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Mingfa Group (International) Company Limited

明發集團（國際）有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 00846)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

PERFORMANCE HIGHLIGHTS

The consolidated revenue of the Group for 2020 was approximately RMB12,858.6 million, representing an increase of 1.6% as compared to 2019.

The consolidated profit attributable to the equity holders of the Company was approximately RMB1,075.0 million, representing an increase of 12.9% as compared to 2019.

The basic and diluted earnings per share were RMB17.6 cents for 2020, representing an increase of 12.8% as compared to 2019.

The Board does not recommend payment of final dividend for the year ended 31 December 2020.

The board (the “**Board**”) of directors (the “**Directors**”) of Mingfa Group (International) Company Limited (the “**Company**”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2020 together with comparative figures for the year ended 31 December 2019. The consolidated annual results have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2020

		Year ended 31 December	
		2020	2019
	Notes	RMB'000	RMB'000
Revenues	3	12,858,570	12,660,897
Cost of sales		<u>(9,087,914)</u>	<u>(8,662,921)</u>
Gross profit		3,770,656	3,997,976
Fair value gains on investment properties		161,130	258,460
Other income and other gains and losses	8	76,714	(115,519)
Net impairment loss on financial assets		(237,742)	(21,966)
Selling and marketing costs		(641,563)	(647,130)
General and administrative expenses		(681,489)	(802,246)
Operating profit		2,447,706	2,669,575
Finance income	10	35,281	94,582
Finance costs	10	(5,909)	(7,752)
Finance income — net	10	29,372	86,830
Share of results of			
— Associated companies		(62,995)	(60,878)
— Joint ventures		32,137	6,163
		(30,858)	(54,715)
Profit before income tax	9	2,446,220	2,701,690
Income tax expense	11	(1,168,427)	(1,565,765)
Profit for the year		1,277,793	1,135,925
Attributable to:			
Equity holders of the Company		1,075,004	952,112
Non-controlling interests		202,789	183,813
		1,277,793	1,135,925
Earnings per share for profit attributable to equity holders of the Company (RMB cents)	13		
— Basic		17.6	15.6
— Diluted		17.6	15.6

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Year ended 31 December	
	2020	2019
	RMB'000	RMB'000
Profit for the year	1,277,793	1,135,925
Other comprehensive income:		
<i>Item that may be reclassified subsequently to profit or loss</i>		
— Currency translation differences	<u>23</u>	<u>13,465</u>
Other comprehensive income for the year, net of tax	<u>23</u>	<u>13,465</u>
Total comprehensive income for the year	<u>1,277,816</u>	<u>1,149,390</u>
Attributable to:		
Equity holders of the Company	1,075,027	965,577
Non-controlling interests	<u>202,789</u>	<u>183,813</u>
	<u>1,277,816</u>	<u>1,149,390</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

		As at 31 December	
		2020	2019
	<i>Notes</i>	RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		2,910,125	3,310,647
Investment properties		11,537,722	11,334,622
Goodwill		7,169	7,169
Investments in associated companies		1,955,043	1,924,870
Investments in joint ventures		2,040,768	1,995,572
Deferred income tax assets		596,790	578,935
Other financial assets		40,550	40,550
Other receivables	4	14,293	14,527
Prepayments for land use rights		585,547	884,364
		19,688,007	20,091,256
Current assets			
Properties under development		30,425,758	28,801,437
Completed properties held for sale		16,042,922	16,735,331
Inventories		61,829	43,992
Trade and other receivables and prepayments	4	3,788,662	4,356,715
Contract costs	4	314,679	312,788
Prepaid income taxes		322,401	296,958
Amounts due from related parties, joint ventures and associated companies		1,023,806	950,118
Amounts due from non-controlling interests		775,191	545,512
Restricted cash		3,600	103,254
Cash and cash equivalents		3,567,002	3,488,059
		56,325,850	55,634,164
Assets of a disposal group classified as held for sale		92,302	—
Total current assets		56,418,152	55,634,164
Total assets		76,106,159	75,725,420

		As at 31 December	
		2020	2019
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
LIABILITIES			
Current liabilities			
Trade and other payables	7	18,409,886	16,011,400
Contract liabilities		19,992,147	22,293,816
Amounts due to related parties, joint ventures and associated companies		7,578,466	6,129,643
Amounts due to non-controlling interests		755,560	1,168,589
Income tax payable		2,994,140	2,402,962
Borrowings	6	3,440,085	6,491,985
Lease liabilities		47,178	56,789
		<u>53,217,462</u>	<u>54,555,184</u>
Liabilities of a disposal group classified as held for sale		<u>62,619</u>	<u>—</u>
Total current liabilities		<u>53,280,081</u>	<u>54,555,184</u>
Net current assets		<u>3,138,071</u>	<u>1,078,980</u>
Total assets less current liabilities		<u>22,826,078</u>	<u>21,170,236</u>
Non-current liabilities			
Deferred government grants		1,370,654	1,458,041
Borrowings	6	1,330,090	560,406
Deferred income tax liabilities		2,393,129	2,405,032
Other payables	7	200,157	—
Lease liabilities		18,798	62,291
		<u>5,312,828</u>	<u>4,485,770</u>
Total liabilities		<u>58,592,909</u>	<u>59,040,954</u>
Net assets		<u>17,513,250</u>	<u>16,684,466</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	5	536,281	536,281
Reserves		15,519,239	14,388,121
		<u>16,055,520</u>	<u>14,924,402</u>
Non-controlling interests		<u>1,457,730</u>	<u>1,760,064</u>
Total equity		<u>17,513,250</u>	<u>16,684,466</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

1 GENERAL INFORMATION

Mingfa Group (International) Company Limited (the “**Company**”) was incorporated in the Cayman Islands on 27 November 2007 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is office of Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

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

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

(i) Adoption of new/revised HKFRSs — effective 1 January 2020

The HKICPA has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

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

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

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and HK Interpretation 5 (2020), Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ⁵
Amendments to HKAS 16	Proceeds before Intended Use ³
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract ³
Amendments to HKFRS 3	Reference to the Conceptual Framework ⁴
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁶
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2 ²
Amendments to HKFRS 16	Covid-19 Rent Concession ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 ³

¹ Effective for annual periods beginning on or after 1 June 2020.

² Effective for annual periods beginning on or after 1 January 2021.

³ Effective for annual periods beginning on or after 1 January 2022.

⁴ Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022.

⁵ Effective for annual periods beginning on or after 1 January 2023.

⁶ The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

3 REVENUES AND SEGMENT INFORMATION

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

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

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

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

Inter-segment revenues are eliminated on consolidation.

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

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

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

(a) Segment information

The segment results and other segment items for the year ended 31 December 2020 are as follows:

	Property development — commercial RMB'000	Property development — residential RMB'000	Hotel RMB'000	Property investment and management RMB'000	All other segments RMB'000	Total RMB'000
Total segment revenues	240,324	11,742,585	225,113	397,418	255,671	12,861,111
Inter-segment revenues	—	—	(2,541)	—	—	(2,541)
Revenues	240,324	11,742,585	222,572	397,418	255,671	12,858,570
Operating profit/(loss)	30,753	1,807,465	(8,937)	499,300	119,125	2,447,706
Finance income — net						29,372
Share of results of associated companies	(225)	(1,730)	—	21,583	(82,623)	(62,995)
Share of results of joint ventures	—	31,707	—	430	—	32,137
Profit before income tax						2,446,220
Income tax expense						(1,168,427)
Profit for the year						1,277,793
Other segment information						
Capital and property development expenditure	1,654,848	5,852,592	34,008	48,369	1,070,384	8,660,201
Depreciation of property, plant and equipment	11,172	53,354	30,918	44,525	7,280	147,249
Depreciation of right-of-use assets under properties under development	—	37,061	—	—	—	37,061
Fair value gains on investment properties	—	—	—	161,130	—	161,130
Impairment loss on property, plant and equipment	—	—	82,471	—	—	82,471

The segment assets and liabilities as at 31 December 2020 are as follows:

	Property development — commercial RMB'000	Property development — residential RMB'000	Hotel RMB'000	Property investment and management RMB'000	All other segments RMB'000	Elimination RMB'000	Total RMB'000
Segment assets	11,936,558	85,444,565	1,787,354	12,749,321	20,580,272	(61,347,463)	71,150,607
Associated companies	—	260,425	—	1,267,365	427,253	—	1,955,043
Joint ventures	11,854	82,041	—	1,946,873	—	—	2,040,768
	11,948,412	85,787,031	1,787,354	15,963,559	21,007,525	(61,347,463)	75,146,418
Unallocated:							
Deferred income tax assets							596,790
Prepaid income taxes							322,401
Other financial assets							40,550
Total assets							76,106,159
Segment liabilities	9,522,456	90,276,413	72,238	1,977,582	7,934,239	(61,347,463)	48,435,465
Unallocated:							
Deferred income tax liabilities							2,393,129
Borrowings							4,770,175
Income tax payable							2,994,140
Total liabilities							58,592,909

The segment results and other segment items for the year ended 31 December 2019 are as follows:

	Property development — commercial RMB'000	Property development — residential RMB'000	Hotel RMB'000	Property investment and management RMB'000	All other segments RMB'000	Total RMB'000
Total segment revenues	565,608	11,525,158	402,283	318,567	13,063	12,824,679
Inter-segment revenues	—	—	(163,782)	—	—	(163,782)
Revenues	<u>565,608</u>	<u>11,525,158</u>	<u>238,501</u>	<u>318,567</u>	<u>13,063</u>	<u>12,660,897</u>
Operating profit/(loss)	<u>256,788</u>	<u>2,068,418</u>	<u>(29,559)</u>	<u>479,887</u>	<u>(105,959)</u>	<u>2,669,575</u>
Finance income — net						86,830
Share of results of associated companies	(212)	(1,990)	—	(2,152)	(56,524)	(60,878)
Share of results of joint ventures	—	7,269	—	(1,106)	—	6,163
Profit before income tax						2,701,690
Income tax expense						(1,565,765)
Profit for the year						<u>1,135,925</u>
Other segment information						
Capital and property development expenditure	5,157,610	2,286,583	25,067	528	167,086	7,636,874
Depreciation of property, plant and equipment	14,276	128,418	3,982	250	715	147,641
Depreciation of right-of-use assets under properties under development	—	40,675	—	—	—	40,675
Fair value gains on investment properties	—	—	—	258,460	—	258,460

The segment assets and liabilities as at 31 December 2019 are as follows:

	Property development — commercial RMB'000	Property development — residential RMB'000	Hotel RMB'000	Property investment and management RMB'000	All other segments RMB'000	Elimination RMB'000	Total RMB'000
Segment assets	4,333,797	89,736,973	1,927,268	12,988,760	16,686,199	(54,784,462)	70,888,535
Associated companies	64	870,684	—	1,161,220	(107,098)	—	1,924,870
Joint ventures	163	48,535	—	1,946,874	—	—	1,995,572
	<u>4,334,024</u>	<u>90,656,192</u>	<u>1,927,268</u>	<u>16,096,854</u>	<u>16,579,101</u>	<u>(54,784,462)</u>	<u>74,808,977</u>
Unallocated:							
Deferred income tax assets							578,935
Prepaid income taxes							296,958
Other financial assets							40,550
Total assets							<u>75,725,420</u>
Segment liabilities	<u>4,315,984</u>	<u>72,204,045</u>	<u>330,701</u>	<u>8,473,644</u>	<u>16,640,657</u>	<u>(54,784,462)</u>	<u>47,180,569</u>
Unallocated:							
Deferred income tax liabilities							2,405,032
Borrowings							7,052,391
Income tax payable							2,402,962
Total liabilities							<u>59,040,954</u>

(b) Revenues

The following summary describes the operations in each of the Group's reportable segments:

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Revenue from contracts with customer within the scope of HKFRS 15:		
• Property development — commercial	240,324	565,608
• Property development — residential	11,742,585	11,525,158
• Hotel	222,572	238,501
• Property investment and management — property management fee income	98,891	74,910
• All other segments	255,671	13,063
	<u>12,560,043</u>	<u>12,417,240</u>
Revenue from other sources		
• Property investment and management — rental income	298,527	243,657
	<u>12,858,570</u>	<u>12,660,897</u>

In the following tables, revenue is disaggregated by primary geographical market, major products and service and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

	Property development — commercial		Property development — residential		Hotel		Property investment and management		All other segments		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Primary geographical markets												
PRC	240,324	565,608	11,742,585	11,525,158	222,572	238,501	397,418	318,567	255,671	13,063	12,858,570	12,660,897
Major products/services												
Sales of properties	240,324	565,608	11,742,585	11,525,158	—	—	—	—	—	—	11,982,909	12,090,766
Hotel operating income	—	—	—	—	222,572	238,501	—	—	—	—	222,572	238,501
Rental income												
— from investment properties	—	—	—	—	—	—	254,485	203,914	—	—	254,485	203,914
— others	—	—	—	—	—	—	44,042	39,743	—	—	44,042	39,743
Property management fee income	—	—	—	—	—	—	98,891	74,910	—	—	98,891	74,910
Miscellaneous income	—	—	—	—	—	—	—	—	255,671	13,063	255,671	13,063
	<u>240,324</u>	<u>565,608</u>	<u>11,742,585</u>	<u>11,525,158</u>	<u>222,572</u>	<u>238,501</u>	<u>397,418</u>	<u>318,567</u>	<u>255,671</u>	<u>13,063</u>	<u>12,858,570</u>	<u>12,660,897</u>
Timing of revenue recognition												
At a point in time	240,324	565,608	11,742,585	11,525,158	—	—	—	—	11,124	13,063	11,994,033	12,103,829
Transferred over time	—	—	—	—	222,572	238,501	397,418	318,567	244,547	—	864,537	557,068
	<u>240,324</u>	<u>565,608</u>	<u>11,742,585</u>	<u>11,525,158</u>	<u>222,572</u>	<u>238,501</u>	<u>397,418</u>	<u>318,567</u>	<u>255,671</u>	<u>13,063</u>	<u>12,858,570</u>	<u>12,660,897</u>

4 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS/CONTRACT COSTS

	As at 31 December	
	2020	2019
	RMB'000	RMB'000
Trade receivables	469,498	445,546
Less: Provision for impairment of trade receivables (<i>Note (a)</i>)	<u>(339,253)</u>	<u>(186,594)</u>
Trade receivables — net (<i>Note (b)</i>)	<u>130,245</u>	<u>258,952</u>
Government grant receivables	—	60,220
Other receivables (<i>Note (c)</i>)	1,375,215	645,344
Advances to group companies of non-controlling interests (<i>Note (d)</i>)	—	919,221
Deposits for resettlement costs	2,538	2,687
Deposits for land purchases	344,841	265,472
Less: Provision for impairment of other receivables, deposits and advances to group companies of non-controlling interests	<u>(417,400)</u>	<u>(462,117)</u>
Other receivables and deposits — net	<u>1,305,194</u>	<u>1,430,827</u>
Prepayments for construction costs	1,173,281	1,508,550
Prepaid business tax and other levies on pre-sale proceeds	1,190,856	1,163,327
Miscellaneous	<u>3,379</u>	<u>9,586</u>
	3,802,955	4,371,242
Less: Non-current portion of other receivables (<i>Note (e)</i>)	<u>(14,293)</u>	<u>(14,527)</u>
Current portion	<u>3,788,662</u>	<u>4,356,715</u>
Contract costs (<i>Note (f)</i>)	<u>314,679</u>	<u>312,788</u>

As at 31 December 2020 and 2019, the fair values of trade receivables, deposits for resettlement costs and land purchases, advances to group companies of non-controlling interest, other receivables and contract costs approximate their carrying amounts.

Notes:

- (a) Movement in provision for impairment of trade receivables is as follows:

	As at 31 December	
	2020	2019
	RMB'000	RMB'000
As at 1 January	186,594	164,628
Net impairment loss recognised during the year	152,659	21,966
As at 31 December	339,253	186,594

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

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

	As at 31 December	
	2020	2019
	RMB'000	RMB'000
Within 90 days	81,817	53,542
Over 90 days and within 1 year	8,313	103,978
Over 1 year and within 2 years	20,127	51,462
Over 2 years	19,988	49,970
	130,245	258,952

- (c) Except for the amount of RMB206,868,000 due from a third party which is unsecured, interest-bearing at 2% per annum and recoverable within 5 years, and the amount of RMB464,972,000 due from a third party which is unsecured with a personal guarantee, interest-bearing at 1.8% per annum and recoverable within one year, the remaining amount comprises general and administrative expenses paid on behalf of the Group's tenants and customers, and refundable workers wages protection fund requested by the related government authorities in the property development industry.
- (d) The amount represents advances to group companies of non-controlling interests, which is engaged in property development business and has a long standing business relationship with the Group. The balance is unsecured, interest-free and repayable on demand.
- (e) The non-current portion of other receivables comprised the unsettled proceeds from the sale of a building included in property, plant and equipment which are to be collected over a period of seven years. The receivables were initially recognised at fair value based on cash flows discounted using a rate of 5.94%.

- (f) The amount represents commission paid to property agents in PRC in advance after entering into pre-sale agreements and receiving deposits from customers. These payments are expected to be recognised in profit or loss within twelve months from the end of the reporting period at the point in time when the properties are completed and control is transferred to customers.

5 SHARE CAPITAL

	Number of ordinary shares	Nominal value of ordinary shares HK\$	Equivalent RMB
Authorised:			
At 1 January 2019, 31 December 2019 and at 31 December 2020	12,000,000,000	1,200,000,000	
Issued and fully paid:			
At 1 January 2019, 31 December 2019 and at 31 December 2020	6,093,451,026	609,345,103	536,280,877

6 BORROWINGS

	As at 31 December	
	2020	2019
	RMB'000	RMB'000
Borrowings included in non-current liabilities		
Bank borrowings — secured	2,331,229	2,965,625
Less: Amounts due within one year	(1,001,139)	(2,405,219)
	<u>1,330,090</u>	<u>560,406</u>
Borrowings included in current liabilities		
Current portion of long-term secured bank borrowings	1,001,139	2,405,219
Bank borrowings — secured	531,875	772,100
Senior notes, junior notes and bonds	1,907,071	3,314,666
	<u>3,440,085</u>	<u>6,491,985</u>

7 TRADE AND OTHER PAYABLES

	As at 31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables (<i>Note (a)</i>)	12,249,577	11,642,929
Other payables (<i>Note (b)</i>)	6,135,191	4,115,601
Other taxes payable	225,275	252,870
	<u>18,610,043</u>	<u>16,011,400</u>
Less: Non-current portion of other payables (<i>Note (b)(ii)</i>)	(200,157)	—
	<u>18,409,886</u>	<u>16,011,400</u>

Notes:

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

	As at 31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Within 90 days	7,673,225	8,636,311
Over 90 days and within 1 year	1,969,198	1,439,178
Over 1 year	2,607,154	1,567,440
	<u>12,249,577</u>	<u>11,642,929</u>

(b) Other payables comprise:

	As at 31 December	
	2020	2019
	RMB'000	RMB'000
Deposits and advances from constructors	738,791	729,135
Deposits received from tenants of investment properties	17,680	57,977
Payable to a joint operation partner	31,720	31,720
Advances from shareholders of associated company and joint ventures (<i>Note (i)</i>)	505,460	1,005,410
Advances from other parties (<i>Note (ii)</i>)	737,656	147,935
Consideration payable on acquisition of subsidiaries	408,285	313,121
Consideration received for disposal of a subsidiary	84,164	89,578
Consideration received on behalf of an associated company from associated company's parent (<i>Note (v)</i>)	1,932,707	754,050
Commission payables	264,181	40,796
Accrual and other payables (<i>Note (iii)</i>)	890,742	515,891
Provision for loss arising from financial guarantee agreements (<i>Note (iv)</i>)	161,336	139,944
Miscellaneous	362,469	290,044
	6,135,191	4,115,601

(i) As at 31 December 2020, except for advances from shareholders of associated companies and joint ventures amounted to RMB481,515,000 (2019: RMB564,024,000) for current portion which are unsecured, interest-bearing at 7% (2019: ranging from 7% to 8.5%) per annum and repayable on demand, the remaining balances are unsecured, interest-free and repayable on demand.

(ii) As at 31 December 2020, the amount comprises: (a) advances from a third party amounted to RMB129,034,000 which are secured, interest-bearing at rate of 12% per annum; (b) advances from a family member of a controlling shareholder amounted to RMB200,157,000 which are secured, interest-bearing at rate of 2% per annum and repayable in 5 years and; (c) advances from a third party amounted to RMB408,465,000 which are guaranteed by a controlling shareholder and a wholly owned subsidiary of the Group, interest-bearing at rate of 3% per annum and repayable within one year.

As at 31 December 2019, except for advances from other parties amounted to RMB122,793,000 which are secured, interest-bearing at 12% per annum, the remaining balance is unsecured, interest-bearing at rate ranging from 4.35% to 13.5% per annum and repayable on demand.

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

(iv) The amount mainly comprises a provision for loss arose from three financial guarantee contracts in respect of guarantee agreements entered into by a subsidiary of the Group in 2016 amounted to RMB34,990,000, RMB26,546,000 and RMB27,600,000 respectively and respective interest.

- (v) On 28 February 2019, the Group entered into an equity transfer and cooperation agreement (the “Agreement”) with a third party (the “Purchaser”) to dispose its 51% equity interest in a wholly owned Hong Kong incorporated subsidiary, Winning Orient Limited (the “Target Company”), which indirectly held six projects companies incorporated in the PRC (the “Project Companies”), at a consideration of RMB2,792,412,000. Pursuant to the Agreement, the consideration payable by the Purchaser under the Agreement of RMB2,792,412,000 was arrived at based on the percentage of equity interest in the Target Company to be transferred (being 51%) multiplied by the estimated contribution on the total costs (including land-use rights, land tax and other preliminary expenses, development and construction costs required to be incurred for the project sites) amounted to RMB5,475,317,000 for the cooperation in the development of the project sites. As at the date of disposal, the consideration of the 51% equity interest being disposed amounted to RMB642,156,000 and the fair value of 49% equity interest retained as associate amounted to RMB616,973,000. Up to the date of reporting period end, RMB2,574,863,000 was received from the Purchaser, in which RMB642,156,000 was as the consideration received for disposal of the 51% equity interest of the Target Company, while the remaining portion of RMB1,932,707,000 become a consideration received on behalf of the new parent of the Target Company which become an associate of the Group after the disposal of 51% equity interest.

8 OTHER INCOME AND OTHER GAINS AND LOSSES

	Year ended 31 December	
	2020	2019
	RMB'000	RMB'000
Government grants (<i>Note (a)</i>)	2,835	1,087
Gain on disposal of 100% equity interest of a subsidiary	12,663	—
Net gain/(loss) from disposal of property, plant and equipment	298	(1,477)
Provision for impairment loss on property, plant and equipment	(82,471)	—
Net exchange gains/(losses) (<i>Note (b)</i>)	183,687	(63,703)
Net gains/(losses) from disposal of investment properties	4,104	(3,844)
Gain on disposal of 51% equity interest of a subsidiary	—	5,163
Gain on rights transferred on sale and leaseback transactions (<i>Note (c)</i>)	—	10,795
Forfeiture of rental deposits from tenant	1,278	—
Write-off of trade receivables	(4,988)	(10,990)
Provision for financial guarantee	(21,392)	(50,808)
Dividend income from other financial assets	—	1,075
Miscellaneous	(19,300)	(2,817)
	<u>76,714</u>	<u>(115,519)</u>

Notes:

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

- (b) Exchange difference mainly arises from the bonds in Note 6 which is denominated in USD.
- (c) For the year ended 31 December 2019, the gain was generated from the sale and lease back transactions. The Group carried on sale and lease back transactions for the purpose of financing the expansion of existing business. After selling the underlying properties to purchaser, the Group leased back the properties from the purchaser. The lease term ranges from 8 years to 10 years.

9 PROFIT BEFORE INCOME TAX

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

	Year ended 31 December	
	2020	2019
	RMB'000	RMB'000
Staff costs — including directors' emoluments (<i>Note (a)</i>)	340,596	410,744
Auditor's remuneration	3,300	3,700
Charitable donation	1,649	4,110
Depreciation of property, plant and equipment	147,249	147,641
Depreciation of right-of-use assets under properties under development	37,061	40,675
Cost of properties sold	8,426,286	8,212,205
Business tax and other levies on sales and construction of properties (<i>Note (b)</i>)	109,669	151,665
Direct outgoings arising from investment properties that generate rental income	125,354	142,140
Short-term leases expenses	2,558	11,381
Hotel operating expenses	165,286	145,927

Notes:

(a) Staff costs (including directors' emoluments)

	Year ended 31 December	
	2020	2019
	RMB'000	RMB'000
Wages and salaries	310,127	353,310
Pension costs — defined contribution plans	14,569	38,668
Other allowances and benefits	15,900	18,766
	340,596	410,744

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

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

10 FINANCE INCOME AND COSTS

	Year ended 31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Finance income		
— interest income on bank deposits and loan to a related party	<u>35,281</u>	<u>94,582</u>
Interest expenses on bank borrowings	(110,113)	(373,761)
Interest expenses on other borrowings and advances from other parties	(39,723)	(32,779)
Interest expenses on bonds	(485,249)	(354,909)
Interest expenses on lease liabilities	(5,909)	(7,752)
Less: Interest capitalised	<u>635,085</u>	<u>761,449</u>
Finance costs	<u>(5,909)</u>	<u>(7,752)</u>
Net finance income	<u><u>29,372</u></u>	<u><u>86,830</u></u>

11 INCOME TAX EXPENSE

	Year ended 31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax		
— Hong Kong profits tax	70	—
— PRC enterprise income tax	617,525	604,460
— PRC land appreciation tax	<u>590,452</u>	<u>738,831</u>
	<u>1,208,047</u>	<u>1,343,291</u>
Deferred income tax		
— PRC enterprise income tax	12,565	128,758
— PRC withholding income tax	<u>(52,185)</u>	<u>93,716</u>
	<u>(39,620)</u>	<u>222,474</u>
	<u><u>1,168,427</u></u>	<u><u>1,565,765</u></u>

Hong Kong profits tax

Hong Kong profits tax of approximately RMB70,000 was recognised for the year ended 31 December 2020 (2019: Nil).

Under two-tiered profits tax regime, the first HK\$2 million of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. For the years ended 31 December 2020 and 2019, Hong Kong profits tax is calculated in accordance with the two-tiered profits tax rates regime.

PRC enterprise income tax

PRC enterprise income tax is provided for at 25% (2019: 25%) of the profits for the PRC statutory financial reporting purpose, adjusted for those items which are not assessable or deductible for the PRC enterprise income tax purpose.

PRC land appreciation tax

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

PRC withholding income tax

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

12 DIVIDENDS

No interim dividend was declared and the Board does not recommend payment of final dividend for the year ended 31 December 2020 (2019: Nil).

13 EARNINGS PER SHARE

Basic and diluted

Basic earnings per share for the years ended 31 December 2020 and 2019 is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

As there were no dilutive options and other dilutive potential shares in issue during 2020 and 2019, diluted earnings per share is the same as basic earnings per share.

	Year ended 31 December	
	2020	2019
Profit attributable to equity holders of the Company (<i>RMB'000</i>)	<u><u>1,075,004</u></u>	<u><u>952,112</u></u>
Weighted average number of ordinary shares in issue (<i>thousands</i>)	<u><u>6,093,451</u></u>	<u><u>6,093,451</u></u>
Basic and diluted earnings per share (<i>RMB cents</i>)	<u><u>17.6</u></u>	<u><u>15.6</u></u>

RESULTS

The consolidated revenue of the Group was approximately RMB12,858.6 million for 2020 (2019: approximately RMB12,660.9 million), representing an increase of 1.6% as compared to 2019. The consolidated profit for the year and profit attributable to equity holders of the Company were approximately RMB1,277.8 million and RMB1,075.0 million respectively for 2020 (2019: approximately RMB1,135.9 million and RMB952.1 million respectively), representing an increase of 12.5% and 12.9% respectively as compared to 2019. The basic and diluted earnings per share were RMB17.6 cents for 2020 (2019: RMB15.6 cents per share), representing an increase of 12.8% as compared to 2019.

The Board does not recommend payment of final dividend for the year ended 31 December 2020.

INDUSTRY REVIEW

Austerity fiscal and monetary policies have been imposed in real estate sectors in the fourth quarter 2020. The developers are not allowed to raise additional borrowing if their debt level exceeds certain ratios. The PRC property market was quite stable though the global economy became sluggish in 2020. The developers bought land in a more prudent manner but still strive for high quality land parcels.

PROSPECT

Looking forward to 2021, the spread of Coronavirus may be controlled due to the application of vaccine. The global economy is expected to be rebounded in the third quarter 2021. PRC government reiterated that residential properties should be used as dwellings instead of speculative investment. Various austerity fiscal and monetary policies has been imposed to control the gearing of property developers in PRC. These measures will be benefit to the long term development of real estate market.

In consideration of the uncertain monetary policies in 2021, the Group has succeeded to lower the gearing ratio to 6.4% in 2020 which reserve more capacity to raise additional fund for expansion if necessary. The Group continues to develop the existing land reserves first and replenish the land parcel in a more prudent manner.

The Group will continue to focus on the Yangtze River Delta where Anhui and Jiangsu province represents 35.5% and 22.5% of the Group's total GFA respectively.

BUSINESS REVIEW

Sales and Earnings

The revenue of the Group was approximately RMB12,858.6 million for 2020 (2019: approximately RMB12,660.9 million), representing an increase of 1.6% as compared to 2019. The slight increase in revenue in 2020 was mainly due to the set off effect between the increase in the GFA delivered from 1,484,164 sq.m. in 2019 to 1,616,834 sq.m. in 2020 and the decrease in average selling price (“ASP”) from RMB8,146.5 per square metre in 2019 to RMB7,411.3 per square metre in 2020.

The gross profit of the Group was approximately RMB3,770.7 million for 2020, representing a decrease of 5.7% as compared to 2019 (2019: approximately RMB3,998.0 million). The decrease in gross profit for 2020 was due to the decrease in gross margin from 31.6% in 2019 to 29.3% in 2020.

The profit for the year of the Group increased by 12.5% from approximately RMB1,135.9 million in 2019 to approximately RMB1,277.8 million in 2020. The increase was mainly due to the decrease in the income tax provision in 2020.

The profit attributable to the equity holders of the Company was approximately RMB1,075.0 million for 2020, representing an increase of approximately 12.9% from 2019 (2019: approximately RMB952.1 million). The increase was mainly due to less tax provision was made in 2020.

The cost of sales of the Group was approximately RMB9,087.9 million for 2020, representing an increase of 4.9% as compared to 2019 (2019: approximately RMB8,662.9 million). Cost of sales increased in line with revenue.

The average cost of properties included in cost of sales of the Group was RMB5,211.6 per sq.m. for 2020, representing a decrease of 6.7% over 2019 (2019: approximately RMB5,585.7 per sq.m.). The decrease was due to less commercial properties being delivered in 2020 which had higher cost.

The total GFA sold and delivered by the Group in 2020 was approximately 1,616,834 sq.m., representing an increase of 8.9% as compared to 2019 (2019: approximately 1,484,164 sq.m.). Such increase was due to more properties delivered in the newly completed projects in Jiangsu and Anhui in 2020.

During the year under review, the average selling price of the Group’s delivered properties was RMB7,411.3 per sq.m., representing a decrease of 9.0% as compared to 2019 (2019: RMB8,146.5 per sq.m.). Such decrease was mainly due to less residential properties with higher ASP in Nanjing being delivered to buyers in 2020.

The GFA of the properties delivered by the Group in 2020 and the ASP per sq.m. were as follows:

	Sales Revenue (RMB'000)		GFA Delivered (sq.m.)		Average Selling Price (RMB per sq.m.)	
	2020	2019	2020	2019	2020	2019
Wujing Mingfa Jiangwan City	2,377,493.1	1,621,212.5	350,219.2	286,733.7	6,788.6	5,654.1
Mingfa North Station New Town	1,282,730.6	n/a	156,929.9	n/a	8,173.9	n/a
Taizhou Mingfa City Complex	913,490.8	333,465.6	164,722.1	47,918.7	5,545.6	6,959.0
Nanjing Mingfa Wealth Centre	717,348.7	2,132,058.9	57,824.6	143,207.9	12,405.6	14,887.9
Nanjing Mingfa Yueshanyuefu	657,999.0	184,564.0	23,944.9	6,602.5	27,479.7	27,953.7
Changsha Mingfa Shopping Mall	621,996.7	503,207.9	104,058.5	72,379.7	5,977.4	6,952.3
Wuhu Chungu Xi'an	567,704.0	n/a	99,980.0	n/a	5,678.2	n/a
Nanjing Rong Li	459,984.6	747,089.7	25,070.7	32,738.1	18,347.5	22,820.2
Nanjing Mingfa Xiang Hill Garden	393,172.0	385,421.1	19,298.0	15,591.4	20,373.7	24,720.1
Jinzhai Mingfa Yueshanyuefu	375,389.9	n/a	74,544.8	n/a	5,035.8	n/a
Sihong Shuiyun Taoyuan Garden	344,638.4	127,412.4	63,095.8	24,482.4	5,462.1	5,204.2
Mingfa North Station Villas	315,953.3	n/a	58,331.3	n/a	5,416.5	n/a
Taoyuan Xiangsong	306,815.3	n/a	41,914.1	n/a	7,320.1	n/a
Mingfa Jinse Shui'an	278,476.5	n/a	53,522.3	n/a	5,203.0	n/a
Taoyuan Mingzhu	267,786.7	160,030.2	36,280.5	23,116.3	7,381.0	6,922.8
Shenyang Creative Industrial Estate	246,179.8	186,773.6	33,452.2	31,884.0	7,359.2	5,857.9
Nanjing Mingfa New City Finance Building	200,321.4	93,837.2	13,895.6	4,126.7	14,416.2	22,739.0
Zhenjiang Mingfa Jinxiu Yinshan	185,879.7	119,887.0	36,183.6	23,520.3	5,137.1	5,097.2
Jurong Youjia Village	163,666.6	n/a	17,706.6	n/a	9,243.3	n/a
Moli Anju	150,999.5	n/a	36,575.4	n/a	4,128.4	n/a
Zhangzhou Longhai Mingfa Mall	141,203.8	589,384.5	18,000.1	78,804.8	7,844.6	7,479.0
Huizhou Mingfa Gaobang New Town	126,657.3	n/a	22,769.7	n/a	5,562.5	n/a
Shenyang Mingfa Mall	120,163.5	n/a	14,798.3	n/a	8,120.1	n/a
Ma'anshan Hecheng Shoufu	113,502.4	n/a	16,317.3	n/a	6,955.9	n/a
Wuxi Mingfa International New Town	90,045.3	212,796.8	10,214.5	23,056.2	8,815.5	9,229.5
Taoyuan Fudi	74,569.2	242,308.1	15,536.7	49,587.5	4,799.5	4,886.5
Nanjing Mingfa Pearl Spring Resort	69,484.1	n/a	3,049.3	n/a	22,786.7	n/a
Taoyuan Nanyuan Villa	63,930.8	89,720.6	7,357.2	9,764.2	8,689.6	9,188.7
Xiamen Mingfa Mingfeng Town	45,155.9	429,736.8	2,607.5	24,907.1	17,317.9	17,253.6
Tianjin Binhai Mingfa Shopping Mall	42,501.6	46,969.1	4,264.2	4,504.7	9,967.0	10,426.7
Mingfa MingBo Town	38,758.0	580,123.8	6,477.1	111,441.5	5,983.9	5,205.6
Shenzhen Mingfa Guangming Xuan	31,240.5	18,184.9	925.8	579.7	33,743.2	31,369.5
Taoyuan Guanlan	27,022.3	328,797.2	5,453.5	64,800.8	4,955.1	5,074.0
Jinzhai Mingfa Shopping Mall	24,029.4	204,068.2	3,019.8	40,400.0	7,957.3	5,051.2
Taoyuan Guandi	21,964.5	423,454.4	4,412.2	67,076.3	4,978.2	6,313.0
Nanjing Dream Garden	16,468.7	n/a	2,600.7	n/a	6,332.3	n/a
Nanjing Mingfa Yuejingyuan	12,538.0	43,067.7	593.4	2,338.2	21,129.8	18,419.2
Taoyuan Mansion	9,495.7	134,034.4	2,083.0	27,372.7	4,558.6	4,896.6
Huai'an Mingfa Shopping Mall	9,260.8	75,664.1	1,326.7	9,539.2	6,980.3	7,931.9
Yangzhou Mingfa Jiangwan City	6,214.5	51,962.0	903.0	7,124.1	6,882.1	7,293.8
Zibo Mingfa World Trade Centre	5,775.0	34,419.0	715.1	2,041.8	8,075.3	16,857.2
Nanjing Mingfa Cloud Mansion	2,083.3	11,545.5	280.2	575.7	7,436.4	20,054.7
Taoyuan Xi'an	912.3	195,689.5	227.2	35,350.3	4,015.4	5,535.7
Guang'an Mingfa Mall	n/a	445,289.1	n/a	107,308.6	n/a	4,149.6
Nanjing Mingfa Pearl River International	n/a	7,403.4	n/a	388.7	n/a	19,046.6
Nanjing Minghong Xin Xing Yue Cheng	n/a	1,181,234.3	n/a	80,920.3	n/a	14,597.5
Others	61,906.0	149,961.2	5,351.5	23,979.7	11,567.9	6,253.7
	11,982,909.5	12,090,774.7	1,616,834.1	1,484,163.9	7,411.3	8,146.5

CONTRACTED SALES

In the year under review, the Group recorded contracted sales of approximately RMB10,222.3 million with GFA of 1,294,767 sq.m. (2019: approximately RMB11,314.0 million with GFA of 1,448,890 sq.m.).

PRE-SOLD PROPERTIES

As at 31 December 2020, the attributable GFA of pre-sold properties not yet delivered to the buyers was 2,583,000 sq.m. (2019: 2,908,020 sq.m.). Set out below are the details of the properties, the Group's interest and the attributable pre-sold GFA of the Group:

City	Property	Group's Interest	Attributable Pre-sold GFA (sq.m.)
Changsha	Changsha Mingfa Shopping Mall	100%	205,702
Jinzhai	Jinzhai Mingfa City Square	100%	202,407
Zibo	Shandong Zibo World Trade Center	100%	129,862
Wujiang	Wujiang Mingfa Jiangwan New City	100%	112,674
Guang'an	Guang'an Mingfa Wealth Centre	100%	109,464
Jinzhai	Mingfa City Lights	100%	103,297
Taizhou	Taizhou Mingfa City Complex	100%	97,213
Dingyuan	Dingyuan Mingfa Shuiyun Taoyuan	100%	92,522
Quanjiao	Taoyuan New Town	100%	89,457
Shenyang	Shenyang Mingfa Jinxiuhua City	100%	84,903
Fengxian	Xingyue City	70%	84,109
Laian	Mingfa North Station Centre	100%	83,494
Suqian	Siyang Mingfa Shoufu	70%	79,870
Chizhou	Yangguang Qingcheng	100%	79,503
Chizhou	Taoyuan Mingzhu	100%	76,337
Zibo	Taohua Yuanzhu	100%	74,760
Jinzhai	Jinzhai Mingfa Yueshanyuefu	100%	71,087
Guang'an	Guang'an Mingfa Mall	100%	63,030
Xuzhou	Taoyuan Mingzhu	100%	57,427
Zhangzhou	Zhangzhou Longhai Mingfa Mall	100%	54,403
Huai'an	Huai'an Mingfa Shopping Mall	100%	52,702
Nanjing	Nanjing International Business Centre	80%	52,195
Nanjing	Nanjing Mingfa Yueshanyuefu	100%	49,917
Zhenjiang	Zhenjiang Jinxiu Yinshan	100%	44,328
Huai'an	Jinse Shui'an	100%	43,748
Quanzhou	Quanzhou Mingfa Hua Chang City	100%	40,666
Sihong	Shui Yun Taoyuan	100%	34,605
Ma'anshan	Mingbo Yue City	100%	34,169
Laian	Mingfa North Station Villas	100%	33,888

City	Property	Group's Interest	Attributable Pre-sold GFA (sq.m.)
Nanjing	Nanjing Mingfa Shopping Mall	100%	30,547
Pingliang	Pingliang Mingfa European City	60%	22,194
Wuhu	Chun Gu Xi An	100%	21,804
Others			170,716
			2,583,000

SUMMARY OF LAND BANK

As at 31 December 2020, land reserves attributable to the Group increased by 1.9% to approximately 21.7 million sq.m. (2019: approximately 21.3 million sq.m.), consisting of 130 projects (2019: 125 projects) in total.

	Number of Projects	Attributable GFA (million sq.m.)
Completed projects	38	2.5
Projects under development	67	15.1
Projects for future development	25	4.1
Total	130	21.7

The following tables summarize the details of the Group's land reserves as at 31 December 2020:

Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 1)	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Completed Properties (held for sale/leasing) (Note 1)								
Xiamen Mingfa Seascape Garden	Located at Qianpu South 2 Road, Siming District, Xiamen, Fujian Province	Dec/2004	Residential/Commercial/Office	Completed	18,247	449	100%	449
Xiamen Mingfa Noble Place	Located at Jiangtou Residential, Huli District, Xiamen, Fujian Province	Dec/2004	Residential/Commercial/Office	Completed	5,529	1,287	100%	1,287
Xiamen Mingfa Garden	Located at Huanhuli South, Lvling Road, Siming District, Xiamen, Fujian Province	Apr/2005	Residential/Commercial	Completed	18,697	13,527	100%	13,527
Xiamen Jianqun Elegant Garden	Located at north of Qianpu Lianqian East Road, Huli District, Xiamen, Fujian Province	Apr/2005	Residential/Office	Completed	10,257	1,418	100%	1,418

Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 1)	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Xiamen Mingfa International New Town	Located at Qianpu Lianqian Road South, Siming District, Xiamen, Fujian Province	Feb/2002	Residential/Commercial/Office	Completed	26,016	5,435	100%	5,435
Xiamen Mingfa Shopping Mall	Located to the northwest of Jiahe Road and Lianqian Road, Siming District, Xiamen, Fujian Province	Oct/2007	Commercial/Office/Hotel	Completed	166,775	24,157	70%	16,910
Xiamen Mingfa Town	Located at Lvling Road, Siming Industrial Park, Siming District, Xiamen, Fujian Province	Jan/2008	Residential/Commercial	Completed	12,879	14,930	100%	14,930
Nanjing Mingfa Pearl Spring Resort	Located in Pearl Spring Resort, Pukou District, Nanjing, Jiangsu Province	Dec/2008	Residential/Hotel	Completed	112,973	879	100%	879
Nanjing Mingfa Riverside New Town	Located in Taishan Village, Pukou District, Nanjing, Jiangsu Province	Nov/2009	Residential/Commercial	Completed	1,072,182	29,674	100%	29,674
Nanjing Mingfa Shopping Mall	Located at the intersection of Dingqiang Road and Yulan Road in Yuhuatai District, Nanjing, Jiangsu Province	Dec/2010	Commercial/Office/Hotel	Completed	182,588	112,186	100%	112,186
Wuxi Mingfa Shopping Mall	Located in Sitou Village and Tangtou Village, Yanqiao Town, Huishan District, Wuxi, Jiangsu Province	Dec/2011	Residential/Commercial/Hotel	Completed	216,643	435,984	70%	305,189
Hefei Mingfa Shopping Mall	Located along the northeast side of the junction of Silihe Road and Dangshan Road, Luyang District, Hefei, Anhui Province	Dec/2011	Residential/Commercial/Office/Hotel	Completed	176,698	184,565	100%	184,565
Yangzhou Mingfa Shopping Mall	Located at the south of Yunhe Road East and west of Baolin Road, Guangling District, Yangzhou, Jiangsu Province	Dec/2011	Residential/Commercial/Hotel	Completed	145,267	226,105	100%	226,105
Nanjing Mingfa City Square	Located on Dingshan Road, Pukou District, Nanjing, Jiangsu Province	Dec/2012	Residential/Commercial/Office	Completed	128,683	69,851	100%	69,851
Honglai Mingfa Commercial Center	Located at Honglai District, Nanan, Fujian Province	Jun/2012	Residential/Commercial	Completed	27,065	11,726	100%	11,726
Xiamen Mingfa Xiang Wan Peninsula	Located at east part of Xiang'an Road, Xiang'an, Fujian Province	Dec/2012	Residential/Commercial	Completed	104,380	13,201	100%	13,201
Zhangzhou Mingfa Shopping Mall	Located at Longjiang Road East, north of Shuixian Street, west of No. 6 Road, Xinpud Road South, Zhangzhou, Fujian Province	Dec/2013	Residential/Commercial/Office/Hotel	Completed	223,589	237,328	100%	237,328
Xiamen Mingfa Harbor Resort	Located at south of Wu Yuan Wan Bridge, west of Huan Wan Road, and along the seaview strip of Huli District, Xiamen, Fujian Province	Dec/2013	Hotel	Completed	58,952	136,867	100%	136,867
Huaian Mingfa Shopping Mall (Block C)	Located in Weihai East Road, Huaian, Jiangsu Province	Dec/2014	Residential	Completed	51,345	10,403	100%	10,403
Nanjing Mingfa Pearl River International (G11)	Located at Jiangpu Street, east to Xianzhang Road, south to Jiangpu Secondary School, north to South River, west to Guihua Road, Pukou District, Jiangsu Province	Sep/2017	Residential	Completed	8,586	7,215	100%	7,215
Nanjing Mingfa New City Finance Building	Located in New Town Business Avenue North, Pukou District, Nanjing, Jiangsu Province	Dec/2017	Residential/Commercial	Completed	59,042	19,360	100%	19,360
Nanjing Mingfa Cloud Mansion	Located in along the mountain road south, Jiangpu street, Nanjing, Jiangsu Province	Sep/2017	Residential	Completed	32,787	3,103	40%	948

Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 1)	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Jinzhai Mingfa City Square (G Block)	Located at New Town District, Meishan Town, Jinzhai County, Hefei, Anhui Province	Sep/2017	Residential/Commercial	Completed	105,504	219,230	100%	219,230
Jinzhai Mingfa City Square (D Block)	Located at New City, Meishan Town, Jinzhai County, Anhui Province	Dec/2017	Residential/Commercial	Completed	62,885	57,629	100%	57,629
Wuxi Mingfa International New Town	Located south of Yanqiao Town, Huishan District, Wuxi, Jiangsu Province	Jun/2017	Residential/Commercial	Completed	258,297	80,299	100%	80,299
Jinzhai Mingfa City Square (E, F Block)	Located at New City, Meishan Town, Jinzhai County, Anhui Province	Jun/2018	Residential/Commercial	Completed	203,406	226,883	100%	226,883
Beijing Mingfa Mall	Located in Beizang Village, Daxing District, Beijing	Dec/2018	Residential/Commercial	Completed	45,414	109,726	100%	109,726
Nanjing Dream Garden	Located at Yuhuatai Economic Development Zone, Nanjing, Jiangsu Province	Jul/2018	Residential	Completed	58,914	15,841	100%	5,478
Xiamen Mingfeng Town	Located at Lingdou Siming District, Xiamen, Fujian Province	Jul/2018	Commercial	Completed	19,190	93,081	100%	93,081
Zhenjiang Mingfa Xinjin Yuancheng	Located at east of the new road, Danbei Town, Danyang City	Jan/2018	Residential/Commercial	Completed	14,287	10,537	100%	10,537
Shenzhen Mingfa Guangming Xuan	Located at Tianliao Yulv Area, Guangming New District, Shenzhen	Dec/2018	Commercial	Completed	4,109	12,320	100%	7,908
Nanjing Mingfa Yuejingyuan (G07)	Located at Pukou south along the mountain road, east side of Nanjing University of Technology	Oct/2018	Commercial	Completed	31,455	37,799	100%	37,799
Nanjing Mingfa Xiang Hill Garden	Located in along the mountain road to the south, Caiba Road East, Pukou District, Nanjing, Jiangsu Province	Dec/2019	Residential	Completed	115,876	81,519	100%	81,519
Nanjing Xingyue City	Located in along the street High and New Technology Industrial Development Zone, Nanjing, Jiangsu Province	Dec/2019	Commercial	Completed	27,428	12,979	40%	5,192
Jinzhai Mingfa City Square (Plot AC)	Located at Jinzhai County Meishan Town New Town, Hefei, Anhui Province	Dec/2019	Residential/Commercial	Completed	111,142	126,140	100%	126,140
Mingfa North Station New Town	Located in west side of Changjiang Road, Chahe Town, Laian County	Jan/2020	Residential/Commercial	Completed	65,335	6,407	100%	6,407
Nanjing Rong Li	Located at Jiangpu Street, Puzhu Road North, Directional River Road East, Pukou District, Nanjing, Jiangsu Province	Dec/2019	Residential	Completed	132,937	62,583	51%	31,917
Taoyuan Guandi	Located in south side of Taochang Road, Hanshan County, Anhui Province	Dec/2020	Residential	Completed	43,868	3,088	100%	3,088
Sub-total					4,159,222	2,715,711		2,522,285
Properties under development (Note 2)								
Zhenjiang Jinxiu Yinshan	Located in the centre of Zhenjiang City, Jiangsu Province	Dec/2021	Residential/Commercial/ Hotel	Approximately 90% of construction has been completed	296,702	135,266	100%	135,266
Huaian Mingfa Shopping Mall (Block A)	Located in Shenzhen South Road, Huaian, Jiangsu Province	Dec/2021	Commercial	Approximately 90% of construction has been completed	133,110	255,571	100%	255,571

Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 1)	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Shenyang Mingfa Jinxiu Hua City	Located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province	Dec/2021	Residential/Commercial	Approximately 90% of construction has been completed	61,222	168,295	100%	168,295
Yangzhou Mingfa Jiangwan City	Located at east of Xuzhuang Road, north of Kaifa East Road, west of Liaojiagou Road, south of Ming Cheng Road, Yangzhou, Jiangsu Province	Dec/2021	Residential	Approximately 90% of construction has been completed	158,238	3,094	100%	3,094
Taizhou Mingfa International Mall (Phase 1)	Located in Gaogang District, Taizhou, Jiangsu Province	Dec/2021	Residential/Commercial	Approximately 80% of construction has been completed	292,487	318,113	100%	318,113
Taizhou Mingfa International Mall (Phase 2)	Located in Gaogang District, Taizhou, Jiangsu Province	Dec/2021	Residential/Industrial	Approximately 70% of construction has been completed	237,075	109,081	100%	109,081
Zhangzhou Longhai Mingfa Mall (2011G17, 2011G18, Phase 1)	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Dec/2021	Residential/Commercial	Approximately 90% of construction has been completed	78,622	232,305	100%	232,305
Shanghai Mingfa Shopping Mall	Located in east of Hu Yi Highway, Baiyin Road of south, Boundary of west, Gaotai Road North, Shanghai	Dec/2021	Commercial	Approximately 55% of construction has been completed	53,779	152,555	100%	152,555
Pingliang Mingfa European City	Located in west of water bridge, north of Linjing Road, Kongdong District, Pingliang, Gansu Province	Dec/2021	Residential	Approximately 85% of construction has been completed	117,594	108,823	60%	65,294
Changsha Mingfa Shopping Mall	Located in Star Cheng Town, Wangcheng County, Changsha, Hunan Province	Dec/2022	Residential/Commercial	Approximately 65% of construction has been completed	285,594	941,400	100%	941,400
Huizhou Mingfa Gaobang New City	Huizhou City West Train Station, Guangdong Province	Dec/2021	Residential	Approximately 75% of construction has been completed	332,335	679,695	80%	543,756
Tianjin Binhai Mingfa Shopping Mall	Located in Tanggu Marine Hi-Tech Development Zone, Tianjin	Dec/2021	Commercial	Approximately 60% of construction has been completed	209,048	360,588	100%	360,588
Nanjing Mingfa Wealth Center	Located in New City Headquarters Avenue on the north side of 05 plots, Pukou District, Nanjing, Jiangsu Province	Dec/2021	Commercial/Office	Approximately 85% of construction has been completed	56,694	82,437	100%	82,437
Wujiang Mingfa Jiangwan New City (Phase 1)	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2021	Residential/Commercial	Approximately 80% of construction has been completed	298,289	505,185	100%	505,185
Wujiang Mingfa Jiangwan New City (Phase 2)	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2022	Residential/Commercial	Approximately 70% of construction has been completed	506,829	1,065,098	100%	1,065,098
Quanzhou Mingfa International Huachang City	Located at Neicuo Village, Guanqiao Town, Nanan, Fujian Province	Jun/2022	Residential/Commercial	Approximately 70% of construction has been completed	276,120	744,875	100%	744,875
Guang'an Mingfa Mall (GC2013-45 Block)	Located in Bridge Group, Guan'an, Sichuan Province	Dec/2021	Residential/Commercial	Approximately 70% of construction has been completed	76,153	276,263	100%	276,263
Shandong Zibo World Trade Center	Located in People's road to the north, Shanghai Road to the east, Zhangdian District, Zibo, Shandong Province	Dec/2021	Residential/Commercial	Approximately 65% of construction has been completed	147,371	447,732	100%	447,732

Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 1)	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Shenyang Creative Industrial Estate	Located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province	Dec/2021	Residential/Commercial	Approximately 80% of construction has been completed	154,024	256,253	100%	256,253
Zhangzhou Longhai Mingfa Mall (2011G15, 2012G15 Phase 2)	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Dec/2021	Residential	Approximately 65% of construction has been completed	63,127	99,492	100%	99,492
Zhangzhou Longhai Mingfa Mall (2011G16, 2012G13, 2012G14 Phase 3)	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Dec/2022	Residential	Approximately 50% of construction has been completed	105,188	315,564	100%	315,564
Zhongao Town Buliding	Located at south of Xiang'an District, Xiamen, Fujian Province	Dec/2021	Commercial	Approximately 70% of construction has been completed	11,870	98,104	51%	50,033
Mingfa MingBo Town	Located at Bowang Town Bowang District, Maanshan, Anhui Province	Dec/2021	Residential/Commercial	Approximately 70% of construction has been completed	101,504	54,032	100%	54,032
Nanjing Mingfa Yueshan Yuefu	Located at Pukou Jiangpu Street angle at University Avenue and Flower Industry, Nanjing, Jiangsu Province	Dec/2021	Residential	Approximately 90% of construction has been completed	72,280	48,961	100%	48,961
Taoyuan New Town	Located at Xianghe Town, Quanjiao, Anhui Province	Dec/2021	Residential	Approximately 70% of construction has been completed	109,452	196,300	100%	196,300
Taoyuan Mansion	Located at Xianghe Town, Quanjiao, Anhui Province	Dec/2021	Residential	Approximately 70% of construction has been completed	18,099	28,514	100%	28,514
Taoyuan Mingzhu	Located in Shengjinhu Road, Chizhou, Anhui Province	Dec/2021	Residential	Approximately 70% of construction has been completed	99,943	100,513	100%	100,513
Sihong Shuiyun Taoyuan Garden	Located in east of Radish Li Road, north of Sizhou Street, Sihong County, Suqian, Jiangsu Province	Dec/2021	Residential/Commercial	Approximately 60% of construction has been completed	84,200	105,834	100%	105,834
Jinse Shuiian	Located in north side of Huaihe Road, Jinhu County, Huanan, Jiangsu Province	Dec/2022	Residential/Commercial	Approximately 65% of construction has been completed	289,236	283,247	100%	283,247
Taoyuan Xi'an	Located in Gushi Town, Dangtu County, Anhui Province	Dec/2021	Residential/Commercial	Approximately 65% of construction has been completed	24,439	10,166	100%	10,166
Wujiang Mingfa Jiangwan New City (Phase 3)	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2022	Residential/Commercial	Approximately 50% of construction has been completed	613,287	1,413,820	100%	1,413,820
Nanjing International Business Center	Located in Software Service Center High Tech Development Zone, Nanjing, Jiangsu Province	Dec/2022	Commercial	Approximately 50% of construction has been completed	62,015	446,246	80%	356,997
Taoyuan Xiangsong	Located in North New District, Dongzhi County, Chizhou, Anhui Province	Dec/2022	Residential/Commercial	Approximately 60% of construction has been completed	36,590	20,288	100%	20,288
Taoyuan Fudi	Located at Xianghe Town, Quanjiao, Anhui Province	Dec/2022	Residential	Approximately 60% of construction has been completed	66,262	127,742	51%	65,148
Taoyuan Guanlan	Located at Xianghe Town, Quanjiao, Anhui Province	Dec/2022	Residential	Approximately 50% of construction has been completed	55,481	67,536	51%	34,444

Property Name	Location	Actual/ Estimated Completion	Type of Property	Status	Approximate		Group's Interest	Attributable GFA
		Date			Site Area (sq.m.) (Note 1)	Leasable and Saleable GFA (sq.m.)		
Guang'an Mingfa City complex project (ChaMa Road B1-1 Block)	Located in Binjiang Road, Guang'an District, Guan'an, Sichuan Province	Dec/2022	Residential/Commercial	Approximately 60% of construction has been completed	76,363	305,452	100%	305,452
Zhangpu Mingfa Xiangshan Wan	Located in Houcai Village, Qianting Town, Zhangpu County, Zhangzhou, Fujian Province	May/2022	Residential/Commercial	Approximately 50% of construction has been completed	46,885	204,457	51%	104,273
Wuhu Chungu Xi'an	Located in new city east of Chengdong, Fanchang County, Wuhu City, Anhui Province	May/2022	Residential	Approximately 60% of construction has been completed	64,607	29,234	100%	29,234
New project in Nanjing Pukou 2014GY04 · 2016GY020	Located in the channel of Science and Technology Industrial Park, Pukou district, Nanjing, Jiangsu Province	Dec/2022	Industrial	Approximately 45% of construction has been completed	119,564	95,652	100%	95,652
Mingfa North Station Center	Located at Chahe Town, Laian, Anhui Province	Dec/2022	Residential/Commercial	Approximately 70% of construction has been completed	69,757	383,664	100%	383,664
Mingfa North Station Villas	Located at Chahe Town, Laian, Anhui Province	Dec/2021	Residential	Approximately 90% of construction has been completed	66,350	74,368	100%	74,368
Hecheng Shoufu	Located at Liyang Town, Maanshan, Anhui Province	Dec/2022	Residential	Approximately 60% of construction has been completed	26,918	37,518	100%	37,518
Mingfa Huguangshanse Yihao	Located at Xiangquan Town Maanshan, Anhui Province	Dec/2022	Residential/Commercial	Approximately 50% of construction has been completed	68,688	82,426	100%	82,426
	Located at Xiangquan Town Maanshan, Anhui Province	Dec/2022	Residential/Commercial	Approximately 50% of construction has been completed	63,674	76,409	100%	76,409
Jinzhai Mingfa Yueshanyuefu (Plot 40, 41)	Located at Jinzhai County Meishan Town New Town, Hefei, Anhui Province	Dec/2022	Residential/Commercial	Approximately 50% of construction has been completed	133,332	178,338	100%	178,338
New project in Nanjing Pukou G01	Located in Xinghuo Road Bus Station, Jiangbei New District, Nanjing, Jiangsu Province	Nov/2022	Commercial/Office	Approximately 40% of construction has been completed	7,025	21,145	40%	8,458
Nanjing Mingrong Garden	Located in Puzhu Road, Jiangpu Street, Pukou District, Nanjing, Jiangsu Province	Dec/2022	Commercial	Approximately 30% of construction has been completed	26,530	66,325	100%	66,325
New project in Nanjing Pukou G30	Located at north of Nanjing University of Technology, south along the mountain road, Pukou	Dec/2022	Commercial	Approximately 30% of construction has been completed	32,843	59,117	100%	59,117
Taohua Yuanzhu	Located at Xingyuan Road Zibo, Shandong Province	Oct/2022	Residential	Approximately 40% of construction has been completed	156,691	282,044	100%	282,044
Mingfa Internet Industrial Park	Located at Xingyuan Road Zibo, Shandong Province	Oct/2022	Commercial	Approximately 30% of construction has been completed	67,156	100,735	100%	100,735
Siyang Mingfa Shoufu	Located at Zhongxing Town Siyang, Suqian, Jiangsu Province	Dec/2022	Residential/Commercial	Approximately 40% of construction has been completed	103,972	519,861	70%	363,903
Moli Anju	Located in east of Changxing Road and north of nameless road, Jinniu Lake new city, Tianchang, Anhui Province	Dec/2022	Residential/Commercial	Approximately 70% of construction has been completed	48,073	59,570	100%	59,570

Property Name	Location	Actual/ Estimated Completion	Type of Property	Status	Approximate		Group's Interest	Attributable GFA
		Date			Site Area (sq.m.) (Note 1)	Leasable and Saleable GFA (sq.m.)		
Xingyue City	Located in west of Ring Road East, north of Zhangyang Avenue, west of City Road West, Fengxian, Xuzhou, Jiangsu Province	Dec/2022	Residential/Commercial	Approximately 40% of construction has been completed	102,069	255,171	70%	178,620
Mingfa City Lights	Located in Jinzhai Modern Industrial Park, Anhui Province	Dec/2022	Residential/Commercial	Approximately 50% of construction has been completed	107,417	271,513	100%	271,513
Mingbo Yue City	Located at Bowang Town, Bowang District, Maanshan, Anhui Province	Dec/2022	Residential/Commercial	Approximately 40% of construction has been completed	67,600	121,680	100%	121,680
Dingyuan Mingfa Shuiyun Taoyuan	Located at Kaoshan Road, Dingyuan Town, Chizhou, Anhui Province	Oct/2022	Residential	Approximately 40% of construction has been completed	69,333	138,666	100%	138,666
Shenyang Mingfa Square	Located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province	Dec/2022	Residential/Commercial	Approximately 50% of construction has been completed	119,154	223,510	100%	223,510
Yangguang Qingcheng (Plot 1)	Located at Rongcheng Town, Chizhou, Anhui Province	Apr/2022	Residential/Commercial	Approximately 40% of construction has been completed	112,183	151,600	100%	151,600
Dingyuan Mingfa Wealth Center	Located at south of Qijiguang Avenue, Dingyuan Town, Chizhou, Anhui Province	Oct/2022	Commercial/Office	Approximately 25% of construction has been completed	24,439	146,636	100%	146,636
Mingfa Software Valley	Located in north of Beijing East Road, east of Qianjiang Eoad, Xinyi, Xuzhou, Jiangsu Province	Oct/2022	Commercial	Approximately 25% of construction has been completed	46,548	88,000	60%	52,800
Xinyi Mingfa Zhongyang Lake CBD	Located in Zhongshan Road, Xinyi High-Tech Zone, Xuzhou, Jiangsu Province	Jan/2023	Residential/Commercial	Approximately 25% of construction has been completed	76,473	202,653	100%	202,653
Mingfa North Station Meiyuan	Located at Chahe Town, Laian, Anhui Province	Apr/2022	Residential/Commercial	Approximately 25% of construction has been completed	64,377	141,429	100%	141,429
Hainan Mingfa Modern Service Industry Industrial Park	Located in Haikou Comprehensive Bonded Area, Haikou, Hainan Province	Dec/2022	Industrial	Approximately 25% of construction has been completed	57,600	57,600	100%	57,600
Wanjiao Xiyuan	Located in intersection of Zuiweng Road and Jingling Road, Chuzhou, Anhui Province	Dec/2022	Residential	Approximately 25% of construction has been completed	77,564	155,128	100%	155,128
Peixian Mingfa Noble Place	Located in east side of Zhenxing Road, Zhangzhuang Town, Peixian, Xuzhou, Jiangsu Province	Jan/2023	Residential/Commercial	Approximately 25% of construction has been completed	37,676	75,352	100%	75,352
Mingfa Taoyuan Mingzhu (1 Zone)	Located in Dengke Street, Enyang District, Bazhong, Sichuan Province	Aug/2024	Residential	Approximately 20% of construction has been completed	154,082	385,206	100%	385,206
Mingfa Yan'an zhi xing	Located in Yan'an new area, Yan'an, Shanxi Province	Jun/2022	Residential/Commercial	Approximately 25% of construction has been completed	79,116	379,575	100%	379,575
Suining Shuiyun Taoyuan	Located in north of North Road, west of Wenxue North Road, Suining County, Xuzhou, Jiangsu Province	Feb/2023	Residential/Commercial	Approximately 25% of construction has been completed	130,571	352,936	60%	211,762
Sub-total					8,088,887	15,981,954		15,047,725

Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 1)	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Properties with land use rights certificate for future development (Note 3)								
Nanjing Mingfa Furniture City	Located in Huangyao Village, Taishan Street, Pukou District, Nanjing, Jiangsu Province	Jun/2022	Industrial	Vacant	41,434	103,585	100%	103,585
Lanzhou Mingfa Zhongke Ecological Park	Located in Weijia Village of southwest, Gansu Province	Dec/2022	Residential	Vacant	1,371,786	1,371,786	51%	699,611
Taiwan Taoyuan 54 Block	Located in Air Passenger Park, Taoyuan, Taiwan	Jun/2022	Commercial	Vacant	13,710	32,905	100%	32,905
Taiwan Taoyuan 169 Block	Located in Air Passenger Park, Taoyuan, Taiwan	Jun/2022	Commercial	Vacant	16,110	38,663	100%	38,663
Shenyang Mingfa Wealth Center	Located at Qingman Street, Heping District, Shenyang, Liaoning Province	Dec/2022	Commercial	Vacant	5,468	54,677	100%	54,677
Shenyang Mingfa Comprehensive Technology Park	Located at Zaohua Street, Yuhong District, Shenyang, Liaoning Province	Dec/2022	Residential	Vacant	235,526	423,948	100%	423,948
New project in Maanshan MingPu	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2022	Industrial	Vacant	31,258	46,888	100%	46,888
New project in Maanshan MingLin	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2022	Residential/Commercial/ Industrial	Vacant	106,963	162,975	100%	162,975
Jurong Zidong Square	Located at the east side of Ninghang North Road and the west side of Chigang Road, Jurong, Jiangsu Province	Aug/2022	Residential/Commercial	Vacant	53,892	296,406	100%	296,406
Mingfa Huguangshanse Erhao	Located at Xiangquan Town Maanshan, Anhui Province	Dec/2022	Residential	Vacant	108,972	108,972	100%	108,972
New project in Jurong 2017-2-1-08	Located in Huanhu Road, Jurong, Jiangsu Province	Dec/2022	Commercial	Vacant	9,265	13,989	100%	13,989
New project in Fengxian (2016-30, 2016-32, 2016-33, 2016-34)	Located in west of Ring Road East, north of Zhangyang Avenue, west of City Road West, Fengxian, Xuzhou, Jiangsu Province	Dec/2022	Residential/Commercial	Vacant	213,380	533,451	70%	373,415
QingYang Yangguang Qingcheng (Plot 2)	Located at Qibuquan Road, Rongcheng Town, Qingyang County, Chizhou, Anhui Province	Apr/2022	Residential/Commercial	Vacant	52,388	136,207	100%	136,207
Nan'an Mingfa International Center	Located at Fuxi Community, Meilin Streets, Quanzhou, Fujian Province	Aug/2023	Office	Vacant	22,288	133,728	100%	133,728
New project in Fengxian (2019-39)	Located in west of Ring Road East, north of Zhangyang Avenue, west of City Road West, Fengxian, Xuzhou, Jiangsu Province	Mar/2023	Residential/Commercial	Vacant	22,316	55,791	70%	39,054
New project in Zibo (2017-009-01 + 009-02)	Located in east of Shanghai Road East, Zhangdian District, Zibo, Shandong Province	Jan/2024	Residential/Commercial	Vacant	9,325	39,165	100%	39,165
New project in Quanjiao Mingyuan	Located in west side of Jiaoling Avenue, south side of Qianfo'an Road, Xianghe Town, Quanjiao County, Chuzhou, Anhui Province	Jan/2023	Residential/Commercial	Vacant	407,793	603,559	100%	603,559
QingYang Yangguang Qingcheng (Plot 3)	Located at Qibuquan Road, Rongcheng Town, Qingyang County, Chizhou, Anhui Province	Jan/2022	Residential/Commercial	Vacant	57,269	105,947	100%	105,947
Sub-total					2,779,143	4,262,642		3,413,694

Property Name	Location	Actual/ Estimated Completion	Type of Property	Status	Site Area (sq.m.) (Note 1)	Approximate Leasable and	Group's Interest	Attributable
		Date				Saleable GFA (sq.m.)		GFA (sq.m.)
Properties with signed land use rights contract for future development (Note 4)								
Hong Six highway rebuilding project	Located at Xixia Village, Honglai Town, Nanan, Fujian Province	Dec/2022	Residential/Commercial	Vacant	22,784	92,298	100%	92,298
Kangyang Town	Located in Jiangjun Road, Jinzhai, Anhui Province	Dec/2022	Residential/Commercial	Vacant	64,539	103,263	100%	103,263
New project in Hainan	Located in Haikou Comprehensive Bonded Area, Haikou, Hainan Province	Dec/2022	Industrial	Vacant	53,369	53,369	100%	53,369
New project in Bazhong (2020-1-1-4-7)	Located in Dengke Street, Enyang District, Bazhong, Sichuan Province	Aug/2024	Residential	Vacant	141,811	323,169	100%	323,169
New project in Bazhong (2020-1-1-1-3)	Located in Dengke Street, Enyang District, Bazhong, Sichuan Province	Aug/2024	Hotel	Vacant	23,970	35,955	100%	35,955
New project in Bazhong (2020-1-2-1-3)	Located in Dengke Street, Enyang District, Bazhong, Sichuan Province	Aug/2024	Commercial	Vacant	19,089	22,906	100%	22,906
QingYang Yangguang Qingcheng (Plot 4)	Located at Tianzhu Road, Rongcheng Town, Qingyang County, Chizhou, Anhui Province	Jan/2022	Residential/Commercial	Vacant	37,552	75,104	100%	75,104
Sub-total					363,114	706,064		706,064
					15,390,367	23,666,371		21,689,768

Notes:

- Completed properties refer to the properties in respect of which (a) the certificates of completion, (b) the permits for commencement of construction works, and (c) the land use rights certificates had been obtained as at 31 December 2020.
- Properties under development refer to the properties in respect of which (a) the permits for commencement of construction works and (b) the land use rights certificates had been obtained as at 31 December 2020.
- The site area is in respect of the whole property (regardless of GFA that have been sold).
- The approximate leasable and saleable GFA and attributable GFA have excluded the GFA that have been sold/leased.

SUMMARY OF PROPERTIES HELD BY THE GROUP FOR INVESTMENT

The following table summarizes the details of the Group's major properties held for investment as at 31 December 2020:

Property	Location	Existing usage	Attributable GFA	Term of leases with tenants	Percentage of interest in the Properties Attributable to the Group
Xiamen Mingfa Shopping Mall	Located to the northwest of Jiahe Road and Lianqian Road, Siming district, Xiamen, Fujian Province	Commercial	113,447	8–20 years	70% –100%
Xiamen Mingfa Group Mansion	Located at Qianpu Industrial Park, Xiamen, Fujian Province	Commercial	1,057	5–6 years	100%
Nanjing Mingfa Shopping Mall	Located at the intersection of Dingqiang Road and Yulan Road in Yuhuatai district, Nanjing, Jiangsu Province	Commercial	135,436	10 –15 years	100%
Xiamen Mingfa Technology Park	Located in Kaiyuan Xing'an Industrial Park, Tong'an district, Xiamen, Fujian Province	Industrial	62,131	18 years	100%
Nanjing Mingfa Riverside New Town	Located in Taishan village, Pukou district, Nanjing, Jiangsu Province	Commercial	78,105	3–9 years	100%
Xiamen Mingfa Hotel	Located at No. 413 Lianqian East Road, Xiamen, Fujian Province	Hotel	10,925	10 years	100%
Xiamen Mingfa Industrial Park	Located at No.2 Honglian Road West, Siming District, Xiamen, Fujian Province	Industrial	11,588	8 –15 years	100%
Xiamen Lianfeng Furniture Park	Located on Honglian Road, Siming district, Xiamen, Fujian Province	Industrial	26,120	20 years	100%
Zhangzhou Mingfa Shopping Mall	Located at Longjiang Road East, Shuixian Street North, No.6 Road West, Xinpū Road South, Zhangzhou, Fujian Province	Commercial	112,416	12–19 years	100%
Wuxi Mingfa Shopping Mall	Located in Sitou Village and Tangtou Village, Yanqiao town, Huishan district, Wuxi, Jiangsu Province	Commercial	6,695	15–20years	70%
Hefei Mingfa Shopping Mall	Located along the northeast side of the junction of Silihe Road and Dangshan Road, Luyang district, Hefei, Anhui Province	Commercial	158,011	15–20 years	100%
Quanzhou Mingfa Hotel	Located in Licheng District,Jiangnan Torch Village, Quanzhou, Fujian Province	Hotel	4,755	5 years	100%
Yangzhou Mingfa Shopping Mall	Located at the south of Yunhe Road East and west of Baolin Road, Guangling District, Yangzhou, Jiangsu Province	Commercial	59,105	15 years	100%
Tianjin Mingfa City Complex	Located in Tanggu Marine Hi-Tech Development Zone, Tianjin	Commercial	62,631	Under construction	100%
Changsha Mingfa Shopping Mall	Located in Star Cheng Town,Wangcheng County, Changsha,Hunan Province	Commercial	70,742	Under construction	100%
Xiamen Mingfa Harbour Resort	Located at south of Wu Yuan Wan Bridge, west of Huan Wan Road, and along the seaview strip of Huli District, Xiamen, Fujian Province	Commercial	45,419	3 years	100%

Property	Location	Existing usage	Attributable GFA	Term of leases with tenants	Percentage of interest in the Properties Attributable to the Group
Wuxi Mingfa International New Town	Located at south of Yanqiao Town, Huishan District, Wuxi, Jiangsu Province	Commercial	4,363	3 years	100%
Zhenjiang Jinxiu Yinshan	Located in the centre of Zhenjiang City, Jiangsu Province	Commercial	2,859	15.5 years	100%
Beijing Mingfa Mall	Located at Bizang Village, Daxing District, Beijing	Residential/ Commercial	62,183	3–10 years	100%
Jinzhai Mingfa City Square	Located at New Town District, Meishan Town, Jinzhai County, Hefei, Anhui Province	Commercial	55,182	2–15 years	100%
Taizhou Mingfa International Mall	Located in Gaogang District, Taizhou, Jiangsu Province	Commercial	13,985	10 years	100%
Nanjing Mingfa New City Finance Building	Located in New Town Business Avenue North, Pukou District, Nanjing, Jiangsu Province	Commercial	1,334	3–5 years	100%
Zhangzhou Longhai Mingfa Mall	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Commercial	2,831	10 years	100%
Pingliang Mingfa European City	Located in Water bridge West, Linjing Road North, Kongdong District, Pingliang, Gansu Province	Commercial	1,771	1–3 years	60%
			<u>1,103,092</u>		

Properties to be Completed in 2021

Set out below are the properties expected to be completed by the Group in 2021. The total GFA for such properties available for sale/leasing by the Group upon completion will be approximately 1,215,455 sq.m. including those already pre-sold as at 31 December 2020.

Property	Expected Completion Date	Type of property	GFA Available for Sales/ Leasing (sq.m)	Percentage of interest in the property attributable to the Group
Zhenjiang Jinxiu Yinshan	Dec-2021	Residential/ Commercial/ Hotel	13,527	100%
Huaian Mingfa Shopping Mall (Block A)	Dec-2021	Commercial	25,557	100%
Shenyang Mingfa Jinxiu Hua City	Dec-2021	Residential/ Commercial	16,829	100%

Property	Expected Completion Date	Type of property	GFA Available for Sales/Leasing (sq.m)	Percentage of interest in the property attributable to the Group
Yangzhou Mingfa Jiangwan City	Dec-2021	Residential	309	100%
Taizhou Mingfa International Mall (Phase 1)	Dec-2021	Residential/ Commercial	63,623	100%
Taizhou Mingfa International Mall (Phase 2)	Dec-2021	Residential/ Industrial	32,724	100%
Zhangzhou Longhai Mingfa Mall (2011G17, 2011G18, Phase 1)	Dec-2021	Residential/ Commercial	23,231	100%
Shanghai Mingfa Shopping Mall	Dec-2021	Commercial	68,650	100%
Pingliang Mingfa European City	Dec-2021	Residential	16,324	60%
Huizhou Mingfa Gaobang New City	Dec-2021	Residential	169,924	80%
Tianjin Binhai Mingfa Shopping Mall	Dec-2021	Commercial	144,235	100%
Nanjing Mingfa Wealth Center	Dec-2021	Commercial/Office	12,366	100%
Wujiang Mingfa Jiangwan New City (Phase 1)	Dec-2021	Residential/ Commercial	101,037	100%
Guang'an Mingfa Mall (GC2013-45 Block)	Dec-2021	Residential/ Commercial	82,879	100%
Shandong Zibo World Trade Center	Dec-2021	Residential/ Commercial	156,706	100%
Shenyang Creative Industrial Estate	Dec-2021	Residential/ Commercial	51,251	100%
Zhangzhou Longhai Mingfa Mall (2011G15, 2012G15, Phase 2)	Dec-2021	Residential	34,822	100%
Zhongao Town Buliding	Dec-2021	Commercial	29,431	51%
Mingfa MingBo Town	Dec-2021	Residential/ Commercial	16,210	100%
Nanjing Mingfa Yueshan Yuefu	Dec-2021	Residential	4,896	100%
Taoyuan New Town	Dec-2021	Residential	58,890	100%
Taoyuan Mansion	Dec-2021	Residential	8,554	100%
Taoyuan Mingzhu	Dec-2021	Residential	30,154	100%
Sihong Shuiyun Taoyuan Garden	Dec-2021	Residential/ Commercial	42,333	100%

Property	Expected Completion Date	Type of property	GFA Available for Sales/Leasing (sq.m)	Percentage of interest in the property attributable to the Group
Taoyuan Xi'an	Dec-2021	Residential/Commercial	3,558	100%
Mingfa North Station Villas	Dec-2021	Residential	7,437	100%
Total			<u>1,215,455</u>	

FINANCIAL REVIEW AND ANALYSIS

For the year ended 31 December 2020, revenue generated by the Group was approximately RMB12,858.6 million (2019: approximately RMB12,660.9 million), representing an increase of 1.6% as compared to 2019. The increase in revenue in 2020 was mainly due to set off effect between the increase in the GFA delivered from 1,484,164 sq.m. in 2019 to 1,616,834 sq.m. in 2020 and the decrease in ASP from RMB8,146.5 per square metre in 2019 to RMB7,411.3 per square metre in 2020. Revenue from various sectors is analyzed as follows:

For the year ended 31 December	Commercial Properties (RMB'million)	Residential Properties (RMB'million)	Properties Investment and Management (RMB'million)	Hotel (RMB'million)	Others (RMB'million)	Total (RMB'million)	Percentage of Increase in Total Revenue
2020	240.3	11,742.6	397.4	222.6	255.7	12,858.6	1.6%
2019	565.6	11,525.2	318.6	238.5	13.1	12,660.9	8.8%

Revenue from the properties sector contributed 93.2% in total to the Group's revenue. Revenue from the commercial properties sector decreased by 57.5% which was primarily due to less commercial properties delivered in Nanjing Rong Li, Taizhou Mingfa City Complex and Nanjing Xingyue City in 2020. Revenue generated from the residential properties sector increased for 1.9% in 2020 as compared to 2019. The main reason for the increase in revenue generated from residential properties was more GFA being delivered from 1,453,660 sq.m. in 2019 to 1,600,624 sq.m. in 2020.

Revenue from the properties investment and management sector increased by 24.7%, which was mainly due to the increase in GFA of rented properties and regular rental review.

Revenue generated from the hotel sector decreased by 6.7% from approximately RMB238.5 million in 2019 to approximately RMB222.6 million in 2020.

The gross profit of the Group was approximately RMB3,770.7 million for 2020, representing a decrease of 5.7% as compared to 2019 (2019: approximately RMB3,998.0 million). The decrease was mainly due to the drop in gross margin from 31.6% in 2019 to 29.3% in 2020.

The profit for the year of the Group increased by 12.5% from approximately RMB1,135.9 million in 2019 to approximately RMB1,277.8 million in 2020. The increase was mainly due to the decrease in effective tax rate from 58.0% in 2019 to 47.6% in 2020.

The profit attributable to the equity holders of the Company was approximately RMB1,075.0 million for 2020, representing an increase of 12.9% from 2019 (2019: approximately RMB952.1 million). The increase was mainly due to less tax provided in 2020.

The cost of sales of the Group was approximately RMB9,087.9 million for 2020, representing an increase of 4.9% as compared to 2019 (2019: approximately RMB8,662.9 million). Cost of sales increased in line with revenue.

The average cost of properties included in cost of sales of the Group was RMB5,211.6 per sq.m. for 2020, representing a decrease of 6.7% over 2019 (2019: average cost of properties included in cost of sales was RMB5,585.7 per sq.m.). The main reason was due to less commercial properties with higher cost was delivered in 2020.

Fair value gains on investment properties decreased by 37.7% to approximately RMB161.1 million in 2020 (2019: approximately RMB258.5 million). The decrease was mainly due to less new commercial properties were classified as investment properties in 2020.

Other gain was approximately RMB76.7 million in 2020 (2019: Other losses approximately RMB115.5 million). The gain was mainly due to the exchange gain from translation of USD to RMB.

Selling and marketing costs of the Group were approximately RMB641.6 million in 2020, representing a decrease of 0.9% over 2019 (2019: approximately RMB647.1 million).

General and administrative expenses of the Group were approximately RMB681.5 million in 2020, representing a decrease of 15.1% over 2019 (2019: approximately RMB802.2 million). The decrease was mainly due to the decrease in staff costs.

Net finance income of the Group decreased by 66.2% to approximately RMB29.4 million in 2020 (2019: approximately RMB86.8 million).

CAPITAL STRUCTURE

As at 31 December 2020, the Group had aggregated cash and cash equivalents (excluding restricted cash) of approximately RMB3,567.0 million (31 December 2019: approximately RMB3,488.1 million). Restricted cash of the Group was approximately RMB3.6 million (31 December 2019: approximately RMB103.3 million). Bank loans and other borrowings of the Group repayable within one year and after one year were approximately RMB3,440.1 million and RMB1,330.1 million respectively (31 December 2019: approximately RMB6,492.0 million and RMB560.4 million respectively). The cash and cash equivalents of the Group were mainly denominated in Renminbi as at 31 December 2020.

BORROWINGS

	As at 31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Borrowings included in non-current liabilities		
Bank borrowings — secured	<u>2,331,229</u>	<u>2,965,625</u>
Less: Amounts due within one year	<u>(1,001,139)</u>	<u>(2,405,219)</u>
	<u>1,330,090</u>	<u>560,406</u>
Borrowings included in current liabilities		
Current portion of long-term secured bank borrowings	1,001,139	2,405,219
Bank borrowings — secured	531,875	772,100
Senior notes, junior notes and bonds	<u>1,907,071</u>	<u>3,314,666</u>
	<u>3,440,085</u>	<u>6,491,985</u>

The maturity of the borrowings included in non-current liabilities is as follows:

	As at 31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Borrowings:		
Between 1 and 2 years	200,966	106,139
Between 2 and 5 years	371,402	436,212
Over 5 years	757,722	18,055
	<u>1,330,090</u>	<u>560,406</u>

Total interest expenses including the capitalised interest costs amounted to approximately RMB635.1 million (31 December 2019: approximately RMB769.2 million) in total.

The borrowings was categorized by fixed or floating interest:

	As at 31 December 2020		As at 31 December 2019	
	<i>RMB'million</i>	<i>% of total</i>	<i>RMB'million</i>	<i>% of total</i>
Fixed	1,907.1	40.0%	3,314.7	47.0%
Floating	2,863.1	60.0%	3,737.7	53.0%
Total borrowings	<u>4,770.2</u>		<u>7,052.4</u>	

FINANCIAL RATIO

Set out below are the major ratios of the Group:

	As at and for the year ended	
	31 December	
	2020	2019
Gross profit margin	29.3%	31.6%
Operating profit margin	19.0%	21.1%
Net profit margin	9.9%	9.0%
Current ratio	1.06	1.02
Total liabilities to total assets	77.0%	78.0%
Bank loans and other borrowings to shareholders' funds	29.7%	47.3%
Non-current bank loans and other borrowings to total assets	1.7%	0.7%
Gearing ratio*	<u>6.4%</u>	<u>17.2%</u>

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

FOREIGN EXCHANGE RISK

As at 31 December 2020, the balance of the bank deposits maintained by the Group (including restricted bank balances) consisted of Renminbi, Hong Kong dollars and US dollars in the respective proportions of 99.8%, 0.1% and 0.1% (31 December 2019: Renminbi, Hong Kong dollars and US dollars accounted for 99.6%, 0.2% and 0.2% respectively of the total bank balances of the Group). The bank loans and other borrowings maintained by the Group were denominated in Renminbi, US dollars and New Taiwan dollars in respective proportions of 60.9%, 36.9% and 2.2% (31 December 2019: Renminbi, US dollars and New Taiwan dollars accounted for 52.3%, 47.0% and 0.7%, respectively of the total bank loans and other borrowings of the Group).

As the sales, purchases, bank borrowings and other borrowings of the Group in 2020 were made mainly in Renminbi, Hong Kong dollars and US dollars, and it is expected that the majority of future development and transactions carried out by the Group will be made and transacted either in Renminbi, Hong Kong dollars or US dollars, the Group will convert the Hong Kong dollars and US dollars bank balances into Renminbi as and when required to minimize any foreign exchange risk. The Group did not adopt any foreign exchange hedging instruments to hedge against foreign exchange risk in 2020 as the hedging list was comparable to the corresponding risk.

INTEREST RATE RISK

As at 31 December 2020, the majority of the bank borrowings of the Group were floating rate borrowings and were denominated in Renminbi, Hong Kong dollars and US dollars, whereby any upward fluctuations in interest rates will increase the interest costs of the Group in connection with such loans or any new loans obtained by the Group calculated on a floating interest rate basis. The Group currently does not use any derivative instruments to hedge against its interest rate risk.

FUNDING AND TREASURY POLICY

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

CREDIT POLICIES

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

HUMAN RESOURCES

As at 31 December 2020, the Group employed 3,289 staff (31 December 2019: 3,548 staff). The decrease was mainly due to streamline the operations. For 2020, the staff costs of the Group including Directors' emoluments were approximately RMB340.6 million (2019: approximately RMB410.7 million). The staff costs include basic salary and welfare expenses, whereby employees' welfare includes medical insurance plan, pension plan, unemployment insurance plan, training and pregnancy insurance plan.

The Company values human capital and is keen to improve the professionalism and competitiveness of employees through training and regular performance reviews. The Group provides various training opportunities to employees, including training for accounting teams and other training in relation to the latest group reporting requirements and standards. The Group's employees are engaged according to the terms and provisions of their employment contracts and the Group normally conducts review on the remuneration packages and performance appraisal once every year for its employees, the results of which will be applied in annual salary review for considering the grant of annual bonus or not and in promotion assessment. The Group also studies and compares its remuneration packages with those of its peers and competitors and will make adjustment whenever necessary so as to maintain its competitiveness in the employment market.

CORPORATE GOVERNANCE PRACTICES

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year under review, the Company:

- redeemed all of the bonds with principal amount of US\$220,000,000 which was issued on 12 May 2017;
- redeemed all of the bonds with principal amount of US\$200,000,000 which was issued on 16 January 2019;
- redeemed all of the bonds with principal amount of US\$176,000,000 which was issued on 6 June 2020; and
- redeemed part of the 2021 January Bonds in the principal amount of US\$60,000,000.

Save for the abovementioned, there was no purchase, sale or redemption by the Company of listed securities of the Company during the year under review.

SUBSEQUENT EVENTS

- (i) **Bonds with principal amount of US\$89,000,000, interest rate at 15 per cent and due date in 2021 (“2021 May Bonds”)**

On 13 January 2021, the 2021 May Bonds were issued.

- (ii) **Final Redemption**

On 15 January 2021, the Company redeemed all of the bonds with principal amount of US\$220,000,000 which was issued on 16 January 2020.

- (iii) **Resumption of trading**

Trading in the shares of the Company was resumed at 9:00 a.m. on 18 January 2021.

AUDIT COMMITTEE

The Audit Committee comprises of all independent non-executive directors of the Company, namely, Mr. Lau Kin Hon, Mr. Chu Kin Wang Peleus and Mr. Chan Sing Lai. The duties of the Audit Committee include making recommendations to the Board in relation to the independence and engagement of external auditor, monitoring the integrity, accuracy and fairness of financial statements, reviewing the system of financial control, internal control and risk management and reviewing corporate governance practices of the Company. The Audit Committee had reviewed the annual results and the consolidated financial statements of the Group for the year ended 31 December 2020.

PUBLICATION OF ANNUAL REPORT

The 2020 annual report of the Company will be despatched to the shareholders of the Company and published on the website of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (<http://www.hkexnews.hk>) and the Company (<http://www.ming-fa.com>) in due course.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of other comprehensive income, and the related notes thereto for the year ended 31 December 2020 as set out in the preliminary announcement have been agreed by the Company’s auditors, BDO Limited, to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

AUDITORS

The Company appointed BDO Limited as its auditors for the year ended 31 December 2020. The Company will submit a resolution in the coming annual general meeting of the Company to re-appoint BDO Limited as the auditors of the Company for the ensuing 2021.

By order of the Board of
MINGFA GROUP (INTERNATIONAL) COMPANY LIMITED
POON WING CHUEN
CFO/Company Secretary

Hong Kong, 26 March 2021

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

Executive Directors: Mr. Liu Yuwei, Mr. Ng Man Fung Walter and Mr. Zhong Xiaoming

Non-executive Director: Dr. Lam, Lee G. (Chairman of the Board)

Independent non-executive Directors: Mr. Lau Kin Hon, Mr. Chu Kin Wang Peleus, and Mr. Chan Sing Lai