</u>	<u>Gross Floor Area</u> <i>(sq m)</i>
320583201801050701	5 January 2018	Building Nos. 1-23# and Ancillary facilities	137,729.76

- (4) The development value of the property as if completed as at 31 July 2019 was RMB1,180,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 94,989.37 sq m of the property have been committed to be sold for a consideration of approximately RMB1,115,343,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB349,000,000. The estimated total construction cost was approximately RMB530,000,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB12,300 per sq m for the residential portion, RMB70,000 per sq m per lot for the car park portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development within the same district. The price of residential premises ranges from about RMB12,000 to RMB13,500 per sq m. In respect of car parking spaces, the price ranges from about RMB80,000 to RMB96,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - Kunshan Laikesi Investment Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - Kunshan Laikesi Investment Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019														
41. The property under construction known as Kunshan Central Park, Gaoxin District, Kunshan, Jiangsu Province, the PRC (昆山中央公園)	<p>The property comprises Phase 1 of a composite development to be erected on a parcel of land with a total site area of 25,980 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area</th> </tr> <tr> <td></td> <th style="text-align: right;">(sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">54,394.28</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">381.66</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">16,003.01</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">5,199.87</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">75,978.82</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area		(sq m)	Residential	54,394.28	Commercial	381.66	Car park	16,003.01	Ancillary	5,199.87	Total:	75,978.82	As at valuation date, the property was under construction and scheduled to be completed in 2021.	RMB850,000,000 (Renminbi Eight Hundred and Fifty Million)
Use	Planned Gross Floor Area																
	(sq m)																
Residential	54,394.28																
Commercial	381.66																
Car park	16,003.01																
Ancillary	5,199.87																
Total:	75,978.82																
	<p>The property is located in the center of Gaoxin District of Kunshan. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 13 April 2074 for residential use and due to expire on 13 April 2044 for commercial use.</p>																

Notes:—

- (1) According to State-owned Land Use Rights Certificate (2016) 0001666 issued by the Kunshan Land Resources Bureau (昆山市國土資源局), the land use rights of the property with a total site area of 25,980 sq m have been vested in 江蘇中原置業有限公司 (Jiangsu Zhongyuan Real Estate Development Co., Ltd).

- (2) According to Grant Contract of State-owned Land Use Rights No. (2004)4 and its five Supplementary Agreements entered into between Kunshan Land Resources Management Bureau (昆山市土地管理局) and 江蘇中原置業有限公司 (Jiangsu Zhongyuan Real Estate Co., Ltd.), the land use rights comprising a site area of 25,980 sq m have been granted to Jiangsu Zhongyuan Real Estate Development Co., Ltd at a premium of RMB29,045,640.
- (3) According to Permit for Commencement of Construction Works No. 320583201808220501 issued by Kunshan Urban and Rural Construction Commission (昆山市城鄉建設局), the construction works of the property with a total gross floor area of 49,033.77 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB1,360,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 53,508.15 sq m of the property have been committed to be sold for a consideration of approximately RMB1,273,811,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB164,800,000. The estimated total construction cost was approximately RMB369,700,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB23,000 per sq m for the residential portion RMB27,000 per sq m for the commercial portion and RMB98,000 per lot for the car park portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and car parking spaces premises within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development within the same district. The price of residential premises ranges from about RMB22,000 to RMB24,000 per sq m. The price of commercial premises ranges from about RMB23,700 to RMB28,500 per sq m. The price of car parking spaces range from about RMB90,000 to RMB130,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Jiangsu Zhongyuan Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Jiangsu Zhongyuan Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>												
42. The property under construction known as Suzhou Bo Yuan, Xiangshan Guangfu Area, Wuzhong District, Suzhou, Jiangsu Province, the PRC (蘇州鉅園)	<p>The property comprises a composite development to be erected on a parcel of land with a total site area of 90,890.80 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>Use</u></th> <th style="text-align: center;"><u>Planned Gross Floor Area</u> (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">123,037.79</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">7,200.00</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">37,457.38</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">10,393.87</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">178,089.04</td> </tr> </tbody> </table>	<u>Use</u>	<u>Planned Gross Floor Area</u> (sq m)	Residential	123,037.79	Commercial	7,200.00	Car park	37,457.38	Ancillary	10,393.87	Total:	178,089.04	At the valuation date, the property was under construction and scheduled to be completed in 2021.	<p>RMB1,262,000,000</p> <p>(Renminbi One Billion Two Hundred and Sixty Two Million)</p> <p>(70% interest attributable to the Group : RMB883,400,000)</p> <p>(Renminbi Eight Hundred Eighty Three Million and Four Hundred Thousand)</p>
<u>Use</u>	<u>Planned Gross Floor Area</u> (sq m)														
Residential	123,037.79														
Commercial	7,200.00														
Car park	37,457.38														
Ancillary	10,393.87														
Total:	178,089.04														
	<p>The property is located in the center of Xinjian District. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 25 February 2089 for residential use and due to expire on 25 February 2069 for education use.</p>														

Notes:—

- (1) According to State-owned Land Use Rights Certificates, the land use rights of the property with a total site area of 90,890.80 sq m have been vested in 蘇州力創香谷置業發展有限公司 (Suzhou Lichuang Properties Development Co., Ltd) with details as follows:-

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> (sq m)
(2019)6010950	25 March 2019	Residential	25 February 2089	37,206.50
(2019)6010951	25 March 2019	Residential	25 February 2089	48,259.10
(2019)6010949	25 March 2019	Education	25 February 2069	5,425.20

- (2) According to Grant Contract of State-owned Land Use Rights entered into between Suzhou Land Resources Bureau (“Party A”) and Suzhou Lichuang Properties Development Co., Ltd (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Contract No.</u>	<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Plot Ratio</u>	<u>Building Covenant (for completion)</u>	<u>Land Premium</u> (RMB)
3205012019CR0017	2018-WG-30	23 January 2019	Residential, commercial and education	70 years, 40 years, 50 years	L≥1.0 and ≤1.5 ≤1.0	4 April 2020	1,170,031,656

- (3) The development value of the property as if completed as at 31 July 2019 was RMB2,690,000,000.
- (4) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB54,300,000. The estimated total construction cost was approximately RMB850,000,000. In the course of our valuation, we have taken into account such costs.
- (5) In valuing the property if completed, we have assumed about RMB20,400 per sq m for the residential portion, RMB22,400 per sq m for the commercial portion and RMB200,000 per lot for the car park portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development within the same district. The price of residential premises ranges from about RMB18,800 to RMB21,000 per sq m. The price of the 1st floor of commercial premises ranges from about RMB25,000 to RMB45,000 per sq m. In respect of car parking spaces, the price ranges from about RMB150,000 to RMB200,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (6) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- The Stated-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;
 - Suzhou Lichuang Properties Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - Suzhou Lichuang Properties Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>														
43. The property under construction known as Zhuji Dibo Wan, Caota District, Zhuji, Zhejiang Province, the PRC (諸暨帝泊灣)	<p>The property is a composite development to be erected on 2 parcels of land with a total site area of 74,527.8 sq m.</p> <p>The property, currently under construction, is a planned development of commercial and office uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Use</u></th> <th style="text-align: right;"><u>Planned Gross Floor Area</u></th> </tr> <tr> <td></td> <td style="text-align: right;"><i>(sq m)</i></td> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">166,604.48</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">4,531.46</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">52,198.46</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">16,894.08</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>240,228.48</u></td> </tr> </tbody> </table>	<u>Use</u>	<u>Planned Gross Floor Area</u>		<i>(sq m)</i>	Residential	166,604.48	Commercial	4,531.46	Car park	52,198.46	Ancillary	16,894.08	Total:	<u>240,228.48</u>	As at the valuation date, the property was under construction and scheduled to be completed in 2020.	RMB610,000,000 (Renminbi Six Hundred and Ten Million)
<u>Use</u>	<u>Planned Gross Floor Area</u>																
	<i>(sq m)</i>																
Residential	166,604.48																
Commercial	4,531.46																
Car park	52,198.46																
Ancillary	16,894.08																
Total:	<u>240,228.48</u>																
	<p>The property is located in the sub-urban area of Zhuji. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 11 December 2088 for residential use and due to expire on 11 December 2058 for commercial use.</p>																

Notes:—

- (1) According to two The People's Republic of China Real Property Ownership Certificates issued by the Zhuji Land Resources Bureau (諸暨市國土資源局), the land use rights of the property with a total site area of 74,768.70 sq m have been vested in 諸暨力睿房地產開發有限公司 (Zhuji Lirui Real Estate Development Co., Ltd) with details as follows:

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> (sq m)
(2019) 0000232	3 Jan 2019	Residential/ Commercial	11 December 2088 for residential use and due to expire on 11 December 2058 for commercial use	19,015.20
(2013) 04285	9 March 2012	Residential/ Commercial	11 December 2088 for residential use and due to expire on 11 December 2058 for commercial use	55,512.60
Total:				74,527.80

- (2) According to two Grant Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between Zhuji Land Resources Management Bureau (諸暨市土地管理局) (“Party A”) and Zhuji Lirui Real Estate Development Co., Ltd (collectively “Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Contract No.</u>	<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Permissible Gross Floor Area</u> (sq m)	<u>Land Premium</u> (RMB)
2018105號	1-A	14 September 2018	Residential, Commercial, Car Park Basement	11 December 2088 for residential use and due to expire on 11 December 2058 for commercial use	43,735.0	71,120,000
2018106號	1-B	14 September 2018	Residential, Commercial, Car Park Basement	11 December 2088 for residential use and due to expire on 11 December 2058 for commercial use	144,332.8	224,370,000
Total					188,067.80	295,490,000

- (3) The development value of the property as if completed as at 31 July 2019 was RMB1,667,000,000.
- (4) According to the information provided by the Group, various residential units with a total gross floor area of 29,383.78 sq m of the property have been committed to be sold for a consideration of approximately RMB232,681,000 and various commercial units with a total gross floor area of 915.94 sq m of the property have been committed to be sold for a consideration of approximately RMB11,124,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.

- (5) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB135,900,000. The estimated total construction cost was approximately RMB733,300,000. In the course of our valuation, we have taken into account such costs.
- (6) In valuing the property if completed, we have assumed about RMB9,100 per sq m for the residential portion, RMB12,300 per sq m for the commercial portion and RMB91,000 per lot for the car park portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development within the same district. The price of residential premises ranges from about RMB8,600 to RMB9,200 per sq m. The price of the 1st floor of commercial premises ranges from about RMB10,300 to RMB13,400 per sq m. In respect of car parking spaces, the price ranges from about RMB90,000 to RMB98,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (7) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Real Property Ownership Certificates of the property are valid, legal and enforceable under the PRC laws.
 - (b) Zhuji Lirui Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Zhuji Lirui Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019										
44. The property under construction known as Cixi Dibo Wan, Cixi, Zhejiang Province, the PRC (慈溪帝泊灣)	<p>The property comprises of a composite development to be erected on a parcel of land with a total site area of 23,822 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: center;">Use</th> <th style="text-align: center;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">37,286.06</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">1,484.38</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">16,790.62</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">55,561.06</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	37,286.06	Commercial	1,484.38	Car park	16,790.62	Total:	55,561.06	At the valuation date, the property was under construction and scheduled to be completed in 2021.	RMB260,000,000 (Renminbi Two Hundred and Sixty Million)
Use	Planned Gross Floor Area (sq m)												
Residential	37,286.06												
Commercial	1,484.38												
Car park	16,790.62												
Total:	55,561.06												
	<p>The property is located in the sub-urban area. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 23 February 2089 for residential use.</p>												

Notes:—

- (1) According to State-owned Land Use Rights Certificate issued by the Cixi Land Resources Bureau (慈溪國土資源局), the land use rights of the property with a total site area of 23,822 sq m have been vested in 慈溪力創房屋房地產開發有限公司 (Cixi Lichuang Real Estate Development Co., Ltd) with details as follows:—

Certificate No.	Issue Date	Use	Land Use Expiry Date	Site area (sq m)
(2019) 0009948	12 March 2019	Residential	23 February 2089	23,822

- (2) According to Grant Contract of State-owned Land Use Rights entered into between Cixi Land Resources Bureau (慈溪國土資源局) (“Party A”) and Cixi Lichuang Real Estate Development Co., Ltd (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

Contract No.	Land Plot No.	Issue Date	Land Use	Land Use Expiry Date	Plot Ratio	Building Covenant (for completion)	Land Premium
							<i>(RMB)</i>
3302822019 A21008	1201804	24 January 2019	Residential	70 years	≥1.2 and ≤1.8	24 February 2023	119,470,000

- (3) The development value of the property as if completed as at 31 July 2019 was RMB518,000,000.
- (4) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB8,200,000. The estimated total construction cost was approximately RMB174,120,000. In the course of our valuation, we have taken into account such costs.
- (5) In valuing the property if completed, we have assumed about RMB13,300 per sq m for the residential portion, and RMB15,000 per sq m for the commercial portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development within the same district. The price of residential premises ranges from about RMB11,300 to RMB15,700 per sq m. The price of the 1st floor of commercial premises ranges from about RMB25,000 to RMB45,000 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (6) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
- (b) Cixi Lichuang Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
- (c) Cixi Lichuang Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>												
45. The property under construction known as Ruian Dibo Wan, Development Zone of Ruian Economic Area, Ruian, Zhejiang Province, the PRC (瑞安帝泊灣)	<p>The property comprises one parcel of land with a total site area of 26,319 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Use</u></th> <th style="text-align: center;"><u>Planned Gross Floor Area</u></th> </tr> <tr> <td></td> <td style="text-align: center;"><i>(sq m)</i></td> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">62,025.84</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">2,537.88</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">21,831.07</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">86,394.79</td> </tr> </tbody> </table>	<u>Use</u>	<u>Planned Gross Floor Area</u>		<i>(sq m)</i>	Residential	62,025.84	Commercial	2,537.88	Car park	21,831.07	Total:	86,394.79	At the valuation date, the property was under construction and scheduled to be completed in 2021.	RMB483,000,000 (Renminbi Four Hundred and Eighty Three Million)
<u>Use</u>	<u>Planned Gross Floor Area</u>														
	<i>(sq m)</i>														
Residential	62,025.84														
Commercial	2,537.88														
Car park	21,831.07														
Total:	86,394.79														
	<p>The property is located in the sub urban area of Ruian. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 31 March 2089 for residential use and commercial use.</p>														

Notes:—

- (1) According to State-owned Land Use Rights Certificates No. (2019) 0025873, the land use rights of the property with a site area of 26,319 sq m have been vested in 溫州力環房地產開發有限公司 (Wenzhou Lijing Real Estate Development Co., Ltd) for a term due to expire on 31 March 2089 for residential and commercial uses.
- (2) According to the Grant Contract of State-owned Land Use Rights No. 3303812018A21052 and its Amendment of Grant Contract of State-owned Land Use Rights entered into between Ruian Land Resources Management Bureau (“Party A”) and Wenzhou Lijing Real Estate Development Co., Ltd (“Party B”), the land use rights of the property with a site area of 26,319 sq m have been contracted to be granted to Party B as a consideration of RMB478,780,000.
- (3) The development value of the property as if completed as at 31 July 2019 was RMB932,000,000.

- (4) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB9,600,000. The estimated total construction cost was approximately RMB262,870,000. In the course of our valuation, we have taken into account such costs.
- (5) In valuing the property if completed, we have assumed about RMB14,000 per sq m for the residential portion, RMB24,000 per sq m for the commercial portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development within the same district. The price of residential premises ranges from about RMB12,200 to RMB17,600 per sq m. The price of the 1st floor of commercial premises ranges from about RMB23,600 to RMB32,000 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (6) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Wenzhou Lijing Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Wenzhou Lijing Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>												
46. The property under construction known as Ganzhou Dibo Wan Phase I, Economic and Technological Development Zone, Ganzhou, Jiangxi Province, the PRC (贛州帝泊灣I期)	<p>The property comprises a composite development to be erected on a parcel of land with a total site area of 89,838.00 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Use</u></th> <th style="text-align: right;"><u>Planned Gross Floor Area</u> (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">255,745.96</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">10,629.10</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">73,372.62</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">6,798.01</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>346,545.69</u></td> </tr> </tbody> </table>	<u>Use</u>	<u>Planned Gross Floor Area</u> (sq m)	Residential	255,745.96	Commercial	10,629.10	Car park	73,372.62	Ancillary	6,798.01	Total:	<u>346,545.69</u>	As at valuation date, the property was under construction and scheduled to be completed in the end of 2020.	RMB1,680,000,000 (Renminbi One Billion Six Hundred and Eighty Million)
<u>Use</u>	<u>Planned Gross Floor Area</u> (sq m)														
Residential	255,745.96														
Commercial	10,629.10														
Car park	73,372.62														
Ancillary	6,798.01														
Total:	<u>346,545.69</u>														
	<p>The property is located in the center of Economic-development zone. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential and retail uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 30 Mar 2087 for residential use and due to expire on 30 Mar 2057 for retail use.</p>														

Notes:—

- (1) According to the State-owned Land Use Rights Certificate issued by the Ganzhou Real Estate Registration Bureau (贛州不動產登記局), the land use rights of the property with a total site area of 89,838.00 sq m have been vested in 贛州新力力合置業有限公司.
- (2) According to 2 Grant Contracts and transfer contracts, Ganzhou Xinli Lihe Real estate Co., Ltd. (贛州新力力合置業有限公司) owned portions of land on Economic and Technological Development Zone with a total site area of 89,838 sq m.

Contract No.	Land Plot No.	Issue Date	Land Use	Land Use Expiry Date	Site Area (sq m)	Building Covenant (for completion)	Land Premium (RMB)
36201711020003K	DBA2017008	31 Mar 2017	Residential/ retail	expire on 30 Mar 2087 for residential use/expire on 30 Mar 2057 for retail use	89,838.00	31 Mar 2020	893,606,800
Total					89,838.00		893,606,800

- (3) According to 3 Permits for Commencement of Construction Works issued by Zhangzhou Economic and Technological Development Zone Housing and Construction Bureau, the construction works of portions of the property with a total gross floor area of approximately 346,677.64 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB2,715,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 255,745.96 sq m of the property have been committed to be sold for a consideration of approximately RMB2,371,066,000 and various commercial units with a total gross floor area of 2,178.33 sq m of the property have been committed to be sold for a consideration of approximately RMB30,527,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB460,800,000. The estimated total construction cost was approximately RMB1,016,660,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB9,300 per sq m for the residential portion, RMB14,000 per sq m for the commercial portion and RMB100,000 per lot for the car park portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB9,000 to RMB10,000 per sq m. The price of commercial premises ranges from about RMB15,000 to RMB17,000 per sq m. In respect of car parking spaces, the price ranges from about RMB80,000 to RMB110,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Ganzhou Xinli Lihe Property Co., Ltd is the sole legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Ganzhou Xinli Lihe Property Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
47. The property under construction known as Ganzhou Dibo Wan Phase II, Economic and Technological Development Zone, Ganzhou, Jiangxi Province, the PRC (贛州帝泊灣II期)	<p>The property comprises a composite development to be erected on a parcel of land with a total site area of 83,934.00 sq m.</p> <p>The property, currently under construction, is a planned development of residential and retail uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">119,733.73</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">4,460.25</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">61,653.60</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">894.45</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">186,742.03</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	119,733.73	Commercial	4,460.25	Car park	61,653.60	Ancillary	894.45	Total:	186,742.03	As at valuation date, the property was under construction and scheduled to be completed in 2020.	RMB810,000,000 (Renminbi Eight Hundred and Ten Million)
Use	Planned Gross Floor Area (sq m)														
Residential	119,733.73														
Commercial	4,460.25														
Car park	61,653.60														
Ancillary	894.45														
Total:	186,742.03														
	<p>The property is located in the center of Economic and Technological Development Zone. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential and retail uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 4 May 2087 for residential use and due to expire on 4 May 2057 for retail use.</p>														

Notes:—

- (1) According to the State-owned Land Use Rights Certificate issued by the Ganzhou Real Estate Registration Bureau (贛州不動產登記局), the land use rights of the property with a total site area of 83,934 sq m have been vested in 贛州新力未來置業有限公司 (Ganzhou Xinli Future Property Co., Ltd).
- (2) According to Grant Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between Ganzhou Land Resources Bureau (贛州市國土資源局) (“Party A”) and Ganzhou Xinli Future Property Co., Ltd (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:; the land use rights of the property have been contracted to be granted to Party B with key details as follows:

Contract No.	Land Plot No.	Issue Date	Land Use	Land Use Expiry Date	Site Area (sq m)	Building Covenant (for completion)	Land Premium (RMB)
36201711020010K	DBA2017018	5 May 2017	Residential/ retail	expire on 4 May 2087 for residential use/expire on 4 May 2057 for retail use	83,934.00	4 May 2020	512,204,900
Total					83,934.00		512,204,900

- (3) According to 2 Permits for Commencement of Construction Works issued by Zhangzhou Economic and Technological Development Zone Housing and Construction Bureau, the construction works of portions of the property with a total gross floor area of approximately 213,503.53 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB1,406,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 71,802.62 sq m of the property have been committed to be sold for a consideration of approximately RMB705,646,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB211,300,000. The estimated total construction cost was approximately RMB449,200,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB10,000 per sq m for the residential portion, RMB18,000 per sq m for the commercial portion and RMB100,000 per lot for the car park portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB9,500 to RMB11,000 per sq m. The price of commercial premises ranges from about RMB13,000 to RMB18,000 per sq m. In respect of car parking spaces, the price ranges from about RMB90,000 to RMB110,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Ganzhou Xinli Future Property Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Ganzhou Xinli Future Property Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>												
48. The property under construction known as Ganzhou Yulong Wan, Hongxing village Zhanggong District, Ganzhou, Jiangxi Province, the PRC (贛州鈺龍灣)	<p>The property comprises a parcel of land with a total site area of 75,709.00 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>Use</u></th> <th style="text-align: center;"><u>Planned Gross Floor Area</u> (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">127,743.82</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">1,147.60</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">48,346.80</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">2,078.85</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">179,317.07</td> </tr> </tbody> </table>	<u>Use</u>	<u>Planned Gross Floor Area</u> (sq m)	Residential	127,743.82	Commercial	1,147.60	Car park	48,346.80	Ancillary	2,078.85	Total:	179,317.07	As at valuation date, the property was under construction and scheduled to be completed in 2020.	<p>RMB790,000,000 (Renminbi Seven Hundred and Ninety Million)</p> <p>(60% interest attributable to the Group: RMB474,000,000) (Renminbi Four Hundred and Seventy Four Million)</p>
<u>Use</u>	<u>Planned Gross Floor Area</u> (sq m)														
Residential	127,743.82														
Commercial	1,147.60														
Car park	48,346.80														
Ancillary	2,078.85														
Total:	179,317.07														
	<p>The property is located in the sub-urban area of Zhanggong District. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is mainly for residential uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 1 October 2081 for residential use.</p>														

Notes:—

- (1) According to the State-owned Land Use Rights Certificate issued by the Ganzhou Real Estate Registration Bureau (贛州不動產登記局), the land use rights of the property with a total site area of 75,709.00 sq m have been vested in 贛州市匯鑫置業有限公司 (Ganzhou Huixin Real Estate Co., Ltd).
- (2) According to the Grant Contracts of State-owned Land Use Rights entered into between Ganzhou Land Resources Bureau (贛州市國土資源局) (“Party A”) and Ganzhou Huixin Real Estate Co., Ltd (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

Contract No.	Land Plot No.	Issue Date	Land Use	Land Use Expiry Date	Site Area (sq m)	Building Covenant (for completion)	Land Premium (RMB)
36201111030014	2011-26	5 August 2011	residential	1 October 2081	75,709.00	2 October 2015	182,458,690
Total					75,709.00		182,458,690

- (3) According to 2 Permits for Commencement of Construction Works issued by Ganzhou Housing and Urban and Rural Planning and Construction Bureau, the construction works of portions of the property with a total gross floor area of approximately 179,317.07 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB1,233,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 102,887.9 sq m of the property have been committed to be sold for a consideration of approximately RMB900,625,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB321,700,000. The estimated total construction cost was approximately RMB595,700,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB9,500 per sq m for the residential portion, RMB18,000 per sq m for the commercial portion and RMB70,000 per lot for the car park portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB8,000 to RMB10,000 per sq m. The price of commercial premises ranges from about RMB15,000 to RMB17,000 per sq m. In respect of car parking spaces, the price ranges from about RMB60,000 to RMB80,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Ganzhou Huixin Real Estate Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Ganzhou Huixin Real Estate Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>								
49. The property under construction known as Ganzhou Yinhu Wan, Ganxian, Ganzhou, Jiangxi Province, the PRC (贛州銀湖灣)	<p>The property comprises a composite development to be erected on a parcel of land with a total site area of 60,732.90 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Use</u></th> <th style="text-align: center;"><u>Planned Gross Floor Area</u> (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">50,966.64</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">1,049.12</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">52,015.76</td> </tr> </tbody> </table>	<u>Use</u>	<u>Planned Gross Floor Area</u> (sq m)	Residential	50,966.64	Ancillary	1,049.12	Total:	52,015.76	As at valuation date, the property was under construction and scheduled to be completed in 2022.	RMB140,000,000 (Renminbi One Hundred and Forty Million)
<u>Use</u>	<u>Planned Gross Floor Area</u> (sq m)										
Residential	50,966.64										
Ancillary	1,049.12										
Total:	52,015.76										
	<p>The property is located in the sub-urban area of Ganzhou. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 29 July 2083 for residential use and due to expire on 30 July 2053 for commercial use.</p>										

Notes:—

- (1) According to the State-owned Land Use Rights Certificate issued by the Ganzhou Real Estate Registration Bureau (贛州不動產登記局), the land use rights of the property with a total site area of 60,732.90 sq m have been vested in 江西匯濤實業有限公司 (Jiangxi Huitao Industrial Co., Ltd).
- (2) According to 2 Grant Contracts and transfer contracts, Jiangxi Huitao Industrial Co., Ltd owned portions of land on Ganxian with a total site area of 60,732.9 sq m.

Contract No.	Land Plot No.	Issue Date	Land Use	Land Use Expiry Date	Site Area (sq m)	Land Premium (RMB)
36201311110021	DBB2013015	23 May 2013	Residential/ Commercial	expire on 29 July 2083 for residential use/expire on 30 July 2053 for commercial use	60,732.90	73,700,000
Total					60,732.90	73,700,000

- (3) According to the Permit for Commencement of Construction Works issued by Ganzhou Housing and Urban and Rural Planning and Construction Bureau, the construction works of portions of the property with a total gross floor area of approximately 52,015.76 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB306,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 11,207.07 sq m of the property have been committed to be sold for a consideration of approximately RMB59,520,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB54,000,000. The estimated total construction cost was approximately RMB142,000,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB6,200 per sq m for the residential portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB5,000 to RMB6,500 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Jiangxi Huitao Industrial Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Jiangxi Huitao Industrial Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
50. The property under construction known as Jian Dibo Wan, Ji'an, Jiangxi Province, the PRC (吉安帝泊灣)	<p>The property comprises a composite development to be erected on a parcel of land with a total site area of 52,390 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Use</th> <th style="text-align: center;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">116,160.10</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">534.22</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">34,756.60</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">629.40</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">152,080.32</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	116,160.10	Commercial	534.22	Car park	34,756.60	Ancillary	629.40	Total:	152,080.32	As at valuation date, the property was under construction and scheduled to be completed in 2020.	RMB690,000,000 (Renminbi Six Hundred and Ninety Million)
Use	Planned Gross Floor Area (sq m)														
Residential	116,160.10														
Commercial	534.22														
Car park	34,756.60														
Ancillary	629.40														
Total:	152,080.32														
	<p>The property is located in the sub-urban area of Ji'an. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential/commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 29 July 2088 for residential use and 29 July 2058 for Commercial use.</p>														

Notes:—

- (1) According to State-owned Land Use Rights Certificate issued by the Ji'an Real Estate Registration Bureau (吉安不動產登記局), the land use rights of the property with a total site area of 52,390.00sq m have been vested in 吉安新悅力創房地產開發有限公司 (Ji'an Xinyue Lichuang Real Estate Development Co., Ltd).
- (2) According to Grant Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between Ji'an Land Resources Management Bureau (吉安市土地管理局) ("Party A") and Ji'an Xinyue Lichuang Real Estate Development Co., Ltd (collectively "Party B"), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site Area</u> (sq m)	<u>Land Premium</u> (RMB)
DDA2018018	20 November 2018	Residential/ Commercial	29 July 2088 for residential use and 29 July 2058 for Commercial use	52,390	493,513,800

- (3) According to the Permits for Commencement of Construction Works issued by Ji'an Housing and Urban and Rural Planning and Construction Bureau, the construction works of portions of the property with a total gross floor area of approximately 150,606.80 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB1,243,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 48,743.87 sq m of the property have been committed to be sold for a consideration of approximately RMB444,316,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB165,500,000. The estimated total construction cost was approximately RMB502,470,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB9,700 per sq m for the residential portion, RMB18,000 per sq m for the commercial portion and RMB150,000 per lot for the car park portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB8,500 to RMB10,000 per sq m. The price of commercial premises ranges from about RMB17,000 to RMB20,000 per sq m. In respect of car parking spaces, the price ranges from about RMB130,000 to RMB170,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Ji'an Xinyue Lichuang Real Estate Development Co., Ltd is the sole legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Ji'an Xinyue Lichuang Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019														
51. The property under construction known as Nanchang Jin Yuan, Qingyunpu District, Nanchang, Jiangxi Province, the PRC (南昌錦園)	<p>The property comprises a composite development to be erected on 2 parcels of land with a total site area of 30,525 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">84,149.73</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">11,679.83</td> </tr> <tr> <td>Apartment</td> <td style="text-align: right;">10,844.87</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">33,487.44</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">1,076.89</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">141,238.76</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	84,149.73	Commercial	11,679.83	Apartment	10,844.87	Car park	33,487.44	Ancillary	1,076.89	Total:	141,238.76	As at the valuation date, the property was under construction and scheduled to be completed in 2020.	RMB1,110,000,000 (Renminbi One Billion One Hundred and Ten Million)
Use	Planned Gross Floor Area (sq m)																
Residential	84,149.73																
Commercial	11,679.83																
Apartment	10,844.87																
Car park	33,487.44																
Ancillary	1,076.89																
Total:	141,238.76																
	<p>The property is located in the center of Qingyunpu District where is the urban area of Nanchang. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is mainly for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 29 April 2088 for residential use and due to expire on 29 April 2058 for commercial use.</p>																

Notes:—

- (1) According to 2 State-owned Land Use Rights Certificates issued by the Nanchang Real Estate Registration Bureau (南昌市不動產登記局), the land use rights of the property with a total site area of 30,525 sq m have been vested in Jiangxi Xinteng Real Estate Development Co. Ltd. (江西新騰房地產開發有限公司).
- (2) According to 2 Grant Contracts and its Supplementary Agreement, Jiangxi Xinteng Real Estate Development Co. Ltd. (江西新騰房地產開發有限公司) owned portions of land on Qingyunpu District with a total site area of 30,525 sq m.

<u>Contract No.</u>	<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site Area</u> (sq m)	<u>Land Premium</u> (RMB)
362017011300021	360171108009	January 2018	Residential, Commercial	29 April 2088 for residential use and 29 April 2058 for commercial use	14,219.00	367,765,102
362017011300024	3601711080010	18 January 2018	Residential, Commercial	29 April 2088 for residential use and 29 April 2058 for commercial use	16,306.00	422,864,313
Total					<u>30,525.00</u>	<u>790,629,415</u>

- (3) According to the Permit for Commencement of Construction Works issued by Nanchang County Administrative Examination and Approval Bureau, the construction works of portions of the property with a total gross floor area of approximately 141,414.57 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB1,790,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 33,861.34 sq m of the property have been committed to be sold for a consideration of approximately RMB494,133,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB154,900,000. The estimated total construction cost was approximately RMB470,250,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB16,300 per sq m for the residential portion, RMB10,800 per sq m for the apartment portion and RMB25,500 per sq m for the commercial portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential, apartment and commercial premises within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential and apartment development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB13,500 to RMB16,500 per sq m. The price of apartment premises ranges from about RMB9,000 to RMB13,000 per sq m. The price of commercial premises ranges from about RMB23,000 to RMB26,000 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Jiangxi Xinteng Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Jiangxi Xinteng Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
52. The property under construction known as Nanchang Jinrui Yuan, Qingyunpu District, Nanchang, Jiangxi Province, the PRC (南昌錦睿園)	<p>The property comprises a parcel of land with a total site area of 27,499 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Use</th> <th style="text-align: center;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">66,345.11</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">3,302.20</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">17,484.96</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">371.82</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">87,504.09</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	66,345.11	Commercial	3,302.20	Car park	17,484.96	Ancillary	371.82	Total:	87,504.09	As at valuation date, the property was under construction and scheduled to be completed in 2021.	RMB730,000,000 (Renminbi Seven Hundred and Thirty Million)
Use	Planned Gross Floor Area (sq m)														
Residential	66,345.11														
Commercial	3,302.20														
Car park	17,484.96														
Ancillary	371.82														
Total:	87,504.09														
	<p>The property is located in the northeast of Qingyunpu District of Nanchang. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 26 April 2088 for residential use and due to expire on 26 April 2058 for commercial use.</p>														

Notes:—

- (1) According to the State-owned Land Use Rights Certificate issued by the Nanchang Real Estate Registration Bureau (南昌市不動產登記局), the land use rights of the property with a total site area of 27,499 sq m have been vested in 江西新濤房地產開發有限公司 (Jiangxi Xinxun Real Estate Development Co., Ltd).
- (2) According to the Grant Contract of State-owned Land Use Rights and its Supplementary Agreement of the Grant Contract of State-owned Land Use Rights entered into between Nanchang Land Resources Management Bureau (南昌市國土地資源局) (“Party A”) and Jiangxi Xinxun Real Estate Development Co., Ltd (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

Contract No.	Land Plot No.	Issue Date	Land Use	Land Use Expiry Date	Site Area (sq m)	Land Premium (RMB)
362017011300023	CN203-F04	21 March 2018	Residential, Commercial	26 April 2088 for residential use and 26 April 2058 for commercial use.	27,499	529,307,168
Total					27,499	529,307,168

- (3) According to Permit for Commencement of Construction Works issued by Nanchang administrative examination and approval bureau, the construction works of portions of the property with a total gross floor area of approximately 87,852.54 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB1,125,000,000.
- (5) According to the information provided by the Group, various units with a total gross floor area of 7,723.61 sq m of the property have been committed to be sold for a consideration of approximately RMB103,177,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB88,200,000. The estimated total construction cost was approximately RMB258,240,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB16,000 per sq m for the residential portion, RMB25,400 per sq m for the commercial portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB13,800 to RMB16,500 per sq m. The price of commercial premises ranges from about RMB23,000 to RMB25,000 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Jiangxi Xinxun Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Jiangxi Xinxun Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
53. The property under construction known as Fengcheng Dibo Wan, Fengcheng, Jiangxi Province, the PRC (豐城帝泊灣)	<p>The property comprises a composite development to be erected on 2 parcels of land with a total site area of 121,850.90 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Use</th> <th style="text-align: center;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">44,797.40</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">2,340.34</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">41,307.00</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">3,141.26</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">91,586.00</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	44,797.40	Commercial	2,340.34	Car park	41,307.00	Ancillary	3,141.26	Total:	91,586.00	As at valuation date, the property was under construction and scheduled to be completed in the end of 2019.	<p>RMB240,000,000 (Renminbi Two Hundred and Forty Million)</p> <p>(64% interest attributable to the Group: RMB153,600,000 (Renminbi One Hundred Fifty Three Million and Six Hundred Thousand)</p>
Use	Planned Gross Floor Area (sq m)														
Residential	44,797.40														
Commercial	2,340.34														
Car park	41,307.00														
Ancillary	3,141.26														
Total:	91,586.00														
	<p>The property is located in the sub-urban area of Fengcheng. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential/commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 14 February 2082 for residential use and due to expire on 14 February 2052 for commercial use.</p>														

Notes:—

- (1) According to 2 State-owned Land Use Rights Certificates issued by the Fengcheng Land Resources Bureau (豐城市國土資源局), the land use rights of the property with a total site area of 121,850.90 sq m have been vested in 豐城贛鐵置業有限公司 (Fengcheng Gantie Properties Co., Ltd).
- (2) According to 2 Grant Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between Fengcheng Land Resources Management Bureau (豐城市土地管理局) (“Party A”) and Fengcheng Gantie Properties Co., Ltd (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

Contract No.	Land Plot No.	Issue Date	Land Use	Land Use Expiry Date	Site Area (sq m)	Land Premium (RMB)
36201203200004	B-c-7	10 February 2012	Residential, Commercial	10 February 2082 for residential use and 10 February 2052 for commercial use	60,000	94,000,000
36201203200005	B-c-8	10 February 2012	Residential, Commercial	14 February 2082 for residential use and 14 February 2052 for commercial use	61,850	97,000,000
Total					121,850.90	191,000,000

- (3) According to 4 Permits for Commencement of Construction Works issued by Fengcheng Housing and Urban and Rural Planning and Construction Bureau, the construction works of portions of the property with a total gross floor area of approximately 362,244.00 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB286,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 44,797.40 sq m of the property have been committed to be sold for a consideration of approximately RMB259,244,000 various commercial units with a total gross floor area of 2,340.34 sq m of the property have been committed to be sold for a consideration of approximately RMB26,311,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB191,500,000. The estimated total construction cost was approximately RMB216,200,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB5,800 per sq m for the residential portion, RMB12,000 per sq m for the commercial portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB4,500 to RMB6,000 per sq m. The price

of commercial premises ranges from about RMB10,000 to RMB13,000 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificates of the property is valid, legal and enforceable under the PRC laws;
 - (b) Fengcheng Gantie Properties Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Fengcheng Gantie Properties Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019																
54. The property under construction known as Phase I, Nanchang Park No. 1, Nanchang High-tech Development Zone, Nanchang, Jiangxi Province, the PRC (南昌公園壹號I期))	<p>The property comprises a parcel of land with a total site area of 113,562 sq m.</p> <p>The property, currently under construction, is a planned development of residential use. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">147,444.00</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">10,340.55</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">20,113.83</td> </tr> <tr> <td>Apartment</td> <td style="text-align: right;">24,575.65</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">51,516.00</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">14,555.19</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">268,545.22</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	147,444.00	Commercial	10,340.55	Office	20,113.83	Apartment	24,575.65	Car park	51,516.00	Ancillary	14,555.19	Total:	268,545.22	As at valuation date, the property was under construction and scheduled to be completed in 2020.	RMB1,280,000,000 (Renminbi One Billion Two Hundred and Eighty Million)
Use	Planned Gross Floor Area (sq m)																		
Residential	147,444.00																		
Commercial	10,340.55																		
Office	20,113.83																		
Apartment	24,575.65																		
Car park	51,516.00																		
Ancillary	14,555.19																		
Total:	268,545.22																		
	<p>The property is located in the East of Gaoxin District of Nanchang where needs further development. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 3 August 2085 for residential use.</p>																		

Notes:—

- (1) According to the State-owned Land Use Rights Certificate No. (2016) 113646 issued by the Nanchang Real Estate Registration Bureau (南昌市不動產登記局), the land use rights of the property with a total site area of 113,562 sq m have been vested in 南昌天華置業有限公司 (Nanchang Tianhua Real Estate Development Co., Ltd).
- (2) According to the Grant Contract of State-owned Land Use Rights and its Change Agreement entered into between Nanchang Land Resources Management Bureau (南昌市土地管理局) (“Party A”) and Nanchang Tianhua Real Estate Development Co., Ltd (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site Area</u> <i>(sq m)</i>	<u>Land Premium</u> <i>(RMB)</i>
360101101523K	4 August 2015	Residential, Commercial	3 August 2085 for residential use	193,765	203,453,250
Total				<u>193,765</u>	<u>203,453,250</u>

- (3) According to 3 Permits for Commencement of Construction Works issued by Nanchang High-tech Development Zone, the construction works of portions of the property with a total gross floor area of approximately 268,545.22 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB1,814,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 139,199.95 sq m of the property have been committed to be sold for a consideration of approximately RMB1,299,448,000, various commercial units with a total gross floor area of 2,146.00 sq m of the property have been committed to be sold for a consideration of approximately RMB36,985,000 and various serviced apartment units with a total gross floor area of 24,575.65 sq m of the property have been committed to be sold for a consideration of approximately RMB148,199,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB599,000,000. The estimated total construction cost was approximately RMB719,323,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB9,800 per sq m for the residential portion, RMB6,800 per sq m for the apartment portion, RMB11,000 per sq m for the low rise residential portion and RMB14,000 per sq m for commercial portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential, apartment, villa and commercial premises within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB9,000 to RMB12,000 per sq m. The price of apartment premises ranges from about RMB6,500 to RMB7,000 per sq m. The price of low rise residential premises ranges from about RMB10,000 to RMB12,500 per sq m. The price of commercial premises ranges from about RMB12,000 to RMB14,200 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Nanchang Tianhua Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Nanchang Tianhua Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>										
55. The property under construction known as Phase I, Nanchang Times Square, Nanchang High-tech Development Zone, Nanchang, Jiangxi Province, the PRC (南昌時代廣場I期)	<p>The property is erected upon a parcel of land with a total site area of 180,170 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Use</u></th> <th style="text-align: right;"><u>Planned Gross Floor Area</u> (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">250,535.00</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">62,260.38</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">14,117.15</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">326,912.53</td> </tr> </tbody> </table>	<u>Use</u>	<u>Planned Gross Floor Area</u> (sq m)	Residential	250,535.00	Car park	62,260.38	Ancillary	14,117.15	Total:	326,912.53	As at valuation date, the property was under construction and scheduled to be completed in 2021.	RMB1,900,000,000 (Renminbi One Billion and Nine Hundred Million)
<u>Use</u>	<u>Planned Gross Floor Area</u> (sq m)												
Residential	250,535.00												
Car park	62,260.38												
Ancillary	14,117.15												
Total:	326,912.53												
	<p>The property is located in the center of Nanchang High-tech Development Zone, Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for comprehensive use.</p> <p>The land use rights of the property have been granted for terms due to expire on 26 January 2086 for residential use and due to expire on 26 January 2056 for commercial use.</p>												

Notes:—

- (1) According to the State-owned Land Use Rights Certificate No. (2016) 1114064 issued by the Nanchang Real Estate Registration Office (南昌市不動產登記局), the land use rights of the property with a total site area of 180,170 sq m have been vested in 江西新瀚置業有限公司 (Jiangxi Xinhan Real Estate Co., Ltd).
- (2) According to the Grant Contract of State-owned Land Use Rights entered into between Nanchang Land Resources Management Bureau High-Tech Branch (南昌市國土資源局高新分局) (“Party A”) and Jiangxi Xinhan Real Estate Co., Ltd (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

Contract No.	Land Plot No.	Issue Date	Land Use	Land Use Expiry Date	Site Area (sq m)	Land Premium (RMB)
36201601010001	360101101601K	27 January 2016	Residential, Commercial	26 January 2086 for residential use and 26 January 2056 for commercial use.	180,170	702,663,000
Total					180,170	702,663,000

- (3) According to the Permit for Commencement of Construction Works issued by Nanchang High-tech Industrial Development Zone, the construction works of portions of the property with a total gross floor area of approximately 231,487.57 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB4,266,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 135,770.91 sq m of the property have been committed to be sold for a consideration of approximately RMB2,266,056,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB415,600,000. The estimated total construction cost was approximately RMB1,742,000,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB17,000 per sq m for the residential portion, RMB19,000 per sq m for the low rise residential portion and RMB22,000 per sq m for the commercial portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential, villa and commercial premises within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB14,000 to RMB17,500 per sq m. The price of low rise residential premises range from about RMB17,500 to RMB23,000 per sq m. The price of commercial premises ranges from about RMB19,000 to RMB27,000 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Jiangxi Xinhan Real Estate Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Jiangxi Xinhan Real Estate Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019										
56. The property under construction known as Nanchang Bo Yuan, Jiulong Lake New Area, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌鉞園)	The property comprises a composite development to be erected on a parcel of land with site area of 63,845.96 sq m. The property, currently under construction, is a planned development of residential use. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:	As at valuation date, the property was under construction and scheduled to be completed in 2020.	RMB1,370,000,000 (Renminbi One Billion Three Hundred and Seventy Million)										
	<table border="1"> <thead> <tr> <th style="text-align: center;">Use</th> <th style="text-align: center;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">107,318.00</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">42,386.77</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">20,789.20</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">170,493.97</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	107,318.00	Car park	42,386.77	Ancillary	20,789.20	Total:	170,493.97		
Use	Planned Gross Floor Area (sq m)												
Residential	107,318.00												
Car park	42,386.77												
Ancillary	20,789.20												
Total:	170,493.97												
	<p>The property is located in the center of Xinjian District. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 30 October 2086 for residential use and due to expire on 30 October 2053 for commercial use.</p>												

Notes:—

- (1) According to 2 State-owned Land Use Rights Certificates issued by the Nanchang Real Estate Registration Bureau (南昌市不動產登記局), the land use rights of the property with a total site area of 63,845.96 sq m have been vested in 南昌名門世家房產開發經營有限責任公司 (Jiangxi Mingmen Shijia Real Estate Development Co., Ltd).

- (2) According to the Grant Contract of State-owned Land Use Rights and its Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between Nanchang Land Resources Bureau (南昌市國土資源局) (“Party A”) and Jiangxi Mingmen Shijia Real Estate Development Co., Ltd (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site Area</u> <i>(sq m)</i>	<u>Land Premium</u> <i>(RMB)</i>
360101145038	9 September 2016	Residential, Commercial,	30 October 2086 for residential use and 30 October 2053 for commercial use	63,845.96	349,556,850
Total				<u>63,845.96</u>	<u>349,556,850</u>

- (3) According to the Permit for Commencement of Construction Works issued by Nanchang urban and rural construction committee (南昌市城鄉建設委員會), the construction works of the property with a total gross floor area of approximately 170,493.97 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB1,745,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 106,213.45 sq m of the property have been committed to be sold for a consideration of approximately RMB1,719,961,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB423,000,000. The estimated total construction cost was approximately RMB603,740,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB23,000 per sq m for the residential portion.
- (8) In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential premises within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development within the same district. The price of residential premises ranges from about RMB22,000 to RMB25,000 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.
- (9) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- The Stated-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;
 - Jiangxi Mingmen Shijia Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - Jiangxi Mingmen Shijia Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
57. The property under construction known as Nanchang Yinhu Wan, Nanchang County, Nanchang, Jiangxi Province, the PRC (南昌銀湖灣)	<p>The property comprises a composite development to be erected on 3 parcels of land with a total site area of 132,533 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td style="text-align: right;">2,207.06</td> </tr> <tr> <td>Serviced Apartment</td> <td style="text-align: right;">59,370.42</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">85,296.97</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">1,119.02</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">147,993.47</td> </tr> </tbody> </table>	Use	Gross Floor Area (sq m)	Commercial	2,207.06	Serviced Apartment	59,370.42	Car park	85,296.97	Ancillary	1,119.02	Total:	147,993.47	As at valuation date, the property was under construction and scheduled to be completed in the end of 2019.	RMB180,000,000 (Renminbi One Hundred and Eighty Million)
Use	Gross Floor Area (sq m)														
Commercial	2,207.06														
Serviced Apartment	59,370.42														
Car park	85,296.97														
Ancillary	1,119.02														
Total:	147,993.47														
	<p>The property is located in the center of Nanchang County. Developments nearby are mainly residential and industrial in nature. According to the information provided by the Group, the property is for residential, retail and apartment uses.</p> <p>The land use rights of the property have been granted for terms due to expire on between 17 May 2081 and 29 July 2081 for residential use and due to expire on between 17 May 2051 and 29 July 2051 for commercial use.</p>														

Notes:—

- (1) According to 3 State-owned Land Use Rights Certificates issued by the People's Government of Nanchang County (南昌縣人民政府), the land use rights of the property with a total site area of 132,533 sq m have been vested in 江西和之信投資有限公司 (Jiangxi Hezhixin Investment Co., Ltd) with details as follows:—

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> (sq m)
(2015) 0090	15 May 2015	Commercial	29 July 2051	29,000
(2015) 0091	15 May 2015	Residential/ Commercial	17 May 2051/ 17 May 2081	50,200
(2015) 0089	15 May 2015	Residential/ Commercial	29 July 2051/ 29 July 2081	53,333
Total:				132,533

- (2) According to 3 Grant Contracts of State-owned Land Use Rights entered into between Bureau of Land and Resources of Nanchang County (南昌縣國土資源局) ("Party A") and Jiangxi Hezhixin Investment Co., Ltd ("Party B"), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site Area</u> (sq m)	<u>Land Premium</u> (RMB)
360102110082	29 July 2011	Commercial	29 July 2051	29,000	20,010,000
360102110034	17 May 2011	Residential, Commercial,	17 May 2081 for residential use and 17 May 2051 for commercial use	50,200	27,108,000
360102110083	29 July 2011	Residential, Commercial,	29 July 2081 for residential use and 29 July 2051 for commercial use	53,333	48,000,000
Total				132,533	95,118,000

- (3) According to 2 Permits for Commencement of Construction Works issued by Building Management Office of Nanchang County, the construction works of the property with a total gross floor area of approximately 346,865.62 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB437,000,000.

- (5) According to the information provided by the Group, various commercial units with a total gross floor area of 2,203.79 sq m of the property have been committed to be sold for a consideration of approximately RMB27,933,000 and various serviced apartment units with a total gross floor area 59,370.42 sq m of the property have been committed to be sold for a consideration of approximately RMB408,836,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB183,100,000. The estimated total construction cost was approximately RMB391,100,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB12,000 per sq m for commercial portion and RMB7,500 per sq m for apartment.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential, commercial and apartment development within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential, commercial and apartment development within the same district. The price of commercial premises ranges from about RMB10,200 to RMB13,000 per sq m. The price of apartment premises ranges from about RMB7,500 to RMB9,500 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - (a) The Stated-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;
 - (b) Jiangxi Hezhixin Investment Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Jiangxi Hezhixin Investment Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019														
58. The property under construction known as Nanchang Xingtang Wan, Xiangtang Village, Xiangtang Town, Nanchang County, Nanchang, Jiangxi Province, the PRC (南昌星塘灣)	<p>The property comprises a composite development to be erected on 2 parcels of land with a total site area of 49,047 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">75,797.45</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">3,643.73</td> </tr> <tr> <td>Serviced Apartment</td> <td style="text-align: right;">12,424.16</td> </tr> <tr> <td>Carpark</td> <td style="text-align: right;">26,196.34</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">3,197.58</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>121,259.26</u></td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	75,797.45	Commercial	3,643.73	Serviced Apartment	12,424.16	Carpark	26,196.34	Ancillary	3,197.58	Total:	<u>121,259.26</u>	As at valuation date, the property was under construction and scheduled to be completed in 2020.	<p>RMB330,000,000 (Renminbi Three Hundred and Thirty Million)</p> <p>(51% interest attributable to the Group: RMB168,300,000) (Renminbi One Hundred Sixty Eight Million and Three Hundred Thousand)</p>
Use	Planned Gross Floor Area (sq m)																
Residential	75,797.45																
Commercial	3,643.73																
Serviced Apartment	12,424.16																
Carpark	26,196.34																
Ancillary	3,197.58																
Total:	<u>121,259.26</u>																

The property is located in the north of Xiangtang Town/in the sub-urban area of Nanchang. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is mainly for residential use.

The land use rights of the property have been granted for terms due to expire on 26 September 2082 for residential use and due to expire on 26 September 2052 for commercial use.

Notes:—

- (1) According to 2 State-owned Land Use Rights Certificates Nos. (2015) 0034 and (2015) 0033 issued by the People's Government of Nanchang County (南昌縣人民政府), the land use rights of the property with a total site area of 49,047.00 sq m have been vested in 江西璽瑞實業有限公司 (Jiangxi Xirui Industrial Co., Ltd).
- (2) According to the Grant Contract of State-owned Land Use Rights and its supplementary Agreement of the Grant Contract of State-owned Land Use Rights entered into between Nanchang County Land and Resources Bureau (南昌縣國土資源局) ("Party A") and Jiangxi Xirui Industrial Co., Ltd ("Party B"), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

Land Plot No.	Issue Date	Land Use	Land Use Expiry Date	Site Area <i>(sq m)</i>	Land Premium <i>(RMB)</i>
NCX2005006	27 September 2012	Residential, Commercial,	26 September 2082 for residential use and 26 September 2052 for commercial use	49,047	9,740,869
Total				<u>49,047</u>	<u>9,740,869</u>

- (3) According to the Permit for Commencement of Construction Works issued by Nanchang County Administrative Examination and Approval Bureau, the construction works of portions of the property with a total gross floor area of approximately 121,259.26 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB632,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 75,611.87 sq m of the property have been committed to be sold for a consideration of approximately RMB533,466,000, various commercial units with a total gross floor area of 2,372.11 sq m of the property have been committed to be sold for a consideration of approximately RMB20,939,000, various serviced apartment units with a total gross floor area of 9,094.34 sq m of the property have been committed to be sold for a consideration of approximately RMB40,037,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB226,700,000. The estimated total construction cost was approximately RMB383,780,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB8,000 per sq m for the residential portion, RMB6,500 per sq m for the apartment portion and RMB11,000 per sq m for the commercial portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential, apartment and commercial premises within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB7,500 to RMB9,000 per sq m. The price of apartment portion premises ranges from about RMB6,500 to RMB8,500 per sq m. The price of commercial premises ranges from about RMB10,000 to RMB13,000 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;
 - (b) Jiangxi Xirui Industrial Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Jiangxi Xirui Industrial Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019										
59. The development site for the proposed development to be known as Wo Yuan, Gaoxin District, Nanchang, Jiangxi Province, the PRC (南昌渥園)	<p>The property comprises a composite development to be erected on a parcel of land with a total site area of 63,257 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Use</th> <th style="text-align: center;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">143,354.16</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">40,784.20</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">3,052.60</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">187,190.96</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	143,354.16	Car park	40,784.20	Ancillary	3,052.60	Total:	187,190.96	At the valuation date, the property was under construction and scheduled to be completed in 2022.	RMB1,020,000,000 (Renminbi One Billion and Twenty Million)
Use	Planned Gross Floor Area (sq m)												
Residential	143,354.16												
Car park	40,784.20												
Ancillary	3,052.60												
Total:	187,190.96												
	<p>The property is located in Gaoxin District of Nanchang. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for a term from 5 November 2018 to 4 November 2088 for residential use.</p>												

Notes:—

- (1) According to the Real Estate Title Certificate No. (2019)0010375, the land use rights of the property with a site area of 63,257 sq m have been vested in 江西海越房地產開發有限公司 (Jiangxi Haiyue Real Estate Development Co., Ltd) for a term from 5 November 2018 to 4 November 2088 for residential use.

- (2) According to Grant Contract of State-owned Land Use Rights entered into between Nanchang Land Resources Bureau (“Party A”) and Jiangxi Haiyue Real Estate Development Co., Ltd (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Contract No.</u>	<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Plot Ratio</u>	<u>Building Covenant (for completion)</u>	<u>Land Premium</u>
							<i>(RMB)</i>
36201801010039	360101101839K	5 November 2018	Residential	70 years	≥1.0 and ≤2.2	5 May 2021	938,417,595

- (3) According to various Planning Permit for Construction Works, the construction works of the property with a permitted gross floor area of 187,190.96 sq m are in compliance with the construction works requirements and have been approved.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB2,350,000,000.
- (5) According to the information provided by the Group, the construction cost incurred as at valuation date was RMB74,000,000. In the course of our valuation, we have taken into account such costs.
- (6) In valuing the property if completed, we have assumed about RMB16,400 per sq m for the residential portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development within the same district. The price of residential premises ranges from about RMB14,500 to RMB17,500 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (7) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- (a) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
- (b) Jiangxi Haiyue Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
- (c) Jiangxi Haiyue Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019														
60. The property under construction known as Nanchang Long Wan, Jiulong Lake Area, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌龍灣)	<p>The property comprises a composite development to be erected on 5 parcels of land with a total site area of 333,350.58 sq m.</p> <p>The property, currently under construction, is a planned development of residential, office and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Use</th> <th style="text-align: center;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">246,539.92</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">19,709.69</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">15,906.63</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">121,190.95</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">58,476.63</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">461,823.82</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	246,539.92	Commercial	19,709.69	Office	15,906.63	Car park	121,190.95	Ancillary	58,476.63	Total:	461,823.82	As at valuation date, the property was under construction and scheduled to be completed in the end of 2019.	RMB2,750,000,000 (Renminbi Two Billion Seven Hundred and Fifty Million)
Use	Planned Gross Floor Area (sq m)																
Residential	246,539.92																
Commercial	19,709.69																
Office	15,906.63																
Car park	121,190.95																
Ancillary	58,476.63																
Total:	461,823.82																
	<p>The property is located in the center of Xinjian District. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential, office and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 16 July 2084, 2 February 2085 and 29 September 2084 respectively for residential use and due to expire on 16 July 2054/29 September 2054 for commercial use.</p>																

Notes:—

- (1) According to 5 State-owned Land Use Rights Certificates issued by the Nanchang Municipal People's Government, Nanchang Real Estate Registration Bureau (南昌市人民政府、南昌市不動產登記局), the land use rights of the property with a total site area of 333,350.58 sq m have been vested in 南昌寶葫蘆農莊有限公司 (Nanchang Baohulu Farm Co., Ltd).
- (2) According to 4 Grant Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between Nanchang Land Resources Bureau (南昌市國土資源局) ("Party A") and Nanchang Baohulu Farm Co., Ltd ("Party B"), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site Area</u> <i>(sq m)</i>	<u>Land Premium</u> <i>(RMB)</i>
360101145031	17 July 2014	Residential, Commercial,	16 July 2084 for residential use and 16 July 2054 for commercial use	73,271.16	120,897,700
360101145051	3 February 2015	Residential, Commercial,	2 February 2085 for residential use and 2 February 2055 for commercial use	144,478.57	244,891,340
360101145030	17 July 2014	Residential, Commercial,	16 July 2084 for residential use and 16 July 2054 for commercial use	32,006.85	50,410,500
360101145051	30 September 2014	Residential, Commercial,	29 September 2084 for residential use and 29 September 2054 for commercial use	83,594	132,353,570
Total				333,350.58	548,643,110

- (3) According to 5 Permits for Commencement of Construction Works issued by Nanchang Housing and Urban and Rural Planning and Construction Bureau (南昌城鄉建設委員會), the construction works of the property with a total gross floor area of approximately 819,153.06 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB3,320,000,000.

- (5) According to the information provided by the Group, various residential units with a total gross floor area of 246,539.92 sq m of the property have been committed to be sold for a consideration of approximately RMB2,962,994,000 various commercial units with a total gross floor area of 5,712.25 sq m of the property have been committed to be sold for a consideration of approximately RMB82,286,000 and various office units with a total gross floor area of 9,526.94 sq m of the property have been committed to be sold for a consideration of approximately RMB59,060,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB1,264,000,000. The estimated total construction cost was approximately RMB1,421,000,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB10,000 per sq m for the residential portion, RMB13,500 per sq m for the commercial portion and RMB6,500 per sq m for the office portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as office within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial and office accommodation within the same district. The price of residential premises ranges from about RMB10,000 to RMB10,500 per sq m. The price of commercial premises ranges from about RMB12,300 to RMB14,000 per sq m. In respect of office, the price ranges from about RMB6,000 to RMB7,000 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;
 - (b) Nanchang Baohulu Farm Co., Ltd is the sole legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Nanchang Baohulu Farm Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019														
61. The property under construction known as Nanchang Amber Yuan, Jiulong Lake Area, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌琥珀園)	<p>The property comprises a composite development to be erected on 4 parcels of land with a total site area of 216,756.45 sq m.</p> <p>The property, currently under construction, is a planned development of residential, Office, and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Use</th> <th style="text-align: center;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">162,982.78</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">29,589.79</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">53,140.99</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">75,110.03</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">7,827.40</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">328,650.99</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	162,982.78	Commercial	29,589.79	Office	53,140.99	Car park	75,110.03	Ancillary	7,827.40	Total:	328,650.99	As at valuation date, the property was under construction and scheduled to be completed in the end of 2019.	RMB1,474,000,000 (Renminbi One Billion Four Hundred and Seventy Four Million)
Use	Planned Gross Floor Area (sq m)																
Residential	162,982.78																
Commercial	29,589.79																
Office	53,140.99																
Car park	75,110.03																
Ancillary	7,827.40																
Total:	328,650.99																
	<p>The property is located in the center of Xinjian District. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential, office and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 17 July 2084 for residential use and due to expire on 17 July 2054 for commercial use.</p>																

Notes:—

- (1) According to 4 State-owned Land Use Rights Certificates issued by the Nanchang Land Resources Bureau (南昌國土資源局), the land use rights of the property with a total site area of 216,756.45 sq m have been vested in 江西駿宇實業有限公司 (Jiangxi Junyu Industrial Co., Ltd).
- (2) According to the Grant Contract of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between Xinjian County National Land Resources Bureau (新建縣國土資源局) (“Party A”) and Jiangxi Junyu Industrial Co., Ltd (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

Land Plot No.	Issue Date	Land Use	Land Use Expiry Date	Site Area (sq m)	Land Premium (RMB)
360101145015	17 July 2014	Residential, Commercial,	17 July 2084 for residential use and 17 July 2054 for commercial use	216,818.82	281,989,960*

* The land premium has included the value of land plot No. 2011G030, signed by Jiangxi Junyu Industrial Co., Ltd with RMB107,339,960 is swapped for land plot No. 360101145015.

- (3) According to 4 Permits for Commencement of Construction Works issued by Nanchang Housing and Urban and Rural Planning and Construction Bureau (南昌市城鄉建設委員會), the construction works of the property with a total gross floor area of approximately 670,732.45 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB3,080,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 162,982.78 sq m of the property have been committed to be sold for a consideration of approximately RMB2,135,958,000 various commercial units with a total gross floor area of 9,775.08 sq m of the property have been committed to be sold for a consideration of approximately RMB136,115,000 and various office units with a total gross floor area of 53,140.99 sq m of the property have been committed to be sold for a consideration of approximately RMB490,768,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was RMB205,600,000. The estimated total construction cost was RMB1,094,000,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB13,500 per sq m for the residential portion, RMB16,000 per sq m for the commercial portion and RMB10,000 per sq m for the office portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as office within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with commercial and office ancillary within the same district. The price of residential premises ranges from about RMB13,000 to RMB14,000 per sq m. The price of commercial premises ranges from about RMB15,000 to RMB16,000 per sq m. In respect of office, the price ranges from about RMB10,000 to RMB11,000 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;
 - (b) Jiangxi Junyu Industrial Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Jiangxi Junyu Industrial Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
62. The property under construction known as Nanchang Dong Yuan, Jiulong Lake Area, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌東園)	<p>The property comprises a composite development to be erected on a parcel of land with a site area of 112,316.66 sq m.</p> <p>The property, currently under construction, is a planned development of residential, Office and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Use</th> <th style="text-align: center;">Planned Gross Floor Area</th> </tr> <tr> <th style="text-align: center;"></th> <th style="text-align: center;">(sq m)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Residential</td> <td style="text-align: right;">171,616.00</td> </tr> <tr> <td style="text-align: center;">Car park</td> <td style="text-align: right;">54,776.54</td> </tr> <tr> <td style="text-align: center;">Ancillary</td> <td style="text-align: right;">12,843.19</td> </tr> <tr> <td style="text-align: center;">Total:</td> <td style="text-align: right;"><u>239,235.73</u></td> </tr> </tbody> </table>	Use	Planned Gross Floor Area		(sq m)	Residential	171,616.00	Car park	54,776.54	Ancillary	12,843.19	Total:	<u>239,235.73</u>	As at valuation date, the property was under construction and scheduled to be completed in 2020.	RMB1,850,000,000 (Renminbi One Billion Eight Hundred and Fifty Million)
Use	Planned Gross Floor Area														
	(sq m)														
Residential	171,616.00														
Car park	54,776.54														
Ancillary	12,843.19														
Total:	<u>239,235.73</u>														
	<p>The property is located in the center of Xinjian District. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 1 April 2088 for residential use and due to expire on 1 April 2058 for commercial use.</p>														

Notes:—

- (1) According to the State-owned Land Use Rights Certificate No. (2018) 0064553 issued by the Nanchang Land Resources Bureau (南昌國土資源局), the land use rights of the property with a site area of 112,316.66 sq m have been vested in 南昌新銘房地產開發有限公司 (Nanchang Xinming Real Estate Development Co., Ltd).

- (2) According to the Grant Contract of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between Nanchang Land Resources Bureau (南昌市國土資源局) (“Party A”) and Nanchang Maoliang Real Estate Development Co., Ltd (南昌市貿良實業發展有限公司) (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

Contract No.	Land Plot No.	Issue Date	Land Use	Land Use Expiry Date	Site Area (sq m)	Building Covenant (for completion)	Land Premium (RMB)
36201701120012	3601011750029	25 December 2017	Residential, Commercial	1 April 2088 for residential use and 1 April 2058 for commercial use	112,316.66	24 September 2021	1,922,299,750
				Total	112,316.66		1,922,299,750

- (3) According to the Permit for Commencement of Construction Works issued by Nanchang Administrative Approval Bureau (南昌市政府批局), the construction works of portions of the property with a total gross floor area of approximately 239,235.73 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB2,720,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 170,854.71 sq m of the property have been committed to be sold for a consideration of approximately RMB2,705,683,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB548,700,000. The estimated total construction cost was approximately RMB1,027,000,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB16,000 per sq m for the residential portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development within the same district. The price of residential premises ranges from about RMB15,000 to RMB16,000 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - Nanchang Xinming Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - Nanchang Xinming Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>														
63. The property under construction known as Nanchang Lan Wan, South of Yingxiong Road, East of Huanggu Road, Economic and Technological Development Zone, Nanchang, Jiangxi Province, the PRC (南昌瀾灣)	<p>The property comprises a parcel of land with a total site area of 63,060 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Use</u></th> <th style="text-align: right;"><u>Planned Gross Floor Area</u></th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: right;"><i>(sq m)</i></td> </tr> <tr> <td>Residential</td> <td style="text-align: right;">120,426.46</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">12,987.48</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">39,816.21</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;"><u>7,732.32</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>180,962.47</u></td> </tr> </tbody> </table>	<u>Use</u>	<u>Planned Gross Floor Area</u>		<i>(sq m)</i>	Residential	120,426.46	Commercial	12,987.48	Car park	39,816.21	Ancillary	<u>7,732.32</u>	Total:	<u>180,962.47</u>	As at valuation date, the property was under construction and scheduled to be completed in 2020.	RMB950,000,000 (Renminbi Nine Hundred and Fifty Million)
<u>Use</u>	<u>Planned Gross Floor Area</u>																
	<i>(sq m)</i>																
Residential	120,426.46																
Commercial	12,987.48																
Car park	39,816.21																
Ancillary	<u>7,732.32</u>																
Total:	<u>180,962.47</u>																
	<p>The property is located in the north of Economic and Technological Development Zone/in the sub-urban area of Nanchang. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential and Commercial use.</p> <p>The land use rights of the property have been granted for terms due to expire on 9 May 2088 for residential use and due to expire on 9 May 2058 for commercial use.</p>																

Notes:—

- (1) According to the State-owned Land Use Rights Certificate issued by the Nanchang Real Estate Registration Bureau (南昌市不動產登記局), the land use rights of the property with a total site area of 63,060.00 sq m have been vested in 南昌梓棟房地產開發有限公司 (Nanchang Zidong Real Estate Development Co., Ltd).

- (2) According to the Grant Contract of State-owned Land Use Rights and its Supplementary Agreement of the Grant Contract of State-owned Land Use Rights entered into between Nanchang Land Resources Bureau (南昌市國土資源局) (“Party A”) and Nanchang Zidong Real Estate Development Co., Ltd (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Contract No.</u>	<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site Area</u> (sq m)	<u>Land Premium</u> (RMB)
36201801130003	3601711080016	1 February 2018	Residential, Commercial	9 May 2088 for residential use and 9 May 2058 for commercial use	63,060	597,118,293
Total					63,060	597,118,293

- (3) According to the Permit for Commencement of Construction Works issued by Ganjiang New District Administrative Examination and Approval Bureau, the construction works of portions of the property with a total gross floor area of approximately 180,962.47 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB1,650,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 70,745.48 sq m of the property have been committed to be sold for a consideration of approximately RMB815,084,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB234,800,000. The estimated total construction cost was approximately RMB614,110,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB12,000 per sq m for the residential portion, RMB18,000 per sq m for the commercial portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB11,000 to RMB13,000 per sq m. The price of commercial premises ranges from about RMB15,000 to RMB21,000 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Nanchang Zidong Real Estate Development Co., Ltd is the sole legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Nanchang Zidong Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
64. The property under construction known as Nanchang Rong Yuan, Xihu District, Nanchang, Jiangxi Province, the PRC (南昌榕園)	<p>The property comprises a composite development to be erected on a parcel of land with a total site area of 22,196 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Use</th> <th style="text-align: center;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">46,844.54</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">1,456.70</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">12,507.10</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">3,015.35</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">63,823.69</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	46,844.54	Commercial	1,456.70	Car park	12,507.10	Ancillary	3,015.35	Total:	63,823.69	As at valuation date, the property was under construction and scheduled to be completed in 2020.	RMB690,000,000 (Renminbi Six Hundred and Ninety Million)
Use	Planned Gross Floor Area (sq m)														
Residential	46,844.54														
Commercial	1,456.70														
Car park	12,507.10														
Ancillary	3,015.35														
Total:	63,823.69														
	<p>The property is located in the center of Xihu District/in the urban area of Nanchang. Developments nearby are residential, commercial and official properties in nature. According to the information provided by the Group, the property is mainly for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 22 July 2088 for residential use and due to expire on 22 July 2058 for commercial use.</p>														

Notes:—

- (1) According to the State-owned Land Use Rights Certificates issued by the Nanchang Real Estate Registration Office (南昌市不動產登記局), the land use rights of the property with a total site area of 22,196 sq m have been vested in 南昌泰新房地產開發有限公司 (Nanchang Taixin Real Estate Development Co., Ltd).

- (2) According to the Grant Contract of State-owned Land Use Rights and its Change Agreement of the Grant Contract of State-owned Land Use Rights entered into between Nanchang Land Resources Bureau (南昌國土資源局) (“Party A”) and Nanchang Taixin Real Estate Development Co., Ltd (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Contract No.</u>	<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site Area</u> (sq m)	<u>Land Premium</u> (RMB)
36201801130005	360181108001	25 June 2018	Residential, Commercial	22 July 2088 for residential use and 22 July 2058 for commercial use	22,196	539,029,860
				Total	22,196	539,029,860

- (3) According to the Permits for Commencement of Construction Works issued by Nanchang Administrative Examination and Approval Bureau, the construction works of portions of the property with a total gross floor area of approximately 63,823.69 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB970,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 13,963.93 sq m of the property have been committed to be sold for a consideration of approximately RMB237,449,000 various commercial units with a total gross floor area of 420.69 sq m of the property have been committed to be sold for a consideration of approximately RMB11,866,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB116,800,000. The estimated total construction cost was approximately RMB265,850,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB18,000 per sq m for the residential portion, RMB30,000 per sq m for the commercial portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB16,500 to RMB18,800 per sq m. The price of commercial premises ranges from about RMB22,000 to RMB30,000 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - Nanchang Taixin Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - Nanchang Taixin Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
65. The property under construction known as Nanchang Qinglan Wan, Minhe Town, Jinxian County, Nanchang, Jiangxi Province, the PRC (南昌青嵐灣)	<p>The property comprises a parcel of land with a total site area of 29,168.10 sq m.</p> <p>The property, currently under construction, is a planned development of residential use. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Use</th> <th style="text-align: right; border-bottom: 1px solid black;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">66,324.48</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">197.00</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">13,261.95</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right; border-bottom: 1px solid black;">3,833.88</td> </tr> <tr> <td>Total:</td> <td style="text-align: right; border-bottom: 3px double black;">83,617.31</td> </tr> </tbody> </table> <p>The property is located in the center of Jinxian County. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is mainly for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 13 March 2088 for residential use.</p>	Use	Planned Gross Floor Area (sq m)	Residential	66,324.48	Commercial	197.00	Car park	13,261.95	Ancillary	3,833.88	Total:	83,617.31	As at valuation date, the property was under construction and scheduled to be completed in the end of 2019.	RMB410,000,000 (Renminbi Four Hundred and Ten Million)
Use	Planned Gross Floor Area (sq m)														
Residential	66,324.48														
Commercial	197.00														
Car park	13,261.95														
Ancillary	3,833.88														
Total:	83,617.31														

Notes:—

- (1) According to the State-owned Land Use Rights Certificate issued by the Jinxian County Real Estate Registration Bureau (進賢縣不動產登記局), the land use rights of the property with a total site area of 29,168.10 sq m have been vested in 南昌新穎房地產開發有限公司 (Nanchang Xinying Real Estate Development Co., Ltd).

- (2) According to the Grant Contract of State-owned Land Use Rights and its Change Agreement entered into between Jinxian County Land Resources Management Bureau (進賢縣國土資源局) (“Party A”) and Nanchang Xinying Real Estate Development Co., Ltd (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site Area</u> (sq m)	<u>Land Premium</u> (RMB)
360104180002	29 January 2018	Residential	13 March 2088 for residential use.	29,168.10	92,508,000
Total				29,168.10	92,508,000

- (3) According to the Permit for Commencement of Construction Works issued by Housing and Urban-Rural Planning and Construction Bureau of Jinxian County, the construction works of portions of the property with a total gross floor area of approximately 83,617.31 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB562,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 62,875.84 sq m of the property have been committed to be sold for a consideration of approximately RMB531,646,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB219,100,000. The estimated total construction cost was approximately RMB285,670,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB8,700 per sq m for residential portion and RMB9,000 per sq m for the commercial portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential premises within the same district. These comparable properties are selected as they have characteristics comparable to the property. The price of residential premises ranges from about RMB8,000 to RMB9,000 per sq m. The price of commercial premises ranges from about RMB7,000 to RMB9,500 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - Nanchang Xinying Real Estate Development Co., Ltd is the sole legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - Nanchang Xinying Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
66. The property under construction known as Nanchang Xi Yuan, Wangcheng Economic and Technological Development Zone, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌禧園)	<p>The property comprises a composite development to be erected on 12 parcels of land with a total site area of 461,741 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: center;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">137,140.77</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">14,710.80</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">106,585.51</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">29,492.37</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">287,929.45</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	137,140.77	Commercial	14,710.80	Car park	106,585.51	Ancillary	29,492.37	Total:	287,929.45	As at valuation date, the property was under construction and scheduled to be completed in the end of 2020.	RMB810,000,000 (Renminbi Eight Hundred and Ten Million)
Use	Planned Gross Floor Area (sq m)														
Residential	137,140.77														
Commercial	14,710.80														
Car park	106,585.51														
Ancillary	29,492.37														
Total:	287,929.45														
	<p>The property is located in the center of Xinjian District. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 27 July 2080, 19 September 2080, 7 December 2082 for residential use and due to expire on 27 July 2050, 19 September 2050, 7 December 2052 for commercial use.</p>														

Notes:—

- (1) According to 12 State-owned Land Use Rights Certificates issued by the Nanchang County People's Government (南昌縣人民政府), the land use rights of the property with a total site area of 461,741 sq m have been vested in 江西金麒麟置業有限公司 (Jiangxi Jinqiling Real Estate Co., Ltd).
- (2) According to 11 Grant Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between Xinjian County Land Resources Bureau (新建縣國土資源局) ("Party A") and Jiangxi Jinqiling Real Estate Co., Ltd ("Party B"), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

Land Plot No.	Issue Date	Land Use	Land Use Expiry Date	Site Area (sq m)	Land Premium (RMB)
2010G011	28 July 2010	Residential, Commercial	27 July 2080 for residential use and 27 July 2050 for commercial use	70,000	29,400,000
2010G012	28 July 2010	Residential, Commercial	27 July 2080 for residential use and 27 July 2050 for commercial use	63,833.33	26,810,000
2010G013	28 July 2010	Residential, Commercial	27 July 2080 for residential use and 27 July 2050 for commercial use	48,700	20,454,000
2010G019	20 September 2010	Residential, Commercial	19 September 2080 for residential use and 19 September 2050 for commercial use	69,246.67	29,083,600
2010G020	20 September 2010	Residential, Commercial	19 September 2080 for residential use and 19 September 2050 for commercial use	110,760	46,519,200
DAK2012018	8 October 2012	Commercial	7 December 2052 for commercial use	1,826.67	1,918,000
DAK2012019	8 October 2012	Residential, Commercial	7 December 2082 for residential use and 7 December 2052 for commercial use	2,432	4,523,520
DAK2012020	8 October 2012	Commercial	7 December 2052 for commercial use	5,040	5,292,000
DAK2012021	8 October 2012	Residential, Commercial	7 December 2082 for residential use and 7 December 2052 for commercial use	9,260	14,723,400
DAK2012022	8 October 2012	Commercial	7 December 2052 for commercial use	14,853.33	38,767,200
DAK2012023	8 October 2012	Residential, Commercial	7 December 2082 for residential use and 7 December 2052 for commercial use	65,789.33	81,907,720
Total				461,741	299,398,640

- (3) According to 6 Permits for Commencement of Construction Works issued by Nanchang Xinjian District Construction Industry Management Center (南昌市新建區建築行業管理中心), the construction works of the property with a total gross floor area of approximately 639,632.9 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB1,306,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 119,415.75 sq m of the property have been committed to be sold for a consideration of approximately RMB1,724,922,000 various commercial units with a total gross floor area of 13,475.09 sq m of the property have been committed to be sold for a consideration of approximately RMB155,034,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB798,500,000. The estimated total construction cost was approximately RMB1,041,000,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB13,000 per sq m for residential portion, RMB17,500 per sq m for the commercial portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB13,000 to RMB13,200 per sq m. The price of commercial premises ranges from about RMB16,500 to RMB18,000 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - (a) The Stated-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;
 - (b) Jiangxi Jinqiling Real Estate Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Jiangxi Jinqiling Real Estate Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019														
67. The property under construction known as Nanchang Yulong Wan, Wangcheng Economic and Technological Development Zone, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌鈺龍灣)	<p>The property comprises a composite development to be erected on 4 parcels of land with a total site area of 163,009.66 sq m.</p> <p>The property, currently under construction, is a planned development of residential, office, commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Use</th> <th style="text-align: center;">Planned Gross Floor Area</th> </tr> <tr> <td></td> <td style="text-align: center;"><i>(sq m)</i></td> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td style="text-align: right;">3,577.96</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">18,757.07</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">32,651.25</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">984.84</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">55,971.12</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area		<i>(sq m)</i>	Commercial	3,577.96	Office	18,757.07	Car park	32,651.25	Ancillary	984.84	Total:	55,971.12	As at valuation date, the property was under construction and scheduled to be completed in the end of 2019.	RMB57,000,000 (Renminbi Fifty Seven Million)
Use	Planned Gross Floor Area																
	<i>(sq m)</i>																
Commercial	3,577.96																
Office	18,757.07																
Car park	32,651.25																
Ancillary	984.84																
Total:	55,971.12																
			(51% interest attributable to the Group: RMB29,070,000) (Renminbi Twenty Nine Million and Seventy Thousand)														
	<p>The property is located in the sub-urban of Xinjian District. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential, commercial and office uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 24 April 2083/23 September 2083 for residential use and due to expire on 24 April 2053/23 September 2053 for commercial use.</p>																

Notes:—

- (1) According to 4 State-owned Land Use Rights Certificates issued by the Nanchang Land Resources Bureau (南昌國土資源局), the land use rights of the property with a total site area of 163,010 sq m have been vested in 江西恒望置業有限公司 (Jiangxi Hengwang Properties Co., Ltd).
- (2) According to 2 Grant Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights, Jiangxi Hengwang Properties Co., Ltd owned portions of land as plot A2, A3 and B1 on Wangcheng Economic and Technological Development Zone with a total site area of 163,010 sq m. The land use rights of the property contracts with key details are as follows:

Land Plot No.	Issue Date	Land Use	Land Use Expiry Date	Site Area (sq m)	Land Premium (RMB)
DAK2013002	25 February 2013	Residential, Commercial	24 April 2083 for residential use and 24 April 2053 for commercial use	332,376.67	199,426,000
DAK2013013	8 July 2013	Residential, Commercial	23 September 2083 for residential use and 23 September 2053 for commercial use	266,635.33	159,981,200
Total				599,012	359,407,200

- (3) According to 4 Permits for Commencement of Construction Works issued by Xinjian County Construction Bureau, Xinjian District Construction Management Center (新建縣建築管理局, 新建區建築行業管理中心), the construction works of the property with a total gross floor area of approximately 362,130.68 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB143,000,000.
- (5) According to the information provided by the Group, various commercial units with a total gross floor area of 3,577.96 sq m of the property have been committed to be sold for a consideration of approximately RMB24,819,000 and various office units with a total gross floor area of 18,757.07 sq m of the property have been committed to be sold for a consideration of approximately RMB117,681,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB66,400,000. The estimated total construction cost was approximately RMB142,000,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB14,000 per sq m for the commercial portion and RMB14,000 per sq m for the office portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of commercial development within the same district. The price of commercial premises ranges from about RMB13,000 to RMB15,000 per sq m. In respect of the office premises, the price ranges from about RMB13,000 to RMB15,000 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:

- (a) The Stated-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;
- (b) Jiangxi Hengwang Properties Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
- (c) Jiangxi Hengwang Properties Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019														
68. The property under construction known as Nanchang Sinic City, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌新力城)	<p>The property comprises a composite development to be erected on 3 parcels of land with a total site area of 247,862 sq m.</p> <p>The property, currently under construction, is a planned development of residential, Office and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Use</th> <th style="text-align: center;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">495,251.06</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">24,123.33</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">56,611.67</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">145,257.87</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">20,615.63</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>741,859.56</u></td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	495,251.06	Commercial	24,123.33	Office	56,611.67	Car park	145,257.87	Ancillary	20,615.63	Total:	<u>741,859.56</u>	As at valuation date, the property was under construction and scheduled to be completed in 2020.	RMB2,780,000,000 (Renminbi Two Billion Seven Hundred and Eighty Million)
Use	Planned Gross Floor Area (sq m)																
Residential	495,251.06																
Commercial	24,123.33																
Office	56,611.67																
Car park	145,257.87																
Ancillary	20,615.63																
Total:	<u>741,859.56</u>																
	<p>The property is located in the sub-urban of Nanchang. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential, office and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 15 August 2088 for residential use and due to expire on 15 August 2058 for commercial use.</p>																

Notes:—

- (1) According to 4 State-owned Land Use Rights Certificates issued by the Nanchang Land Resources Bureau (南昌國土資源局), the land use rights of the property with a total site area of 247,862 sq m have been vested in 江西運發實業有限公司 (Jiangxi Yunfa Industrial Co., Ltd).
- (2) According to 3 Grant Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered with Nanchang Land Resources Bureau (南昌國土資源局), Jiangxi Yunfa Industrial Co., Ltd owned portions of land with a total site area of 197,773 sq m. The land use rights of the property have been contracted to be granted to Party B with key details as follows:

Contract No.	Land Plot No.	Issue Date	Land Use	Land Use Expiry Date	Site Area (sq m)	Land Premium (RMB)
36201801090010	DAK2018010	2 July 2018	Commercial	14 August 2058 for commercial use	153,577	354,458,800
36201801090011	DAK2018011	2 July 2018	Residential, Commercial	14 August 2088 for residential use and 14 August 2058 for commercial use	197,773	764,465,400
36012220130715G013	DAK2018013	24 July 2013	Residential, Commercial	23 September 2083 for residential use and 23 September for commercial use	266,635.33	159,981,200
Total					617,985.33	1,278,905,400

- (3) According to 5 Permits for Commencement of Construction Works issued by Nanchang Housing and Urban and Rural Planning and Construction Bureau, the construction works of portions of the property with a total gross floor area of approximately 743,972.04 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB7,300,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 221,393.02 sq m of the property have been committed to be sold for a consideration of approximately RMB2,650,136,000, various commercial units with a total gross floor area of 106.12 sq m of the property have been committed to be sold for a consideration of approximately 1,143,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB409,900,000. The estimated total construction cost was approximately RMB2,951,116,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB13,500 per sq m for the residential portion, RMB16,000 per sq m for the commercial portion and RMB10,000 per sq m for the office portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as office within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB13,000 to RMB13,500 per sq m. The price of commercial premises ranges from about RMB16,000 to RMB18,500 per sq m. In respect of office, the price ranges from about RMB9,000 to RMB11,000 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;
 - (b) Jiangxi Yunfa Industrial Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Jiangxi Yunfa Industrial Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
69. The property under construction known as Nanchang Jiang Yue, Jiulong Lake Area, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌江悦)	<p>The property comprises a parcel of land with site area of 17,030 sq m.</p> <p>The property is a planned development of residential use.</p> <p>According to the information provided by the Group, the constituent planned gross floor areas of the property are as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">43,019.75</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">351.03</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">11,477.73</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">695.92</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">55,544.43</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	43,019.75	Commercial	351.03	Car park	11,477.73	Ancillary	695.92	Total:	55,544.43	At the valuation date, the property was under construction scheduled to be completed in 2020.	RMB398,000,000 (Renminbi Three Hundred and Ninety Eight Million)
Use	Planned Gross Floor Area (sq m)														
Residential	43,019.75														
Commercial	351.03														
Car park	11,477.73														
Ancillary	695.92														
Total:	55,544.43														
	<p>The property is located in the center of Jiulong Lake area. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 10 January 2089 for residential use and due to expire on 10 January 2059 for commercial use</p>														

Notes:—

- (1) According to two State-owned Land Use Rights Certificates issued by the Nanning Land Resources Bureau (南寧國土資源局), the land use rights of the property with a total site area of 17,030 sq m have been vested 南昌新嵐房地產開發有限公司 (Nanchang Xinlan Real Estate Development Co., Ltd) with details as follows:—

Certificate No.	Issue Date	Use	Land Use Expiry Date	Site area (sq m)
(2019) 004127	1 March 2019	Residential/ Commercial	1 October 2089/ 1 October 2059	17,030

- (2) According to the Grant Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between Nanchang Land Resources Management Bureau (南昌市土地資源局) (“Party A”) and Nanchang Xinlan Real Estate Development Co., Ltd (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Permissible Gross Floor Area</u> <i>(sq m)</i>	<u>Land Premium</u> <i>(RMB)</i>
360101185036	11 January 2019	Residential, Commercial	10 January 2089 for residential use and due to expire on 10 January 2059 for commercial use	42,575	346,390,200
Total				<u>42,575</u>	<u>346,390,200</u>

- (3) According to Planning Permit for Construction Use of Land No. 360101185036 issued by Nanchang Urban and Rural Planning Bureau on 21 January 2019, the construction site of the property with a total area of about 17,000 sq m is in compliance with the urban planning requirements.
- (4) According to Permit for Commencement of Construction Works issued by Nanchang Administrative Approval Bureau (南昌市人民政府), the construction works of the property are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (5) The development value of the property as if completed as at 31 July 2019 was RMB950,000,000.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB19,000,000. The estimated total construction cost was approximately RMB273,000,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB21,000 per sq m for the residential portion, RMB17,500 per sq m for the commercial portion.
- (8) In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development within the same district. The price of residential premises ranges from about RMB18,000 to RMB22,000 per sq m. The price of the commercial premises ranges from about RMB16,000 to RMB18,500 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.
- (9) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- The Stated-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;
 - Nanchang Xinlan Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - Nanchang Xinlan Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
70. The property under construction known as Nanchang Jingdezhen Dibo Wan, Jingde, Jiangxi Province, the PRC (景德鎮帝泊灣)	<p>The property comprises a composite development to be erected on a parcel of land with a site area of 28,017.86 sq m.</p> <p>The property, currently under construction, is a planned development of commercial and residence uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: center;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">82,788.70</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">4,038.20</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">19,808.98</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">18,329.83</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">124,965.71</td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for terms due to expire on 8 November 2088 for residential use and due to expire on 8 November 2058 for commercial use.</p>	Use	Planned Gross Floor Area (sq m)	Residential	82,788.70	Commercial	4,038.20	Office	19,808.98	Car park	18,329.83	Total:	124,965.71	As at the valuation date, the property was under construction and scheduled to be completed in 2020.	<p>RMB240,000,000 (Renminbi Two Hundred and Forty Million)</p> <p>(95% interest attributable to the Group: RMB228,000,000) (Renminbi Two Hundred and Twenty Eight Million)</p>
Use	Planned Gross Floor Area (sq m)														
Residential	82,788.70														
Commercial	4,038.20														
Office	19,808.98														
Car park	18,329.83														
Total:	124,965.71														

Notes:—

- (1) According to the State-owned Land Use Rights Certificate (2018)004473, the land use rights of the property with a total site area of 28,017.86 sq m have been vested in 浮梁縣靜好實業有限公司 (Fuliang Jingyu Industrial Co., Ltd) for terms due to expire on 8 November 2088 for residential use and due to expire on 8 November 2058 for commercial use.

- (2) According to 2 Grant Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered with Fuliang Land Resources Bureau and (“Party A”) and Fuliang Jingyu Industrial Co., Ltd (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Contract No.</u>	<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site Area</u> <i>(sq m)</i>	<u>Land Premium</u> <i>(RMB)</i>
36201305030035	DHD2013036	30 April 2014	Residential	70 years	26,127.19	27,629,655
	DHD2014028	30 April 2014	Residential	70 years	1,890.67	1,999,380

- (3) According to Permit for Commencement of Construction No. 360222201812300101, the construction works of the property with a gross floor area of 124,965.71 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB740,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 14,200.68 sq m of the property have been committed to be sold for a consideration of approximately RMB90,147,000 various commercial units with a total gross floor area of 1,060.99 sq m of the property have been committed to be sold for a consideration of approximately RMB16,969,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB35,300,000. The estimated total construction cost was approximately RMB379,000,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB6,500 per sq m for the residential portion, RMB12,000 per sq m for the commercial portion and RMB7,500 per sq m for the office portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as office within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB6,000 to RMB7,000 per sq m. The price of commercial premises ranges from about RMB10,000 to RMB13,000 per sq m. In respect of office, the price ranges from about RMB6,800 to RMB7,500 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - Fuliang Jingyu Industrial Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - Fuliang Jingyu Industrial Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
71. The property under construction known as Jinsha, Tongyuan Village, Xinzhou District, Wuhan, Hubei Province, the PRC (武漢金沙灣)	<p>The property comprises Phases 1 and 2 of a composite development to be erected on 1 parcel of land with a total site area of 33,351.05 sq m.</p> <p>The property, currently under construction, is a planned development of commercial and residence uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">102,087.56</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">3,337.33</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">27,175.68</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">2,515.56</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">135,116.13</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	102,087.56	Commercial	3,337.33	Car park	27,175.68	Ancillary	2,515.56	Total:	135,116.13	As at the valuation date, the property was under construction and scheduled to be completed in the end of 2019.	RMB550,000,000 (Renminbi Five Hundred and Fifty Million)
Use	Planned Gross Floor Area (sq m)														
Residential	102,087.56														
Commercial	3,337.33														
Car park	27,175.68														
Ancillary	2,515.56														
Total:	135,116.13														
	<p>The property is located in the sub-urban area of Wuhan. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 31 December 2079 for residential use and due to expire on 31 December 2049 for commercial use.</p>														

Notes:—

- (1) According to Real Estate Certificate No. (2018)0004857, the land use rights of the property with a total site area of 33,351.05 sq m have been vested in 武漢市升陽房地產開發有限公司 (Wuhan Shengyang Real Estate Development Co., Ltd) for terms due to expire on 31 December 2079 for residential use and due to expire on 31 December 2049.
- (2) According to Planning Permit for Construction Use of Land No. (2018)019 dated 26 March 2018, the construction site of land with a total site area of 33,351.05 sq m complied with urban planning requirements.
- (3) According to two Planning Permits for Construction Works issued by Wuhan Xinzhou District Land Resources and Planning Bureau (武漢市新洲區國土資源和規劃局), the construction works of the property with a permitted gross floor area of approximately 135,116.13 sq m are in compliance with the construction works requirements and have been approved with details as follows:

<u>Permit No.</u>	<u>Phase</u>	<u>Issue Date</u>	<u>Gross Floor Area</u> (sq m)
No. (2018) 186	Phase 1	20 September 2018	60,066.87
No. (2018) 187	Phase 2	20 September 2018	75,049.26
	Total		135,116.13

- (4) According to two Permits for Commencement of Construction Works issued by Wuhan Xinzhou District Administrative Examination and Approval Bureau (武漢市新洲區行政審批局), the construction works of portions of the property with a total gross floor area of approximately 135,116.13 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities with details as follows:

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Project name</u>	<u>Gross Floor Area</u> (sq m)
4201172018052100214BJ4001	30 September 2018	Phase 1	60,066.87
4201172018052100214BJ4002	19 October 2018	Phase 2	75,049.26
	Total:		135,116.13

- (5) According to Commodity Housing Pre-sale Permit No. (2018)644 dated 31 October 2018, the construction works of portions of the property (Residential buildings 1-4, Commercial buildings 1-3, Commercial buildings) with a total gross floor area of 48,533.75 sq m are permitted for pre-sale.
- (6) The development value of the property as if completed as at 31 July 2019 was RMB923,000,000.
- (7) According to the information provided by the Group, various residential units with a total gross floor area of 73,548.32 sq m of the property have been committed to be sold for a consideration of approximately RMB684,228,000 various commercial units with a total gross floor area of 737.52 sq m of the property have been committed to be sold for a consideration of approximately RMB11,706,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (8) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB222,100,000. The estimated total construction cost was approximately RMB453,390,000. In the course of our valuation, we have taken into account such costs.

- (9) In valuing the property if completed, we have assumed about RMB8,600 per sq m for the residential portion, RMB16,700 per sq m for the commercial portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB7,800 to RMB8,100 per sq m. The price of commercial premises ranges from about RMB17,000 to RMB17,500 per sq m. In respect of car parking spaces. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (10) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Real Estate Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Wuhan Shengyang Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Wuhan Shengyang Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
72. The property under construction known as Wuhan Dibo Wan, Panlongcheng Economic Development Zone, Huangpi District, Wuhan, Hubei Province, the PRC (武漢帝泊灣)	<p>The property comprises Phases 3 of a composite development to be erected on a parcel of land with a total site area of 110,445.57 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Use</th> <th style="text-align: right; border-bottom: 1px solid black;">Planned Gross Floor Area <i>(sq m)</i></th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">128,335.42</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">11,928.99</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">88,148.60</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right; border-bottom: 1px solid black;">5,298.81</td> </tr> <tr> <td>Total:</td> <td style="text-align: right; border-bottom: 3px double black;">233,711.82</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area <i>(sq m)</i>	Residential	128,335.42	Commercial	11,928.99	Car park	88,148.60	Ancillary	5,298.81	Total:	233,711.82	As at the valuation date, the property was under construction and scheduled to be completed in the end of 2019.	RMB960,000,000 (Renminbi Nine Hundred and Sixty Million)
Use	Planned Gross Floor Area <i>(sq m)</i>														
Residential	128,335.42														
Commercial	11,928.99														
Car park	88,148.60														
Ancillary	5,298.81														
Total:	233,711.82														
	<p>The property is located in the sub-urban area of Wuhan. Developments nearby are mainly residential and industrial in nature. According to the information provided by the Group, the property is for residential and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 26 January 2075 for residential use and due to expire on 26 January 2045.</p>														

Notes:—

- (1) According to Real Estate Certificate No. (2017)0001453, the land use rights of the property with a total site area of 110,445.57 sq m have been vested in 湖北華中盤龍收藏品交易市場開發有限公司 (Hubei Central China Panlong Collection Trading Market Development Co., Ltd) for terms due to expire on 26 January 2075 for residential use and due to expire on 26 January 2045.
- (2) According to Planning Permit for Construction Use of Land No.(2017)002 dated 16 January 2017, the construction site of land with a total site area of 110,445.57 sq m complied with urban planning requirements.
- (3) According to three Planning Permits for Construction Works issued by Wuhan Huangpi District Land Resources and Planning Bureau (武漢市黃陂區國土資源和規劃局), the construction works of the property with a permitted gross floor area of approximately 331,091.05 sq m are in compliance with the construction works requirements and have been approved with details as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
2017 024	Phase 1 of Xinli Dibowan	15 March 2017	130,317.63
2017 043	Phase 2 of Xinli Dibowan	16 May 2017	115,111.23
2017 091	Phase 3 of Xinli Dibowan	3 August 2017	85,662.19
Total			331,091.05

- (4) According to three Permits for Commencement of Construction Works issued by Wuhan Huangpi District Housing and Urban-Rural Construction Bureau (武漢市黃陂區住房和城鄉建設局), the construction works of portions of the property with a total gross floor area of approximately 331,091.05 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities with details as follows:

Certificate No.	Issue Date	Project name	Gross Floor Area (sq m)
4201162017011100114BJ4001	17 March 2017	Phase 1 of Xinli Dibowan	130,317.63
4201162017011100114BJ4002	6 June 2017	Phase 2 of Xinli Dibowan	115,111.23
4201162017011100114BJ4003	17 August 2017	Phase 3 of Xinli Dibowan	85,662.19
Total:			331,091.05

- (5) According to six Commodity Housing Pre-sale Permits Issued by the Wuhan Housing Security and Housing Administration Bureau (武漢市住房保障和房屋管理局), the property with a total gross floor area of 237,643.65 sq m are permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Project name	Gross Floor Area (sq m)
2017 084	23 March 2017	Block Nos. 1, 2, 5, 6, 7, 8, 9 and 12	72,188.57
2017 266	26 June 2017	Block Nos. 4, 10 and 11	25,190.66
2017 365	25 August 2017	Block Nos. 13, 14, 15 and 16	37,088.58
2017 453	29 September 2017	Block Nos. 17, 18, 19, 20 and 23	41,280.71

Permit No.	Issue Date	Project name	Gross Floor Area (sq m)
2017 467	13 September 2018	Block Nos. 21, 22, 25, 26 and 27	41,455.32
2017 576	12 October 2018	Block Nos. 24 and 28	20,439.81
Total:			<u>237,643.65</u>

- (6) The development value of the property as if completed as at 31 July 2019 was RMB1,370,000,000.
- (7) According to the information provided by the Group, various residential units with a total gross floor area of 120,958.97 sq m of the property have been committed to be sold for a consideration of approximately RMB1,210,984,000, various commercial units with a total gross floor area of 5,795.21 sq m of the property have been committed to be sold for a consideration of approximately RMB83,100,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (8) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB478,200,000. The estimated total construction cost was approximately RMB766,700,000. In the course of our valuation, we have taken into account such costs.
- (9) In valuing the property if completed, we have assumed about RMB10,200 per sq m for the residential portion, and RMB16,400 per sq m for the commercial portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB9,000 to RMB11,400 per sq m. The price of commercial premises ranges from about RMB19,100 to RMB22,700 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (10) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Real Estate Certificate of the property is valid, legal and enforceable under the PRC laws;
- (b) Hubei Central China Panlong Collection Trading Market Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
- (c) Hubei Central China Panlong Collection Trading Market Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019										
73. The property under construction known as Phases I of Changsha Zi Yuan, Kaifu District, Changsha, Hunan Province, the PRC (長沙紫園I期)	<p>The property comprises Phases I and II of a composite development to be erected on 3 parcels of land with a total site area of 21,759.41 sq m.</p> <p>The property, currently under construction, is a planned development of high-rise residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">40,712.62</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">18,197.33</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">3,702.16</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">62,612.11</td> </tr> </tbody> </table> <p>The property is located in the center of Kaifu District of Changsha. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for high-rise residential and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 11 November 2077 and 16 November 2077 respectively for residential use and due to expire on 11 November 2047 and 16 November 2047 respectively for commercial use.</p>	Use	Planned Gross Floor Area (sq m)	Residential	40,712.62	Car park	18,197.33	Ancillary	3,702.16	Total:	62,612.11	As at the valuation date, the property was under construction and scheduled to be completed in 2020.	<p>RMB450,000,000 (Renminbi Four Hundred and Fifty Million)</p> <p>(99% interest attributable to the Group: RMB445,500,000) (Renminbi Four Hundred Fourty Five Million and Five Hundred Thousand)</p>
Use	Planned Gross Floor Area (sq m)												
Residential	40,712.62												
Car park	18,197.33												
Ancillary	3,702.16												
Total:	62,612.11												

Notes:—

- (1) According to three Real Property Certificates issued by the Changsha Land Resources Bureau (長沙市國土資源局), the land use rights of the property with a total site area of 21,759.41 sq m have been vested in 長沙新力湘房地產開發有限公司 (Changsha Xinlixiang Real Estate Development Co., Ltd) with details as follows:—

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> (sq m)
(2017) 0307925	23 November 2017	Residential/ Commercial	16 November 2077/ 16 November 2047	2,598.79
(2018) 0340891	—	Residential/ Commercial	11 November 2077/ 11 November 2047	14,453.59
(2018) 0340892	—	Residential/ Commercial	21 November 2077/ 21 November 2047	4,707.03
Total:				21,759.41

- (2) According to Planning Permit for Construction Use of Land issued by Changsha Urban and Rural Construction Commission, the construction works of portions of the property, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities with details as follows:

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Project name</u>	<u>Site Area</u> (sq m)
2018 0057	26 October 2018	Xinli Zi Yuan	17,997.85

- (3) According to five Permits for planning permits for construction works issued by Changsha Urban and Rural Construction Commission, the construction works of portions of the property with a total gross floor area of approximately 48,705.64 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities with details as follows:

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Project name</u>	<u>Gross Floor Area</u> (sq m)
2018 0034	23 April 2018	2	14,698.72
2018 0041	2 May 2018	3	538.25
2018 0047	2 May 2018	1 kindergarten	1,364.87
2018 0033	2 May 2018	4 west	13,906.47
2018 0039	2 May 2018	Basement of north	18,197.33
2018 0086	13 July 2018	4 east	13,906.47
Total:			62,612.11

- (4) According to 2 permits for construction permits for construction work issued by Changsha Urban and Rural Construction Commission, the construction works of portions of the property with a total gross floor area of approximately 62,612.11 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (5) Pursuant to Pre-sale permit No. (2018)0255 dated 28 June 2018 issued by 長沙市住房和城鄉規劃局 (Changsha housing and urban-rural Planning Bureau), the construction site with an area of 13,134.24 sq m for Block No. 2.
- (6) The development value of the property as if completed as at 31 July 2019 was RMB571,000,000.
- (7) According to the information provided by the Group, various residential units with a total gross floor area of 32,794.7 sq m of the property have been committed to be sold for a consideration of approximately RMB420,098,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (8) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB183,900,000. The estimated total construction cost was approximately RMB241,860,000. In the course of our valuation, we have taken into account such costs.
- (9) In valuing the property if completed, we have assumed about RMB13,400 per sq m for the high-rise residential portion, RMB34,000 per sq m for the commercial portion and RMB110,000 per lot for the car park portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB12,100 to RMB13,800 per sq m. The price of commercial premises ranges from about RMB37,000 to RMB42,000 per sq m. In respect of car parking spaces, the price ranges from about RMB105,000 to RMB110,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (10) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - (a) The Real Property Certificates of the property are valid, legal and enforceable under the PRC laws;
 - (b) Changsha Xinlixiang Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Changsha Xinlixiang Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
74. The property under construction known as Changsha Yulong Wan, Changsha, Hunan Province, the PRC (長沙鈺瓏灣)	<p>The property comprises a composite development to be erected on a parcel of land with a site area of 68,585.30 sq m.</p> <p>The property, currently under construction, is a planned development of commercial and residence uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Use</th> <th style="text-align: center;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">181,537.14</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">6,347.87</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">44,490.71</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">6,122.94</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">238,498.66</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	181,537.14	Commercial	6,347.87	Car park	44,490.71	Ancillary	6,122.94	Total:	238,498.66	As at the valuation date, the property was under construction and scheduled to be completed in 2020.	<p>RMB610,000,000 (Renminbi Six Hundred and Ten Million)</p> <p>(99% interest attributable to the Group: RMB603,900,000) (Renminbi Six Hundred Three Million and Nine Hundred Thousand)</p>
Use	Planned Gross Floor Area (sq m)														
Residential	181,537.14														
Commercial	6,347.87														
Car park	44,490.71														
Ancillary	6,122.94														
Total:	238,498.66														
	<p>The property is located in Sub-urban area. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 9 October 2081 for residential use and due to expire on 9 October 2051 for commercial use.</p>														

Notes:—

- (1) According to two Real Property Certificates issued by the Changsha Land Resources Bureau (長沙市國土資源局), the land use rights of the property with a total site area of 68,585.30 sq m have been vested in 長沙新力源房地產開發有限公司 (Changsha Xinliyuan Real Estate Development Co., Ltd) with details as follows:—

Certificate No.	Issue Date	Use	Land Use Expiry Date	Site area (sq m)
(2017) 0015671	22 November 2017	Residential/ Commercial	9 October 2081/ 9 October 2051	68,585.30

- (2) According to the Grant Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between Changsha Land Resources Bureau (長沙市國土資源局) (“Party A”) and Changsha Xinliyuan Real Estate Development Co., Ltd, the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Contract No.</u>	<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Site Area</u> (sq m)	<u>Land Premium</u> (RMB)
4301242017078	2017078	11 August 2017	Residential and commercial	68,585.30	166,750,000

- (3) According to Permit for Construction Work No. 430111201711170101, the construction works of the property with a gross floor area of 238,498.66 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB1,300,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 157,947.38 sq m of the property have been committed to be sold for a consideration of approximately RMB965,571,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB307,300,000. The estimated total construction cost was approximately RMB784,000,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB6,700 per sq m for the high-rise residential portion and RMB12,800 per sq m for the commercial portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB5,400 to RMB7,100 per sq m. The price of commercial premises ranges from about RMB15,200 to RMB19,000 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- The Real Property Certificate of the property is valid, legal and enforceable under the PRC laws;
 - Changsha Xinliyuan Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - Changsha Xinliyuan Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019										
75. The property under construction known as Changsha Bo Yuan Phase I, Changsha, Hunan Province, the PRC (長沙鉅園I期)	<p>The property comprises a composite development to be erected on 4 parcel of land with a total site area of 75,952.95 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Use</th> <th style="text-align: center;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">222,817.65</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">4,675.93</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">54,677.61</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">282,171.19</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	222,817.65	Commercial	4,675.93	Ancillary	54,677.61	Total:	282,171.19	As at valuation date, the property was under construction and scheduled to be completed in 2021.	RMB1,555,000,000 (Renminbi One Billion Five Hundred and Fifty Five Million)
Use	Planned Gross Floor Area (sq m)												
Residential	222,817.65												
Commercial	4,675.93												
Ancillary	54,677.61												
Total:	282,171.19												
	<p>The property is located in sub-urban area. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 5 September 2077 for residential use.</p>												

Notes:—

- (1) According to the State-owned Land Use Rights Certificate, the land use rights of the property with a total site area of 66,532.40 sq m have been vested in 長沙新力鴻房地產開發有限公司 (Changsha Xinlihong Real Estate Development Co., Ltd).

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> (sq m)
(2018)0392811	11 November 2018	Residential/ Commercial	19 January 2083/ 19 January 2053	49,274.29 260.46 (for road)
(2018)0392812	11 November 2018	Residential	15 October 2074	17,257.75 2,508.29 (for road)
(2019)0098960	1 April 2019	Residential/ Commercial	19 January 2083/ 19 January 2053	2,713.67
(2019)009843	1 April 2019	Residential/ Commercial	19 January 2083/ 19 January 2053	3,938.49
Total:				75,952.95

- (2) According to 2 Transfer Contracts of State-owned Land Use Rights, the land use rights of the property have been contracted to be transferred to Changsha Xinlihong Real Estate Development Co., Ltd with key details as follows:

<u>No.</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site Area</u> (sq m)	<u>Plot ratio</u>	<u>Consideration</u> (RMB)
1	Residential, Commercial,	9 January 2083 for residential and 9 January 2053 for commercial use	49,274.29	4.8	800,000,000
2	Residential	15 October 2074	17,257.75	1.8	–

- (3) According to Commencement Permits for Construction Works by Housing and Planning Bureau of Changsha, the construction works of the development are in compliance with the requirements for works commencement and have been permitted.
- (4) The development value of the property as if completed as at 31 July 2019 was RMB1,290,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 5,283.08 sq m of the property have been committed to be sold for a consideration of approximately RMB70,792,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB93,500,000. The estimated total construction cost was approximately RMB784,000,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB9,000 per sq m for the residential portion and RMB18,000 per sq m for the commercial portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development within the same district. The price of residential premises ranges from about RMB6,500 to RMB11,000 per sq m. The price of the commercial premises ranges from about RMB12,600 to RMB20,000 per sq m. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Changsha Xinlihong Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Changsha Xinlihong Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
76. The property under construction known as Phase 1 of Chengdu Jade Wan, Qingbaijiang District, Chengdu, Sichuan Province, the PRC (成都翡翠灣)	<p>The property comprises a composite development to be erected on a parcel of land with a site area of 29,503.39 sq m.</p> <p>The property, currently under construction, is a planned development of commercial and residence uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">113,636.44</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">2,249.96</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">17,424.00</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">700.00</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">134,010.40</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	113,636.44	Commercial	2,249.96	Car park	17,424.00	Ancillary	700.00	Total:	134,010.40	As at the valuation date, the property was under construction and scheduled to be completed in 2020.	RMB600,000,000 (Renminbi Six Hundred Million)
Use	Planned Gross Floor Area (sq m)														
Residential	113,636.44														
Commercial	2,249.96														
Car park	17,424.00														
Ancillary	700.00														
Total:	134,010.40														
	<p>The property is located in the center of Qingbaijiang District/in the sub-urban area of Chengdu. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential/commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 19 September 2076 for residential use and due to expire on 19 September 2046 for commercial use.</p>														

Notes:—

- (1) According to Real Estate Title Certificate No. (2019)0001141, the land use rights of the property with a site area of 29,503.39 sq m have been vested in 成都新力錦業房地產開發有限公司 (Chengdu Xinli Jinye Real Estate Development Co., Ltd) for a land use term due to expire on 19 September 2076 for residential use and due to expire on 19 September 2046 for commercial use.

- (2) According to the Grant Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between Chengdu Qingbaijiang Land Resources Bureau (中華人民共和國四川省成都市青白江區國土資源局) (“Party A”) and 內江市耘鐮實業集團有限公司, the land use rights of the property have been contracted to be granted to Party B with key details as follows:

Contract No.	Land Use	Land Use Expiry Date	Site Area
			<i>(sq m)</i>
(201)000141	Residential	19 September 2076	29,503.39
	Commercial	19 September 2046	

- (3) According to the Permit for Commencement of Construction Works issued by Chengdu Qingbaijiang District Administrative Examination and Approval Bureau, the construction works of portions of the property with a total gross floor area of approximately 134,010.40 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities with details as follows:

Certificate No.	Issue Date	Project name	Gross Floor Area
			<i>(sq m)</i>
510113201808301001	30 August 2018	Residential and commercial (1-3, 5-7, supporting business and basement)	134,010.40

- (4) The development value of the property as if completed as at 31 July 2019 was RMB920,000,000.
- (5) According to the information provided by the Group, various residential units with a total gross floor area of 70,781.49 sq m of the property have been committed to be sold for a consideration of approximately RMB517,909,000 and various commercial units with a total gross floor area of 667.45 sq m of the property have been committed to be sold for a consideration of RMB8,714,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB172,200,000. The estimated total construction cost was approximately RMB358,970,000. In the course of our valuation, we have taken into account such costs.
- (7) In valuing the property if completed, we have assumed about RMB7,500 per sq m for the residential portion, RMB25,000 per sq m for the commercial portion and RMB58,000 per lot for the car park portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB7,120 to RMB7,125 per sq m. The price of commercial premises ranges from about RMB23,700 to RMB26,600 per sq m. In respect of car parking spaces, the price ranges from about RMB47,500 to RMB61,700 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Chengdu Xinli Jinye Real Estate Development Co., Ltd is the legal land user of the property and has obtained approval from the government in respect of the construction of the property in accordance with its existing development progress;
 - (c) Chengdu Xinli Jinye Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
77. The property under construction known as Chengdu Amber Yuan, Chengdu, the PRC (成都琥珀園)	<p>The property comprises a composite development to be erected on a parcel of land with a site area of 11,079.47 sq m.</p> <p>The property, currently under construction, is a planned development of commercial and residence uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">39,818.70</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">448.28</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">14,080.75</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">5,336.10</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">59,683.83</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	39,818.70	Commercial	448.28	Car park	14,080.75	Ancillary	5,336.10	Total:	59,683.83	As at the valuation date, the property was under construction and scheduled to be completed in 2020.	RMB484,000,000 (Renminbi Four Hundred and Eighty Four Million)
Use	Planned Gross Floor Area (sq m)														
Residential	39,818.70														
Commercial	448.28														
Car park	14,080.75														
Ancillary	5,336.10														
Total:	59,683.83														
	<p>The property is located in the center of Chenghua District/in the sub-urban area of Chengdu. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential/commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 22 April 2087 for residential use and due to expire on 22 April 2057 for commercial use.</p>														

Notes:—

- (1) According to the Real Estate Title Certificate, the land use rights of the property with a site area of 11,079.67 sq m have been vested in 成都力新森房地產開發有限公司 (Chengdu Li Xin Miao Real Estate Development Co., Ltd) as follows:

<u>Contract No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site Area</u>
				<i>(sq m)</i>
(2018)0061984	24 February 2018	Residential	22 April 2087	11,079.47
		Commercial	22 April 2057	

- (2) According to the Permit for Commencement of Construction Works issued by Chenghua District Construction Bureau of Chengdu City (成都市成華區建設局), the construction works of portions of the property with a total gross floor area of approximately 59,683.83 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities with details as follows:

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Project name</u>	<u>Gross Floor Area</u>
			<i>(sq m)</i>
510108201807110101	11 July 2018	Residential, commercial and ancillary facilities, public toilets, community service centers	59,683.83

- (3) The development value of the property as if completed as at 31 July 2019 was RMB620,000,000.
- (4) According to the information provided by the Group, various residential units with a total gross floor area of 39,818.70 sq m of the property have been committed to be sold for a consideration of approximately RMB556,668,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (5) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB148,900,000. The estimated total construction cost was approximately RMB227,670,000. In the course of our valuation, we have taken into account such costs.
- (6) In valuing the property if completed, we have assumed about RMB14,000 per sq m for the residential portion, RMB32,000 per sq m for the commercial portion and RMB105,000 per lot for the car park portion.

In undertaking our valuation of the property if completed, we have made reference to various recent sales prices of residential and commercial premises as well as car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the property. We have gathered comparables of similar types of residential development with ancillary commercial accommodation within the same district. The price of residential premises ranges from about RMB10,900 to RMB11,900 per sq m. The price of commercial premises ranges from about RMB29,300 to RMB36,200 per sq m. In respect of car parking spaces, the price ranges from about RMB104,000 to RMB114,000 per lot. The unit rates assumed by us are consistent with the relevant comparables after due adjustments. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and quality in arriving at the key assumptions.

- (7) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Real Estate Title of the property is valid, legal and enforceable under the PRC laws;
 - (b) Chengdu Li Xin Miao Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress;
 - (c) Chengdu Li Xin Miao Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Group IV — Properties held by the Group for future development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
78. The development site for the proposed development to be known as Huizhou Lan Wan, Daya Bay Economic and Technological Development Zone, Huizhou, Guangdong Province, the PRC (惠州藍灣)	<p>The property comprises a parcel of land with a total site area of 19,520 sq m.</p> <p>The property is a planned development for residential use.</p> <p>According to the information provided by the Group, the constituent planned gross floor areas of the property are as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area</th> </tr> <tr> <th></th> <th style="text-align: right;"><i>(sq m)</i></th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">58,914.00</td> </tr> <tr> <td>Carpark</td> <td style="text-align: right;">17,559.04</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">5,087.87</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">81,560.91</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area		<i>(sq m)</i>	Residential	58,914.00	Carpark	17,559.04	Ancillary	5,087.87	Total:	81,560.91	As at the valuation date, the property was a vacant site.	RMB490,000,000 (Renminbi Four Hundred and Ninety Million)
Use	Planned Gross Floor Area														
	<i>(sq m)</i>														
Residential	58,914.00														
Carpark	17,559.04														
Ancillary	5,087.87														
Total:	81,560.91														
	<p>The property is located in the sub urban area of Daya Bay Economic and Technological Development Zone. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 1 April 2081 for residential use.</p>														

Notes:—

- (1) According to the State-owned Land Use Rights Certificate issued by the Huizhou Land Resources Bureau (惠州國土資源局), the land use rights of the property with a site area of 19,520 sq m have been vested in 惠州市錦繡灣實業有限公司 (Huizhou Jinxiu Wan Co., Ltd) with details as follows:—

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> (sq m)
(2017) 406831	17 November 2017	Residential	9 April 2081	19,520.00

- (2) According to 2 Grant Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between the Huizhou Land Resources Bureau (惠州國土資源局) (“Party A”) and Huizhou Jin Xiuwan Industrial Co., Ltd. (惠州市錦繡灣實業有限公司) (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Issue Date</u>	<u>Land Use</u>	<u>Site Area</u> (sq m)	<u>Land Premium</u> (RMB)
10 June 2014	Residential	4,300.00	8,200,000
3 March 2011	Residential	15,220.00	24,254,600
	Total	19,520.00	32,454,600

- (3) According to Planning Permit for Construction Use of Land No. 441303201720378 issued by the Housing, Urban and Rural Construction of Huizhou Municipality (惠州市住房和城鄉規劃建設局), the construction site of an enlarged development including the property with a total area of 62,464.00 sq m is in compliance with the urban planning requirements.

- (4) In valuing the property, we have assumed a unit rate of RMB7,600 per sq m for the residential land.

In valuing the property, we have made reference to various recent sales evidences of land in the locality within the same district. These comparable properties are selected as they have characteristics comparable to the property. The accommodation value of these comparable land sites ranges from RMB3,500 to RMB7,800 per sq m for residential and commercial uses. Due adjustments to the accommodation values of those sales evidences have been made to reflect these factors including but not limited to location, size and other characters in arriving at the assumed accommodation value.

- (5) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - Huizhou Jinxiu Wan Co., Ltd is the sole legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - Huizhou Jinxiu Wan Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
79. The development site for the proposed development to be known as Huizhou Ya Yuan, North of Hutou Mountain of Daya Bay Economic and Technological Development Zone, Huizhou, Guangdong Province, the PRC (惠州雅園)	<p>The property comprises two parcels of land with a total site area of 34,362.3 sq m.</p> <p>The property is a planned development for residential and commercial uses.</p> <p>According to the information provided by the Group, the constituent planned gross floor areas of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">65,838.00</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">2,078.00</td> </tr> <tr> <td>Carpark</td> <td style="text-align: right;">24,864.68</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">1,298.01</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">94,078.69</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	65,838.00	Commercial	2,078.00	Carpark	24,864.68	Ancillary	1,298.01	Total:	94,078.69	As at the valuation date, the property was a vacant site.	RMB393,000,000 (Renminbi Three Hundred and Ninety Three Million)
Use	Planned Gross Floor Area (sq m)														
Residential	65,838.00														
Commercial	2,078.00														
Carpark	24,864.68														
Ancillary	1,298.01														
Total:	94,078.69														
	<p>The property is located in the center of Daya Bay Economic and Technological Development Zone. Developments nearby are mainly residential and commercial uses in nature. According to the information provided by the Group, the property is for residential and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 7 November 2083 for residential use and 7 November 2053 for residential use.</p>														

Notes:—

- (1) According to 2 State-owned Land Use Rights Certificate issued by the Huizhou Land Resources Bureau (惠州國土資源局), the land use rights of the property with a total site area of 34,362.30 sq m have been vested in 惠州市均林實業有限公司 (Huizhou Junlin Investment Co., Ltd) and Huizhou Juncheng Investment Co., Ltd. (惠州市均城投資有限公司) with details as follows:—

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> (sq m)
(2010)13210301069	2 February 2010	Residential, Commercial	2080/2050	17,989.30
(2013)13210300855	17 December 2013	Residential Commercial	7 November 2083/ 7 November 2053	16,373.00
Total				34,362.30

- (2) According to 2 Grant and Transfer Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights, the land use rights of the property have been contracted to be granted to Huizhou Junlin Investment Co., Ltd and Huizhou Juncheng Investment Co., Ltd. (惠州市均城投資有限公司) with key details as follows:

<u>Issue Date</u>	<u>Land Use</u>	<u>Site Area</u> (sq m)	<u>Land Premium</u> (RMB)
2 December 2010	Residential, Commercial	17,989.30	71,957,200
9 September 2013	Residential, Commercial	16,373.00	25,700,000

- (3) According to 2 Planning Permits for Construction Use of Land issued by the Housing, Urban and Rural Construction of Huizhou Municipality (惠州市住房和城鄉規劃建設局), the construction site of the property with a total area of 34,362 sq m is in compliance with the urban planning requirements.
- (4) In valuing the property, we have assumed a unit rate of RMB3,800 per sq m for the residential land.

In valuing the property, we have made reference to various recent sales evidences of land in the locality within the same district. These comparable properties are selected as they have characteristics comparable to the property. The accommodation value of these comparable land sites ranges from RMB3,500 to RMB7,500 per sq m for residential and commercial uses. Due adjustments to the accommodation values of those sales evidences have been made to reflect these factors including but not limited to location, size and other characters in arriving at the assumed accommodation value.

- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- The Stated-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;
 - Huizhou Junlin Investment Co., Ltd and Huizhou Juncheng Investment Co., Ltd. are the legal land user of the property and have obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - Huizhou Junlin Investment Co., Ltd and Huizhou Juncheng Investment Co., Ltd. have the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>												
80. The development site for the proposed development to be known as Huizhou Gaoling Village, Huiyang District, Huizhou, Guangdong Province, the PRC (惠州市高嶺村)	<p>The property comprises two parcels of land with a total site area of 71,212 sq m.</p> <p>The property is a planned development of residential and commercial uses.</p> <p>According to the information provided by the Group, the constituent planned gross floor areas of the property are as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;"><u>Use</u></th> <th style="text-align: right;"><u>Planned Gross Floor Area</u> (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">184,523.40</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">20,502.60</td> </tr> <tr> <td>Carpark</td> <td style="text-align: right;">55,832.00</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">11,207.00</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>272,065.00</u></td> </tr> </tbody> </table>	<u>Use</u>	<u>Planned Gross Floor Area</u> (sq m)	Residential	184,523.40	Commercial	20,502.60	Carpark	55,832.00	Ancillary	11,207.00	Total:	<u>272,065.00</u>	As at the valuation date, the property was a vacant site.	RMB980,000,000 (Renminbi Nine Hundred and Eighty Million)
<u>Use</u>	<u>Planned Gross Floor Area</u> (sq m)														
Residential	184,523.40														
Commercial	20,502.60														
Carpark	55,832.00														
Ancillary	11,207.00														
Total:	<u>272,065.00</u>														
	<p>The property is located at the center of Huiyang district. Developments nearby are mainly residential and commercial uses in nature. According to the information provided by the Group, the property is for residential and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 27 November 2088 for residential use and 27 November 2058 for commercial use.</p>														

Notes:—

- (1) According to 2 State-owned Land Use Rights Certificate issued by Huizhou Land Resources Bureau (惠州國土資源局), the land use rights of the property with a total site area of 71,212 sq m have been vested in 惠州市豐匯房地產開發有限公司 (Huizhou Fenghui Real Estate Development Co., Ltd) with details as follows:—

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> (sq m)
(2019) 3009828	25 February 2019	Residential, Commercial	27 November 2088, 27 November 2058	48,748.00
(2019) 3009726	22 February 2019	Residential, Commercial	27 November 2088, 27 November 2058	22,464.00
Total				71,212.00

- (2) According to 2 Grant and Transfer Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights the land use rights of the property have been contracted to be granted to Huizhou Fenghui Real Estate Development Co., Ltd with key details as follows:

<u>Issue Date</u>	<u>Land Use</u>	<u>Permissible Gross Floor Area</u> (sq m)	<u>Land Premium</u> (RMB)
28 November 2018	Residential, Commercial	48,748.00	315,887,040.00
28 November 2018	Residential, Commercial	22,464.00	135,495,680.40
Total		71,212.00	451,382,720.40

- (3) In valuing the property, we have assumed a unit rate of RMB4,800 per sq m for the residential land.

In valuing the property, we have made reference to various recent sales evidences of land in the locality within the same district. These comparable properties are selected as they have characteristics comparable to the property. The accommodation value of these comparable land sites range from RMB4,100 to RMB5,200 per sq m for residential and commercial use. Due adjustments to the accommodation values of those sales evidences have been made to reflect these factors including but not limited to location, size and other characters in arriving at assumed accommodation value.

- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- The Stated-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;
 - Huizhou Fenghui Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - Huizhou Fenghui Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019								
81. The development site for the proposed development to be known as Guangzhou Amber Yuan, Huadu District, Guangzhou, Guangdong Province, the PRC (廣州琥珀園)	<p>The property comprises of a composite development to be erected on one parcel of land with a total site area of 56,562.71 sq m.</p> <p>The property is a planned development of composite use.</p> <p>According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">48,406.00</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">26,308.00</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">74,714.00</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area	Residential	48,406.00	Ancillary	26,308.00	Total:	74,714.00	As at the valuation date, the property was a vacant site.	RMB670,000,000 (Renminbi Six Hundred and Seventy Million)
Use	Planned Gross Floor Area										
Residential	48,406.00										
Ancillary	26,308.00										
Total:	74,714.00										
	<p>The property is located in the sub-urban area of Guangzhou. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 14 February 2065 for residential use and due to expire on 14 February 2035 for commercial use.</p>										

Notes:—

- (1) According to one State-owned Land Use Rights Certificate issued by the Guangzhou Land Resources Bureau, the land use rights of the property with a total site area of 56,562.71 sq m have been vested in 廣東強科地產有限公司 (Guangdong Qiangke Real Estate Co., Ltd) with details as follows:—

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> (sq m)
(2006) 721388	January 2006	Residential	14 February 2065/ 14 February 2035	56,562.71

- (2) According to one Transfer Contracts of State-owned Land Use Rights entered into between Guangzhou Huadu District Real Estate Company (廣州市花都區地產公司) (“Party A”) and Guangdong Qiangke Real Estate Co., Ltd (“Party B”), the land use rights of the property have been contracted to be transferred to Party B with key details as follows:

<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Net Site Area</u> (sq m)	<u>Permissible Gross Floor Area</u> (sq m)	<u>Land Premium</u> (RMB)
0206046, 0206047	28 December 2005	Residential	56,562.71	113,125.42	20,650,000

- (3) According to Planning Permit for Construction Use of Land No. (2008) 71 dated 2 February 2002 issued by Urban Planning Bureau of Guangzhou Municipality (廣州市城市規劃局), the proposed construction land use of the property complies with the town planning requirements and permit for construction of a site area of 62,730 sq m (including net site area of 55,244 sq m and 7,488 sq m for road).
- (4) In valuing the property, we have assumed a unit rate of RMB13,800 per sq m for the residential land.

In valuing the property, we have made reference to various recent sales evidences of land in the locality within the same district. These comparable properties are selected as they have characteristics comparable to the property. The accommodation value of these comparable land sites range from RMB14,000 to RMB17,000 per sq m for residential and commercial use. Due adjustments to the accommodation values of those sales evidences have been made to reflect these factors including but not limited to location, size and other characters in arriving at assumed accommodation value.

- (5) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - Guangdong Qiangke Real Estate Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - Guangdong Qiangke Real Estate Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>														
82. The development site for the proposed development to be known as Ganzhou Yinhu Wan, Ganzhou, Ganzhou, Jiangxi Province, the PRC (贛州銀湖灣)	<p>The property comprises a composite development to be erected on a parcel of land with a total site area of 60,732.90 sq m.</p> <p>The property is a planned development of residential use. According to the information provided by the Group, the constituent planned gross floor areas of the property are as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: center;"><u>Use</u></th> <th style="text-align: center;"><u>Gross Floor Area</u></th> </tr> <tr> <td></td> <td style="text-align: center;"><i>(sq m)</i></td> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">61,359.70</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">3,541.51</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">33,543.65</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">2,484.92</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">100,929.78</td> </tr> </tbody> </table>	<u>Use</u>	<u>Gross Floor Area</u>		<i>(sq m)</i>	Residential	61,359.70	Commercial	3,541.51	Car park	33,543.65	Ancillary	2,484.92	Total:	100,929.78	As at the valuation date, the property was a vacant site.	RMB81,000,000 (Renminbi Eighty One Million)
<u>Use</u>	<u>Gross Floor Area</u>																
	<i>(sq m)</i>																
Residential	61,359.70																
Commercial	3,541.51																
Car park	33,543.65																
Ancillary	2,484.92																
Total:	100,929.78																
	<p>The property is located in the sub-urban area of Ganzhou. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 29 July 2083 for residential use and due to expire on 30 July 2053 for commercial use.</p>																

Notes:—

- (1) According to the State-owned Land Use Rights Certificate issued by the Ganzhou Real Estate Registration Bureau (贛州不動產登記局), the land use rights of the property with a total site area of 60,732.90 sq m have been vested in 江西匯濤實業有限公司 (Jiangxi Huitao Industrial Co., Ltd).
- (2) According to 2 Grant Contracts and transfer contracts, Jiangxi Huitao Industrial Co., Ltd owned portions of land on Ganxian with a total site area of 60,732.9 sq m.

<u>Contract No.</u>	<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site Area</u> (sq m)	<u>Land Premium</u> (RMB)
36201311110021	DBB2013015	23 May 2013	Residential/ Commercial	expire on 29 July 2083 for residential use/ expire on 30 July 2053 for commercial use	60,732.90	73,700,000
Total					<u>60,732.90</u>	<u>73,700,000</u>

- (3) In valuing the property, we have assumed a unit rate of RMB1,250 per sq m for the residential land.

In valuing the property, we have made reference to various recent sales evidences of land in the locality within the same district. These comparable properties are selected as they have characteristics comparable to the property. The accommodation value of these comparable land sites range from RMB1,100 to RMB1,600 per sq m for residential use. Due adjustments to the accommodation values of those sales evidences have been made to reflect these factors including but not limited to location, size and other characters in arriving at assumed accommodation value.

- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
- (b) Jiangxi Huitao Industrial Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
- (c) Jiangxi Huitao Industrial Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
83. The development site for the proposed development to be known as Nanchang Times Square Phase II, East of Minjia Road Nanchang High-tech Development Zone, Nanchang, Jiangxi Province, the PRC (南昌時代廣場II期)	<p>The property comprises a parcel of land with site area of 180,170 sq m.</p> <p>The property is a planned development of composite use.</p> <p>According to the information provided by the Group, the constituent planned gross floor areas of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td style="text-align: right;">124,840.03</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">72,686.54</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">137,271.43</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">16,781.24</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">351,579.24</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Commercial	124,840.03	Office	72,686.54	Car park	137,271.43	Ancillary	16,781.24	Total:	351,579.24	As at the valuation date, the property was a vacant site.	RMB430,000,000 (Renminbi Four Hundred and Thirty Million)
Use	Planned Gross Floor Area (sq m)														
Commercial	124,840.03														
Office	72,686.54														
Car park	137,271.43														
Ancillary	16,781.24														
Total:	351,579.24														
	<p>The property is located in sub-urban area. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for composite use.</p> <p>The land use rights of the property have been granted for terms due to expire on 26 January 2086 for residential use and due to expire on 26 January 2056 for commercial use.</p>														

Notes:—

- (1) According to the State-owned Land Use Rights Certificate issued by the Nanchang Real Estate Registration Office (南昌市不動產登記局), the land use rights of the property with a total site area of 180,170 sq m have been vested in 江西新瀚置業有限公司 (Jiangxi Xinhan Real Estate Co., Ltd).

- (2) According to the Grant Contract of State-owned Land Use Rights entered into between Nanchang Land Resources Management Bureau (南昌市國土資源局) (“Party A”) and Jiangxi Xinhan Real Estate Co., Ltd (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site Area</u> <i>(sq m)</i>	<u>Land Premium</u> <i>(RMB)</i>
36010110160	27 January 2016	Residential, Commercial,	26 January 2086 for residential use and 26 January 2056 for commercial use.	180,170	702,663,000

- (3) In valuing the property, we have assumed a unit rate of RMB2,100 per sq m for the residential land.

In valuing the property, we have made reference to various recent sales evidences of land in the locality within the same district. These comparable properties are selected as they have characteristics comparable to the property. The accommodation value of these comparable land sites range from RMB1,800 to RMB2,300 per sq m for commercial use. Due adjustments to the accommodation values of those sales evidences have been made to reflect these factors including but not limited to location, size and other characters in arriving at assumed accommodation value.

- (4) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Jiangxi Xinhan Real Estate Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Jiangxi Xinhan Real Estate Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>												
84. The development site for the proposed development to be known as Nanchang Dong Yuan, Jiulong Lake Area, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌東園)	<p>The property comprises a parcel of land with a site area of 112,316.66 sq m.</p> <p>The property is a planned development of residential, office and commercial uses.</p> <p>According to the information provided by the Group, the constituent planned gross floor areas of the property are as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: center;"><u>Use</u></th> <th style="text-align: center;"><u>Gross Floor Area</u></th> </tr> <tr> <td></td> <td style="text-align: center;"><i>(sq m)</i></td> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">24,900.05</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">49,460.33</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;"><u>12,777.92</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>87,138.30</u></td> </tr> </tbody> </table>	<u>Use</u>	<u>Gross Floor Area</u>		<i>(sq m)</i>	Residential	24,900.05	Commercial	49,460.33	Ancillary	<u>12,777.92</u>	Total:	<u>87,138.30</u>	As at the valuation date, the property was a vacant site.	RMB770,000,000 (Renminbi Seven Hundred and Seventy Million)
<u>Use</u>	<u>Gross Floor Area</u>														
	<i>(sq m)</i>														
Residential	24,900.05														
Commercial	49,460.33														
Ancillary	<u>12,777.92</u>														
Total:	<u>87,138.30</u>														
	<p>The property is located in the center of Xinjian District. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential, office and commercial use.</p> <p>The land use rights of the property have been granted for terms due to expire on 1 April 2088 for residential use and due to expire on 1 April 2058 for commercial use.</p>														

Notes:—

- (1) According to the State-owned Land Use Rights Certificates issued by the Nanchang Land Resources Bureau (南昌市國土資源局), the land use rights of the property with a total site area of 112,316.66 sq m have been vested in 南昌新銘房地產開發有限公司 (Nanchang Xinming Real Estate Development Co., Ltd).

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> (sq m)
(2018) 0064553	17 April 2018	Residential/ Commercial	1 April 2088/ 1 April 2058/	112,316.66

- (2) According to the Grant Contract of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between Nanchang Land Resources Bureau (南昌市國土資源局) (“Party A”) and Nanchang Maoliang Real Estate Development Co., Ltd (南昌市貿良實業發展有限公司) (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Contract No.</u>	<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site Area</u> (sq m)	<u>Building Covenant (for completion)</u>	<u>Land Premium</u> (RMB)
3620170 1120012	36010117 50029	25 December 2017	Residential, Commercial,	1 April 2088 for residential use and due to expire on 1 April 2058 for commercial use	112,316.66	24 September 2021	384,459,950

The grantee has been changed to Nanchang Xinming Real Estate Development Co., Ltd.

- (3) According to the Planning Permits for Construction Use of Land No. 360100201800020 issued by Nanchang Urban and Rural Planning Bureau (南昌市城鄉規劃局) on 30 January 2018, the construction site of the property with a total area of about 170mu is in compliance with the urban planning requirements.
- (4) According to Permit for Commencement of Construction Works issued by Nanchang Administrative Approval Bureau (南昌市行政批局), the construction works of portions of the property with a total gross floor area of approximately 239,235.73 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.
- (5) In valuing the property, we have assumed a unit rate of RMB8,800 per sq m for the composite land.

In valuing the property, we have made reference to various recent sales evidences of land in the locality within the same district. These comparable properties are selected as they have characteristics comparable to the property. The accommodation value of these comparable land sites range from RMB6,900 to RMB10,600 per sq m for residential and commercial use. Due adjustments to the accommodation values of those sales evidences have been made to reflect these factors including but not limited to location, size and other characters in arriving at assumed accommodation value.

- (6) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Nanchang Xinming Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Nanchang Xinming Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019
85. The development site for the proposed development to be known as Nanchang Xi Yuan, Wangcheng Economic and Technological Development Zone, Xinjian District, Nanchang, Jiangxi Province, the PRC (南昌禧園)	<p>The property comprises a composite development to be erected on 12 parcels of land with a total site area of 461,741 sq m.</p> <p>The property, currently under construction, is a planned development of residential and commercial uses. According to the information provided by the Group, the planned gross floor area of the property is 230,338.88 sq m.</p> <p>The property is located in the center of Xinjian District. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 27 July 2080, 19 September 2080, 7 December 2082 for residential use and due to expire on 27 July 2050, 19 September 2050, 7 December 2052 for commercial use.</p>	As at the valuation date, the property was a vacant site.	RMB1,280,000,000 (Renminbi One Billion Two Hundred and Eighty Million)

Notes:—

- (1) According to 12 State-owned Land Use Rights Certificates issued by the Nanchang County People's Government (南昌縣人民政府), the land use rights of the property with a total site area of 461,741 sq m have been vested in 江西金麒麟置業有限公司 (Jiangxi Jinqiling Real Estate Co., Ltd).
- (2) According to 11 Grant Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between Xinjian County Land Resources Bureau (新建縣國土資源局) ("Party A") and Jiangxi Jinqiling Real Estate Co., Ltd ("Party B"), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

Land Plot No.	Issue Date	Land Use	Land Use Expiry Date	Site Area (sq m)	Land Premium (RMB)
2010G011	28 July 2010	Residential, Commercial	27 July 2080 for residential use and 27 July 2050 for commercial use	70,000	29,400,000

<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site Area</u> (sq m)	<u>Land Premium</u> (RMB)
2010G012	28 July 2010	Residential, Commercial	27 July 2080 for residential use and 27 July 2050 for commercial use	63,833.33	26,810,000
2010G013	28 July 2010	Residential, Commercial	27 July 2080 for residential use and 27 July 2050 for commercial use	48,700	20,454,000
2010G019	20 September 2010	Residential, Commercial	19 September 2080 for residential use and 19 September 2050 for commercial use	69,246.67	29,083,600
2010G020	20 September 2010	Residential, Commercial	19 September 2080 for residential use and 19 September 2050 for commercial use	110,760	46,519,200
DAK2012018	8 October 2012	Commercial	7 December 2052 for commercial use	1,826.67	1,918,000
DAK2012019	8 October 2012	Residential, Commercial	7 December 2082 for residential use and 7 December 2052 for commercial use	2,432	4,523,520
DAK2012020	8 October 2012	Commercial	7 December 2052 for commercial use	5,040	5,292,000
DAK2012021	8 October 2012	Residential, Commercial	7 December 2082 for residential use and 7 December 2052 for commercial use	9,260	14,723,400
DAK2012022	8 October 2012	Commercial	7 December 2052 for commercial use	14,853.33	38,767,200
DAK2012023	8 October 2012	Residential, Commercial	7 December 2082 for residential use and 7 December 2052 for commercial use	65,789.33	81,907,720
Total				461,741	299,398,640

(3) According to 6 Permits for Commencement of Construction Works issued by Nanchang Xinjian District Construction Industry Management Center (南昌市新建區建築行業管理中心), the construction works of the property with a total gross floor area of approximately 639,632.9 sq m, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities.

(4) In valuing the property, we have assumed a unit rate of RMB5,600 per sq m for the residential land.

In valuing the property, we have made reference to various recent sales evidences of land in the locality within the same district. These comparable properties are selected as they have characteristics comparable to the property. The accommodation value of these comparable land sites range from RMB5,000 to RMB6,000 per sq m for residential and commercial use. Due adjustments to the accommodation values of those sales evidences have been made to reflect these factors including but not limited to location, size and other characters in arriving at assumed accommodation value.

(5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:

(a) The Stated-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;

- (b) Jiangxi Jinqiling Real Estate Co., Ltd is the sole legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
- (c) Jiangxi Jinqiling Real Estate Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019
86. The development known as Phase I of Changsha Zi Yuan, Kaifu District, Changsha, Hunan Province, the PRC (長沙紫園I期)	<p>The property comprises Phase I of a composite development to be erected on 3 parcels of land with a total site area of 21,759.41 sq m.</p> <p>The property, currently under construction, is a planned development of high-rise commercial uses. According to the information provided by the Group, the planned gross floor area of the property is 1,870.11 sq m.</p> <p>The property is located in the center of Kaifu District of Changsha. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for high-rise residential and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 11 November 2077 and 16 November 2077 respectively for residential use and due to expire on 11 November 2047 and 16 November 2047 respectively for commercial use.</p>	As at the valuation date, the property was a vacant site.	<p>RMB9,300,000 (Renminbi Nine Million Three Hundred Thousand)</p> <p>(99% interest attributable to the Group: RMB9,207,000) (Renminbi Nine Million Two Hundred and Seven Thousand)</p>

Notes:—

- (1) According to three Real Property Certificates issued by the Changsha Land Resources Bureau (長沙市國土資源局), the land use rights of the property with a total site area of 21,759.41 sq m have been vested in 長沙新力湘房地產開發有限公司 (Changsha Xinlixiang Real Estate Development Co., Ltd) with details as follows:—

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> (sq m)
(2017) 0307925	23 November 2017	Residential/ Commercial	16 November 2077/ 16 November 2047	2,598.79
(2018) 0340891	—	Residential/ Commercial	11 November 2077/ 11 November 2047	14,453.59
(2018) 0340892	—	Residential/ Commercial	21 November 2077/ 21 November 2047	4,707.03
Total:				21,759.41

- (2) According to Planning Permit for Construction Use of Land issued by Changsha Urban and Rural Construction Commission, the construction works of portions of the property, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities with details as follows:

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Project name</u>	<u>Site Area</u> (sq m)
[2018] 0057	26 October 2018	Xinli Zi Yuan	17,997.85

- (3) In valuing the property, we have assumed a unit rate of RMB5,000 per sq m for the residential and commercial lands.

In valuing the property, we have made reference to various recent sales evidences of land in the locality within the same district. These comparable properties are selected as they have characteristics comparable to the property. The accommodation value of these comparable land sites range from RMB3,900 to RMB5,200 per sq m for residential and commercial uses. Due adjustments to the accommodation values of those sales evidences have been made to reflect these factors including but not limited to location, size and other characters in arriving at assumed accommodation value.

- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- The Real Property Certificates the property are valid, legal and enforceable under the PRC laws;
 - Changsha Xinlixiang Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - Changsha Xinlixiang Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
87. The development known as Phase II of Changsha Zi Yuan, Kaifu District, Changsha, Hunan Province, the PRC (長沙紫園II期)	<p>The property comprises Phase II of a composite development to be erected on 3 parcels of land with a total site area of 21,759.41 sq m.</p> <p>The property, currently under construction, is a planned development of high-rise residential and commercial uses. According to the information provided by the Group, the constituent planned gross floor area of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Gross Floor Area</th> </tr> <tr> <td></td> <td style="text-align: right;"><i>(sq m)</i></td> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">25,326.78</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">3,633.87</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">899.13</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">29,859.78</td> </tr> </tbody> </table>	Use	Gross Floor Area		<i>(sq m)</i>	Residential	25,326.78	Car park	3,633.87	Ancillary	899.13	Total:	29,859.78	As at the valuation date, the property was a vacant site.	<p>RMB135,700,000 (Renminbi One Hundred Thirty Five Million and Seven Hundred Thousand)</p> <p>(99% interest attributable to the Group: RMB134,343,000) (Renminbi One Hundred Thirty Four Million and Three Hundred Forty Three Thousand)</p>
Use	Gross Floor Area														
	<i>(sq m)</i>														
Residential	25,326.78														
Car park	3,633.87														
Ancillary	899.13														
Total:	29,859.78														
	<p>The property is located in the center of Kaifu District of Changsha. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for high-rise residential and commercial uses.</p> <p>The land use rights of the property have been granted for terms due to expire on 11 November 2077 and 16 November 2077 respectively for residential use and due to expire on 11 November 2047 and 16 November 2047 respectively for commercial use.</p>														

Notes:—

- (1) According to three Real Property Certificates issued by the Changsha Land Resources Bureau (長沙市國土資源局), the land use rights of the property with a total site area of 21,759.41 sq m have been vested in 長沙新力湘房地產開發有限公司 (Changsha Xinlixiang Real Estate Development Co., Ltd) with details as follows:—

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> <i>(sq m)</i>
(2017) 0307925	23 November 2017	Residential/ Commercial	16 November 2077/ 16 November 2047	2,598.79
(2018) 0340891	—	Residential/ Commercial	11 November 2077/ 11 November 2047	14,453.59
(2018) 0340892	—	Residential/ Commercial	21 November 2077/ 21 November 2047	4,707.03
Total:				21,759.41

- (2) As advised by the Group, an additional portion of the land for Changsha Zi Yuan Phase II with a site area of approximately 4,386.20 sq m is undergoing the process of resettlement and demolition and the State-owned Land Use Rights Certificates have not been obtained yet. We have ascribed no commercial value to this portion of land.

- (3) According to Planning Permit for Construction Use of Land issued by Changsha Urban and Rural Construction Commission, the construction works of portions of the property, are in compliance with the requirements for the works commencement and have been permitted by relevant authorities with details as follows:

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Project name</u>	<u>Site Area</u> <i>(sq m)</i>
[2018] 0057	26 October 2018	Xinli Zi Yuan	17,997.85

- (4) In valuing the property, we have assumed a unit rate of RMB5,100 per sq m for the residential land.

In valuing the property, we have made reference to various recent sales evidences of land in the locality within the same district. These comparable properties are selected as they have characteristics comparable to the property. The accommodation value of these comparable land sites range from RMB3,900 to RMB5,200 per sq m for residential and commercial use. Due adjustments to the accommodation values of those sales evidences have been made to reflect these factors including but not limited to location, size and other characters in arriving at assumed accommodation value.

- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:

- (a) The Real Property Certificates of the property are valid, legal and enforceable under the PRC laws;
- (b) Changsha Xinlixiang Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
- (c) Changsha Xinlixiang Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>														
88. The development site for the proposed development to be known Changsha Bo Yuan, Changsha, Hunan Province, the PRC (長沙鉞園)	<p>The property is erected upon 4 parcels of land with a total site area of 75,952.95 sq m.</p> <p>The property is a planned development of residential and commercial uses.</p> <p>According to the information provided by the Group, the constituent planned gross floor areas of the property are as follows:—</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Use</u></th> <th style="text-align: right;"><u>Gross Floor Area</u></th> </tr> <tr> <td></td> <td style="text-align: right;"><i>(sq m)</i></td> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">26,845.04</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">6,544.00</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">9,041.08</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">4,946.67</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>47,376.79</u></td> </tr> </tbody> </table>	<u>Use</u>	<u>Gross Floor Area</u>		<i>(sq m)</i>	Residential	26,845.04	Commercial	6,544.00	Car park	9,041.08	Ancillary	4,946.67	Total:	<u>47,376.79</u>	As at valuation date, the property was a vacant site.	RMB170,000,000 (Renminbi One Hundred and Seventy Million)
<u>Use</u>	<u>Gross Floor Area</u>																
	<i>(sq m)</i>																
Residential	26,845.04																
Commercial	6,544.00																
Car park	9,041.08																
Ancillary	4,946.67																
Total:	<u>47,376.79</u>																
	<p>The property is located in Golden Township, Wangcheng District. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 5 September 2077 for residential use.</p>																

Notes:—

- (1) According to the State-owned Land Use Rights, the land use rights of the property with a total site area of 66,532.40 sq m have been vested in 長沙新力鴻房地產開發有限公司 (Changsha Xinlihong Real Estate Development Co., Ltd).

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> (sq m)
(2018) 0392811	11 November 2018	Residential/ Commercial	19 January 2083/ 19 January 2053/	49,274.29 260.46 (for road)
(2018) 0392812	11 November 2018	Residential	15 October 2074	17,257.75 2,508.29 (for road)
(2019) 0098943	1 April 2019	Residential/ Commercial	19 January 2083/ 19 January 2053	3,938.49
(2019) 0098960	1 April 2019	Residential/ Commercial	19 January 2083/ 19 January 2053	2,713.67
Total:				75,952.95

- (2) According to 2 Transfer Contracts of State-owned Land Use Rights, the land use rights of the property have been contracted to be transferred to 長沙新力鴻房地產開發有限公司 (Changsha Xinlihong Real Estate Development Co., Ltd) with key details as follows:

<u>No.</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site Area</u> (sq m)	<u>Plot ratio</u>	<u>Consideration</u> (RMB)
1	Residential, Commercial	9 January 2083 for residential and 9 January 2053 for commercial use	49,274.29	4.8	800,000,000
2	Residential	15 October 2074	17,257.75	1.8	

- (3) In valuing the property, we have assumed a unit rate of RMB5,100 per sq m for the residential land.

In valuing the property, we have made reference to various recent sales evidences of land in the locality within the same district. These comparable properties are selected as they have characteristics comparable to the property. The accommodation value of these comparable land sites range from RMB3,200 to RMB5,600 per sq m for residential/commercial use. Due adjustments to the accommodation values of those sales evidences have been made to reflect these factors including but not limited to location, size and other characters in arriving at assumed accommodation value.

- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- The Stated-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;
 - Changsha Xinlihong Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - Changsha Xinlihong Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019
89. The development site for the proposed development to be known as Changsha Amber Yuan, Kaifu District, Changsha, Hunan Province, the PRC (長沙琥珀園)	<p>The property comprises three parcels of land with a total site area of 34,045.27 sq m.</p> <p>The property is a planned development of residential and commercial uses.</p> <p>According to the information provided by the Group, the constituent planned gross floor areas of the property are as follows:—</p>	As at valuation date, the property was a vacant site.	<p>RMB640,000,000 (Renminbi Six Hundred and Forty Million)</p> <p>(94.05% interest attributable to the Group: RMB601,920,000) (Renminbi Six Hundred One Million and Nine Hundred Twenty Thousand)</p>

Use	Gross Floor Area (sq m)
Residential	88,340.60
Commercial	28,571.07
Ancillary	36,875.22
Total:	153,786.89

The property is located in the center of Kaifu District of Changsha. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for high-rise residential and commercial uses.

The land use rights of the property of (2018) 0060339 have been granted for terms due to expire on 31 January 2075 for residential use and due to expire on 31 January 2045 for commercial use.

The land use rights of the property of (2017) 0355954 have been granted for terms due to expire on 31 January 2075 for residential use and due to expire on 31 January 2045 for commercial use.

The land use rights of the property of (2017) 0084272 have been granted for terms due to expire on 27 December 2080 for residential use and due to expire on 27 December 2050 for commercial use.

Notes:—

- (1) According to three Real Property Certificates issued by the Changsha Land Resources Bureau (長沙市國土資源局), the land use rights of the property with a total site area of 28,311.13 sq m have been vested in 長沙旺國置業有限公司 (Changsha Wangguo Real Estate Co., Ltd) with details as follows:—

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u> <i>(sq m)</i>
(2018) 0060339	13 February 2018	Residential/ Commercial	31 January 2075/ 31 January 2045/	4,242.64 1,761.52 for road
(2017) 0355954	26 November 2017	Residential/ Commercial	31 January 2075/ 31 January 2045/	5,799.75 556.17 for road
(2017) 0084272	26 November 2017	Residential/ Commercial	27 December 2080/ 27 December 2050	18,268.74 3,064.56 for road
			Total:	34,045.27

- (2) In valuing the property, we have assumed a unit rate of RMB5,300 per sq m for the residential land.

In valuing the property, we have made reference to various recent sales evidences of land in the locality within the same district. These comparable properties are selected as they have characteristics comparable to the property. The accommodation value of these comparable land sites range from RMB3,900 to RMB5,200 per sq m for residential use. Due adjustments to the accommodation values of those sales evidences have been made to reflect these factors including but not limited to location, size and other characters in arriving at assumed accommodation value.

- (3) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- The Real Property Certificates of the property are valid, legal and enforceable under the PRC laws;
 - Changsha Wangguo Real Estate Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - Changsha Wangguo Real Estate Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019
90. The development site for the proposed development to be known as Phases I of Changsha Dibo Wan, Wangcheng District, Changsha, Hunan Province, the PRC (長沙帝泊灣)	<p>The property comprises one parcel of land with a total site area of 86,946.5 sq m.</p> <p>The property is a planned development of residential and commercial uses.</p> <p>According to the information provided by the Group, the constituent planned gross floor areas of the property are as follows:</p>	As at valuation date, the property was a vacant site.	<p>RMB530,000,000 (Renminbi Five Hundred and Thirty Million)</p> <p>(99% interest attributable to the Group: RMB524,700,000) (Renminbi Five Hundred Twenty Four Million and Seven Hundred Thousand)</p>

Use	Gross Floor Area (sq m)
Residential	72,424.81
Commercial	629.67
Carpark	19,400.00
Ancillary	3,198.81
Total:	95,653.29

The property is located in Golden Township, Wangcheng District. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.

The land use rights of the property have been granted for terms due to expire on 5 September 2077 for residential use.

Notes:—

- (1) According to State-owned Land Use Rights Certificate No. (2007) 292 issued by the Wangcheng County People's Government (望城縣人民政府), the land use rights of the property with a total site area of 86,946.5 sq m have been vested in 湖南悅禧置業有限公司 (Hunan Yuexi Properties Co., Ltd.) with details as follows:

Certificate No.	Issue Date	Use	Land Use Expiry Date	Site area (sq m)
(2007) 292	21 September 2007	Residential	5 September 2077	86,946.5

- (2) In valuing the property, we have assumed a unit rate of RMB3,800 per sq m for the residential land.

In valuing the property, we have made reference to various recent sales evidences of land in the locality within the same district. These comparable properties are selected as they have characteristics comparable to the property. The accommodation value of these comparable land sites range from RMB2,200 to RMB3,900 per sq m for residential use. Due adjustments to the accommodation values of those sales evidences have been made to reflect these factors including but not limited to location, size and other characters in arriving at assumed accommodation value.

- (3) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Hu'nan Yuexi Real Estate Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Hu'nan Yuexi Real Estate Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019										
91. The development site for the proposed development to be known as Weifang Dibo Wan, Hanting District, Weifang, Shandong Province, the PRC (濰坊帝泊灣)	<p>The property comprises a parcel of land with a total site area of 30,387 sq m.</p> <p>The property is a planned development of residential and commercial uses.</p> <p>According to the information provided by the Group, the constituent planned gross floor areas of the property are as follows:—</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">80,047.61</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">23,714.60</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">704.48</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">104,466.69</td> </tr> </tbody> </table>	Use	Gross Floor Area (sq m)	Residential	80,047.61	Car park	23,714.60	Ancillary	704.48	Total:	104,466.69	As at the valuation date, the property was a vacant site.	<p>RMB92,000,000 (Renminbi Ninety Two Million)</p> <p>(60% interest attributable to the Group: RMB55,200,000) (Renminbi Fifty Five Million and Two Hundred Thousand)</p>
Use	Gross Floor Area (sq m)												
Residential	80,047.61												
Car park	23,714.60												
Ancillary	704.48												
Total:	104,466.69												
	<p>The property is located in sub-urban area. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 12 March 2089 for residential use.</p>												

Notes:—

- (1) According to State-owned Land Use Rights Certificate issued by Weifong Natural Resources and Planning Bureau, the land use rights of the property with a site area of 30,387 sq m have been vested in 濰坊新力合房地產開發有限公司 (Weifang Sinic Lihe Real Estate Development Co., Ltd) for a term due to expire on 12 March 2089 for residential use.
- (2) According to the Agreement of State-owned Land Use Rights, the land use rights of the property with a site area of 30,387 have been agreed to be granted to Weifang Sinic Lihe Real Estate Development Co., Ltd with a consideration of RMB91,161,000.

- (3) In valuing the property, we have assumed a unit rate of RMB1,200 per sq m for the residential land.

In valuing the property, we have made reference to various recent sales evidences of land in the locality within the same district. These comparable properties are selected as they have characteristics comparable to the property. The accommodation value of these comparable land sites range from RMB1,200 to RMB1,550 per sq m for residential and commercial use. Due adjustments to the accommodation values of those sales evidences have been made to reflect these factors including but not limited to location, size and other characters in arriving at assumed accommodation value.

- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Weifang Sinic Lihe Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Weifang Sinic Lihe Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019														
92. A parcel of land (3501282016B00011) with 73 Mu, Pingtan, Fuzhou, Fujiang Province, the PRC	<p>The property comprises a parcel of land with site area of 48,618.36 sq m.</p> <p>The property is a planned development of residential use.</p> <p>According to the information provided by the Group, the constituent planned gross floor areas of the property are as follows:</p>	As at the valuation date, the property was a vacant site.	<p>RMB820,000,000 (Renminbi Eight Hundred and Twenty Million)</p> <p>(48% interest attributable to the Group: RMB393,600,000) (Renminbi Three Hundred Ninety Three Million and Six Hundred Thousand)</p>														
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Gross Floor Area</th> </tr> <tr> <td></td> <td style="text-align: right;"><i>(sq m)</i></td> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">132,297.40</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">6,939.00</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">39,054.50</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">4,165.34</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">182,456.24</td> </tr> </tbody> </table>	Use	Gross Floor Area		<i>(sq m)</i>	Residential	132,297.40	Commercial	6,939.00	Car park	39,054.50	Ancillary	4,165.34	Total:	182,456.24		
Use	Gross Floor Area																
	<i>(sq m)</i>																
Residential	132,297.40																
Commercial	6,939.00																
Car park	39,054.50																
Ancillary	4,165.34																
Total:	182,456.24																
	<p>The property is located in sub-urban area. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for a term due to expire on 1 February 2086 for residential use.</p>																

Notes:—

- (1) According to State-owned Land Use Rights Certificate issued by Pingtan Comprehensive Experimental Area Environmental and Land Resources Bureau, the land use rights of the property with a total site area of 48,618.36 sq m have been vested in 平潭魯新地產有限公司 (Pingtan Luxin Properties Co., Ltd) with details as follows:—

Certificate No.	Issue Date	Use	Land Use Expiry Date	Site area
				<i>(sq m)</i>
(2018) 016533	22 October 2018	Residential	1 February 2086	48,618.36

- (2) According to the Grant Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between 平潭綜合實驗區環境與國土資源局 (“Party A”) and Pingtan Luxin Properties Co., Ltd (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Plot Ratio</u>	<u>Land Premium</u>
					<i>(RMB)</i>

3501282016B00011	18 January 2016	Residential, Commercial,	70 years residential use	≤2.9	814,700,000
------------------	--------------------	-----------------------------	-----------------------------	------	-------------

- (3) In valuing the property, we have assumed a unit rate of RMB5,700 per sq m for the residential land.

In valuing the property, we have made reference to various recent sales evidences of land in the locality within the same district. These comparable properties are selected as they have characteristics comparable to the property. The accommodation value of these comparable land sites range from RMB4,800 to RMB6,000 per sq m for residential use. Due adjustments to the accommodation values of those sales evidences have been made to reflect these factors including but not limited to location, size and other characters in arriving at assumed accommodation value.

- (4) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Pingtan Luxin Properties Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Pingtan Luxin Properties Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>												
93. A parcel of land (E1902) with 49.6 Mu, Hefei, Anhui Province, the PRC	<p>The property comprises a parcel of land with site area of 33,052.55 sq m.</p> <p>The property is a planned development of residential use.</p> <p>According to the information provided by the Group, the constituent planned gross floor areas of the property are as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: center;"><u>Use</u></th> <th style="text-align: center;"><u>Gross Floor Area</u></th> </tr> <tr> <td></td> <td style="text-align: center;"><i>(sq m)</i></td> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">61,390.81</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">1,699.58</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">21,797.71</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">84,888.10</td> </tr> </tbody> </table>	<u>Use</u>	<u>Gross Floor Area</u>		<i>(sq m)</i>	Residential	61,390.81	Ancillary	1,699.58	Car park	21,797.71	Total:	84,888.10	As at the valuation date, the property was a vacant site.	RMB541,000,000 (Renminbi Five Hundred and Forty One Million)
<u>Use</u>	<u>Gross Floor Area</u>														
	<i>(sq m)</i>														
Residential	61,390.81														
Ancillary	1,699.58														
Car park	21,797.71														
Total:	84,888.10														
	<p>The property is located in sub-urban area. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for a term due to expire on 7 June 2089 for residential use.</p>														

Notes:—

- (1) According to State-owned Land Use Rights Certificate issued by 合肥市自然資源和規劃局, the land use rights of the property with a total site area of 33,052.55 sq m have been vested in 合肥力耀房地產開發有限公司 (Hefei Liyao Real Estate Development Co., Ltd) with details as follows:—

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u>
				<i>(sq m)</i>
(2019) 110092	23 July 2019	Residential	7 June 2089	33,052.55

- (2) According to the Grant Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between 中華人民共和國安徽省合肥市自然資源和規劃局 (“Party A”) and 合肥新力悅地產開發有限公司 and 合肥旭輝企業管理有限公司 (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Plot Ratio</u>	<u>Land Premium</u>
					<i>(RMB)</i>
E1902	10 May 2019	Residential	70 years for residential use	≤1.8	540,409,193

The grantee has been changed to Hefei Liyao Real Estate Development Co., Ltd.

- (3) In valuing the property, we have assumed a unit rate of RMB8,600 per sq m for the residential land.

In valuing the property, we have made reference to various recent sales evidences of land in the locality within the same district. These comparable properties are selected as they have characteristics comparable to the property. The accommodation value of these comparable land sites range from RMB7,800 to RMB9,200 per sq m for residential use. Due adjustments to the accommodation values of those sales evidences have been made to reflect these factors including but not limited to location, size and other characters in arriving at assumed accommodation value.

- (4) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Hefei Liyao Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Hefei Liyao Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019										
94. A parcel of land (XZQTD242) with 102 Mu, Hefei, Anhui Province, the PRC	<p>The property comprises a parcel of land with site area of 68,460.66 sq m.</p> <p>The property is a planned development of residential use.</p> <p>According to the information provided by the Group, the constituent planned gross floor areas of the property are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Use</th> <th style="text-align: center;">Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">132,069.70</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">40,738.82</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">5,011.00</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">177,819.52</td> </tr> </tbody> </table>	Use	Gross Floor Area (sq m)	Residential	132,069.70	Car park	40,738.82	Ancillary	5,011.00	Total:	177,819.52	As at the valuation date, the property was a vacant site.	<p>RMB1,075,000,000 (Renminbi One Billion and Seventy Five Million)</p> <p>(70% interest attributable to the Group: RMB752,500,000 (Renminbi Seven Hundred Fifty Two Million and Five Hundred Thousand))</p>
Use	Gross Floor Area (sq m)												
Residential	132,069.70												
Car park	40,738.82												
Ancillary	5,011.00												
Total:	177,819.52												
	<p>The property is located in sub-urban area. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for a term due to expire on 9 June 2089 for residential use.</p>												

Notes:—

- (1) According to State-owned Land Use Rights Certificate issued by Hefei Natural Resources and Planning Bureau, the land use rights of the property with a total site area of 68,460.66 sq m have been vested in 安徽力弘房地產開發有限公司 (Anhui Lihong Real Estate Development Co., Ltd) with details as follows:—

Certificate No.	Issue Date	Use	Land Use Expiry Date	Site area (sq m)
(2019) 1100096	24 July 2019	Residential	9 June 2089	68,460.66

- (2) According to the Grant Contracts of State-owned Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights entered into between Hefei Natural Resources and Planning Bureau (“Party A”) and Anhui Lihong Real Estate Development Co., Ltd (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Plot Ratio</u>	<u>Land Premium</u>
					<i>(RMB)</i>
XZQTD242	10 May 2019	Residential	70 years	≤2	1,073,120,846

- (3) In valuing the property, we have assumed a unit rate of RMB7,800 per sq m for the residential land.

In valuing the property, we have made reference to various recent sales evidences of land in the locality within the same district. These comparable properties are selected as they have characteristics comparable to the property. The accommodation value of these comparable land sites range from RMB6,400 to RMB8,800 per sq m for residential and commercial use. Due adjustments to the accommodation values of those sales evidences have been made to reflect these factors including but not limited to location, size and other characters in arriving at assumed accommodation value.

- (4) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- (a) The Stated-owned Land Use Rights Certificate of the property is valid, legal and enforceable under the PRC laws;
 - (b) Anhui Lihong Real Estate Development Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property in accordance with its existing development progress; and
 - (c) Anhui Lihong Real Estate Development Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property subject to the regulations related to the existing mortgage and sales agreement.

VALUATION REPORT

Group V — Properties to be acquired for future development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019										
95. A parcel of land (XDG-2019-16) with 120 Mu, Wuxi, Jiangsu Province, the PRC	<p>The property comprises a parcel of land with a site area of 80,014 sq m.</p> <p>The property is a planned development for residential and commercial uses.</p> <p>According to the information provided by the Group, the constituent planned gross floor areas of the property are as follows:—</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">154,706.16</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">2,223.72</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">54,502.83</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">211,432.71</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area (sq m)	Residential	154,706.16	Commercial	2,223.72	Car park	54,502.83	Total:	211,432.71	As at the valuation date, the property was a vacant site.	No commercial value (See Note (1))
Use	Planned Gross Floor Area (sq m)												
Residential	154,706.16												
Commercial	2,223.72												
Car park	54,502.83												
Total:	211,432.71												
	<p>The property is located in sub-urban area. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for terms of 70 years for residential use and 40 years for commercial use.</p>												

Notes:—

- (1) We have been advised by the Group that the State-owned Land Use Rights Certificates of the property have not been obtained yet and we usually ascribe no commercial value to the property. Had valid State-owned Land Use Rights Certificates been issued to the property, all land premium and related fees for the grant of the certificates and costs necessary to render the site ready for immediate development been fully settled, the market value of the property in its existing state as at 31 July 2019 would be RMB970,000,000 (Renminbi Nine Hundred Seventy Million).

- (2) According to the Grant Contract of State-owned Land Use Rights and its Supplementary Agreement of Grant Contract of State-owned Land Use Rights entered into between the Wuxi Natural Resources and Planning Bureau (“Party A”) and 無錫新隸房地產開發有限公司 (Wuxi Xindai Real Estate Development Co., Ltd) (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

<u>Land Plot No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Permissible Gross Floor Area</u> <i>(sq m)</i>	<u>Land Premium</u> <i>(RMB)</i>
XDG-2019-16	29 July 2019	Residential, Commercial,	70 years for residential use, 40 years for commercial use	166,028	967,830,000

- (3) In valuing the property, we have assumed a unit rate of RMB6,200 per sq m for the residential land.

In valuing the property on the basis described in Note (1), we have made reference to various recent sales evidences of land in the locality within the same district. These comparable properties are selected as they have characteristics comparable to the property. The accommodation value of these comparable land sites ranges from RMB6,000 to RMB7,200 per sq m for residential and commercial uses. Due adjustments to the accommodation values of those sales evidences have been made to reflect these factors including but not limited to location, size and other characters in arriving at the assumed accommodation value.

- (4) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- (a) The Grant Contract of State-owned Land Use Rights is valid and legal.

VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 July 2019</u>												
96. A parcel of land (SLG-(07)-2018-011) with 92 Mu, Chengdu, Sichuen Province, the PRC	<p>The property comprises a parcel of land with a site area of 61,210.21 sq m.</p> <p>The property is a planned development for residential use.</p> <p>According to the information provided by the Group, the constituent planned gross floor areas of the property are as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Use</u></th> <th style="text-align: right;"><u>Planned Gross Floor Area</u></th> </tr> <tr> <td></td> <td style="text-align: right;"><i>(sq m)</i></td> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">122,184.41</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">326.64</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">59,372.04</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">181,883.09</td> </tr> </tbody> </table>	<u>Use</u>	<u>Planned Gross Floor Area</u>		<i>(sq m)</i>	Residential	122,184.41	Ancillary	326.64	Car park	59,372.04	Total:	181,883.09	As at the valuation date, the property was a vacant site.	No commercial value (See Note (1))
<u>Use</u>	<u>Planned Gross Floor Area</u>														
	<i>(sq m)</i>														
Residential	122,184.41														
Ancillary	326.64														
Car park	59,372.04														
Total:	181,883.09														
	<p>The property is located in sub-urban area. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 9 July 2089 for residential use.</p>														

Notes:—

- (1) We have been advised by the Group that the State-owned Land Use Rights Certificates of the property have not been obtained yet and we usually ascribe no commercial value to the property. Had valid State-owned Land Use Rights Certificates been issued to the property, all land premium and related fees for the grant of the certificates and costs necessary to render the site ready for immediate development been fully settled, the market value of the property in its existing state as at 31 July 2019 would be RMB1,240,000,000 (Renminbi One Billion Two Hundred Forty Million).
- (2) Subsequent to the valuation date, the Group has obtained the State-owned Land Use Rights Certificates of the property. According to the State-owned Land Use Rights Certificate issued by the Chengdu Shuangliu Land Resources Bureau, the land use rights of the property with a site area of 61,210.21 sq m have been vested in 成都力璽房地產開發有限公司 (Chengdu Lixi Real Estate Development Co., Ltd) with details as follows:—

<u>Certificate No.</u>	<u>Issue Date</u>	<u>Land Use</u>	<u>Land Use Expiry Date</u>	<u>Site area</u>
				<i>(sq m)</i>
(2019) 0056692	5 August 2019	Residential	9 July 2089	61,210.21

- (3) According to the Grant Contract of State-owned Land Use Rights and its Supplementary Agreement of Grant Contract of State-owned Land Use Rights entered into between the Chengdu Shuangliu Planning and Natural Resources Bureau (“Party A”) and Chengdu Lixi Real Estate Development Co., Ltd (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

Land Plot No.	Issue Date	Land Use	Land Use Expiry Date	Permissible Gross Floor Area	Land Premium
				<i>(sq m)</i>	<i>(RMB)</i>
SLG-(07)-2018-011	19 June 2019	Residential	70 years	122,400	1,230,120,000

- (4) In valuing the property, we have assumed a unit rate of RMB10,600 per sq m for the residential land.

In valuing the property on the basis described in Note (1), we have made reference to various recent sales evidences of land in the locality within the same district. These comparable properties are selected as they have characteristics comparable to the property. The accommodation value of these comparable land sites ranges from RMB10,500 to RMB14,800 per sq m for residential and commercial uses. Due adjustments to the accommodation values of those sales evidences have been made to reflect these factors including but not limited to location, size and other characters in arriving at the assumed accommodation value.

- (5) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- (a) The Grant Contract of State-owned Land Use Rights is valid and legal.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019														
97. A parcel of land (2018G042) with 32 Mu, Pingtan, Fujiang Province, the PRC	<p>The property comprises a parcel of land with a site area of 21,240.03 sq m.</p> <p>The property is a planned development for residential and commercial uses.</p> <p>According to the information provided by the Group, the constituent planned gross floor areas of the property are as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Planned Gross Floor Area</th> </tr> <tr> <td></td> <td style="text-align: right;">(sq m)</td> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">52,454.00</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">1,623.00</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">1,385.00</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">18,733.13</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">74,195.13</td> </tr> </tbody> </table>	Use	Planned Gross Floor Area		(sq m)	Residential	52,454.00	Commercial	1,623.00	Ancillary	1,385.00	Car park	18,733.13	Total:	74,195.13	As at the valuation date, the property was a vacant site.	No commercial value (See Note (1))
Use	Planned Gross Floor Area																
	(sq m)																
Residential	52,454.00																
Commercial	1,623.00																
Ancillary	1,385.00																
Car park	18,733.13																
Total:	74,195.13																
	<p>The property is located in sub-urban area. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for terms due to expire on 11 June 2089 for residential use and due to expire on 11 June 2059 for commercial use.</p>																

Notes:—

- (1) We have been advised by the Group that the State-owned Land Use Rights Certificates of the property have not been obtained yet and we usually ascribe no commercial value to the property. Had valid State-owned Land Use Rights Certificates been issued to the property, all land premium and related fees for the grant of the certificates and costs necessary to render the site ready for immediate development been fully settled, the market value of the property in its existing state as at 31 July 2019 would be RMB270,000,000 (Renminbi Two Hundred Seventy Million) (48% interest attributable to the Group: RMB129,600,000 (Renminbi One Hundred Twenty Nine Million and Six Hundred Thousand)).
- (2) Subsequent to the valuation date, the Group has obtained the State-owned Land Use Rights Certificates of the property. According to the State-owned Land Use Rights Certificate issued by 平潭綜合實驗區環境與國土資源局, the land use rights of the property with a site area of 21,240.03 sq m have been vested in 平潭立新地產有限公司 (PingtanLixin Properties Co., Ltd) with details as follows:—

Certificate No.	Issue Date	Land Use	Land Use Expiry Date	Site area
				(sq m)
(2019) 008056	15 August 2019	Residential/ Commercial	11 June 2089/ 11 June 2059	21,240.03

- (3) According to the Grant Contract of State-owned Land Use Rights and its Supplementary Agreement of Grant Contract of State-owned Land Use Rights entered into between 平潭綜合實驗區環境與國土資源局 (“Party A”) and PingtanLixin Properties Co., Ltd (“Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

Land Plot No.	Issue Date	Land Use	Land Use Expiry Date	Permissible Gross Floor Area <i>(sq m)</i>	Land Premium <i>(RMB)</i>
2018G042	29 November 2018	Residential, Commercial,	70 years for residential use and 40 years for commercial use	55,179	267,000,000

- (4) In valuing the property, we have assumed a unit rate of RMB2,400 per sqm for the residential land.

In valuing the property on the basis described in Note (1), we have made reference to various recent sales evidences of land in the locality within the same district. These comparable properties are selected as they have characteristics comparable to the property. The accommodation value of these comparable land sites ranges from RMB2,600 to RMB5,500 per sq m for residential and commercial uses. Due adjustments to the accommodation values of those sales evidences have been made to reflect these factors including but not limited to location, size and other characters in arriving at the assumed accommodation value.

- (5) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- (a) The Grant Contract of State-owned Land Use Rights is valid and legal.

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 18 September 2018 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the “Companies Law”). The Company’s constitutional documents consist of its Memorandum of Association (the “Memorandum”) and its Articles of Association (the “Articles”).

1. MEMORANDUM OF ASSOCIATION

- (a) The Memorandum states, inter alia, that the liability of members of the Company is limited to the amount, if any, for the time being unpaid on the shares respectively held by them and that the objects for which the Company is established are unrestricted (including acting as an investment company), and that the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided in section 27(2) of the Companies Law and in view of the fact that the Company is an exempted company that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.
- (b) The Company may by special resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on October 15, 2019 with effect from the Listing Date. The following is a summary of certain provisions of the Articles:

(a) Shares

(i) *Classes of shares*

The share capital of the Company consists of ordinary shares.

(ii) *Variation of rights of existing shares or classes of shares*

Subject to the Companies Law, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions

of the Articles relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting two holders present in person or by proxy (whatever the number of shares held by them) shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(iii) Alteration of capital

The Company may by ordinary resolution of its members:

- (i) increase its share capital by the creation of new shares;
- (ii) consolidate all or any of its capital into shares of larger amount than its existing shares;
- (iii) divide its shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as the Company in general meeting or as the directors may determine;
- (iv) subdivide its shares or any of them into shares of smaller amount than is fixed by the Memorandum; or
- (v) cancel any shares which, at the date of passing of the resolution, have not been taken and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

(iv) Transfer of shares

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or in such other form as the board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the board may approve from time to time.

Notwithstanding the foregoing, for so long as any shares are listed on the Stock Exchange, titles to such listed shares may be evidenced and transferred in accordance with the laws applicable to and the rules and regulations of the Stock Exchange that are or shall be applicable to such listed shares. The register of members in respect of its listed shares (whether the principal register or a branch register) may be kept by recording the particulars required by Section 40 of the Companies Law in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the rules and regulations of the Stock Exchange that are or shall be applicable to such listed shares.

The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the board may dispense with the execution of the instrument of transfer by the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of that share.

The board may, in its absolute discretion, at any time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

The board may decline to recognise any instrument of transfer unless a fee (not exceeding the maximum sum as the Stock Exchange may determine to be payable) determined by the Directors is paid to the Company, the instrument of transfer is properly stamped (if applicable), it is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in any newspaper or by any other means in accordance with the requirements of the Stock Exchange, at such times and for such periods as the board may determine. The register of members must not be closed for periods exceeding in the whole thirty (30) days in any year.

Subject to the above, fully paid shares are free from any restriction on transfer and free of all liens in favour of the Company.

(v) Power of the Company to purchase its own shares

The Company is empowered by the Companies Law and the Articles to purchase its own shares subject to certain restrictions and the board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by the Stock Exchange.

Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender must be limited to a maximum price determined by the Company in general meeting. If purchases are by tender, tenders must be made available to all members alike.

The board may accept the surrender for no consideration of any fully paid share.

(vi) Power of any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to ownership of shares in the Company by a subsidiary.

(vii) Calls on shares and forfeiture of shares

The board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the board may waive payment of such interest wholly or in part. The board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect

of the shares, together with (if the board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the board determines.

(b) Directors

(i) Appointment, retirement and removal

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification. Further, there are no provisions in the Articles relating to retirement of Directors upon reaching any age limit.

The Directors have the power to appoint any person as a Director either to fill a casual vacancy on the board or as an addition to the existing board. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and members of the Company may by ordinary resolution appoint another in his place. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors.

The office of director shall be vacated if:

(aa) he resigns by notice in writing delivered to the Company;

(bb) he becomes of unsound mind or dies;

- (cc) without special leave, he is absent from meetings of the board for six (6) consecutive months, and the board resolves that his office is vacated;
- (dd) he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
- (ee) he is prohibited from being a director by law; or
- (ff) he ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles.

The board may appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the board may determine and the board may revoke or terminate any of such appointments. The board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed must, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the board.

(ii) Power to allot and issue shares and warrants

Subject to the provisions of the Companies Law and the Memorandum and Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued (a) with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine, or (b) on terms that, at the option of the Company or the holder thereof, it is liable to be redeemed.

The board may issue warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may determine.

Subject to the provisions of the Companies Law and the Articles and, where applicable, the rules of the Stock Exchange and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company are at the disposal of the board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount to their nominal value.

Neither the Company nor the board is obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

(iii) Power to dispose of the assets of the Company or any of its subsidiaries

There are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Law to be exercised or done by the Company in general meeting.

(iv) Borrowing powers

The board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets and uncalled capital of the Company and, subject to the Companies Law, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(v) Remuneration

The ordinary remuneration of the Directors is to be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors are also entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the board go beyond the ordinary duties of a Director may be paid such extra remuneration as the board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing

director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or past Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependents or any class or classes of such persons.

The board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependents are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

The board may resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including a share premium account and the profit and loss account) whether or not the same is available for distribution by applying such sum in paying up unissued shares to be allotted to (i) employees (including directors) of the Company and/or its affiliates (meaning any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Company) upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the members in general meeting, or (ii) any trustee of any trust to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the members in general meeting.

(vi) Compensation or payments for loss of office

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

(vii) Loans and provision of security for loans to Directors

The Company must not make any loan, directly or indirectly, to a Director or his close associate(s) if and to the extent it would be prohibited by the Companies Ordinance (Chapter 622 of the laws of Hong Kong) as if the Company were a company incorporated in Hong Kong.

(viii) Disclosure of interests in contracts with the Company or any of its subsidiaries

A Director may hold any other office or place of profit with the Company (except that of the auditor of the Company) in conjunction with his office of Director for such period and upon such terms as the board may determine, and may be paid such extra remuneration therefor in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. The board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

No Director or proposed or intended Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company must declare the

nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or other proposal in which he or any of his close associates is materially interested, but this prohibition does not apply to any of the following matters, namely:

- (aa) any contract or arrangement for giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associates or obligations incurred or undertaken by him or any of his close associates at the request of or for the benefit of the Company or any of its subsidiaries;
- (bb) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (cc) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (dd) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or
- (ee) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his close associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

(c) Proceedings of the Board

The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

(d) Alterations to constitutional documents and the Company's name

The Articles may be rescinded, altered or amended by the Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum, to amend the Articles or to change the name of the Company.

(e) Meetings of members***(i) Special and ordinary resolutions***

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

Under the Companies Law, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

(ii) Voting rights and right to demand a poll

Subject to any special rights or restrictions as to voting for the time being attached to any shares, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by that clearing house (or its nominee(s)) including, where a show of hands is allowed, the right to vote individually on a show of hands.

Where the Company has any knowledge that any shareholder is, under the rules of the Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

(iii) Annual general meetings and extraordinary general meetings

The Company must hold an annual general meeting of the Company every year within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting or a period of not more than eighteen (18) months from the date of adoption of the Articles, unless a longer period would not infringe the rules of the Stock Exchange.

Extraordinary general meetings may be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the board or the secretary for the purpose of requiring an extraordinary general meeting to be called by the board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the board fails to

proceed to convene such meeting, the requisitioner(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the board shall be reimbursed to the requisitioner(s) by the Company.

(iv) Notices of meetings and business to be conducted

An annual general meeting must be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days. All other general meetings must be called by notice of at least fourteen (14) clear days and not less than ten (10) clear business days. The notice is exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time and place of the meeting and particulars of resolutions to be considered at the meeting and, in the case of special business, the general nature of that business.

In addition, notice of every general meeting must be given to all members of the Company other than to such members as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to, among others, the auditors for the time being of the Company.

Any notice to be given to or by any person pursuant to the Articles may be served on or delivered to any member of the Company personally, by post to such member's registered address or by advertisement in newspapers in accordance with the requirements of the Stock Exchange. Subject to compliance with Cayman Islands law and the rules of the Stock Exchange, notice may also be served or delivered by the Company to any member by electronic means.

All business that is transacted at an extraordinary general meeting and at an annual general meeting is deemed special, save that in the case of an annual general meeting, each of the following business is deemed an ordinary business:

- (aa) the declaration and sanctioning of dividends;
- (bb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;
- (cc) the election of directors in place of those retiring;
- (dd) the appointment of auditors and other officers; and
- (ee) the fixing of the remuneration of the directors and of the auditors.

(v) *Quorum for meetings and separate class meetings*

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

The quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

(vi) *Proxies*

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and is entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy is entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise as if it were an individual member. Votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

(f) **Accounts and audit**

The board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Companies Law or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

The accounting records must be kept at the registered office or at such other place or places as the board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorised by the board or the Company in general meeting. However, an exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company at its general meeting, together with a printed copy of the Directors' report and a copy of the auditors' report, shall not less than twenty-one (21) days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles; however, subject to compliance with all applicable laws, including the rules of the Stock Exchange, the Company may send to such persons summarised financial statements derived from the Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

At the annual general meeting or at a subsequent extraordinary general meeting in each year, the members shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the next annual general meeting. Moreover, the members may, at any general meeting, by special resolution remove the auditors at any time before the expiration of his terms of office and shall by ordinary resolution at that meeting appoint another auditor for the remainder of his term. The remuneration of the auditor shall be fixed by the Company in general meeting or in such manner as the members may determine.

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards which may be those of a country or jurisdiction other than the Cayman Islands. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor must be submitted to the members in general meeting.

(g) Dividends and other methods of distribution

The Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the board.

The Articles provide dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Companies Law.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during

any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the board may think fit.

The Company may also upon the recommendation of the board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of the Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared the board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the board and shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

(h) Inspection of corporate records

Pursuant to the Articles, the register and branch register of members shall be open to inspection for at least two (2) hours during business hours by members without charge, or by any other person upon a maximum payment of HK\$2.50 or such lesser sum specified by the board, at the registered office or such other place at which the register is kept in accordance with the Companies Law or, upon a maximum payment of HK\$1.00 or such lesser sum specified by the board, at the office where the branch register of members is kept, unless the register is closed in accordance with the Articles.

(i) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of the Company under Cayman Islands law, as summarised in paragraph 3(f) of this Appendix.

(j) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

- (i) if the Company is wound up and the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively; and
- (ii) if the Company is wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If the Company is wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Law divide among the members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees

upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(k) Subscription rights reserve

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Companies Law, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

3. CAYMAN ISLANDS COMPANY LAW

The Company is incorporated in the Cayman Islands subject to the Companies Law and, therefore, operates subject to Cayman Islands law. Set out below is a summary of certain provisions of Cayman company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of Cayman company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar:

(a) Company operations

As an exempted company, the Company's operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

The Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium.

The Companies Law provides that the share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (c) the redemption and repurchase of shares

(subject to the provisions of section 37 of the Companies Law); (d) writing-off the preliminary expenses of the company; and (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

The Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands (the “**Court**”), a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

(c) Financial assistance to purchase shares of a company or its holding company

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company’s shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm’s-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder and the Companies Law expressly provides that it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company’s articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorise the manner and terms of purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorised by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares purchased by a company is to be treated as cancelled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the purchase. Where shares of a company are held as treasury shares, the company shall be entered in the register of members as holding those shares, however, notwithstanding the foregoing, the company is not be treated as a member for any purpose and must not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void, and a treasury share must not be voted, directly or indirectly, at any meeting of the company and must not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Companies Law.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

The Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account. With the exception of the foregoing, there are no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits.

No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made to the company, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

The Courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company, and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up or, as an alternative to a winding up order, (a) an order regulating the conduct of the company's affairs in the future, (b) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do, (c) an order authorising civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the Court may direct, or (d) an order providing for the purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

(g) Disposal of assets

The Companies Law contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(h) Accounting and auditing requirements

A company must cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

An exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

(i) Exchange control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

(j) Taxation

Pursuant to the Tax Concessions Law of the Cayman Islands, the Company has obtained an undertaking:

- (1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Company or its operations; and
- (2) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the shares, debentures or other obligations of the Company.

The undertaking for the Company is for a period of twenty years from October 4, 2018.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are a party to a double tax treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double tax treaties.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision in the Companies Law prohibiting the making of loans by a company to any of its directors.

(m) Inspection of corporate records

The notice of registered office is a matter of public record. A list of the names of the current directors and alternate directors (if applicable) are made available by the Registrar of Companies for inspection by any person on payment of a fee. The register of mortgages is open to inspection by creditors and members.

Members of the Company have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of the Company. They will, however, have such rights as may be set out in the Company's Articles.

(n) Register of members

An exempted company may maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. The register of members shall contain such particulars as required by Section 40 of the Companies Law. A branch register must be kept in the same manner in which a principal register is by the Companies Law required or permitted to be kept. The company shall cause to be kept at the place where the company's principal register is kept a duplicate of any branch register duly entered up from time to time.

There is no requirement under the Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of members, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

(o) Register of Directors and Officers

The Company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within thirty (30) days of any change in such directors or officers.

(p) Beneficial Ownership Register

An exempted company is required to maintain a beneficial ownership register at its registered office that records details of the persons who ultimately own or control, directly or indirectly, more than 25% of the equity interests or voting rights of the company or have rights to appoint or remove a majority of the directors of the company. The beneficial ownership register is not a public document and is only accessible by a designated competent authority of the Cayman Islands. Such requirement does not, however, apply to an exempted company with its shares listed on an approved stock exchange, which includes the Stock Exchange. Accordingly, for so long as the shares of the Company are listed on the Stock Exchange, the Company is not required to maintain a beneficial ownership register.

(q) Winding up

A company may be wound up (a) compulsorily by order of the Court, (b) voluntarily, or (c) under the supervision of the Court.

The Court has authority to order winding up in a number of specified circumstances including where the members of the company have passed a special resolution requiring the company to be wound up by the Court, or where the company is unable to pay its debts, or where it is, in the opinion of the Court, just and equitable to do so. Where a petition is presented by members of the company as contributories on the ground that it is just and equitable that the company should be wound up, the Court has the jurisdiction to make certain other orders as an alternative to a winding-up order, such as making an order regulating the conduct of the company's affairs in the future, making an order authorising civil proceedings to be brought in the name and on behalf of the company by the petitioner on such terms as the Court may direct, or making an order providing for the purchase of the shares of any of the members of the company by other members or by the company itself.

A company (save with respect to a limited duration company) may be wound up voluntarily when the company so resolves by special resolution or when the company in general meeting resolves by ordinary resolution that it be wound up voluntarily because it is unable to pay its debts as they fall due. In the case of a voluntary winding up, such company is obliged to cease to carry on its business (except so far as it may be beneficial for its winding up) from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court therein, there may be appointed an official liquidator or official liquidators; and the court may appoint to such office such person, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court must declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court.

As soon as the affairs of the company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and how the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. This final general meeting must be called by at least 21 days' notice to each contributory in any manner authorised by the company's articles of association and published in the Gazette.

(r) Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing seventy-five per cent. (75%) in value of shareholders or class of shareholders or creditors, as the case may be, as are present at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management.

(s) Take-overs

Where an offer is made by a company for the shares of another company and, within four (4) months of the offer, the holders of not less than ninety per cent. (90%) of the shares which are the subject of the offer accept, the offeror may at any time within two (2) months after the expiration of the said four (4) months, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one (1) month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

(t) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Court to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

(u) Economic Substance Requirements

Pursuant to the International Tax Cooperation (Economic Substance) Law, 2018 of the Cayman Islands ("ES Law") that came into force on 1 January 2019, a "relevant entity" is required to satisfy the economic substance test set out in the ES Law. A "relevant entity" includes an exempted company incorporated in the Cayman Islands as is the Company; however, it does not include an entity that is tax resident outside the Cayman Islands. As the Company has registered its business with the Business Registration Office of the Hong Kong Inland Revenue Department, it will be required to furnish profits tax returns issued to it rendering the Company a tax resident in Hong Kong.

4. GENERAL

Conyers Dill & Pearman, the Company's special legal counsel on Cayman Islands law, have sent to the Company a letter of advice summarising certain aspects of Cayman Islands Company Law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the paragraph headed "Documents available for inspection" in Appendix VI to this prospectus. Any person wishing to have a detailed summary of Cayman Islands Company Law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR COMPANY**1. Incorporation of our Company**

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on September 18, 2018. Our Company has established its principal place of business in Hong Kong at Suites 1016-1019, 10/F, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on November 27, 2018. Mr. Yim Lok Kwan has been appointed as the authorized representative of our Company for the acceptance of service of process and notices in Hong Kong.

As our Company was incorporated in the Cayman Islands, its operations are subject to the Cayman Islands Companies Law and to its constitution, which comprises of the Memorandum and the Articles. A summary of certain provisions of the Memorandum and Articles and relevant aspects of the Cayman Islands Companies Law is set out in Appendix IV — Summary of the Constitution of our Company and Cayman Islands Companies Law to this prospectus.

2. Changes in the share capital of our Company

As of the date of incorporation of our Company, the authorized share capital of our Company was HK\$380,000 divided into 38,000,000 Shares with a par value of HK\$0.01 each. Upon its incorporation, one fully paid ordinary Share of a par value of HK\$0.01 was allotted and issued to an Independent Third Party on September 18, 2018, which was then transferred to Xin Hong on the same date. Our Company further allotted and issued 94 Shares and five Shares to Xin Hong and Xin Heng, respectively on the same date. On May 13, 2019, Xin Hong transferred the 95 Shares held by it to Sinic Holdings. On May 17, 2019, our Company allotted and issued 845 Shares, 45 Shares and 10 Shares to Sinic Holdings, Xin Heng and Forever Elite, respectively.

On October 15, 2019, the authorized share capital of our Company was increased from HK\$380,000 divided into 38,000,000 Shares of a par value of HK\$0.01 each to HK\$200,000,000 divided into 20,000,000,000 Shares of a par value of HK\$0.01 each.

Immediately following completion of the Global Offering and Capitalisation Issue and taking no account of any Shares which may be issued upon the exercise of the Over-allotment Option, the issued share capital of our Company will be HK\$35,294,120 divided into 3,529,412,000 Shares, all fully paid or credited as fully paid, and 16,470,588,000 Shares will remain unissued.

Save as disclosed above, there has been no alteration in the share capital of our Company within two years immediately preceding the date of this prospectus.

3. Changes in the share capital of our subsidiaries

The following alterations in the share capital of our subsidiaries have taken place within the two years immediately preceding the date of this prospectus:

a. 江西新湖房地產開發有限公司 (Jiangxi Xihu Real Estate Development Co., Ltd.)

On December 13, 2018, the registered capital of Jiangxi Xihu Real Estate Development Co., Ltd. was increased from RMB50 million to RMB100 million.

b. 惠州市錦繡灣實業有限公司 (Huizhou Jinxiu Bay Industrial Co., Ltd.)

On December 5, 2018, the registered capital of Huizhou Jinxiu Bay Industrial Co., Ltd. was increased from RMB1 million to RMB20 million.

c. 蘇州力創香谷置業發展有限公司 (Suzhou Lichuang Xianggu Properties Development Co., Ltd.)

On December 26, 2018, Suzhou Lichuang Xianggu Properties Development Co., Ltd. was established as a limited liability company in the PRC with an initial registered capital of RMB10 million.

On February 20, 2019, the registered capital of Suzhou Lichuang Xianggu Properties Development Co., Ltd. was increased from RMB10 million to RMB200 million.

d. 贛州新力力合置業有限公司 (Ganzhou Sinic Lihe Properties Co., Ltd.)

On August 20, 2018, the registered capital of Ganzhou Sinic Lihe Properties Co., Ltd. was increased from RMB4.8 million to RMB10 million.

e. 贛州新力未來置業有限公司 (Ganzhou Sinic Weilai Properties Co., Ltd.)

On August 17, 2018, the registered capital of Ganzhou Sinic Weilai Properties Co., Ltd. was increased from RMB4.8 million to RMB10 million.

f. 江西匯濤實業有限公司 (Jiangxi Huitao Industrial Co., Ltd.)

On January 19, 2018, the registered capital of Jiangxi Huitao Industrial Co., Ltd. was increase from RMB5 million to RMB100 million.

On March 21, 2018, the registered capital of Jiangxi Huitao Industrial Co., Ltd. was increase from RMB100 million to RMB600 million.

g. 吉安新悦力創房地產開發有限公司 (Ji'an Xinyue Lichuang Real Estate Development Co., Ltd.)

On July 26, 2018, Ji'an Xinyue Lichuang Real Estate Development Co., Ltd. was established as a limited liability company in the PRC with initial registered capital of RMB10 million.

On August 14, 2018, the registered capital of Ji'an Xinyue Lichuang Real Estate Development Co., Ltd. was increased from RMB10 million to RMB50 million.

On September 16, 2019, the registered capital of Ji'an Xinyue Lichuang Real Estate Development Co., Ltd. was increased from RMB50 million to RMB200 million.

h. 江西璽瑞實業有限公司 (Jiangxi Xirui Industrial Co., Ltd.)

On November 6, 2017, the registered capital of Jiangxi Xirui Industrial Co., Ltd. was increased from RMB10 million to RMB20.4 million.

i. 江西賽越房地產開發有限公司 (Jiangxi Saiyue Real Estate Development Co., Ltd.)

On December 25, 2017, Jiangxi Saiyue Real Estate Development Co., Ltd. was established as a limited liability company in the PRC with an initial registered capital of RMB100 million.

On April 19, 2019, the registered capital of Jiangxi Saiyue Real Estate Development Co., Ltd. was increased from RMB100 million to RMB142.86 million.

j. 合肥新力力悦房地產開發有限公司 (Hefei Sinic Liyue Real Estate Development Co., Ltd.)

On February 9, 2018, Hefei Sinic Liyue Real Estate Development Co., Ltd. was established as a limited liability company in the PRC with an initial registered capital of RMB100 million.

On December 11, 2018, the registered capital of Hefei Sinic Liyue Real Estate Development Co., Ltd. was increased from RMB100 million to RMB200 million.

k. 南昌泰新房地產開發有限公司 (Nanchang Taixin Real Estate Development Co., Ltd.)

On May 10, 2018, Nanchang Taixin Real Estate Development Co., Ltd. was established as a limited liability company in the PRC with an initial registered capital of RMB10 million.

On June 26, 2018, registered capital of Nanchang Taixin Real Estate Development Co., Ltd. was increased from RMB10 million to RMB50 million.

l. 南昌新嵐房地產開發有限公司 (Nanchang Xinlan Real Estate Development Co., Ltd.)

On September 10, 2018, Nanchang Xinlan Real Estate Development Co., Ltd. was established as a limited liability company in the PRC with an initial registered capital of RMB10 million.

On March 5, 2019, the registered capital of Nanchang Xinlan Real Estate Development Co., Ltd. was increased from RMB10 million to RMB50 million.

m. 合肥力尚房地產開發有限公司 (Hefei Lishang Real Estate Development Co., Ltd.)

On March 13, 2018, Hefei Lishang Real Estate Development Co., Ltd. was established as a limited liability company in the PRC with an initial registered capital of RMB50 million.

On November 13, 2018, the registered capital of Hefei Lishang Real Estate Development Co., Ltd. was increased from RMB50 million to RMB200 million.

n. 合肥力新房地產開發有限公司 (Hefei Lixin Real Estate Development Co., Ltd.)

On March 13, 2018, Hefei Lixin Real Estate Development Co., Ltd. was established as a limited liability company in the PRC with an initial registered capital of RMB50 million.

On November 13, 2018, the registered capital of Hefei Lixin Real Estate Development Co., Ltd. was increased from RMB50 million to RMB200 million.

o. Sinic Management

On January 22, 2019, Sinic Management was established as a limited liability company in the PRC with an initial registered capital of RMB100 million.

On March 13, 2019, the registered capital of Sinic Management was increased from RMB100 million to RMB101.01 million.

p. 浮梁縣靜好實業有限公司 (Fuliang Jingyu Industrial Co., Ltd.)

On March 5, 2019, the registered capital of Fuliang Jingyu Industrial Co., Ltd. was increased from RMB3 million to RMB10 million.

q. 惠州市威宇實業發展有限公司 (Huizhou Weiyu Industrial Co., Ltd.)

On August 20, 2018, the registered capital of Huizhou Weiyu Industrial Co., Ltd. was increased from RMB1.8 million to RMB50 million.

r. 清遠市萬力源投資置業有限公司 (Qingyuan Wanliyuan Investment Co., Ltd.)

On August 20, 2018, the registered capital of Qingyuan Wanliyuan Investment Co., Ltd. was increased from RMB5 million to RMB25 million.

s. 江西運發實業有限公司 (Jiangxi Yunfa Industrial Co., Ltd.)

On May 23, 2018, the registered capital of Jiangxi Yunfa Industrial Co., Ltd. was increased from RMB2 million to RMB30 million.

On June 1, 2018, the registered capital of Jiangxi Yunfa Industrial Co., Ltd. was increased from RMB30 million to RMB61.23 million.

t. 湖南新卓房地產開發有限公司 (Hunan Xinzhuo Real Estate Development Co., Ltd.)

On October 23, 2018, the registered capital of Hunan Xinzhuo Real Estate Development Co., Ltd. was increased from RMB50 million to RMB250 million.

u. 惠州市萬基實業有限公司 (Huizhou Wanji Industrial Co., Ltd.)

On November 22, 2017, the registered capital of Huizhou Wanji Industrial Co., Ltd. was increased from RMB7.5 million to RMB12 million.

v. 江西新朝房地產開發有限公司 (Jiangxi Xinchao Real Estate Development Co., Ltd.)

On December 20, 2017, Jiangxi Xinchao Real Estate Development Co., Ltd. was established as a limited liability company in the PRC with an initial registered capital of RMB10 million.

On May 25, 2019, the registered capital of Jiangxi Xinchao Real Estate Development Co., Ltd. was increased from RMB10 million to RMB50 million.

w. 贛州新力創達置業有限公司 (Ganzhou Sinic Chuangda Properties Co., Ltd.)

On August 23, 2019, the registered capital of Ganzhou Sinic Chuangda Properties Co., Ltd. was increased from RMB4.8 million to RMB500 million.

x. 無錫新卓房地產開發有限公司 (*Wuxi Xinzhuo Real Estate Development Co., Ltd.*)

On June 17, 2019, the registered capital of Wuxi Xinzhuo Real Estate Development Co., Ltd. was increased from RMB50 million to RMB71.43 million.

y. 江西新登房地產開發有限公司 (*Jiangxi Xindeng Real Estate Development Co., Ltd.*)

On August 28, 2019, the registered capital of Jiangxi Xindeng Real Estate Development Co., Ltd. was increased from RMB50 million to RMB100 million.

z. 杭州力珀房地產開發有限公司 (*Hangzhou Lipo Real Estate Development Co., Ltd.*)

On March 26, 2018, Hangzhou Lipo Real Estate Development Co., Ltd. was established as a limited liability company in the PRC with an initial registered capital of RMB10 million.

On December 17, 2018, the registered capital of Hangzhou Lipo Real Estate Development Co., Ltd. was increased from RMB10 million to RMB50 million.

aa. 安徽力瑞房地產開發有限公司 (*Anhui Lirui Real Estate Development Co., Ltd.*)

On May 22, 2019, Anhui Lirui Real Estate Development Co., Ltd. was established as a limited liability company in the PRC with an initial registered capital of RMB200 million.

On August 30, 2019, the registered capital of Anhui Lirui Real Estate Development Co., Ltd. was increased from RMB200 million to RMB2000 million.

bb. 合肥新城悦弘房地產開發有限公司 (*Hefei Xincheng Yuehong Real Estate Development Co., Ltd.*)

On April 28, 2019, Hefei Xincheng Yuehong Real Estate Development Co., Ltd. was established as a limited liability company in the PRC with an initial registered capital of RMB50 million.

On June 15, 2019, the registered capital of Hefei Xincheng Yuehong Real Estate Development Co., Ltd. was increased from RMB50 million to RMB130 million.

Save as disclosed above, there have been no alterations in the share capital of our subsidiaries within the two years immediately preceding the date of this prospectus.

4. Written resolutions of all the Shareholders passed on October 15, 2019

Pursuant to the written resolutions passed by all of our Shareholders on October 15, 2019, among other matters:

- (a) our Company approved and adopted the amended and restated Memorandum with immediate effect and the Articles with effect from the Listing Date;
- (b) the authorized share capital of our Company was increased from HK\$380,000 divided into 38,000,000 Shares of a par value of HK\$0.01 each to HK\$200,000,000 divided into 20,000,000,000 Shares of a par value of HK\$0.01 each by the creation of additional 19,962,000,000 Shares, which rank *pari passu* in all respects with the Shares in issue as of the date of such resolutions;
- (c) conditional on (aa) the Listing Committee granting the listing of, and permission to deal in, the Shares in issue and Shares to be allotted and issued pursuant to the Global Offering and the Capitalization Issue and Shares to be issued as mentioned in this prospectus (including the Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and exercise of the option which may be granted under the Share Option Scheme); (bb) the Offer Price having been duly determined; and (cc) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms of such agreement (or any conditions as specified in this prospectus), in each case on or before the dates and times specified in the Underwriting Agreements:
 - (i) the Global Offering was approved and our Directors were authorized to issue and allot the Offer Shares pursuant to the Global Offering;
 - (ii) the Over-allotment Option was approved;
 - (iii) the rules of the Share Option Scheme, the principal terms of which are set out in the paragraph headed “D. Other Information – 1. Share Option Scheme” below in this Appendix, were approved and adopted and our Directors were authorised to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of options granted under the Share Option Scheme;
 - (iv) conditional on the share premium account of our Company being credited as a result of the Global Offering, our Directors were authorized to capitalise HK\$29,999,990 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 2,999,999,000 Shares for allotment and issue to holders of Shares whose names appear on the register of members of our Company on the date of passing this resolution in

proportion (as near as possible without involving fractions so that no fraction of a share shall be allotted and issued) to their then existing respective shareholdings in our Company and our Directors were authorized to give effect to such capitalisation;

- (v) a general unconditional mandate was given to our Directors to issue, allot and deal with (including the power to make an offer or agreement, or grant securities which would or might require Shares to be allotted and issued), otherwise than pursuant to a rights issue or pursuant to any scrip dividend schemes or similar arrangements providing for the issue and allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles or pursuant to a specific authority granted by the Shareholders in general meeting, unissued Shares not exceeding the aggregate of 20% of the number of issued Shares immediately following the completion of the Capitalization Issue and the Global Offering (but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and the exercise of the options which may be granted under the Share Option Scheme), such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held, or until revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first;
- (vi) a general unconditional mandate was given to our Directors authorizing them to exercise all powers of our Company to repurchase on the Stock Exchange or any other approved stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose such number of Shares as will represent up to 10% of the number of issued Shares immediately following the completion of the Capitalization Issue and the Global Offering (but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and the exercise of the options which may be granted under the Share Option Scheme), such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held, or until revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first; and
- (vii) the general unconditional mandate mentioned in paragraph (v) above was extended by the addition to the number of issued Shares which may be issued and allotted or agreed conditionally or unconditionally to be issued and allotted by our Directors pursuant to such general mandate of an amount representing the total number of issued Shares repurchased by our Company pursuant to the mandate to buy-back Shares referred to in paragraph (vi) above.

5. Reorganization

In preparation for the Listing, the companies comprising our Group underwent the Reorganization and our Company became the holding company of our Group. For further details with regard to the Reorganization, please see the section headed “History, Reorganization and Corporate Structure” in this prospectus.

In addition, as part of the Reorganization, we deregistered a number of inactive companies. The following table sets forth the details of such companies which were deregistered as part of the Reorganization:

<u>Name of company</u>	<u>Date of establishment</u>	<u>Date of deregistration</u>
1. Shanghai Zhouyue Real Estate Development Co., Ltd. (上海洲悦房地產開發有限公司)	February 16, 2017	February 15, 2019
2. Shanghai Lizhou Real Estate Development Co., Ltd. (上海力洲房地產開發有限公司)	February 16, 2017	February 18, 2019
3. Shanghai Liwan Real Estate Development Co., Ltd. (上海力灣房地產開發有限公司)	February 17, 2017	May 6, 2019
4. Jiangxi Xinlv Real Estate Development Co., Ltd. (江西新綠房地產開發有限公司)	October 14, 2016	May 20, 2019
5. Jiangxi Aisi Real Estate Development Co., Ltd. (江西愛思房地產開發有限公司)	September 30, 2016	December 27, 2018
6. Jiangxi Libo Real Estate Development Co., Ltd. (江西力博置業有限公司)	November 20, 2015	January 3, 2019
7. Jiangxi Fudu Real Estate Development Co., Ltd. (江西福督房地產開發有限公司)	September 29, 2016	May 20, 2019
8. Jiangxi Jiading Real Estate Development Co., Ltd. (江西珈鼎房地產開發有限公司)	September 29, 2016	December 27, 2018
9. Jiangxi Xinshan Real Estate Development Co., Ltd. (江西新山房地產開發有限公司)	May 3, 2017	May 20, 2019

<u>Name of company</u>	<u>Date of establishment</u>	<u>Date of deregistration</u>
10. Nanchang Xinli Lichuang Real Estate Development Co., Ltd. (南昌市新力力創房地產有限公司)	December 12, 2016	December 27, 2018
11. Huizhou Lixin Quality Real Estate Development Co., Ltd. (惠州力新品質房地產開發有限公司)	January 16, 2017	December 26, 2018
12. Huizhou Xinli Qile Real Estate Development Co., Ltd. (惠州新力其樂房地產開發有限公司)	May 2, 2017	December 26, 2018
13. Huizhou Xinli Chuangfeng Real Estate Development Co., Ltd. (惠州新力創豐房地產開發有限公司)	May 2, 2017	December 27, 2018
14. Huizhou Xinli Changsheng Trading Co., Ltd. (惠州新力昌盛貿易有限公司)	August 14, 2018	December 26, 2018
15. Huizhou Xinli Changlong Trading Co., Ltd. (惠州新力昌隆貿易有限公司)	August 14, 2018	December 27, 2018
16. HuiZhou Xinli Changfa Trading Co., Ltd. (惠州新力昌發貿易有限公司)	August 14, 2018	December 26, 2018
17. Wuxi Xinchuan Real Estate Development Co., Ltd. (無錫新川房地產開發有限公司)	May 26, 2017	December 17, 2018
18. Wuxi Xinmiao Real Estate Development Co., Ltd. (無錫新淼房地產開發有限公司)	May 31, 2017	January 7, 2019
19. Wuxi Xinlin Real Estate Development Co., Ltd. (無錫新林房地產開發有限公司)	June 19, 2017	December 26, 2018
20. Guangzhou Xinli Tengchi Real Estate Development Co., Ltd. (廣州新力騰馳房地產開發有限公司)	November 27, 2017	February 21, 2019
21. Guangzhou Xinli Zhanyao Investment Co., Ltd. (廣州新力展耀投資有限公司)	March 26, 2018	February 27, 2019
22. Guangzhou Xinli Zhanlong Investment Co., Ltd. (廣州新力展隆投資有限公司)	March 26, 2018	March 5, 2019

<u>Name of company</u>	<u>Date of establishment</u>	<u>Date of deregistration</u>
23. Guangzhou Xinli Hongji Investment Co., Ltd. (廣州新力弘基投資有限公司)	April 9, 2018	February 27, 2019
24. Guangzhou Xinli Hongbo Investment Co., Ltd. (廣州新力弘博投資有限公司)	April 9, 2018	March 12, 2019
25. Guangzhou Xinli Hongyuan Investment Co., Ltd. (廣州新力弘遠投資有限公司)	April 9, 2018	March 12, 2019
26. Guangzhou Xinli Chuanghui Investment Co., Ltd. (廣州新力創惠投資有限公司)	March 27, 2018	March 5, 2019
27. Guangzhou Xinli Chuang Hong Investment Co., Ltd. (廣州新力創弘投資有限公司)	March 28, 2018	March 5, 2019
28. Guangzhou Xinli Chuangxing Investment Co., Ltd. (廣州新力創興投資有限公司)	March 27, 2018	February 27, 2019
29. Zhongshan Xindian Real Estate Development Co., Ltd. (中山新典房地產開發有限公司)	January 22, 2017	December 13, 2018
30. Zhongshan Xinjue Real Estate Development Co., Ltd. (中山新爵房地產開發有限公司)	January 22, 2017	December 13, 2018
31. Zhongshan Xinli Zaiyue Real Estate Development Co., Ltd. (中山新力在悅房地產開發有限公司)	January 22, 2017	December 13, 2018
32. Zhongshan Xinpin Real Estate Development Co., Ltd. (中山新品房地產開發有限公司)	January 22, 2017	December 13, 2018
33. Zhongshan Xinzhu Real Estate Development Co., Ltd. (中山新珠房地產開發有限公司)	January 22, 2017	December 13, 2018
34. Changsha Xinguan Real Estate Development Co., Ltd. (長沙新冠房地產開發有限公司)	November 2, 2017	December 12, 2018

<u>Name of company</u>	<u>Date of establishment</u>	<u>Date of deregistration</u>
35. Ganzhou Xinli Hengwu Properties Co., Ltd. (贛州新力恒武置業有限公司)	May 19, 2017	December 20, 2018
36. Ganzhou Xinli Fangyu Properties Co., Ltd. (贛州新力方宇置業有限公司)	June 23, 2017	December 20, 2018
37. Ganzhou Xinli Zhicheng Real Estate Development Co., Ltd. (贛州新力致晟房地產開發有限公司)	June 23, 2017	December 20, 2018
38. Ganzhou Changxin Lihe Properties Co., Ltd. (贛州長信力合置業有限公司)	May 19, 2017	December 20, 2018
39. Jiangxi Renyi Decoration Co., Ltd. (江西仁益裝飾裝修有限公司)	July 25, 2017	December 11, 2018
40. Jiangxi Hengtong Construction Consultation Co., Ltd. (江西恒通工程諮詢有限公司)	July 25, 2017	December 11, 2018
41. Jiangxi Shengyu Construction Design Consultation Co., Ltd. (江西省聖宇工程設計諮詢有限公司)	July 25, 2017	December 11, 2018
42. Jiangxi Yueyi Commercial Services Co., Ltd. (江西越禱商務服務有限公司)	July 25, 2017	December 11, 2018
43. Nanchang Hongxing Aiqinhai Commercial Operation Co., Ltd. (南昌紅星愛琴海商業運營有限公司)	December 13, 2016	December 28, 2018
44. Jiangxi Xinwu Real Estate Development Co., Ltd. (江西新舞房地產開發有限公司)	December 19, 2017	December 28, 2018
45. Jiangxi Xinlai Real Estate Development Co., Ltd. (江西新萊房地產開發有限公司)	December 15, 2017	December 25, 2018
46. Jiangxi Xinzhi Real Estate Development Co., Ltd. (江西新治房地產開發有限公司)	December 19, 2017	December 25, 2018
47. Jiangxi Xinbao Real Estate Development Co., Ltd. (江西新寶房地產開發有限公司)	February 9, 2017	December 25, 2018

Our Directors have confirmed that as of the respective dates of deregistration, there were no outstanding claims or liabilities against the aforesaid companies and there were no outstanding claims or liabilities against our Group in connection with the deregistration of these companies.

6. Buy-back by our Company of its own securities

This section includes information required by the Stock Exchange to be included in this prospectus concerning the buy-back by our Company of its own securities.

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to purchase their shares on the Stock Exchange subject to certain restrictions.

(i) Shareholders' approval

The Listing Rules provide that all proposed buy-backs of shares (which must be fully paid in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a particular transaction.

Note: Pursuant to the written resolutions of the Shareholders passed on October 15, 2019, a general unconditional mandate (the "Buy-back Mandate") was given to our Directors to exercise all powers of our Company to buy-back on the Stock Exchange, or any other stock exchange on which the Shares may be listed and recognized by the SFC and the Stock Exchange for this purpose, Shares representing up to 10% of the total number of our Shares in issue immediately following completion of the Global Offering and the Capitalisation Issue but excluding the Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option, and the Buy-back Mandate shall remain in effect until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles or any applicable law(s) to be held, or the passing of an ordinary resolution by Shareholders in general meeting revoking or varying the authority given to our Directors, whichever occurs first.

(ii) Source of funds

Buy-backs must be funded out of funds legally available for the purpose in accordance with the Articles and the laws of the Cayman Islands. A listed company may not buy-back its own shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

Under the Cayman Islands laws, any buy-back(s) by our Company may be made out of profits of our Company, out of our Company's share premium account or out of the proceeds of a fresh issue of Shares made for the purpose of the buy-back. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of either or both of the profits of our Company or the share premium account of our Company. Subject to the provisions of the Cayman Companies Law, a repurchase of Shares may also be paid out of capital.

(iii) Connected parties

The Listing Rules prohibit our Company from knowingly repurchasing the Shares on the Stock Exchange from a "core connected person", which includes a Director, chief executive or substantial Shareholder of our Company or any of the subsidiaries or a close associate of any of them and a core connected person shall not knowingly sell Shares to our Company.

(b) Reasons for buy-backs

Our Directors believe that it is in the best interests of our Company and our Shareholders as a whole for our Directors to have a general authority from our Shareholders to enable our Company to buy-back Shares in the market. Such buy-backs may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of our Company's net asset value per Share and/or earnings per Share and will only be made when our Directors believe that such buy-backs will benefit our Company and our Shareholders.

(c) Funding of buy-back

In buying-back Shares, our Company may only apply funds legally available for such purpose in accordance with the Articles, the Listing Rules and the applicable laws of the Cayman Islands.

On the basis of the current financial position of our Group as disclosed in this prospectus and taking into account the current working capital position of our Company, our Directors consider that, if the Buy-back Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Group as compared to the position disclosed in this prospectus. However, our Directors do not propose to exercise the Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of our Group which in the opinion of our Directors are from time to time appropriate for our Group.

The exercise in full of the Buy-back Mandate, on the basis of 3,529,412,000 Shares in issue immediately after the Listing, would result in up to 352,941,200 Shares being bought back by our Company during the period in which the Buy-back Mandate remains in force.

(d) General

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), has any present intention if the Buy-back Mandate is exercised to sell any Share(s) to our Company or our subsidiaries.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Buy-back Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

If as a result of a buy-back of Shares pursuant to the Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of our Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase. Save as disclosed above, our Directors are not aware of any consequence that would arise under the Takeovers Code as a result of a buy-back pursuant to the Buy-back Mandate.

Our Directors will not exercise the Buy-back Mandate if the buy-back would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules).

No core connected person of our Company has notified our Group that he/she/it has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Buy-back Mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR BUSINESS**1. Summary of material contracts**

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this prospectus and are or may be material:

- (a) an equity transfer agreement dated November 15, 2017 entered into between 武漢新力在和房地產開發有限公司 (Wuhan Sinic Zaihe Real Estate Development Co., Ltd.) and Nanchang Weiding Industrial Co., Ltd (南昌威鼎實業有限公司) pursuant to which Wuhan Sinic Zaihe Real Estate Development Co., Ltd. transferred 30% of the equity interest in 武漢新力中成房地產開發有限公司 (Wuhan Sinic Zhongcheng Real Estate Development Co., Ltd.) to Nanchang Weiding Industrial Co., Ltd. at a consideration of RMB15 million;
- (b) an equity transfer agreement dated December 27, 2017 entered into between 惠州新力力創房地產開發有限公司 (Huizhou Sinic Lichuang Real Estate Development Co., Ltd.) and 惠州新力雄安房地產開發有限公司 (Huizhou Sinic Xiongan Real Estate Development Co., Ltd.) pursuant to which Huizhou Sinic Xiongan Real Estate Development Co., Ltd. acquired the entire equity interest in 惠州新力弘發房地產開發有限公司 (Huizhou Sinic Hongfa Real Estate Development Co., Ltd.) from Huizhou Sinic Lichuang Real Estate Development Co., Ltd. at a consideration of RMB1;
- (c) an equity transfer agreement dated April 25, 2018 entered into between Jiangxi Sinic Properties and Nanchang Dingfeng Consultation Co., Ltd. (南昌市頂豐投資諮詢有限公司) pursuant to which Jiangxi Sinic Properties transferred the entire equity interest in Jiangxi Lvyang Construction Co., Ltd. (江西綠洋建築工程有限公司) to Nanchang Dingfeng Consultation Co., Ltd. at nil consideration;
- (d) an equity transfer agreement dated June 6, 2018 entered into between Nanchang Dingfeng Investment Consultation Co., Ltd. (南昌市頂豐投資諮詢有限公司) and 惠州新力弘順房地產開發有限公司 (Huizhou Sinic Hongshun Real Estate Development Co., Ltd.) pursuant to which Huizhou Sinic Hongshun Real Estate Development Co., Ltd. acquired 1% of the equity interest in 惠州新力美學房地產開發有限公司 (Huizhou Sinic Meixue Real Estate Development Co., Ltd.) from Nanchang Dingfeng Investment Consultation Co., Ltd. at a consideration of RMB1;
- (e) an equity transfer agreement dated June 6, 2018 entered into between Nanchang Dingfeng Investment Consultation Co., Ltd. (南昌市頂豐投資諮詢有限公司) and 惠州新力弘順房地產開發有限公司 (Huizhou Sinic Hongshun Real Estate Development Co., Ltd.) pursuant to which Huizhou Sinic Hongshun Real Estate Development Co., Ltd. acquired 1% of the equity interest 惠州新力美學房地產開發有限公司 (Huizhou Lixin Meixue Real Estate Development Co., Ltd.) from Nanchang Dingfeng Investment Consultation Co., Ltd. at a consideration of RMB1;

- (f) an equity transfer agreement dated June 6, 2018 entered into between Nanchang Dingfeng Investment Consultation Co., Ltd. (南昌市頂豐投資諮詢有限公司) and 惠州新力弘順房地產開發有限公司 (Huizhou Sinic Hongshun Real Estate Development Co., Ltd.) pursuant to which Huizhou Sinic Hongshun Real Estate Development Co., Ltd. acquired 1% of the equity interest in 惠州新力創興房地產開發有限公司 (Huizhou Sinic Chuangxing Real Estate Development Co., Ltd.) from Nanchang Dingfeng Investment Consultation Co., Ltd. at a consideration of RMB1;
- (g) an equity transfer agreement dated June 7, 2018 entered into between Nanchang Dingfeng Investment Consultation Co., Ltd. (南昌市頂豐投資諮詢有限公司) and 惠州新力弘順房地產開發有限公司 (Huizhou Sinic Hongshun Real Estate Development Co., Ltd.) pursuant to which Huizhou Sinic Hongshun Real Estate Development Co., Ltd. acquired 1% of the equity interest in 惠州新力創業房地產開發有限公司 (Huizhou Sinic Chuangye Real Estate Development Co., Ltd.) from Nanchang Dingfeng Investment Consultation Co., Ltd. at a consideration of RMB1;
- (h) an equity transfer agreement dated June 7, 2018 entered into between Nanchang Dingfeng Investment Consultation Co., Ltd. (南昌市頂豐投資諮詢有限公司) and 惠州新力弘順房地產開發有限公司 (Huizhou Sinic Hongshun Real Estate Development Co., Ltd.) pursuant to which Huizhou Sinic Hongshun Real Estate Development Co., Ltd. acquired 1% equity interest in 惠州新力在悅房地產開發有限公司 (Huizhou Sinic Zaiyue Real Estate Development Co., Ltd.) from Nanchang Dingfeng Investment Consultation Co., Ltd. at a consideration of RMB1;
- (i) an equity transfer agreement dated June 7, 2018 between Nanchang Dingfeng Investment Consultation Co., Ltd. (南昌市頂豐投資諮詢有限公司) and 惠州新力弘順房地產開發有限公司 (Huizhou Sinic Hongshun Real Estate Development Co., Ltd.) pursuant to which Huizhou Sinic Hongshun Real Estate Development Co., Ltd. acquired 1% equity interest in 惠州新力南山房地產開發有限公司 (Huizhou Sinic Nanshan Real Estate Development Co., Ltd.) from Nanchang Dingfeng Investment Consultation Co., Ltd. at a consideration of RMB1;
- (j) an equity transfer agreement dated June 11, 2018 entered into between Nanchang Dingfeng Investment Consultation Co., Ltd. (南昌市頂豐投資諮詢有限公司) and 惠州新力弘順房地產開發有限公司 (Huizhou Sinic Hongshun Real Estate Development Co., Ltd.) pursuant to which Huizhou Sinic Hongshun Real Estate Development Co., Ltd. acquired 1% of the equity interest in 惠州新力無限房地產開發有限公司 (Huizhou Sinic Wuxian Real Estate Development Co., Ltd.) from Nanchang Dingfeng Investment Consultation Co., Ltd. at a consideration of RMB1;

- (k) an equity transfer agreement dated July 4, 2018 entered into between Nanchang Dingfeng Investment Consultation Co., Ltd. (南昌市頂豐投資諮詢有限公司) and 惠州新力弘順房地產開發有限公司 (Huizhou Sinic Hongshun Real Estate Development Co., Ltd.) pursuant to which Huizhou Sinic Hongshun Real Estate Development Co., Ltd. acquired 1% of the equity interest in 惠州新力未來房地產開發有限公司 (Huizhou Sinic Future Real Estate Development Co., Ltd.) from Nanchang Dingfeng Investment Consultation Co., Ltd. at a consideration of RMB1;
- (l) an equity transfer agreement dated October 10, 2018 entered into between 蘇州新力力創房地產有限公司 (Suzhou Sinic Lichuang Real Estate Co., Ltd.) and Suzhou Yinkang Properties Co., Ltd. (蘇州銀康置業有限公司) pursuant to which Suzhou Sinic Lichuang Real Estate Co., Ltd. acquired 30% of the equity interest in 蘇州新力創志房地產有限公司 (Suzhou Sinic Chuangzhi Real Estate Co., Ltd.) from Suzhou Yinkang Properties Co., Ltd. at nil consideration;
- (m) an equity transfer agreement dated August 8, 2018 entered into between Suzhou Yinkang Properties Co., Ltd. (蘇州銀康置業有限公司) and 蘇州新力力創房地產有限公司 (Suzhou Sinic Lichuang Real Estate Co., Ltd.) pursuant to which Suzhou Sinic Lichuang Real Estate Co., Ltd. acquired 30% of the equity interest in 蘇州新力創悅房地產有限公司 (Suzhou Sinic Chuangyue Real Estate Co., Ltd.) from Suzhou Yinkang Properties Co., Ltd. at nil consideration;
- (n) an equity transfer agreement dated October 16, 2018 entered into between Jiangxi Sinic Properties and 南昌潤淇實業有限公司 (Nanchang Runqi Industrial Co., Ltd.) pursuant to which Nanchang Runqi Industrial Co., Ltd. acquired 25% of the equity interest in 南昌源融房地產開發有限公司 (Nanchang Yuanrong Real Estate Development Co., Ltd.) from Jiangxi Sinic Properties at nil consideration;
- (o) an equity transfer agreement dated November 2, 2018 entered into between 惠州新力力創房地產集團有限公司 (Huizhou Sinic Lichuang Real Estate Group Co., Ltd.) and Shanghai Hongqi New Material Co., Ltd. (上海鴻綦新材料有限公司) pursuant to which Huizhou Sinic Lichuang Real Estate Group Co., Ltd. transferred the entire equity interest in Huizhou Sinic Hongyue Real Estate Development Co., Ltd. (惠州新力泓悅房地產開發有限公司) to Shanghai Hongqi New Material Co., Ltd. at the consideration of RMB1;
- (p) an equity transfer agreement dated November 1, 2018 entered into between 惠州新力力創房地產集團有限公司 (Huizhou Sinic Lichuang Real Estate Group Co., Ltd.) and Shanghai Hongqi New Material Co., Ltd. (上海鴻綦新材料有限公司) pursuant to which Huizhou Sinic Lichuang Real Estate Group Co., Ltd. transferred the entire equity interest in 惠州新力泓軒房地產開發有限公司 (Huizhou Sinic Hongxuan Real Estate Development Co., Ltd.) to Shanghai Hongqi New Material Co., Ltd. at the consideration of RMB1;

- (q) an equity transfer agreement dated November 2, 2018 entered into between 惠州新力力創房地產集團有限公司 (Huizhou Sinic Lichuang Real Estate Group Co., Ltd.) and Shanghai Hongqi New Material Co., Ltd. (上海鴻碁新材料有限公司) pursuant to which Huizhou Sinic Lichuang Real Estate Group Co., Ltd. transferred the entire equity interest in 惠州新力泓豐房地產開發有限公司 (Huizhou Sinic Hongfeng Real Estate Development Co., Ltd.) to Shanghai Hongqi New Material Co., Ltd. at the consideration of RMB1;
- (r) an equity transfer agreement dated November 7, 2018 entered into between 惠州新力弘順房地產開發有限公司 (Huizhou Sinic Hongshun Real Estate Development Co., Ltd.) and Shanghai Hongqi New Material Co., Ltd. (上海鴻碁新材料有限公司) pursuant to which Huizhou Sinic Hongshun Real Estate Development Co., Ltd. transferred 1% of the equity interest in Huizhou Lixin Zaiyue Real Estate Development Co., Ltd. (惠州力新在悅房地產開發有限公司) to Shanghai Hongqi New Material Co., Ltd. at the consideration of RMB1;
- (s) an equity transfer agreement dated November 7, 2018 entered into between 惠州新力力創房地產集團有限公司 (Huizhou Sinic Lichuang Real Estate Group Co., Ltd.) and Shanghai Hongqi New Material Co., Ltd. (上海鴻碁新材料有限公司) pursuant to which Huizhou Sinic Lichuang Real Estate Group Co., Ltd. transferred 99% of the equity interest in Huizhou Lixin Zaiyue Real Estate Development Co., Ltd. (惠州力新在悅房地產開發有限公司) to Shanghai Hongqi New Material Co., Ltd. at the consideration of RMB1;
- (t) an equity transfer agreement dated November 7, 2018 entered into between 惠州新力弘順房地產開發有限公司 (Huizhou Sinic Hongshun Real Estate Development Co., Ltd.) and Shanghai Hongqi New Material Co., Ltd. (上海鴻碁新材料有限公司) pursuant to which Huizhou Sinic Hongshun Real Estate Development Co., Ltd. transferred 1% of the equity interest in Huizhou Xinyue Lihe Real Estate Development Co., Ltd. (惠州新悅力和房地產開發有限公司) to Shanghai Hongqi New Material Co., Ltd. at a consideration of RMB1;
- (u) an equity transfer agreement dated November 7, 2018 entered into between 惠州新力力創房地產集團有限公司 (Huizhou Sinic Lichuang Real Estate Group Co., Ltd.) and Shanghai Hongqi New Material Co., Ltd. (上海鴻碁新材料有限公司) pursuant to which Huizhou Sinic Lichuang Real Estate Group Co., Ltd. transferred 99% of the equity interest in Huizhou Xinyue Lihe Real Estate Development Co., Ltd. (惠州新悅力和房地產開發有限公司) to Shanghai Hongqi New Material Co., Ltd. at a consideration of RMB1;

- (v) an equity transfer agreement dated November 7, 2018 entered into between 惠州新力力創房地產集團有限公司(Huizhou Sinic Lichuang Real Estate Group Co., Ltd.) and Shanghai Hongqi New Material Co., Ltd. (上海鴻碁新材料有限公司) pursuant to which Huizhou Sinic Lichuang Real Estate Group Co., Ltd. transferred 75% of the equity interest in Huizhou Sinic Pinzhi Real Estate Development Co., Ltd. (惠州新力品質房地產開發有限公司) to Shanghai Hongqi New Material Co., Ltd. at a consideration of RMB1;
- (w) an equity transfer agreement dated November 16, 2018 entered into between Sinic Real Estate and Sinic Lichuang Industrial Co., Ltd. (新力力創實業有限公司) pursuant to which Sinic Real Estate transferred the entire equity interest in Jiangxi Menglong Real Estate Development Co., Ltd. (江西夢龍房地產開發有限公司) to Sinic Lichuang Industrial Co., Ltd. at nil consideration;
- (x) an equity transfer agreement dated November 20, 2018 entered into between Sinic Real Estate and Shanghai Hongqi New Material Co., Ltd. (上海鴻碁新材料有限公司) pursuant to which Sinic Real Estate transferred 70% of the equity interest in Huizhou Sinic Lihong Real Estate Development Co., Ltd. (惠州新力力鴻房地產開發有限公司) to Shanghai Hongqi New Material Co., Ltd. at a consideration of RMB1.
- (y) an equity transfer agreement dated January 21, 2019 entered into between Sinic Technology and 江西悅璟實業有限公司 (Jiangxi Yuejing Industrial Co., Ltd.), pursuant to which Jiangxi Yuejing Industrial Co., Ltd. acquired the entire equity interest in Sinic Real Estate from Sinic Technology at a consideration of RMB1;
- (z) an equity transfer agreement dated January 24, 2019 entered into between 江西悅璟實業有限公司 (Jiangxi Yuejing Industrial Co., Ltd.) and Sinic Management, pursuant to which Sinic Management acquired the entire equity interest in Sinic Real Estate from Jiangxi Yuejing Industrial Co., Ltd. at a consideration of RMB1;
- (aa) a capital injection agreement dated March 8, 2019 entered into among Sinic Management, 江西悅璟實業有限公司 (Jiangxi Yuejing Industrial Co., Ltd.) and Icons Electronics pursuant to which Icons Electronics became interested in 1% of the equity interest in Sinic Management through a capital injection of RMB34,116,372.70;
- (bb) an equity transfer agreement dated March 28, 2019 entered into between Jiangxi Chenda Industrial Co., Ltd. (江西晨達實業有限公司) and 江西新灣房地產開發有限公司 (Jiangxi Xinwan Real Estate Development Co., Ltd.) pursuant to which Jiangxi Xinwan Real Estate Development Co., Ltd. acquired the equity interest which is equivalent to paid-up registered capital of RMB0.6 million in Fengcheng Gantie from Jiangxi Chenda Industrial Co., Ltd. at nil consideration;

- (cc) an equity transfer agreement dated April 17, 2019 entered into between Liu Chengwei (劉承偉) and 上海呈錫實業有限公司 (Shanghai Chengxi Industrial Co., Ltd.), pursuant to which Shanghai Chengxi Industrial Co., Ltd. acquired 99% of the equity interest in 南昌市淼川實業發展有限公司 (Nanchang Miaochuan Industrial Development Co., Ltd.) from Liu Chengwei at nil consideration;
- (dd) an equity transfer agreement dated April 17, 2019 entered into between Deng Jinlin (鄧金琳) and 上海呈錫實業有限公司 (Shanghai Chengxi Industrial Co., Ltd.) pursuant to which Shanghai Chengxi Industrial Co., Ltd. acquired 1% of the equity interest in 南昌市淼川實業發展有限公司 (Nanchang Miaochuan Industrial Development Co., Ltd.) from Deng Jinlin at nil consideration;
- (ee) an equity transfer agreement dated April 24, 2019 between Sinic Technology and 惠州新力弘興房地產開發有限公司 (Huizhou Sinic Hongxing Real Estate Development Co., Ltd.) pursuant to which Huizhou Sinic Hongxing Real Estate Development Co., Ltd. acquired the entire equity interest in 惠州市萬基實業有限公司 (Huizhou Wanji Industrial Co., Ltd.) from Sinic Technology at a consideration of RMB1;
- (ff) an equity transfer agreement dated April 26, 2019 entered into between Nanchang Ruixing Industrial Co., Ltd. (南昌瑞興實業有限公司) and 上海戴創實業有限公司 (Shanghai Daichuang Industrial Co., Ltd.) pursuant to which Shanghai Daichuang Industrial Co., Ltd. acquired the equity interest which is equivalent to paid-up registered capital of RMB500 million in Jiangxi Sinic Properties from Nanchang Ruixing Industrial Co., Ltd. at nil consideration;
- (gg) an equity transfer agreement dated May 14, 2019 between 江西悅璟實業有限公司 (Jiangxi Yuejing Industrial Co., Ltd.) and Sinic Business Consultancy, pursuant to which Sinic Business Consultancy acquired 99% of the equity interest in Sinic Management from Jiangxi Yuejing Industrial Co., Ltd. at a consideration of RMB100 million;
- (hh) an equity transfer agreement dated July 31, 2019 entered into between Hefei Xuhui Corporate Management Co., Ltd. (合肥旭輝企業管理有限公司) and 合肥新力悅房地產開發有限公司 (Hefei Sinic Liyue Real Estate Development Co., Ltd.) pursuant to which Hefei Sinic Liyue Real Estate Development Co., Ltd. acquired 50% of the equity interest in 合肥力耀房地產開發有限公司 (Hefei Liyao Real Estate Development Co., Ltd.) from Hefei Xuhui Corporate Management Co., Ltd. at a consideration of RMB25 million;
- (ii) the Deed of Non-Competition;
- (jj) the Deed of Indemnity; and
- (kk) the Hong Kong Underwriting Agreement.

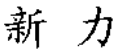

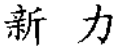



2. Intellectual property rights of our Group

(a) Trademark

As of the Latest Practicable Date, our Group was the registered proprietor of the following trademarks which, in the opinion of our Directors, are material to our business:

No.	Trademark	Registration number	Class	Name of registered proprietor	Place of registration	Date of registration	Expiry date
1.	 SINIC	304732867	35, 36, 37, 41 and 43	Company	Hong Kong	November 13, 2018	November 12, 2028
2.		13833617	36	惠州市湯普實業有限公司 (Huizhou Tangpu Industrial Co., Ltd.)	PRC	April 21, 2015	April 20, 2025
3.		13833557	36	惠州市湯普實業有限公司 (Huizhou Tangpu Industrial Co., Ltd.)	PRC	February 21, 2015	February 20, 2025

As of the Latest Practicable Date, our Group had been granted a license to use the following trademarks:

No.	Trademark	Registration number	Class	Name of registered proprietor	Place of registration	Date of registration	Expiry date
1.		15895801	35	Sinic Technology	PRC	November 7, 2016	November 6, 2026
2.		15895859	35	Sinic Technology	PRC	February 7, 2016	February 6, 2026
3.		15903474	36	Sinic Technology	PRC	March 21, 2017	March 20, 2027
4.		15903491	36	Sinic Technology	PRC	May 21, 2016	May 20, 2026
5.		15903527	37	Sinic Technology	PRC	May 21, 2017	May 20, 2027
6.		15903548	37	Sinic Technology	PRC	June 28, 2017	June 27, 2027

(b) Domain names

As of the Latest Practicable Date, our Group had registered the following domain names which are material to our business:

No.	Domain name	Name of registered proprietor	Date of registration	Expiry date
1.	sinicdc.com	Sinic Real Estate	August 25, 2017	August 25, 2028
2.	xinlizy.com	Jiangxi Sinic Properties	November 26, 2014	November 26, 2026
3.	xinlizd.com	Jiangxi Sinic Properties	March 30, 2017	August 16, 2026
4.	siniculture.com	Sinic Real Estate	April 23, 2019	April 23, 2020

Save as disclosed above, there are no other intellectual property rights which are material in relation to the business of our Group.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Particulars of Directors' service contracts

Our executive Directors' service contracts have a term of three years commencing from the Listing Date and may be terminated by either party by giving not less than one month's notice in writing. In certain other circumstances, the service contract can also be terminated by us, including but not limited to certain breaches of our Directors' obligations under the contract or certain misconducts. The appointments of our executive Directors are also subject to the provisions of retirement and rotation of Directors under the Articles. The salary of each executive Director after each financial year is subject to adjustment as to be determined by our Company's remuneration committee and approved by a majority of the members of the Board (excluding our Director whose salary is under review).

Each of our independent non-executive Directors has entered into a letter of appointment with our Company for a period of three years commencing from the Listing Date and may be terminated by either party by giving at least one month's notice. The appointments of the independent non-executive Directors are also subject to the provisions of retirement and rotation of Directors under the Articles. Pursuant to the terms of the letters of appointment, each of our independent non-executive Directors is entitled to a director's fee of RMB260,000 per annum.

Save for the above director's fee, none of our independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director.

Save as disclosed above, none of our Directors has or is proposed to have a service contract with any member of our Group, other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

2. Directors' remuneration

- (a) For the three years ended December 31, 2018 and the four months ended April 30, 2019, the aggregate amount of salaries, allowances, discretionary bonus, pension-defined contribution plans and other benefits in kind (if applicable) granted by us to our Directors was approximately RMB0.4 million, RMB2.4 million, RMB3.8 million and RMB1.6 million, respectively.
- (b) For the three years ended December 31, 2018 and the four months ended April 30, 2019, no emoluments had been paid and no benefits in kind had been granted by our Group to our Directors at the time.
- (c) Under the arrangements currently in force, the aggregate emoluments (excluding discretionary bonus) payable by our Group to and benefits in kind receivable by our Directors (including our independent non-executive Directors in their respective capacity as Directors) for the year ending December 31, 2019 are expected to be approximately RMB4.0 million.
- (d) For the three years ended December 31, 2018 and the four months ended April 30, 2019, none of our Directors at the time or any past directors of any member of our Group has been paid any sum of money (i) as an inducement to join or upon joining our Group; or (ii) for loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.
- (e) There has been no arrangement under which a Director at the time has waived or agreed to any emoluments for the three years ended December 31, 2018 and the four months ended April 30, 2019.

3. Disclosure of Directors' interests

Immediately following the completion of the Global Offering (without taking into account any Shares which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme) and the Capitalization Issue, the interests or short positions of our Directors and the chief executives of our Company in the Shares, underlying shares and debentures of our Company and its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, in each case once the Shares are listed on the Stock Exchange, will be as follows:

Name of Director	Nature of interest	Number of Shares ⁽¹⁾	Approximate percentage of shareholding in our Company
Mr. Zhang	Founder of trusts ⁽²⁾⁽³⁾	2,970,000,000 (L)	84.1%

Notes:

- (1) The letter "L" denotes a long position in our Shares.
- (2) The entire issued share capital of Sinic Holdings is held by Sinic Group, which in turn is wholly owned by Xin Hong. Xin Hong is wholly owned by Honoured Ever Oriental Holdings Limited, the holding vehicle of TMF (Cayman) Ltd.. TMF (Cayman) Ltd. is the trustee of the Family Trust, which is a discretionary trust established by Mr. Zhang as settlor, the beneficiaries of which are Mr. Zhang and Mr. Zhang's family members. Accordingly, Mr. Zhang is deemed under the SFO to be interested in the Shares held by Sinic Holdings.
- (3) Xin Heng will own 150,000,000 Shares, representing approximately 4.2% of the issued share capital of the Company upon Listing (assuming the Over-allotment Option is not exercised). The entire issued share capital of Xin Heng is held by Glory Victory Holdings Limited, the holding vehicle of TMF Trust (HK) Limited. TMF Trust (HK) Limited is the trustee of the Employee Incentive Trust, a discretionary trust set up by Mr. Zhang as settlor for the purpose of a share incentive scheme to be adopted at least six months after Listing, for the benefit of the employees of the Group. Accordingly, Mr. Zhang is deemed under the SFO to be interested in the Shares held by Xin Heng.

4. Substantial shareholders

Immediately following completion of the Global Offering and the Capitalization Issue (without taking into account of the Shares which may be allotted and issued pursuant to the exercise of options that may be granted under the Share Option Scheme), based on the information available on the Latest Practicable Date, the following persons/entities (other than our Directors and chief executives of our Company) will have an interest or a short position

in the Shares or underlying Shares which would be required to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the number of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Company:

Name of Shareholder	Nature of interest	Number of Shares ⁽¹⁾	Approximate percentage of shareholding in our Company
TMF (Cayman) Ltd.	Trustee of a trust ⁽²⁾	2,820,000,000 Shares (L)	79.9%
Honoured Ever Oriental Holdings Limited	Interest in a controlled corporation ⁽²⁾	2,820,000,000 Shares (L)	79.9%
Xin Hong	Interest in a controlled corporation ⁽²⁾	2,820,000,000 Shares (L)	79.9%
Sinic Group	Interest in a controlled corporation ⁽²⁾	2,820,000,000 Shares (L)	79.9%
Sinic Holdings	Beneficial owner ⁽²⁾	2,820,000,000 Shares (L)	79.9%
Ms. Wu Chengping	Interest of spouse ⁽³⁾	2,970,000,000 Shares (L)	84.1%

Notes:

- (1) The letter “L” denotes a long position in the relevant Shares.
- (2) The entire issued share capital of Sinic Holdings is held by Sinic Group, which in turn is wholly owned by Xin Hong. Xin Hong is wholly owned by Honoured Ever Oriental Holdings Limited, the holding vehicle of TMF (Cayman) Ltd.. TMF (Cayman) Ltd. is the trustee of the Family Trust, which is a discretionary trust established by Mr. Zhang as settlor, the beneficiaries of which are Mr. Zhang and Mr. Zhang’s family members. Accordingly, each of TMF (Cayman) Ltd., Honoured Ever Oriental Holdings Limited, Xin Hong and Sinic Group is deemed under the SFO to be interested in the Shares held by Sinic Holdings.
- (3) Ms. Wu Chengping is the spouse of Mr. Zhang. Under the SFO, Ms. Wu Chengping is deemed to be interested in the same Shares in which Mr. Zhang is interested.

5. Disclaimers

Save as disclosed in this Appendix:

- (a) none of our Directors or chief executive of our Company has any interests and short positions in the Shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have taken under such provisions of the SFO) or which will be

required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to our Company and the Stock Exchange, in each case once the Shares are listed on the Stock Exchange;

- (b) so far as is known to any of our Directors or chief executive of our Company, no person has an interest or short position in the Shares and underlying shares of our Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is directly or indirectly interested in 10% or more of the number of shares carrying rights to vote in all circumstances at general meetings of any other member of our Group;
- (c) none of our Directors nor any of the persons listed in the sub-section headed “Qualifications and consents of experts” below is interested, directly or indirectly, in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this prospectus, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (d) none of our Directors or the persons listed in the sub-section headed “Qualifications and consents of experts” below is materially interested in any contract or arrangement with our Group subsisting at the date of this prospectus which is unusual in its nature or conditions or which is significant in relation to the business of our Group;
- (e) none of the persons listed in the sub-section headed “Qualifications and consents of experts” below has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group;
- (f) none of our Directors has entered or has proposed to enter into any service agreements with our Company or any member of our Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation); and
- (g) so far as is known to our Directors, none of our Directors or their associates or any shareholder of our Company (which to the knowledge of our Directors owns 5% or more of the issued share capital of our Company) has any interest in any of the five largest customers of our Group.

D. SHARE OPTION SCHEME

1. Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme conditionally adopted by the written resolutions of our Shareholders passed on October 15, 2019.

(a) Purpose

The Share Option Scheme is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules and is established to recognise and acknowledge the contributions that the Eligible Participants (as defined in paragraph (b) below) had or may have made to our Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in our Company with the view to achieving the following objectives:

- (i) motivate the Eligible Participants to optimise their performance efficiency for the benefit of our Group; and
- (ii) attract and retain or otherwise maintain an on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of our Group.

(b) Who may join

The Board may, at its discretion, offer to grant an option to the following persons (collectively the “**Eligible Participants**”) to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with paragraph (f) below:

- (i) any full-time or part-time employees, executives or officers of our Company or any of its subsidiaries;
- (ii) any directors (including independent non-executive directors) of our Company or any of its subsidiaries; and
- (iii) any advisors, consultants, suppliers, customers, distributors and such other persons who in the sole opinion of the Board will contribute or have contributed to our Company or any of its subsidiaries.

Upon acceptance of the option, the grantee shall pay HK\$1.00 to our Company by way of consideration for the grant.

(c) Acceptance of an offer of Options

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptances of the options duly signed by the grantee, together with a remittance in favour of our Company of HK\$1.00 by way of consideration for the grant thereof, is received by our Company on or before the relevant acceptance date. Such remittance or payment shall in no circumstances be refundable. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

Subject to paragraphs (l), (m), (n), (o) and (p), an Option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the grantee by giving notice in writing to our Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance or payment for the full amount of the exercise price for our Shares in respect of which the notice is given. Within 21 days after receipt of the notice and the remittance or payment and, where appropriate, receipt of the certificate by the auditors to our Company or the approved independent financial advisor as the case may be pursuant to paragraph (r), our Company shall issue and allot the relevant number of Shares to the grantee credited as fully paid and issue to the grantee certificates in respect of our Shares so allotted.

The exercise of any Option shall be subject to our Shareholders in general meeting approving any necessary increase in the authorised share capital of our Company.

(d) Maximum number of Shares

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of our Company must not in aggregate exceed 10% of the total number of Shares in issue immediately following completion of the Global Offering, being 352,941,200 Shares (excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option), excluding for this purpose Shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of our Company). Subject to the issue of a circular by our Company and the approval of our Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

- (i) renew this limit at any time to 10% of our Shares in issue as at the date of the approval by our Shareholders in general meeting; and/or

- (ii) grant options beyond the 10% limit to Eligible Participants specifically identified by the Board. The circular issued by our Company to our Shareholders shall contain a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Eligible Participants with an explanation as to how the options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

Notwithstanding the foregoing and subject to paragraph (r) below, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company at any time shall not exceed 30% of our Shares in issue from time to time. No options shall be granted under any schemes of our Company (including the Share Option Scheme) if this will result in the 30% limit being exceeded. The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of our Company or an approved independent financial advisor shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of our Company in accordance with paragraph (r) below whether by way of consolidation, capitalisation issue, rights issue, sub-division or reduction of the share capital of our Company but in no event shall exceed the limit prescribed in this paragraph.

(e) Maximum number of options to any one individual

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of our Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of our Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

- (i) the issue of a circular by our Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant), the information as required under Rules 17.02(2)(d) and the disclaimer required under 17.02(4) of the Listing Rules; and
- (ii) the approval of our Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his close associates (as defined in the Listing Rules) (or his/her associates if the Eligible Participant is a core connected person) abstaining from voting. The numbers and terms (including the exercise price) of options to be granted to such participant must be fixed before our Shareholders' approval and the date of the Board meeting at which the Board proposes to

grant the options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the subscription price of our Shares. The Board shall forward to such Eligible Participant an offer document in such form as the Board may from time to time determine (or, alternatively, documents accompanying the offer document which state), among others:

- (aa) the Eligible Participant's name, address and occupation;
- (bb) the date on which an option is offered to an Eligible Participant which must be a date on which the Stock Exchange is open for the business of dealing in securities;
- (cc) the date upon which an offer for an option must be accepted;
- (dd) the date upon which an option is deemed to be granted and accepted in accordance with paragraph (c);
- (ee) the number of Shares in respect of which the option is offered;
- (ff) the subscription price and the manner of payment of such price for our Shares on and in consequence of the exercise of the option;
- (gg) the date of the expiry of the option as may be determined by the Board;
- (hh) the method of acceptance of the option which shall, unless the Board otherwise determines, be as set out in paragraph (c); and
- (ii) other terms and conditions (including, without limitation, any minimum period for which an option must be held before it can be exercised and/or any performance targets which must be achieved before the option can be exercised) relating to the offer of the option which in the opinion of the Board are fair and reasonable but not being inconsistent with Share Option Scheme and the Listing Rules.

(f) Price of Shares

Subject to any adjustments made as described in paragraph (r) below, the subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the higher of:

- (i) the official closing price of our Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;

- (ii) the average of the official closing prices of our Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and
 - (iii) the nominal value of a Share.
- (g) *Granting options to a director, chief executive or substantial shareholder of our Company or any of their respective associates*

Any grant of options to a director, chief executive or substantial shareholder (as defined in the Listing Rules) of our Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options). If the Board proposes to grant options to a substantial shareholder or any independent non-executive Director (or any of their respective associates (as defined in the Listing Rules)) which will result in the number of Shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% or such other percentage as may be from time to time provided under the Listing Rules of our Shares in issue on the date of offer of the option; and
- (ii) having an aggregate value in excess of HK\$5 million or such other sum as may be from time to time provided under the Listing Rules, based on the official closing price of our Shares at the date of each offer of the option,

such further grant of options will be subject to, in addition to the approval of all the Directors, the issue of a circular by our Company and the approval of our Shareholders in general meeting on a poll at which the grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of our Company shall abstain from voting in favor, and/or such other requirements prescribed under the Listing Rules from time to time. Any vote taken at the meeting to approve the grant of such options shall be taken as a poll.

The circular to be issued by our Company to our Shareholders pursuant to the above paragraph shall contain the following information:

- (i) the details of the number and terms (including the exercise price) of the options to be granted to each selected Eligible Participant which must be fixed before our Shareholders' meeting and the date of Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price of such options;

- (ii) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options) to the independent Shareholders as to voting;
- (iii) the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (iv) the information required under Rule 2.17 of the Listing Rules.

(h) Restrictions on the times of grant of Options

A grant of options shall not be made after inside information has come to the knowledge of our Company until it has been published pursuant to the requirements of the Listing Rules and the Inside Information Provisions of Part XIVA of the SFO. In particular, no options shall be granted during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date to first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company's annual results half-year, quarterly or other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for our Company to publish an announcement of its annual results or half-year, or quarterly or other interim period (whether or not required under the Listing Rules) and ending on the date of actual publication of the results announcement, and where an option is granted to a Director:
 - (aa) no options shall be granted during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
 - (bb) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(i) Rights are personal to grantee

An option and an offer to grant an option shall be personal to the grantee and shall not be transferrable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any option or attempt so to do (save that the grantee may nominate

a nominee in whose name our Shares issued pursuant to the Share Option Scheme may be registered). Any breach of the foregoing shall entitle our Company to cancel any outstanding options or any part thereof granted to such grantee.

(j) Time of exercise of Option and duration of the Share Option Scheme

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the Share Option Scheme. Subject to earlier termination by our Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption.

(k) Performance target

A grantee may be required to achieve any performance targets as the Board may then specify in the grant before any options granted under the Share Option Scheme can be exercised.

(l) Rights on ceasing employment or death

If the grantee of an option ceases to be an employee of our Company or any of its subsidiaries:

- (i) by any reason other than death or termination of his employment on the grounds specified in paragraph (m) below, the grantee may exercise the option up to the entitlement of the grantee as at the date of cessation (to the extent not already exercised) within a period of one month from such cessation; or
- (ii) by reason of death, his/her personal representative(s) may exercise the option within a period of 12 months from such cessation, which date shall be the last actual working day with our Company or the relevant subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse.

(m) Rights on dismissal

If the grantee of an option ceases to be an employee of our Company or any of its subsidiaries on the grounds that he/she has been guilty of serious misconduct, or has been convicted of any criminal offence involving his/her integrity or honesty, or in relation to an employee of our Group (if so determined by the Board), or has become insolvent, bankrupt or has made arrangements or compositions with his/her creditors generally, or on any other ground on which an employee would be entitled to terminate his/her

employment at common law or pursuant to any applicable laws or under the grantee's service contract with our Group, his/her option will lapse and not be exercisable after the date of termination of his/her employment.

(n) Rights on takeover

If a general offer is made to all our Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror (as defined in the Takeovers Codes)) and such offer becomes or is declared unconditional during the option period of the relevant option, the grantee of an option shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional.

(o) Rights on winding-up

In the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall forthwith give notice thereof to all grantees and thereupon, each grantee (or his/her legal personal representative(s)) shall be entitled to exercise all or any of his/her options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of our Company referred to above by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for our Shares in respect of which the notice is given, whereupon our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting, allot the relevant Shares to the grantee credited as fully paid and register the grantee as holder thereof.

(p) Rights on compromise or arrangement between our Company and its members or creditors

If a compromise or arrangement between our Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of our Company or its amalgamation with any other companies pursuant to the laws of jurisdictions in which our Company was incorporated, our Company shall give notice to all the grantees of the options on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a scheme or arrangement and any grantee may by notice in writing to our Company accompanied by a remittance for the full amount of the aggregate subscription price for our Shares in respect of which the notice is given (such notice to be received by our Company not later than two business days prior to the proposed meeting), exercise the option to its full extent or to the extent specified in the notice and our Company shall as soon as possible and in any event no later than the

business day immediately prior to the date of the proposed meeting, issue and allot such number of Shares to the grantee which falls to be issued on such exercise of the option credited as fully paid and register the grantee as holder thereof.

With effect from the date of such meeting, the rights of all grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of grantees to exercise their respective options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable.

(q) Ranking of Shares

Our Shares to be allotted upon the exercise of an option will not carry voting, dividends or other rights until completion of the registration of the grantee (or any other person) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will carry the same rights in all respects and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully-paid Shares in issue on the date of issue and rights in respect of any dividend or other distributions paid or made on or after the date of issue.

(r) Effect of alterations to capital

In the event of any alteration in the capital structure of our Company whilst any option may become or remains exercisable, whether by way of capitalisation issue, rights issue, open offer (if there is a price dilutive element), consolidation, sub-division or reduction of share capital of our Company, or otherwise howsoever, such corresponding alterations (if any) shall be made in the number of Shares subject to any options so far as unexercised and/or the subscription price per Share of each outstanding option as the auditors of our Company or an independent financial advisor shall certify in writing to the Board to be in their/his/her opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance issued by the Stock Exchange on September 5, 2005 and any future guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time and the note thereto. The capacity of the auditors of our Company or the approved independent financial advisor, as the case may be, in this paragraph is that of experts and not arbitrators and their certificate shall, in absence of manifest error, be final and conclusive and binding on our Company and the grantees.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of our Company for which any grantee of an option is entitled to subscribe pursuant to the options held by him/her before such alteration and the aggregate subscription price payable on full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration shall be made if the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

(s) Expiry of option

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the date of expiry of the option as may be determined by the Board;
- (ii) the expiry of any of the periods referred to in paragraphs (l), (m), (n), (o) or (p);
- (iii) the date on which the scheme of arrangement of our Company referred to in paragraph (p) becomes effective;
- (iv) subject to paragraph (o), the date of commencement of the winding-up of our Company;
- (v) the date on which the grantee ceases to be an Eligible Participant by reason of such grantee's resignation from the employment of our Company or any of its subsidiaries or the termination of his/her employment or contract on any one or more of the grounds that he/she has been guilty of serious misconduct, or has been convicted of any criminal offence involving his/her integrity or honesty, or in relation to an employee of our Group (if so determined by the Board), or has been insolvent, bankrupt or has made compositions with his/her creditors generally or any other ground on which an employee would be entitled to terminate his/her employment at common law or pursuant to any applicable laws or under the grantee's service contract with our Group. A resolution of the Board to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or
- (vi) the date on which the Board shall exercise our Company's right to cancel the option at any time after the grantee commits a breach of paragraph (i) above or the options are cancelled in accordance with paragraph (u) below.

(t) Alteration of the Share Option Scheme

The Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (i) any alteration to the advantage of the grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; and
- (ii) any material alteration to the terms and conditions of the Share Option Scheme or any change to the terms of options granted, shall first be approved by our Shareholders in general meeting provided that if the proposed alteration shall adversely affect any option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the Share Option Scheme. The amended terms of the Share Option Scheme shall still comply with Chapter 17 of the Listing Rules and any change to the authority of the Board in relation to any alteration to the terms of the Share Option Scheme must be approved by Shareholders in general meeting.

(u) Cancellation of Options

Subject to paragraph (i) above, any cancellation of options granted but not exercised must be approved by the grantees of the relevant options in writing. For the avoidance of doubt, such approval is not required in the event any Option is cancelled pursuant to paragraph (m).

(v) Termination of the Share Option Scheme

Our Company may by resolution in general meeting or the Board at any time terminate the Share Option Scheme and in such event no further option shall be offered but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(w) Administration of the Board

The Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

(x) *Condition of the Share Option Scheme*

The Share Option Scheme is conditional on:

- (i) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in our Shares which may fall to be issued pursuant to the exercise of options to be granted under the Share Option Scheme;
- (ii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any such condition(s)) and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise;
- (iii) the commencement of dealings in our Shares on the Stock Exchange.

If the conditions in paragraph (x) above are not satisfied within six calendar months from the Adoption Date:

- (i) the Share Option Scheme shall forthwith determine;
- (ii) any option granted or agreed to be granted pursuant to the Share Option Scheme and any offer of such a grant shall be of no effect; and
- (iii) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Share Option Scheme or any option granted thereunder.

(y) *Disclosure in annual and interim reports*

Our Company will disclose details of the Share Option Scheme in its annual and interim reports including the number of options, date of grant, exercise price, exercise period and vesting period during the financial year/period in the annual/interim reports in accordance with the Listing Rules in force from time to time.

(z) *Present status of the Share Option Scheme*

As at the Latest Practicable Date, no option had been granted or agreed to be granted under the Share Option Scheme.

Application has been made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in our Shares which may fall to be issued pursuant to the exercise of the options to be granted under the Share Option Scheme, being 352,941,200 Shares in total.

E. OTHER INFORMATION**1. Tax and other indemnities**

Our Controlling Shareholders have entered into the Deed of Indemnity with and in favor of our Company (for itself and on behalf of its subsidiaries) (being the contract referred to in paragraph (kk) of “B. Further Information about our Business — 1. Summary of material contracts” above) to provide indemnities on a joint and several basis in respect of, among other matters, taxation resulting from income, profits or gains earned, accrued or received as well as any claim to which any member of our Group may be subject and payable on or before the date when the Global Offering becomes unconditional and all losses, liabilities or damages suffered by it in connection with the legal proceedings referred to in “Business — Legal Proceedings and Compliance” in this prospectus.

2. Litigation

As of the Latest Practicable Date, save as disclosed in “Business — Legal Proceedings and Compliance” in this prospectus, no member of our Group was engaged in any litigation or arbitration of material importance and, so far as our Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of our Group.

3. Joint Sponsors

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsor set out in Rule 3A.07 of the Listing Rules. The Joint Sponsors will receive an aggregate fee of US\$900,000 for acting as the sponsors for the Listing.

The Joint Sponsors have made an application on our Company’s behalf to the Listing Committee for the listing of, and permission to deal in, all the Shares in issue and to be issued as mentioned in this prospectus (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option). All necessary arrangements have been made for the Shares to be admitted into CCASS.

4. Preliminary expenses

The preliminary expenses relating to the incorporation of our Company are approximately US\$5,700 and are payable by our Company.

5. No material adverse change

Saved as disclosed in “Financial Information” in this prospectus, our Directors confirm that there has been no material adverse change in our Group’s financial or trading position since April 30, 2019 (being the date on which the latest audited combined financial information of our Group was prepared).

6. Promoter

Our Company has no promoter. Within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus.

7. Taxation of holders of Shares***(a) Hong Kong***

The sale, purchase and transfer of Shares registered with our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty, the current rate charged on each of the purchaser and seller is 0.1% of the consideration or, if higher, the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

Under present laws of the Cayman Islands, transfers and other disposals of Shares are exempted from Cayman Islands stamp duty so long as our Company does not hold interests in land in the Cayman Islands.

(b) Cayman Islands

Under the present Cayman Islands law, there is no stamp duty payable in the Cayman Islands on transfer of Shares.

(c) Consultation with professional advisors

Intending holders of the Shares are recommended to consult their professional advisors if they are in doubt as to the taxation implications of holding or disposing of or dealing in the Shares. It is emphasized that none of our Company, our Directors or the other parties involved in the Global Offering can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their holding or disposal of or dealing in Shares or exercise of any rights attaching to them.

8. Qualifications and consents of experts

The following are the qualifications of the experts who have given opinions or advice which are contained in this prospectus:

Name	Qualifications
ABCI Capital Limited	Licensed under the SFO to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO
Huatai Financial Holdings (Hong Kong) Limited	Licensed under the SFO to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the SFO
Ernst & Young	Certified public accountants
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
King & Wood Mallesons	Legal advisors as to the PRC law
Cushman & Wakefield Limited	Independent industry consultant and independent property valuer

Each of the experts named above has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letters and/or opinions and/or summaries of opinions and/or references to its name included herein in the form and context in which they respectively appear.

9. Binding effect

This prospectus shall have the effect, in an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provision) Ordinance so far as applicable.

10. Bilingual prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong). In case of any discrepancies between the English language version and Chinese language version of this prospectus, the English language version shall prevail.

11. Miscellaneous

- (a) Save as disclosed in “History, Reorganization and Corporate Structure”, “Share Capital” and “Underwriting” in this prospectus, within the two years immediately preceding the date of this prospectus:
 - (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of our Company or any of our subsidiaries; and
 - (iv) no commission has been paid or payable subscribing, agreeing to subscribe or procuring subscription or agreeing to procure subscription for any shares in our Company or any of our subsidiaries;
- (b) no founder, management or deferred Shares nor any debenture in our Company or any of our subsidiaries have been issued or agreed to be issued;
- (c) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus;
- (d) the principal register of members of our Company will be maintained in the Cayman Islands by Conyers Trust Company (Cayman) Limited and a branch register of members of our Company will be maintained in Hong Kong by Computershare Hong Kong Investor Services Limited. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our Company’s share register in Hong Kong and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable the Shares to be admitted to CCASS;
- (e) no company within our Group is presently listed on any stock exchange or traded on any trading system;
- (f) our Directors have been advised that under Cayman Islands Companies Law the use of a Chinese name by our Company in conjunction with our English name does not contravene the Cayman Companies Law;

- (g) save as disclosed in the section headed “Financial Information” in this prospectus, our Company has no outstanding convertible debt securities or debentures;
- (h) none of the persons whose names are listed in “8. Qualifications and consents of experts” under this Appendix V:
 - (i) is interested beneficially or non-beneficially in any shares in any member of our Group; or
 - (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group; and
- (i) there is no restriction affecting the remittance of profits or repatriation of capital into Hong Kong and from outside Hong Kong.

A. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were, copies of the **WHITE**, **YELLOW** and **GREEN** application forms, the written consents referred to in “E. Other Information — 8. Qualifications and consents of experts” in Appendix V to this prospectus, and certified copies of the material contracts referred to in “B. Further Information about our Business — 1. Summary of material contracts” in Appendix V to this prospectus.

B. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Sidley Austin at 39/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong during normal business hours from 9:30 a.m. to 5:30 p.m. up to and including the date which is 14 days from the date of this prospectus:

- (i) the Memorandum of Association and the Articles of Association;
- (ii) the Accountants’ Report prepared by Ernst & Young, the texts of which are set out in Appendix I to this prospectus;
- (iii) the report from Ernst & Young in respect of the unaudited pro forma financial information, the text of which is set out in Appendix II to this prospectus;
- (iv) the audited combined financial statements of our Group for the three years ended December 31, 2018 and the four months ended April 30, 2019;
- (v) the rules of the Share Option Scheme;
- (vi) the letter of advice issued by Conyers Dill & Pearman, our legal advisor as to Cayman Islands law, summarizing certain aspects of the company law of the Cayman Islands referred to in “Summary of the Constitution of our Company and Cayman Islands Companies Law” in Appendix IV to this prospectus;
- (vii) the Cayman Islands Companies Law;
- (viii) copies of material contracts referred to in “B. Further information about our business — 1. Summary of material contracts” in Appendix V to this prospectus;
- (ix) the written consents referred to in “E. Other Information — 8. Qualifications and consents of experts” in Appendix V to this prospectus;
- (x) the service contracts or letters of appointment entered into between our Company and each of the Directors (as applicable);

- (xi) the C&W Report;
- (xii) the PRC legal opinions issued by King & Wood Mallesons, legal advisors to our Company as to PRC laws; and
- (xiii) the letter, summary of valuations and property valuation report issued by Cushman & Wakefield Limited, the text of which is set out in Appendix III to this prospectus.

新力控股(集團)有限公司

SINIC HOLDINGS (GROUP) COMPANY LIMITED