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*This announcement is not an offer of securities for sale or the solicitation of an offer to buy securities in the United States or in any country or jurisdiction in which any such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such country or jurisdiction. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state or local securities laws. Any public offering of securities to be made in the United States will be made by means of a prospectus that will contain detailed information about the company making the offer and its management and financial statements. The Company has not registered and does not intend to register any of its securities in the United States.*

seazen
新城发展

SEAZEN GROUP LIMITED
新城發展控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1030)

ISSUANCE OF US$300,000,000 11.88% SENIOR NOTES DUE 2028

OVERSEAS REGULATORY ANNOUNCEMENT

This overseas regulatory announcement is issued pursuant to Rule 13.10B of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

References are made to the announcements of Seazen Group Limited (the "**Company**") dated 12 June 2025 in relation to the Notes Issue (the "**Announcements**"). All capitalised terms used herein shall have the same meanings as defined in the Announcements, unless otherwise defined.

Please refer to the attached offering memorandum in relation to the Notes Issue (the "**Offering Memorandum**"), which is available on the website of the SGX-ST.

The posting of the Offering Memorandum on the website of the Stock Exchange is only for the purpose of facilitating equal dissemination of information to investors in Hong Kong and compliance with Rule 13.10B of the Listing Rules, and not for any other purposes.

The Offering Memorandum does not constitute a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it calculated to invite offers by the public to subscribe for or purchase any securities.

The Offering Memorandum must not be regarded as an inducement to subscribe for or purchase any securities of the Company, and no such inducement is intended. No investment decision should be based on the information contained in the Offering Memorandum.

By Order of the Board
Seazen Group Limited
Wang Xiaosong
Chairman

Hong Kong, 30 June 2025

As at the date of this announcement, the Directors are Mr. Lv Xiaoping, Mr. Lu Zhongming and Mr. Zhou Fudong as executive Directors, Mr. Wang Xiaosong as non-executive Director, and Mr. Zhu Zengjin, Mr. Zhong Wei and Ms. Wu Ke as independent non-executive Directors.

STRICTLY CONFIDENTIAL – DO NOT FORWARD

NOT FOR DISTRIBUTION IN THE UNITED STATES

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the offering memorandum attached to this e-mail. You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached offering memorandum. In accessing the attached offering memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from Seazen Group Limited (新城發展控股有限公司) (the "**Company**") as a result of such access.

Confirmation of Your Representation: You have accessed the attached offering memorandum on the basis that you have confirmed your representation to the Company and to Guotai Junan Securities (Hong Kong) Limited, Haitong International Securities Company Limited, Citigroup Global Markets Limited, CLSA Limited, CMB International Capital Limited, China CITIC Bank International Limited, SunRiver International Securities Group Limited, DBS Bank Ltd. and Dragonstone Capital Management Limited (the "**Initial Purchasers**") that (1) you consent to delivery of the attached offering memorandum and any amendments or supplements thereto by electronic transmission and agree to the terms set forth herein; (2) (i) you are receiving this offering memorandum outside the United States and, to the extent you purchase the securities described in the attached offering memorandum, you will be doing so pursuant to Regulation S under the Securities Act of 1933, as amended (the "**Securities Act**"), and (ii) the e-mail address to which the attached offering memorandum has been delivered is not located in the United States (including the states and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; and (3) you acknowledge that you will make your own assessment regarding any legal, taxation or other economic conditions with respect to your decision to subscribe for or purchase any securities.

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

Restrictions: The attached offering memorandum is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling prospective investors an opportunity to consider the purchase of the securities described therein. You are reminded that the information in the attached document is not complete and may be changed. Any investment decision should be made on the basis of a complete final offering memorandum.

Nothing in this electronic transmission constitutes an offer of securities for sale in any jurisdiction where it is unlawful to do so. Under no circumstances shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

This offering Memorandum has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area ("**EEA**") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (as amended or superseded).

PRIIPs Regulation/Prohibition of sales to EEA retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

This document is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of the Company or the Initial Purchasers to subscribe for or purchase any of the securities described therein. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Initial Purchaser or any affiliate of the Initial Purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Initial Purchasers or such affiliate on behalf of the Company in such jurisdiction.

You are reminded that you have accessed the attached offering memorandum on the basis that you are a person into whose possession it may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

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

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

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

seazen
新城发展

Seazen Group Limited
新城發展控股有限公司

(incorporated in the Cayman Islands with limited liability)

US$300,000,000 11.88% Senior Notes due 2028

Issue Price: 98.166%

Our US$300,000,000 11.88% senior notes due (the "**Notes**") will bear interest from and including June 26, 2025 at 11.88% per annum payable semi-annually in arrears on June 26 and December 26 of each year, beginning December 26, 2025. The Notes will mature on June 26, 2028.

At any time and from time to time on or after June 26, 2027, the Company may at its option redeem the Notes, in whole or in part, at the redemption price equal to 102.97% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including), the redemption date. At any time and prior to June 26, 2027, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the Applicable Premium (as defined herein) as of, and accrued and unpaid interest, if any, to (but not including) the redemption date. In addition, at any time and from time to time prior to June 26, 2027, the Company may redeem up to 35% in aggregate principal amount of the Notes, at a redemption price of 111.88% of the principal amount, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the proceeds from sales of Common Stock (as defined herein) of the Company in certain equity offerings. We may also redeem all, but not less than all, of the Notes upon the occurrence of certain changes in applicable tax law. Upon the occurrence of a Change of Control Triggering Event (as defined herein), we must make an offer to repurchase all Notes outstanding at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to (but not including) the date of repurchase.

Holders of the Notes have the right, at their option, to require the Company to repurchase for cash all of their Notes, or any portion of the principal thereof in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess thereof, on June 26, 2027 at the repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest to, but excluding, June 26, 2027. See "Description of the Notes – Repurchase of Notes at the Option of Holders."

The Notes will be (1) general obligations of the Company, (2) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes, (3) at least *pari passu* in right of payment against the Company with the May 2026 Guaranteed Senior Notes and all other unsecured, unsubordinated Indebtedness of the Company (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law) and (4) effectively subordinated to the July 2025 Notes and the other secured obligations of the Company, to the extent of the value of the assets serving as security therefor.

Certain investors, including our affiliates, have purchased a majority of the Notes being offered under this offering memorandum. For a more detailed description of the Notes, see the section headed "Description of the Notes" beginning on page 163.

Concurrently with this offering, we are conducting an offer to purchase for cash our 4.45% Senior Notes due 2025 (ISIN: XS2281036249), and New Metro Global Limited (新城環球有限公司), a subsidiary of our Company, is conducting an offer to purchase for cash its 4.625% Guaranteed Senior Notes due 2025 (ISIN: XS2353272284) (collectively, the "**Concurrent Offers to Purchase**"). We intend to finance the Concurrent Offers to Purchase from internal funding and proceeds from this offering.

Investing in the Notes involves risks. See the section headed "Risk Factors" beginning on page 11.

Approval-in-principle has been received for the listing and quotation of the Notes on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this offering memorandum. Approval in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Company and the Notes.

With reference to the Administrative Measures for the Examination and Registration of Medium and Long-Term Foreign Debts of Enterprises (企業中長期外債審核登記管理辦法) issued by the National Development and Reform Commission (the "**NDRC**") on January 5, 2023 and effective on January 10, 2023 and any implementation rules, regulations, certificates, circulars, notices or policies thereof as issued by NDRC from time to time ("**Order 56**"), we have registered the issuance of the Notes with the NDRC and obtained a certificate from the NDRC evidencing such registration. Pursuant to the registration certificate, we will cause relevant information relating to the issue of the Notes to be reported to the NDRC within the prescribed timeframe after the issue date of the Notes.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities law. Accordingly, the Notes are being offered and sold by the Initial Purchasers only outside the United States in compliance with Regulation S under the Securities Act ("**Regulation S**"). For a description of certain restrictions on resale or transfer, see the section headed "Transfer Restrictions" beginning on page 231.

The Notes are expected to be rated B- by Standard & Poor's Rating Services ("**S&P**"). A security rating is not a recommendation to buy, sell, or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

It is expected that delivery of the Notes will be made on or about June 26, 2025 through the book-entry facilities of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**") against payment therefor in immediately available funds.

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

Guotai Junan International **Haitong International** **Citigroup** **CITIC Securities**

Joint Bookrunners and Joint Lead Managers

CMB International **China CITIC Bank International** **SunRiver International Securities Group Limited** **DBS Bank Ltd.** **Dragonstone Capital**

The date of this offering memorandum is June 12, 2025

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

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

This offering memorandum is highly confidential. We are providing it solely for the purpose of enabling you to consider a purchase of the Notes. You should read this offering memorandum before making a decision whether to purchase the Notes. You must not use this offering memorandum for any other purpose or disclose any information in this offering memorandum to any other person.

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

No representation or warranty, express or implied, is made by Guotai Junan Securities (Hong Kong) Limited, Haitong International Securities Company Limited, Citigroup Global Markets Limited, CLSA Limited, CMB International Capital Limited, China CITIC Bank International Limited, SunRiver International Securities Group Limited, DBS Bank Ltd. and Dragonstone Capital Management Limited (the "**Initial Purchasers**"), the Trustee, the Registrar, the Paying Agent, the Transfer Agent, or any of their respective affiliates or advisers as to the accuracy or completeness of the information set forth herein, and nothing contained in this offering memorandum is, or should be relied upon as, a promise or representation, whether as to the past or the future. The Initial Purchasers, the Trustee, the Registrar, the Transfer Agent and the Paying Agent have not independently verified any of such information and assume no responsibility for its accuracy or completeness.

Prospective investors in the Notes should rely only on the information contained in the final offering memorandum. Each person receiving this offering memorandum acknowledges that: (i) such person has been afforded an opportunity to request from us and to review, and has received, all additional information considered by it to be necessary to verify the accuracy of, or to supplement, the information contained herein; (ii) such person has not relied on the Initial Purchasers, the Trustee, the Registrar, the Paying Agent, the Transfer Agent, or any person affiliated with them in connection with any investigation of the accuracy of such information or its investment decision; and (iii) no person has been authorized to give any information or to make any representation concerning us, our subsidiaries and affiliates, the Notes, not contained in this offering memorandum and, if given or made, any such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers.

We are not, and the Initial Purchasers are not, making an offer to sell the Notes, including, in any jurisdiction except where an offer or sale is permitted. The distribution of this offering memorandum and the offering of the Notes, including, may in certain jurisdictions be restricted by law. Persons into whose possession this offering memorandum comes are required by us and the Initial Purchasers to inform themselves about and to observe any such restrictions. For a description of the restrictions on offers, sales and resales of the Notes, including, and distribution of this offering memorandum, see the sections headed "Transfer Restrictions" and "Plan of Distribution" below.

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER UNITED STATES REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

PRIIPs Regulation/Prospectus Directive/Prohibition of sales to EEA retail investors – The securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the

securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Important Notice to Prospective Investors – Prospective investors should be aware that certain intermediaries in the context of this offering of the Notes, including certain Joint Lead Managers, are "capital market intermediaries" ("**CMIs**" and each a "**CMI**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" (the "**OCs**") for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Company, a CMI or its group companies would be considered under the SFC Code as having an association (an "**Association**") with the Company, such CMI or the relevant group company. Prospective investors associated with the Company or any CMI (including its group companies) should specifically disclose this when placing an order for the Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Company to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. If a prospective investor is an asset management arm affiliated with any Joint Lead Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Joint Lead Manager or its group company has more than a 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any Joint Lead Manager, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Joint Lead Manager when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact

the price discovery process in relation to this offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Joint Lead Managers and/or any other third parties as may be required by the SFC Code, including to the Company, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

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

We and the Initial Purchasers reserve the right to reject any offer to purchase any Notes, in whole or in part, for any reason, or to sell less than the aggregate principal amount of the Notes offered by this offering memorandum.

IN CONNECTION WITH THE ISSUE OF THE NOTES, ANY OF THE INITIAL PURCHASERS APPOINTED AND ACTING AS STABILIZING MANAGER (THE "STABILIZING MANAGER") MAY, SUBJECT TO APPLICABLE LAWS AND REGULATIONS, PURCHASE AND SELL THE NOTES, OVER-ALLOT THE NOTES OR EFFECT TRANSACTIONS IN THE OPEN MARKET WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES DURING THE STABILIZATION PERIOD AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD AFTER THE TIME OF DELIVERY PROVIDED THAT CHINA CITIC BANK INTERNATIONAL LIMITED SHALL NOT BE APPOINTED OR ACTING AS THE STABILIZATION MANAGER. HOWEVER, THERE IS NO OBLIGATION ON THE STABILIZING MANAGER TO DO SO AND STABILIZATION ACTION MAY NOT NECESSARILY OCCUR. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN 30 DAYS AFTER THE DATE ON WHICH THE COMPANY RECEIVED THE PROCEEDS OF THE ISSUE, OR NO LATER THAN 60 DAYS AFTER THE DATE OF ALLOTMENT OF THE NOTES, WHICHEVER IS THE EARLIER. ANY STABILIZATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILIZING MANAGER (OR ITS AFFILIATES) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES AND WILL BE UNDERTAKEN AT THE OFFICES OF THE STABILIZING MANAGER. THESE ACTIVITIES WILL BE UNDERTAKEN SOLELY FOR THE ACCOUNT OF THE STABILIZING MANAGER AND NOT FOR US OR ON OUR BEHALF.

FORWARD-LOOKING STATEMENTS

This offering memorandum contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include statements relating to:

- our capital expenditure and property development plans;
- our business and operating strategies and our ability to implement such strategies;
- our ability to further develop and manage our projects as planned;
- our capital commitment plans, particularly plans relating to acquisition of land for our property development and the development of our projects;
- our operations and business prospects, including development plans and business opportunities that we may pursue;
- the regulatory environment as well as the general industry outlook for our industry;
- the performance and future developments of the property market in China;
- exchange rate fluctuations and restrictions;
- the general economic trend of the PRC and, in particular, Shanghai;
- the interpretation and implementation of rules and regulations relating to land appreciation tax;
- availability and costs of bank loans and other forms of financing;
- our dividend policy;
- changes in political, economic, legal and social conditions in China, including the policies of the PRC government affecting the regions where we operate that affect land supply, availability and cost of financing and pre-sales, pricing and volume of our property development projects;
- our ability to obtain various permits, proper legal titles or approvals for our projects under development or held for future development; and
- changes in competitive conditions and our ability to compete under these conditions.

In some cases, you can identify forward-looking statements by such terminology as "may," "will," "should," "could," "would," "expect," "intend," "plan," "anticipate," "going forward," "ought to," "seek," "project," "forecast," "believe," "estimate," "predict," "potential," or "continue" or the negative of these terms or other comparable terminology. Such statements reflect the current views of our management with respect to future events, operations, results, liquidity and capital resources and are not guarantee of future performance and some of which may not materialize or may change. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that those expectations will prove to be correct, and you are cautioned not to place undue reliance on such statements. In addition, unanticipated events may adversely affect the actual results we achieve. Important factors that could cause actual results to differ materially from our expectations are disclosed under the section headed "Risk Factors" in this offering memorandum. Except as required by law, we undertake no obligation to update or otherwise revise any forward-looking statements contained in this offering memorandum, whether as a result of new information, future events or otherwise after the date of this offering memorandum.

All forward-looking statements contained in this offering memorandum are qualified by reference to the cautionary statements set forth in this section.

ENFORCEMENT OF CIVIL LIABILITIES

We are an exempted company incorporated in the Cayman Islands with limited liability. The Cayman Islands has different bodies of securities laws from the United States and protections for investors may differ.

Substantially all of our assets and all of the assets of the Company are located outside the United States. In addition, all of our directors and officers are nationals or residents of countries other than the United States (principally of the PRC), and all or a substantial portion of such persons' assets are located outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon the Company or such directors and officers or to enforce against us or such directors and officers judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state thereof.

We expect to appoint Cogency Global Inc. as our agent to receive service of process with respect to any action brought against us in the United States federal courts located in the Borough of Manhattan, The City of New York under the federal securities laws of the United States or of any state of the United States or any action brought against us in the courts of the State of New York in the Borough of Manhattan, The City of New York under the securities laws of the State of New York.

We have been advised by our Cayman Islands legal adviser, Maples and Calder (Hong Kong) LLP, that the courts of the Cayman Islands are unlikely (i) to recognize or enforce against the Company judgments of courts of the United States predicated upon the civil liability provisions of the securities laws of the United States or any state and (ii) in original actions brought in the Cayman Islands, to impose liabilities against the Company or its directors or officers predicated upon the civil liability provisions of the securities laws of the United States or any state, on the grounds that such provisions are penal in nature. However, in the case of laws that are not penal in nature, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor a liability to pay the sum for which judgment has been given provided that such judgment is final and conclusive, for a liquidated sum, not in respect of taxes or a fine or penalty, is not inconsistent with a Cayman Islands' judgment in respect of the same matter, impeachable on the grounds of fraud, and was not obtained in a manner, and is not a kind the enforcement of which is, contrary to the natural justice or public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

We have also been advised by our PRC legal adviser, Sundial Law Firm, that there is uncertainty as to whether the courts of China would (i) enforce judgments of U.S. courts obtained against us, our directors or officers predicated upon the civil liability provisions of the U.S. federal or state securities laws or (ii) entertain original actions brought in China against us, our directors or officers predicated upon the U.S. federal or state securities laws.

CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

We have prepared this offering memorandum using a number of conventions that you should consider when reading the information contained herein. All references to "we," "us," "our," "our Company" and "Group" refer to Seazen Group Limited (新城發展控股有限公司) and, as the context requires, its subsidiaries; all references to "US$" and "U.S. dollars" are to United States dollars; all references to "RMB", "CNY" or "Renminbi" are to Renminbi, the official currency of the People's Republic of China; all references to "PRC" and "China" are to the People's Republic of China, excluding the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan; and all references to "PRC government" or "State" means the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local governments) and instrumentalities thereof, or, where the context requires, any of them.

We record and publish our financial statements in Renminbi. Solely for your convenience, this offering memorandum contains translations of Renminbi amounts into U.S. dollars at specified rates. Unless otherwise stated in this offering memorandum, all translations from Renminbi amounts to U.S. dollars were made at the rate of RMB7.2993 to US$1.00 (the noon buying rate in New York City for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York on December 31, 2024, as set forth in the H.10 weekly statistical release of the Federal Reserve Board). All such translations in this offering memorandum are provided solely for your convenience, and we make no representation that the Renminbi amounts referred to herein have been, could have been or could be converted into U.S. dollars, or vice versa, at any particular rate or at all. For further information relating to the exchange rates, see the section headed "Exchange Rate Information."

Our financial information is prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") which differ in certain respects from generally accepted accounting principles in certain other countries. We have made no attempt to quantify the impact of those differences. In making an investment decision, investors must rely upon their own examination of us, the terms of the offering and the financial information. Potential investors should consult their own professional advisers for an understanding of the differences between HKFRSs and generally accepted accounting principles in other jurisdictions and how those differences might affect the financial information herein.

Market data, industry forecasts and PRC and property industry statistics in this offering memorandum have been derived from various government and private publications. Although we believe this information to be reliable, it has not been independently verified by us or the Initial Purchasers or their respective directors and advisers. None of us, the Initial Purchasers, or our or its respective directors and advisers makes any representation as to the accuracy or completeness of that information. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified. Due to possibly inconsistent collection methods and other problems, such statistics herein may be inaccurate and should not be unduly relied upon.

A property is considered sold after we have executed the purchase contract with a customer and have delivered the property to the customer. All site area and gross floor area, or GFA, information presented in this offering memorandum represent the site area and GFA of the entire project, including those attributable to the non-controlling interests of our non-wholly owned project companies and those attributable to the other investors of our joint ventures and associates' project companies.

Totals presented in this offering memorandum may not total correctly because of rounding of numbers. The English names of the PRC entities or organizations in this offering memorandum marked "*" are translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese name shall prevail.

Additional terms used in this offering memorandum are defined below.

"2022 Middle Term Notes"	the RMB1 billion 3.28% term notes with a term of three years issued in September 2022 as the second tranche and the RMB2 billion 4.30% term notes with a term of three years issued in December 2022 as the third tranche
"2023 Corporate Bond I"	the RMB400 million 4.50% corporate bonds due 2026 of Seazen Holdings issued on June 14, 2023
"2023 Corporate Bond II"	the RMB700 6.30% corporate bonds due 2025 of Seazen Holdings issued on June 14, 2023
"2023 Middle Term Notes"	the RMB850 million 4.00% term notes with a term of three years issued in July 2023 as the first tranche and the RMB850 million 4.48% term notes with a term of three years issued in December 2023 as the second tranche
"2024 Middle Term Notes"	the RMB800 million 3.20% term notes with a term of three years issued in May 2024 as the first tranche, the RMB560 million 3.40% term notes with a term of three years issued in May 2024 as the second tranche and the RMB1,560 million 3.50% term notes with a term of five years issued in November 2024 as the third tranche
"average selling price" or "ASP"	average selling price on a gross basis, unless otherwise stated
"CAGR"	compound annual growth rate
"commodity properties"	residential properties, commercial properties and other buildings that are developed by property developers for the purposes of sale or lease after their completion
"completion certificate"	construction work completion inspection certificate issued by local urban construction bureaus or equivalent authorities in China with respect to the completion of property projects subsequent to their on-site examination and inspection (竣工備案表)
"Existing Guaranteed Senior Notes"	the October 2025 Guaranteed Senior Notes and the May 2026 Guaranteed Senior Notes
"Existing Senior Notes"	the July 2025 Notes
"GFA"	gross floor area
"Jiangsu Future Land"	Jiangsu Future Land Co., Ltd. (江蘇新城地產股份有限公司), our subsidiary established on October 10, 1997 with B shares listed on the Shanghai Stock Exchange (Stock Code: 900950), which was absorbed and merged by Seazen Holdings by way of share swap and was delisted and deregistered as a legal person on April 13, 2016
"July 2025 Notes"	the US$300,000,000 4.45% Senior Notes due 2025 of the Company issued on January 13, 2021

"land grant contract"	an agreement we and the relevant local government authority enter into after the public tender, auction or listing-for-sale (as applicable), which provides for, among other things, the amount of land grant premium that we should pay for acquiring the land use rights of the relevant land parcel. After we have paid the land grant premium and satisfied any other conditions as set forth in the land grant or land use rights contract, we will obtain a land use rights certificate for the relevant land parcel (國有土地使用權出讓合同)
"land use rights certificate"	a certificate (or certificates as the case may be) of the rights of a party to use a parcel of land (土地使用權證)
"LAT"	land appreciation tax (土地增值税) as defined in the PRC Provisional Regulations on Land Appreciation Tax of 1994 and its implementation rules
"May 2026 Guaranteed Senior Notes"	the US$404,000,000 4.50% Guaranteed Senior Notes due 2026 of New Metro Global Limited (新城環球有限公司) and guaranteed by the Company, issued on February 2, 2021
"October 2025 Guaranteed Senior Notes"	the US$300,000,000 4.625% Guaranteed Senior Notes due 2025 of New Metro Global Limited (新城環球有限公司) and guaranteed by Seazen Holdings, issued on July 15, 2021
"rentable GFA"	in relation to (i) completed property projects, the total GFA shown in the relevant completion documents, survey documents and/or property ownership certificates for leasing purposes; and (ii) projects where we have obtained pre-sale permits, the leasable GFA as shown in the pre-sale permits, completion documents, survey documents and/or property ownership certificates for leasing purposes
"salable GFA"	in relation to (i) completed property projects, the total GFA shown in the relevant completion documents, survey documents and/or property ownership certificates for sale purposes; and (ii) projects where we have obtained pre-sale permits, the salable GFA as shown in the pre-sale permits, completion documents, survey documents and/or property ownership certificates for sales purposes
"S-Enjoy"	S-Enjoy Service Group Co., Limited (新城悦服務集團有限公司), our related party with shares listed on the Stock Exchange of Hong Kong (Stock Code: 1755)
"Seazen Holdings"	Seazen Holdings Co., Ltd. (新城控股集團股份有限公司), our subsidiary established on October 10, 1997 with A shares listed on the Shanghai Stock Exchange (Stock Code: 601155)
"September 2020 Corporate Bonds II"	the RMB1,000,000,000 5.90% corporate bonds due 2025 of Seazen Holdings issued on September 1, 2020

"total gross floor area" or "total GFA"	the above-ground and underground salable and/or leasable area contained within the external walls of any building at each floor level and the whole thickness of the external walls of the relevant project together with other non-leasable and non- salable area. In general this includes mechanical and electrical services rooms, refuse rooms, water tanks, car parks, lifts and staircases; all site area and GFA information presented in this offering memorandum represent the site area and GFA of the entire project, including those attributable to the non- controlling interests of non-wholly owned project companies included in our consolidated financial statements

SUMMARY

This summary does not contain all the information that may be important to you in deciding to invest in the Notes. You should read the entire offering memorandum, including the section headed "Risk Factors" and our consolidated financial statements and related notes thereto, before making an investment decision. To understand the terms of the Notes, you should carefully read the section headed "Description of the Notes."

Overview

We are a leading property developer in the Yangtze River Delta, focusing primarily on the development of quality residential properties and mixed-use complex projects. In 2024, we were ranked fourth and second among the top 10 Chinese commercial real estate developers by comprehensive strengths and by operations, respectively, by China Real Estate Industry Federation (中國房地產業協會) and Shanghai E-House Real Estate Research Institute (上海易居房地產研究院). In addition, we received various recognitions from China Index Academy in 2024, including being named among the top 10 commercial real estate developers by operations in the PRC and being recognized as an excellent construction operation enterprise. We also received various recognitions at the Annual Premier Product Strength Conference in 2024 (2024超級產品力年度大會), which was co-organized by EH Consulting (億翰智庫) and AUDG (艾迪格設計) under the guidance of China Real Estate Chamber of Commerce (全聯房地產商會), including being named as a 2024 national model of the fourth generation residential projects and being ranked among the top 20 Chinese real estate enterprises by delivery strength and by product strength, the top 10 national excellent construction projects and the top 10 Chinese construction enterprises by product strength.

As of December 31, 2024, we had 222 real estate projects which were under development and/or held for future development in 92 major cities in the PRC. These projects included approximate 19.7 million sq.m. under development and approximately 19.3 million sq.m. held for future development. As of December 31, 2024, we had land reserves with a total estimated GFA of 31.4 million sq.m., of which 23.6 million sq.m. are attributed to our Group's interests.

Our Property Development Operations

Property development operations comprise, among other things, land acquisition, product development and construction, property sales and pre-sales and property management. For product development and construction, we engage third-party contractors to provide a wide range of services which include, without limitation, architectural and interior design, construction, electromechanical engineering and landscaping. To shorten the period between site acquisition, pre-sale and completion of our properties, we have adopted a "rapid asset turnover" business model for our property development operations. As a result, we have been able to rapidly replicate our projects, shorten development cycles, maximize investment returns, improve cash flows and mitigate liquidity risks.

Our Diversified Product Offerings

We develop and sell a variety of residential property types, through four residential property series, namely, our "FirstHomes" series, "SweetHomes" series, "DreamHomes" series and "PrestigeHomes" series, to target different customers groups, including first time buyers, young families, mid-to-high income households and high net worth individuals. We also develop large-scale, mixed-use complex projects that typically consist of a combination of shopping malls, offices, hotels, serviced apartments, residential properties and other ancillary facilities. We offer three mixed-use complex project series, namely our "International Plaza" series, "City Plaza" series and "Lifestyle Mall" series, to meet the needs and preferences of customers in different locations, including central business districts and emerging business districts.

Recent Developments

Change of Independent Directors of Seazen Holdings

On January 9, 2025, Mr. Chen Donghua, an independent director of Seazen Holdings resigned from his position as an independent director of Seazen Holdings, which resignation shall become effective upon the appointment of a new independent director. Mr. Chen Donghua does not hold any position in Seazen Holdings after the resignation.

On March 8, 2025, shareholders of Seazen Holdings approved appointments of Mr. Li Lianjun and Mr. Yao Zhiyong as independent directors of Seazen Holdings at an extraordinary general meeting (EGM) held on 7 March, 2025.

Corporate Information

We are a limited liability company incorporated under the laws of the Cayman Islands. Our ordinary shares have been listed on the main board of the Hong Kong Stock Exchange (Stock Code: 01030) since November 2012. Our subsidiary, Seazen Holdings (Stock Code: 601155), has A shares listed on the Shanghai Stock Exchange.

THE OFFERING

Terms used in this summary and not otherwise defined shall have the meanings given to them in "Description of the Notes."

Issuer/Company	Seazen Group Limited (新城發展控股有限公司)
Notes Offered	US$300,000,000 aggregate principal amount of 11.88% senior notes due 2028. Certain investors, including our affiliates, have purchased a majority of the Notes being offered under this offering memorandum.
Offering Price	98.166% of the principal amount of the Notes.
Maturity Date	June 26, 2028.
Interest.	The Notes will bear interest from and including June 26, 2025 at the rate of 11.88% per annum, payable semi-annually in arrears.
Interest Payment Dates	June 26 and December 26 of each year, commencing on December 26, 2025.
Ranking of the Notes	The Notes are: • general obligations of the Company; • senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; • at least *pari passu* in right of payment with the May 2026 Guaranteed Senior Notes and all other unsecured, unsubordinated Indebtedness of the Company (subject to any priority rights of such, unsecured unsubordinated Indebtedness pursuant to applicable law); and • effectively subordinated to the July 2025 Notes and the secured obligations of the Company, to the extent of the value of the assets serving as security therefor.
Use of Proceeds	We estimate that the gross proceeds from this offering, before deducting the underwriting discounts and commissions and other estimated expenses payable in connection with this offering, will be approximately US$294.0 million. We intend to use the net proceeds to fund the Concurrent Offers to Purchase. Pending application of the net proceeds of this offering, we intend to invest such net proceeds in "Temporary Cash Investments" as defined under the section headed "Description of the Notes."

Optional Redemption	At any time and from time to time on or after June 26, 2027, the Company may at its option redeem the Notes, in whole or in part, at the redemption price equal to 102.97% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including), the redemption date. At any time prior to June 26, 2027, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date. At any time and from time to time prior to June 26, 2027, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the Net Cash Proceeds of one or more sales of Common Stock of the Company in an Equity Offering at a redemption price of 111.88% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes originally issued on the Original Issue Date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related Equity Offering.
Concurrent Offers to Purchase	Concurrently with this offering, we are conducting an offer to purchase for cash our 4.45% Senior Notes due 2025 (ISIN: XS2281036249), and New Metro Global Limited (新城環球有限公司), a subsidiary of our Company, is conducting an offer to purchase for cash its 4.625% Guaranteed Senior Notes due 2025 (ISIN: XS2353272284) (collectively, the "**Concurrent Offers to Purchase**").
Repurchase of Notes Upon a Change of Control Triggering Event	Upon the occurrence of a Change of Control Triggering Event, the Company will make an offer to repurchase all outstanding Notes at a purchase price equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the repurchase date.
Redemption for Taxation Reasons	Subject to certain exceptions and as more fully described herein, the Company may redeem the Notes, as a whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Company, as the case may be, for redemption, if the Company, as the case may be, would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws or certain other circumstances. See "Description of the Notes – Redemption for Taxation Reasons."

"Repurchase of Notes at the Option of Holders"	Holders of the Notes have the right, at their option, to require the Company to repurchase for cash all of their Notes, or any portion of the principal thereof in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess thereof, on June 26, 2027 at the repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest to, but excluding, June 26, 2027. See "Description of the Notes – Repurchase of Notes at the Option of Holders."
Covenants	The Indenture will limit the ability of the Company and its Restricted Subsidiaries to, among other things: • incur or guarantee additional indebtedness and issue disqualified or preferred stock; • declare dividends on its capital stock or purchase or redeem capital stock; • make investments or other specified restricted payments; • enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends, transfer assets or make intercompany loans; • issue or sell capital stock of Restricted Subsidiaries; • guarantee indebtedness of Restricted Subsidiaries; • enter into transactions with shareholders or affiliates; • create liens; • enter into sale and leaseback transactions; • sell assets; and • effect a consolidation or merger. These covenants are subject to a number of important qualifications and exceptions described in "Description of the Notes – Certain Covenants."
Transfer Restrictions	The Notes will not be registered under the U.S. Securities Act or under any state securities laws of the United States and will be subject to customary restrictions on transfer and resale. See "Transfer Restrictions."

Form, Denomination and Registration	The Notes will be issued in fully registered form without interest coupons. The Notes will be issued in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess thereof and will be deposited with a common depositary and registered in the name of the common depositary or its nominee for the accounts of Euroclear and Clearstream.
Book-Entry	The Notes will be issued in book-entry form through the facilities of Euroclear and Clearstream. For a description of certain factors relating to clearance and settlement, see "Description of the Notes – Book-Entry; Delivery and Form."
Delivery of the Notes	The Company expects to make delivery of the Notes, against payment in same-day funds on or about June 26, 2028, which the Company expects will be the tenth business day following the date of this offering memorandum referred to as "T+10". You should note that initial trading of the Notes may be affected by the T+10 settlement. See "Plan of Distribution."
Trustee and Paying Agent	The Bank of New York Mellon, London Branch
Registrar and Transfer Agent	The Bank of New York Mellon SA/NV, Dublin Branch
Listing	Approval-in-principle has been received for the listing and quotation of the Notes on the SGX-ST. For so long as any of the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Notes will be traded on the SGX-ST in a minimum board lot size of US$200,000.
Governing Law	The Notes and the Indenture will be governed by and will be construed in accordance with the laws of the State of New York.
Risk Factors	For a discussion of certain factors that should be considered in evaluating an investment in the Notes, see "Risk Factors."
Ratings	The Notes are expected to be rated B- by S&P. A security rating is not a recommendation to buy, sell, or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Security Codes	**ISIN**	**Common Code**
	XS3099012406	309901240

SUMMARY HISTORICAL FINANCIAL AND OTHER DATA

The following summary consolidated statements of income data for the years ended December 31, 2022, 2023 and 2024 and the summary consolidated statements of financial position data as of December 31, 2022, 2023 and 2024 have been derived from, and should be read in conjunction with, our audited consolidated financial statements for the years ended December 31, 2022, 2023 and 2024, as audited by Grant Thornton Hong Kong Limited, our independent certified public accountants, included elsewhere in this offering memorandum[1].

The financial information has been prepared and presented in accordance with HKFRS Accounting Standards, which differ in certain respects from generally accepted accounting principles in other jurisdictions. You should read the summary financial data below in conjunction with the section headed "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements and unaudited consolidated interim financial statements that are included elsewhere in this offering memorandum. Historical results are not necessarily indicative of future results.

Note:

1. The audited consolidated financial statements for the years ended December 31, 2022 and 2023 as disclosed in our annual reports for such years were audited by PricewaterhouseCoopers ("**PwC**"), who was our auditor until November 2024. PwC resigned as our auditor with effect from November 25, 2024, and Grant Thornton Hong Kong Limited ("**Grant Thornton**") was appointed as our new auditor with effect from November 26, 2024. For the purpose of this offering, Grant Thornton also performed an audit of our consolidated financial statements for the years ended December 31, 2022 and 2023, which are included in this offering memorandum.

Summary Consolidated Statements of Income and Other Financial Data

	Year ended December 31,			
	2022	2023	2024	
	(RMB)	(RMB)	(RMB)	(US$)
		(in thousands)		(unaudited)
Revenue	**116,540,630**	**119,463,530**	**89,226,520**	**12,223,983**
Cost of sales and services	(100,601,822)	(103,295,543)	(74,242,114)	(10,171,128)
Gross profit	**15,938,808**	**16,167,987**	**14,984,406**	**2,052,855**
Fair value (losses)/gains on investment properties	1,455,337	23,353	(39,030)	(5,347)
Selling and marketing costs	(5,558,769)	(5,209,342)	(4,032,137)	(552,401)
Administrative expenses	(5,194,244)	(4,149,847)	(3,193,640)	(437,527)
Net impairment losses on financial assets	(424,109)	(1,197,403)	(908,136)	(124,414)
Other income	336,826	160,918	81,305	11,139
Other expenses	(18,702)	(10,037)	(3,688)	(505)
Other gains/(losses) – net	(454,935)	439,325	(125,823)	(17,238)
Operating profit	**6,080,212**	**6,224,954**	**6,763,257**	**926,562**
Finance income	388,005	297,430	78,269	10,723
Finance costs	(3,777,877)	(3,035,696)	(2,982,154)	(408,553)
Finance costs – net	**(3,389,872)**	**(2,738,266)**	**(2,903,885)**	**(397,830)**
Share of results of associates	383,508	692,825	636,575	87,210
Share of results of joint ventures	620,658	840,158	(302,001)	(41,374)
Profit before income tax	**3,694,506**	**5,019,671**	**4,193,946**	**574,568**
Income tax expense	(2,951,802)	(5,486,705)	(3,511,848)	(481,121)
(Loss)/profit from continuing operations	**742,704**	**(467,034)**	**682,098**	**93,447**
Profit from discontinued operation	**–**	**1,251,606**	**–**	**–**
Profit for the year	**742,704**	**784,572**	**682,098**	**93,447**
Profit/(Loss) for the year attributable to:				
Equity holders of the Company	280,673	879,296	491,312	67,309
Non-controlling interests	462,031	(94,724)	190,786	26,138
	742,704	784,572	682,098	93,447
Other Financial Data				
EBITDA[(1)]	13,275,546	13,927,704	12,676,500	1,736,673
EBITDA margin[(2)]	11.4%	11.7%	14.2%	14.2%

(1) EBITDA refers to our operating profit plus depreciation, amortization and capitalized interest under cost of sales, but excluding fair value gains on the investment properties and other gains or losses, net. EBITDA is not a standard measure under HKFRSs. EBITDA is a widely used financial indicator of a company's ability to service and incur debt. EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. EBITDA does not account for taxes, interest expense or other non-operating items. In evaluating EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as sales and operating expenses and the amount by which EBITDA exceeds capital expenditures and other charges. We have included EBITDA because we believe it is a useful supplement to cash flow data as a measure of our performance and our ability to generate cash flow from operations to cover debt service and taxes. EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare our EBITDA to EBITDA presented by other companies because not all companies use the same definition. See the section headed "Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Financial Measures" for a reconciliation of our profit for the year under HKFRSs to our definition of EBITDA. Investors should also note that EBITDA as presented herein may be calculated differently from Consolidated EBITDA as defined and used in the Indenture. See the section headed "Description of the Notes – Definitions" for a description of the manner in which Consolidated EBITDA is defined for purposes of the Indenture.

(2) EBITDA margin is calculated by dividing EBITDA by revenue.

Summary Consolidated Statements of Financial Position Data

	As of December 31,			
	2022	2023	2024	
	(RMB)	(RMB)	(RMB)	(US$)
		(in thousands)		(unaudited)
ASSETS				
Non-current assets				
Property, plant and equipment	7,987,902	3,861,304	3,739,661	512,331
Right-of-use assets	1,475,120	1,060,960	1,032,060	141,392
Investment properties	113,262,575	121,088,100	122,852,249	16,830,689
Intangible assets	366,147	284,016	40,702	5,576
Investments in associates	12,832,996	12,854,475	10,460,200	1,433,042
Investments in joint ventures	12,958,270	11,714,732	10,648,135	1,458,789
Deferred income tax assets	7,640,630	6,607,576	6,125,095	839,135
Financial assets at fair value through profit or loss	359,942	366,989	304,684	41,742
Financial assets at amortised costs	219,687	267,411	–	–
Goodwill	777	777	–	–
Trade and other receivables and prepayments	630	639	653	89
Total non-current assets	**157,104,676**	**158,106,979**	**155,203,439**	**21,262,785**
Current assets				
Prepayments for leasehold land	2,498,583	2,095,610	1,875,460	256,937
Properties held or under development for sale	204,412,729	142,531,410	97,029,850	13,293,035
Trade and other receivables and prepayments	61,516,856	50,928,943	42,366,724	5,804,217
Contract costs	3,789,212	3,336,978	1,475,183	202,099
Financial assets at fair value through other comprehensive income	641,455	148,608	93,805	12,851
Financial assets at fair value through profit or loss	545,199	270,704	366,874	50,262
Financial assets at amortised costs	511,917	169,410	95,310	13,057
Restricted cash	10,017,870	6,274,884	3,703,679	507,402
Cash and cash equivalents	22,435,399	13,225,030	6,914,613	947,298
Total current assets	**306,369,220**	**218,981,577**	**153,921,498**	**21,087,158**
Total assets	**463,473,896**	**377,088,556**	**309,124,937**	**42,349,943**
EQUITY				
Equity attributable to owners of the Company				
Share capital: nominal value	5,822	5,822	5,822	798
Reserves	44,747,790	45,866,173	46,348,002	6,349,650
	44,753,612	45,871,995	46,353,824	6,350,448
Non-controlling interests	**48,260,729**	**44,637,346**	**40,435,935**	**5,539,700**
Total equity	**93,014,341**	**90,509,341**	**86,789,759**	**11,890,148**

	As of December 31,			
	2022	2023	2024	
	(RMB)	(RMB)	(RMB)	(US$)
		(in thousands)		
				(unaudited)
LIABILITIES				
Non-current liabilities				
Trade and other payables	–	–	193,970	26,574
Borrowings	43,874,405	38,413,872	41,661,723	5,707,633
Lease liabilities	599,709	1,303,788	1,230,236	168,542
Deferred income tax liabilities	7,712,480	8,188,259	7,584,648	1,039,093
Total non-current liabilities	**52,186,594**	**47,905,919**	**50,670,577**	**6,941,842**
Current liabilities				
Trade and other payables	106,949,413	97,215,279	88,801,722	12,165,785
Advances from lessees	861,548	1,012,257	1,002,453	137,335
Contract liabilities	164,832,371	106,091,241	55,308,646	7,577,253
Current income tax liabilities	9,886,047	9,523,320	10,385,529	1,422,812
Borrowings	35,663,149	24,755,728	16,071,392	2,201,772
Lease liabilities	80,433	75,471	94,859	12,996
Total current liabilities	**318,272,961**	**238,673,296**	**171,664,601**	**23,517,953**
Total liabilities	**370,459,555**	**286,579,215**	**222,335,178**	**30,459,795**
Total equity and liabilities	**463,473,896**	**377,088,556**	**309,124,937**	**42,349,943**

RISK FACTORS

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

We believe that there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business; (ii) risks relating of our industry; (iii) risks relating to doing business in the PRC; (iv) risks relating to the Notes.

Risks Relating to Our Business

Our operations are subject to extensive government policies and regulations and, in particular, we are susceptible to changes in policies affecting the PRC property industry and the regions in which we operate.

Our business is subject to extensive governmental regulations and, in particular, we are susceptible to policy changes in the PRC property industry. In particular, the PRC government exerts considerable direct and indirect influence on the development of the PRC property industry by imposing industry policies and other economic measures, such as control over the supply of land for property development, property financing, taxation and foreign investment. Through these policies and measures, the PRC government may restrict or reduce land available for property development, raise the benchmark interest rates of commercial banks, place additional limitations on the ability of commercial banks to make loans to property developers and property purchasers, impose additional taxes and levies on property sales and restrict foreign investment in the PRC property industry.

From time to time, the PRC government adjusts its regulation of the property market depending on macroeconomic conditions to achieve policy goals, such as preventing the overheating of the property market or stimulating the property market during and after an economic downturn. In recent years, various administrative bodies launched a series of measures to discourage speculation and control the growth of the PRC property market. Demand for properties and property prices in China have fluctuated significantly in recent years, and are expected to continue to be affected by macro-economic control measures implemented by the PRC government from time to time.

During 2020 and 2021, the government regulatory agencies frequently issue documents to regulate real estate enterprise financing, and strictly supervise the standardized and non-standardized financing of the real estate industry. In the first half of 2020, the PBOC emphasized adhering to the principle that "houses are used for living, not for speculation" and the requirements of "not using real estate as a short-term means to stimulate the economy," so as to maintain the continuity, consistency and stability of real estate financial policies. In August 2020, the PBOC and the Ministry of Housing and Urban-Rural Development of the PRC (MOHURD) jointly held a meeting which emphasized the importance of market-oriented, regular and transparent financing rules applicable to real estate developers in cultivating a sustainable, stable and healthy development of real estate market. The PBOC and the MOHURD formulated the "Three Red Lines" policy to monitor the leverage ratio and regulate the ability of the real estate enterprises to incur additional debt. The "Three Red Lines" refer to certain financial metrics of a real estate enterprise: (i) the liabilities to assets ratio after excluding advances received from customers shall not exceed 70%; (ii) the net gearing ratio shall not exceed 100%; and (iii) cash to short term borrowing ratio shall not be less than 1. The real estate enterprises that fail to meet three targets shall not increase the amount of interest-bearing borrowings; the real estate enterprises that fail to meet two targets may increase the amount of interest-bearing borrowings by 5% each year; the real estate enterprise that fail to meet one target may increase the amount of interest-bearing borrowings by 10% each year; and the real estate enterprises that meet all three targets may increase the amount of interest-bearing borrowings by 15% each year. All real estate enterprises will have to meet all three requirements by the end of 2023.

Since 2022, in response to the industry-wide adjustment, the regulatory agencies of the PRC government have subsequently issued a series of policies and measures to optimize the operation of the real estate market, aiming to support the reasonable financing needs of real estate projects and promote the stable and healthy development of the real estate market. In November 2022, the PBOC and the China Banking and Insurance Regulatory Commission jointly issued the Notice on ledging Financial Support for the Stable and Healthy Development of the Housing Market (《關於做好當前金融支持房地產市場平穩健康發展工作的通知》) which proposed measures and opinions on six major aspects, including maintaining stable and orderly real estate financing, actively providing financial services for "ensuring the completion of housing projects", actively cooperating in the disposal of distressed real estate enterprises, legally protecting the legitimate rights and interests of housing financial consumers, temporarily adjusting certain financial management policies, and increasing financial support for housing rental. The policy encourages financial institutions to prioritize support for well-governed, business-focused, and creditworthy real estate enterprises to achieve steady development. It also urges financial institutions, on the basis of risk controllability and commercial sustainability, to optimize credit services for construction enterprises by providing necessary loan support to ensure financing continuity and stability. Additionally, the policy supports high-quality real estate enterprises in issuing bonds for financing. It encourages bond issuers to communicate with holders in advance to ensure proper arrangements for bond repayment funds. Bond issuers are also supported in repurchasing bonds in both domestic and overseas markets. Furthermore, trust and other asset management products are encouraged to facilitate reasonable financing needs in the real estate sector. In January 2024, the MOHURD and the National Financial Regulatory Administration issued the Notice on Establishing a Financing Coordination Mechanism for Urban Real Estate Development (《關於建立城市房地產融資協調機制的通知》) which established a real estate financing coordination mechanism with members including local housing and urban-rural development departments and branches of the National Financial Regulatory Administration, which shall regularly organize parties to conduct consultations and promptly assess the local real estate market situation and real estate financing needs, and coordinate to resolve difficulties and problems in real estate financing. Based on the aforementioned notice, the MOHURD and the National Financial Regulatory Administration further jointly issued on Notice on Further Leveraging the Coordination Mechanism for Urban Real Estate Financing to Meet the Reasonable Financing Needs of Real Estate Projects (《關於進一步發揮城市房地產融資協調機制作用滿足房地產項目合理融資需求的通知》) in June 2024, which required the financial institutions to actively meet the reasonable financing needs of "white list" projects and provide financing to eligible projects to the fullest extent possible. In July 2024, the NDRC issued the Notice on Supporting the Borrowing of Medium- and Long-term Foreign Debt by High-quality Enterprises to Promote High-quality Development of the Real Economy (《關於支持優質企業借用中長期外債促進實體經濟高質量發展的通知》) which supported high-quality enterprises to better integrate domestic and international markets and resources, and fully leverage the positive role of foreign debt funds in serving high-quality development and enhance the quality and level of international circulation. On September 24, 2024, the People's Bank of China and the National Financial Regulatory Administration issued the "Notice on Extending the Duration of Certain Real Estate Financial Policies," (《關於延長部分房地產金融政策期限的通知》), which extends the application period of policies regarding reasonable extensions for outstanding financing such as development loans and trust loans under the "Notice on Providing Current Financial Support for the Stable and Healthy Development of the Real Estate Market" (《關於做好當前金融支持房地產市場平穩健康發展工作的通知》(銀發[2022]254號)).

We cannot assure you that the PRC government will not adopt more stringent industry policies and measures in the future. It is difficult to predict the impact these policies and measures may have on our sales volume and revenue. If we fail to adapt our operations to new policies or measures that may come into effect from time to time, or if our marketing and pricing strategies are not effective, our contracted sales and selling prices may decline, or we may incur additional costs, in which case our operating cash flows, gross profit margin, business prospects, results of operations and financial condition may be materially adversely affected.

Our business and prospects are heavily dependent on the performance of the PRC property markets, particularly in various major cities in Jiangsu Province and Shanghai.

We principally develop and sell properties in cities along the Shanghai-Nanjing Economic Corridor in the Yangtze River Delta. Our business will continue to be heavily dependent on the property markets in the Yangtze River Delta. These property markets may be affected by factors in

local, regional, national and global markets, including prevailing economic conditions, speculative activities in local markets, demand and supply dynamics in the property market, availability of alternative investment choices for property buyers, inflation, government policies, interest rates and availability of capital.

Since the third quarter of 2021, there has been a downturn of the PRC real estate market. Since then, property developers in China have experienced more restrictions in accessing PRC bank lending for real estate development. The negative reaction to the credit tightening and certain credit events relating to PRC real estate developer also adversely affected PRC real estate developer's ability to refinance their indebtedness outside of the PRC. In addition, the broader slowdown in China's economy, exacerbated by the COVID-19 pandemic, reduced the consumer's disposable income and spending pattern, which led to decreased demand for and sales of real estate properties. Such decrease in demand is also compounded by oversupply of housing, particularly in lower-tier cities, as a result of years of rapid development. Several notable PRC real estate developers have faced severe liquidity crises, as a result of the reduction in demand, which led to their default on international indebtedness and ongoing restructuring efforts. The defaults of major developers also had a ripple effect on the consumer's confidence, the industry outlook and the broader economy. As a result of the industry-wide adjustment, the overall property investment has seen significant declines, and the sales of new property have also fallen significantly both in terms of property prices and number of units sold. The results of operations of PRC real estate developers have also been negative impacted by the industry headwinds, including ours. Since 2023, the PRC government has announced monetary policy adjustments, more proactive fiscal policy and other specific measures to support the real estate sector and boost consumer confidence. There can be no assurance that the consumer confidence in the PRC real estate market and the overall demand for real properties in China will improve in the near future, and if the industry headwind persists or worsens, there is no assurance that we will be able to continue maintain our growth and profitability, which could have material and adverse effects on our business, results of operations and financial condition.

In addition, the PRC property market will continue to be affected by economic, monetary, fiscal or other policies and measures of the PRC government. If economic conditions in the PRC deteriorate, if the PRC government implements macro-economic control or other measures that aim to curtail, or have the effect of curtailing, property demand or property development in China and particularly in the regions where we operate, or if we fail to respond to changes in market conditions and government policies, in particular those related to our target markets, in a timely manner, our business, prospects, financial condition and results of operations would be materially and adversely affected. Any decreased property demand is likely to affect the selling prices of our properties as well as the time it will take us to pre-sell or sell our properties. Lower selling prices, without a corresponding decrease in costs, will adversely affect our gross profit and reduce cash flows generated from the sale of our properties, which may increase our reliance on external financing and adversely impact our ability to finance the growth of our business. Delays in selling properties will increase our selling and distribution costs as well as reduce the cash flows generated from the sale of our properties, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

We are subject to risks associated with certain covenants or restrictions under our bank borrowings which may adversely affect our business, financial condition and results of operations.

As of the date of this offering memorandum, we are subject to certain restrictive covenants in the loan contracts between us and certain banks. Some of our loan agreements with financial institutions contain cross-default clauses. If any cross-default occurs, such banks will be entitled to accelerate repayment of all or any part of the loans from such banks and to take action against all or any of the security for such indebtedness. In addition, some of our PRC operating subsidiaries are subject to certain material covenants that restrict them from carrying out any merger, restructuring, spin-off, reduction of registered share capital, material asset transfer, liquidation, change in shareholding or management structure, establishment of any joint venture, issuance of bonds or substantive increase of debt financing without the lenders' written consent. Furthermore, as long as such loans are outstanding, some of our relevant operating subsidiaries may not be able to provide guarantees to any third parties that would impair their ability to repay the relevant loans. We cannot assure you that we will be able to abide by all restrictive covenants and cross-default provisions of any of our loan contracts in the future. Should we fail to abide by these provisions, our lenders may be entitled to accelerate repayment of our loans, in which case our business, financial condition and results of operations will be adversely affected.

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

Property development is capital-intensive, and we expect to continue to incur significant capital expenditures for construction and land acquisition. We finance our property projects primarily through a combination of internally generated funds, including proceeds from pre-sales and sales of our properties, and external financing, such as borrowings from financial institutions comprising China Banking Regulatory Commission (the "**CBRC**") licensed commercial banks. Our ability to obtain external financing in the future and the cost of such financing are subject to uncertainties, some of which are beyond our control, including:

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

The PRC government has implemented a number of measures to manage money supply growth and credit availability, especially with respect to the property development sector. For example:

- the People's Bank of China (the "**PBOC**") has adjusted the Renminbi deposit reserve ratio several times since 2010;
- the PBOC has adjusted the benchmark one-year bank lending rate many times since 2008;
- commercial banks may not grant loans to property developers to pay land premiums; and
- the CBRC has issued guidelines that require at least 25% of the total investment in a property project to be funded by the developer's own capital.

The above measures and other similar government actions and policy initiatives have limited our ability and flexibility in incurring additional indebtedness to finance our property projects. We cannot assure you that the PRC government will not introduce other initiatives that may further limit our access to capital, or that we will be able to secure adequate financing or renew our existing credit facilities on commercially reasonable terms, or at all.

Our financing costs are subject to changes in interest rates.

We have incurred and expect to continue to incur significant interest expenses relating to our borrowings. Accordingly, changes in interest rates have affected and will continue to affect our financing costs. Because the majority of our borrowings are in Renminbi, the interest rates on our borrowings are primarily affected by the benchmark interest rates set by the PBOC, which have fluctuated significantly in recent years. As of December 31, 2022, 2023 and 2024, the weighted average interest rate for our total borrowings was 6.45%, 6.15% and 5.88%, respectively. Our interest costs incurred in the years ended December 31, 2022, 2023 and 2024 were RMB5,643.2 million, RMB4,368.5 million and RMB3,581.5 million (US$490.7 million), respectively. Future increases in the PBOC benchmark interest rate may lead to higher lending rates, which may increase our financing costs and thereby adversely affect our business, financial condition and results of operations.

We may not be able to acquire land reserves in desirable locations that are suitable for development at commercially acceptable prices in the future.

The growth and success of our business depend on our ability to continue to acquire land reserves in desirable locations that are suitable for our projects at commercially reasonable prices.

Our ability to acquire land may depend on a variety of factors, such as overall economic conditions, our effectiveness in identifying and acquiring land parcels suitable for development and competition for such land parcels. Our land reserves were primarily acquired in land auctions held by local governments and through the acquisition of property development companies or property development rights from other developers. The availability and price of land sold at auctions depend on factors beyond our control, including government land policies and competition. The PRC government and relevant local authorities control the supply and price of new land parcels and approve the planning and use of such land parcels. Furthermore, the rapid development of the cities in Jiangsu Province and Shanghai in recent years has resulted in a shortage in the supply of undeveloped land in desirable locations and increased land acquisition costs, which is one of the largest components of our cost of sales.

We may not successfully manage our growth and expansion.

In recent years, we have diversified our product portfolio by expanding into the development of mixed-use complex projects. In addition to growing our presence in Shanghai, Nanjing, Hangzhou, Wuxi, Suzhou, Nantong, Zhenjiang, Taizhou and Jiaxing in the Yangtze River Delta, we have been expanding our geographic coverage to Changsha in Hunan Province, Wuhan in Hubei Province, Nanchang in Jiangxi Province, Changchun in Jilin Province, Anqing in Anhui Province, Haikou in Hainan Province, Qingdao and Jinan in Shandong Province, Chengdu in Sichuan Province, Quanzhou in Fujian Province, Xi'an in Shaanxi Province, Zhengzhou in Henan Province, Kunming in Yunan Province, Chongqing and Tianjin. We are also expanding into the development and operation of hotels and offices and engaging in commercial leasing. We intend to continue to diversify our business.

Expanding into new business segments and geographical locations involves uncertainties and challenges due to our unfamiliarity with new business segments or local regulatory practices and customs, customer preferences and behavior, the reliability of local contractors and suppliers, business practices, business environments and municipal-planning policies. In addition, expanding our business into new geographical locations would entail competition with developers who have a stronger local presence, greater familiarity with local regulatory and business practices and customs, and stronger ties with local suppliers, contractors and purchasers.

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

Expanding our business requires significant capital and management resources. We will also need to increase our workforce to match the expansion of our business. We may also face considerable reputational and financial risks if any new sector of our business is mismanaged or does not meet the expectations of our customers. Any of these factors could have a material adverse effect on our business, financial condition, results of operations and prospects.

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

The property industry in the PRC is heavily regulated. Property developers must abide by various laws and regulations, including rules stipulated by national and local governments to enforce these laws and regulations. To engage in property development and management operations, we must satisfy certain requirements to obtain (and renew for those relating to on-going operations) various licenses, permits, certificates and approvals, including but not limited to, qualification certificates, land use rights certificates, construction work commencement permits, construction work planning permits, construction land planning permits, pre-sale permits and completion certificates.

We cannot guarantee that we will be able to adapt to new rules and regulations that may come into effect from time to time with respect to the property industry or that we will not encounter other material delays or difficulties in fulfilling the necessary conditions to obtain

and/or renew all necessary certificates or permits for our operations in a timely manner, or at all. Therefore, in the event that we fail to obtain or renew, or encounter significant delays in obtaining or renewing, the necessary government approvals for any of our major property projects, we will not be able to continue with our development plans, and our business, financial condition and results of operations may be adversely affected.

Our results of operations may vary significantly from period to period as we derive our revenue principally from the sale of properties.

We derive the majority of our revenue from the sale of properties that we have developed. Our results of operations may fluctuate in the future due to a combination of factors, including the overall schedule of our property development projects, the level of acceptance of our properties by prospective customers, the timing of the sale of properties that we have developed, our revenue recognition policies and any changes in costs and in expenses, such as land acquisition and construction costs. In addition, our property developments are often developed in multiple phases over the course of several years. Typically, as the overall development approaches completion, the sale prices of the properties in such developments tend to increase because a more marketable property is available to purchasers. Furthermore, according to our accounting policy for revenue recognition, we recognize revenue from the sale and pre-sale of our properties upon delivery to purchasers. Generally, there is a timing difference, typically ranging from one year to one and a half years, between the time we commence pre-sale of properties under development and completion of properties. Because the timing of completion of our properties varies according to our construction timetable, our results of operations may vary significantly from period to period depending on the GFA sold or pre-sold and the timing of completion of the properties we sell. Periods in which we pre-sell a large amount of aggregate GFA, however, may not be periods in which we generate a correspondingly high level of revenue, if the properties pre-sold are not completed and delivered within the same period. The effect of timing of delivery on our operational results is accentuated by the fact that during any particular period of time we can only undertake a limited number of projects due to our substantial capital requirements for land acquisition and construction costs as well as the limited supply of land.

Accordingly, our interim results for a certain period may not be indicative of our performance for that financial year or otherwise comparable to our results in previous periods. In light of the above, period-to-period comparisons of our operating results may not be as meaningful as they would be for a company with a greater proportion of recurring revenues.

We rely on third-party contractors to develop our projects.

We engage third-party contractors to carry out various services relating to our property development projects, including design, foundation building, construction, equipment installation, engineering and landscaping. We generally select third-party contractors through a tender process based on their reputation and track record, reliability and financial strength. If the performance of any third-party contractor is not satisfactory, we may need to replace such contractor or take other remedial actions, which could adversely affect the cost structure and development schedule of our projects and could have a negative impact on our reputation, credibility, financial position and business operations. In addition, as we are expanding our business into new geographical locations in the PRC, we may have difficulty hiring contractors that meet our quality standards.

We may engage third-party contractors or management companies to manage the daily operations of our hotels and offices. If the performance of our third-party contractors or management companies is not satisfactory to our customers, our investment properties may experience lower occupancy rates, which would lead to a loss of income or have an adverse impact on our reputation. If we are unable to successfully manage our investment properties, our business, financial condition, results of operations and prospects could be materially adversely affected.

We may not be able to complete our development projects on time, or at all.

Property development projects require substantial capital expenditures prior to and during the construction period for, among other things, land acquisition and construction. The construction of property projects may take a year or longer before they generate positive net cash flow through sales, pre-sales, leasing or rentals. Depending on the type of investment properties and the revenue generated, it may take a year or more after the completion of these properties

before we recognize revenue from such projects. As a result, our cash flows and results of operations may be significantly affected by our project development schedules and any changes to those schedules. The schedules of our project developments depend on a number of factors, including the performance and efficiency of our third-party contractors and our ability to finance construction. Other factors that could adversely affect our project development schedules include:

- natural catastrophes and adverse weather conditions;
- changes in market conditions, economic downturns, and decreases in business and consumer sentiment in general;
- changes in relevant regulations and government policies;
- relocation of existing residents and/or demolition of existing constructions;
- shortages of materials, equipment, contractors and skilled labor;
- labor disputes;
- construction accidents; and
- errors in judgment on the selection and acquisition criteria for potential sites.

Construction delays or failure to complete the construction of a project according to its planned specifications, schedule and budget may harm our reputation as a property developer, lead to loss of or delay in recognizing revenues and lower returns. If a property project is not completed on time, the purchasers of pre-sold units within the project may be entitled to compensation for late delivery. If the delay extends beyond a certain period, the purchasers may be entitled to terminate their pre-sale agreements and claim damages. We cannot assure you that we will not experience any significant delays in completing or delivering our projects in the future or that we will not be subject to any liabilities for any such delays.

We may forfeit land to the PRC government if we fail to develop properties in accordance with the terms and timeframe set out in the land grant contracts.

Under PRC law, if we fail to develop a property project according to the terms of the land grant contract, including those relating to the payment of land grant premium, demolition and resettlement costs and other fees, the designated use of the land and the time for commencement and completion of the property development, the PRC government may issue a warning, impose a penalty, and order us to forfeit the land. Specifically, under current PRC laws, if we fail to commence development for more than one year but less than two years from the commencement date stipulated in the land grant contract, the relevant PRC land bureau may issue a warning to us and impose an idle land fee on the land of up to 20% of the land grant premium. The relevant PRC land bureau also may confiscate our land use rights without compensation if we fail to commence development within two years from the construction commencement date set forth in the land grant contract, unless the delay in the development is caused by government actions or force majeure. Moreover, if a property developer commences development of the land in accordance with the timeframe stipulated in the land grant contract and the developed GFA on the land is less than one-third of the total proposed GFA of the project or the total invested capital is less than one-fourth of the total investment of the project and the development of the land is suspended for more than one year without government approval, the land may be treated as idle land and subject to risk of forfeiture.

In September 2007, the Ministry of Land and Resources issued a notice to strengthen control over the supply of land by requiring developers to develop land according to the terms of the land grant contracts and restricting the participation of non-compliant developers in land auctions. In January 2008, the State Council issued the Notice on Promoting the Land Saving and Efficient Use (關於促進節約集約用地的通知) (國發[2008]3號) to intensify the enforcement of rules on idle land management. Furthermore, the Ministry of Land and Resources issued the Notice on Restricting the Administration of Construction Land and Promoting the Use of Approved Land (關於嚴格建設用地管理促進批而未用土地利用的通知) (國土資發[2009]106號) in August 2009, which reiterated then existing rules on idle land management. On June 1, 2012, the Ministry of

Land and Resources promulgated the revised Measures on the Disposal of Idle Land (閒置土地處置辦法) (國土資源部令第53號), which became effective on July 1, 2012.

These measures require the competent land authorities not to accept any application for new land use rights or process any title transfer transaction, lease transaction, mortgage transaction or land registration application in respect of any idle land before the completion of the required rectification procedures. Our business operations are subject to these measures, which may restrict our development plans and materially and adversely affect our results of operations, prospects and financial condition.

The illiquidity of property investments and the lack of alternative use for investment properties could limit our ability to respond to adverse changes in the performance of our properties.

Any form of real estate investment is illiquid and, as a result, our ability to sell our investment properties in response to changing economic, financial and investment conditions is limited. We also cannot predict the length of time needed to find purchasers to purchase such investment properties. In addition, we may also need to incur capital expenditure to manage and maintain our properties, or to correct defects or make improvements to these properties before selling them. We cannot assure you that financing for such expenditures would be available when needed, or at all.

Furthermore, aging of investment properties, changes in economic and financial condition or changes in the competitive landscape in the PRC property market may adversely affect the amount of rentals and revenue we generate from, as well as the fair value of, our investment properties. However, our ability to convert any of our investment properties to alternative use is limited as such conversion requires extensive governmental approvals in the PRC and involves substantial capital expenditures for the purpose of renovation, reconfiguration and refurbishment. We cannot assure you that such approvals and financing can be obtained when needed. These and other factors that impact our ability to respond to adverse changes in the performance of our investment in properties may adversely affect our business, financial condition and results of operations.

The relevant PRC tax authorities may challenge the basis on which we calculate our LAT obligations.

In accordance with PRC regulations on LAT, companies that receive income from the sale or transfer of land use rights, buildings and their attached facilities are subject to LAT at progressive rates ranging from 30% to 60% of the appreciated value of the property.

We make provisions for the full amount of applicable LAT in accordance with the relevant PRC tax laws and regulations from time to time pending settlement of the same with the relevant tax authorities. As we often develop our projects in phases, deductible items for calculation of LAT, such as land costs, are apportioned among such different phases of development. Provisions for LAT are made on our own estimates based on, among others, our own apportionment of deductible expenses which is subject to final confirmation by the relevant tax authorities upon settlement of the LAT. We believe that our overall provisions for LAT are sufficient. However, given the time gap between the point at which we make provision for and the point at which we settle the full amount of LAT payable, the relevant tax authorities may not necessarily agree with our apportionment of deductible expenses or other bases on which we calculate LAT. Hence, our LAT expenses as recorded in our financial statements of a particular period may require subsequent adjustments. For the years ended December 31, 2022, 2023 and 2024, we recorded approximately RMB1,378.9 million, RMB1,443.8 million and RMB1,227.9 million (US$168.2 million), respectively, as LAT expenses. If we substantially underestimate LAT for a particular period, a payment of the actual LAT assessed and levied on us by the tax authorities could adversely affect our financial results for a subsequent period.

The property development business is subject to claims under statutory quality warranties.

All property developers in the PRC must provide certain quality warranties for the properties they construct or sell. We are required to provide these warranties to our customers. Generally, we receive quality warranties from our third-party contractors with respect to our property projects. If a significant number of claims were brought against us under our warranties and if we were unable to obtain reimbursement for such claims from third-party contractors in a

timely manner or at all, or if the money retained by us to cover our payment obligations under the quality warranties was not sufficient, we could incur significant expenses to resolve such claims or face delays in remedying the related defects, which could in turn harm our reputation, and materially adversely affect our business, financial condition and results of operations.

Our property development schedule may be delayed and our development costs may increase as a result of delayed governmental re-zoning, demolition and resettlement processes.

According to the Regulation on Expropriation and Compensation Related to Buildings on State-owned Land (國有土地上房屋徵收與補償條例) (國務院令第590號), buildings can be expropriated under certain circumstances for public interests but only governmental authorities are permitted to conduct resettlement activities. Real estate developers are prohibited from involvement in the demolition and relocation procedures. If the owners of properties to be demolished are not satisfied with the expropriation decision, they may apply for an administrative review or initiate a lawsuit against the relevant governmental authorities. Compensation for expropriation shall be paid before the resettlement and no less than the market value of similar properties at the time of an expropriation. The occurrence of the foregoing may affect our reputation, increase our costs and delay the pre-sales of the relevant project, which may in turn adversely affect our business, financial position and operational performance.

To the extent demolition and resettlement are required in any of our future property developments, we will be required to compensate existing residents an amount calculated in accordance with local resettlement compensation standards. These local standards may change from time to time without advance notice. If such compensation standards are changed to increase the compensation we are required to pay, our land acquisition costs may increase, which could adversely affect our financial condition and results of operations. In respect of projects in which the resettlement costs are borne by us, if we or the local government fail to reach an agreement over the amount of compensation with any existing owner or resident, any party may apply to the relevant authorities for a ruling on the compensation amount. Dissenting owners and residents may also refuse to relocate. Any administrative process or resistance or refusal to relocate may delay our future project development schedules, and an unfavorable final ruling may result in us paying more than the amount required by the local standards. Any occurrence of the above factors may result in increases in our future development costs, which can adversely affect our cash flows, financial condition and results of operations.

Fluctuations in the price of construction materials and contractors' labor costs could adversely affect our business and financial performance.

The cost of construction materials such as steel as well as labor costs, which constitute a significant portion of our payments to our construction contractors, may fluctuate. Any increase in the cost of construction materials may result in additional costs to us and may lead to future increases in construction contract costs. Construction material costs have fluctuated in recent years. Any increase in the cost of any significant construction materials will adversely impact our overall construction costs, which is generally one of the largest components of our cost of sales. If we cannot pass any or all of the increased costs on to our customers, our profitability will be adversely affected.

If we were unable to successfully retain the services of our current personnel and hire, train and retain senior executives or key personnel, our ability to develop and successfully market our products could be harmed.

The growth and success of our business has depended significantly on certain members of our senior management. Several other members of our management have worked for us for many years and have played, and are expected to continue to play, key roles in making major business decisions. If we were to lose the services of any of our senior management for any reason, we may not be able to find suitable replacements for them. As competition in the PRC for senior management and key personnel with experience in property development is intense and the pool of qualified candidates is limited, we may not be able to retain the services of key personnel, or hire, train and retain high quality senior executives or key personnel in the future. In addition, if any member of our senior management team or any of our other key personnel were to join a competitor or carry on a competing business, we may lose customers and key professionals and staff members. Furthermore, as our business continues to grow, we will need to recruit and train

additional qualified persons. If any of such incidents occurred, our ability to develop and successfully market our products could be harmed and our business and prospects could be adversely affected.

Potential liability for health and environmental problems could result in substantial costs.

We are subject to a variety of laws and regulations concerning the protection of health and the environment. Environmental laws can prohibit or severely restrict property development activities in environmentally sensitive regions or areas. Compliance with health and environmental laws and conditions may result in delays, may cause us to incur substantial compliance and other costs and can severely restrict project development activities in environmentally sensitive regions or areas.

As required by PRC laws, independent environmental consultants have conducted environmental impact assessments on all of our construction projects, and the environmental impact assessment documents for our projects were approved by the relevant government authorities before commencement of construction. Local authorities may suspend the construction activities of and impose penalties on project companies that commence construction of a project before the approval of the project's environmental impact assessment documents. It is possible that there may be material environmental liabilities of which we are unaware, and which may have a material adverse impact on our business.

We may be involved in legal and other disputes from time to time arising out of our operations and may face significant liabilities as a result.

We may from time to time be involved in disputes with various parties involved in the development and the sale of our properties, including contractors, suppliers, construction companies, original inhabitants who are resettled, business partners and purchasers of our properties. These disputes may lead to protests or legal or other proceedings and may result in damage to our reputation, substantial costs and diversion of resources and management's attention from our core business activities. Purchasers of our properties may take legal action against us if our developed properties are perceived to be inconsistent with our representations and warranties made to such purchasers. In addition, we may have compliance issues with regulatory bodies in the course of our operations, in respect of which we may face administrative proceedings and unfavorable decisions that may result in liabilities and cause delays to our property developments. We may be involved in other proceedings or disputes in the future that may have a material adverse effect on our business, financial condition, results of operations or cash flows.

False, inaccurate or negative media reports about us, our directors and management, our related parties or our projects, including the negative news of our previous chairman, whether substantiated or not, may cause harm to our reputation, divert our management's attention and adversely affect our business, financial condition and results of operations.

The development and future trends in the PRC property industry, including business strategies of major property developers, have been the focus of numerous media reports. We are aware of some inaccurate or negative media reports about us, our related parties and our projects. On July 3, 2019, we received a notice from the Putuo Branch of the Shanghai Public Security Bureau informing us that Mr. Wang Zhenhua, our then chairman, was being held in criminal custody for personal reasons. Since then, we have faced media coverage on misconduct allegations against Mr. Wang Zhenhua and inaccurate market speculation of our Group. Mr. Wang Zhenhua no longer holds any official position or take any managerial or operational role in our Company and our operations and business have remained normal since the incident. Furthermore, negative news or publicity concerning our related parties may arise, which may have an adverse impact on us. For example, one of our related parties, S-Enjoy Service Group Co., Limited ("**S-Enjoy**") has recently publicly announced a delay in publication of its 2024 annual results because its then auditors identified certain fund transfer transactions with a related party and subsequently resigned. S-Enjoy has established an independent investigation committee and engaged an independent investigation counsel in this regard. There is no assurance whether such fund transfer transactions are related to us and whether the results of such independent investigation would have a material adverse effect on us. However, upon such negative or inaccurate publicity, our business partners and collaborators, financial institutions that provide us with loans or credit facilities and other parties may suspend, delay or terminate the collaboration with us in the future, which may in

turn adversely affect our business, financial condition and results of operations. In addition, we cannot assure you that the dissemination of any negative media reports or public allegations about us, our directors and management, our related parties or our projects, whether or not substantiated, will not adversely harm our reputation and affect public opinion about us and our projects in the future. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations, which may in turn lead to lenders invoking the acceleration clause in relation to our outstanding borrowings.

Furthermore, such inaccurate or negative media reports may require us to engage in defensive actions, which may divert our management's attention and adversely affect our business and results of operations. We cannot assure you that there will not be any other false, inaccurate or negative media reports about us or our projects in the future. We do not make any representations as to the appropriateness, accuracy, completeness or reliability of the information in such reports. To the extent that the information in such reports is inconsistent or conflicts with this offering memorandum, you should not rely on such information in making an investment decision.

The appraised value of our properties may be different from their actual realizable value and are subject to change.

The appraised value of our properties is based on multiple assumptions that include elements of subjectivity and uncertainty. The assumptions, on which the appraised value of our properties and land reserves are based, include that:

- we will develop and complete projects in accordance with our latest development proposals;
- we have obtained or will obtain on a timely basis all approvals from regulators necessary for the development of the projects, absence of delays caused by weather and natural disasters, and the timely completion of demolition and relocation; and
- we have paid all the land premiums and demolition and resettlement costs and obtained all land use rights certificates and transferable land use rights without any obligation to pay additional land premium or demolition and resettlement costs.

Some assumptions used to reach the appraised value of our properties may prove inaccurate. Therefore, the appraised value of our properties should not be taken as their actual realizable value or a forecast of their realizable value. Unforeseeable changes to the development of our property projects as well as national and local economic conditions may affect the market value of our property holdings.

Our operating results include the change in fair value of our investment properties, which may fluctuate significantly over financial periods and may materially and adversely affect our business, financial position and results of operations.

For the years ended December 31, 2022 and 2023, the fair value gains of our investment properties were RMB1,455.3 million and RMB23.4 million, respectively, of our profit before tax in those financial periods. For the year ended December 31, 2024, we recorded fair value losses of investment properties of RMB39.0 million (US$5.3 million), which was mainly attributable to the slight decrease in valuation of certain investment properties under certain segment due to intensified market competition in 2024 as compared to 2023. The change in fair value in relation to our investment properties may fluctuate in the future. Our business, financial position and results of operations may be materially and adversely affected by any significant change in the fair value of our investment properties that are completed or under development or any transfer of properties held for sale/under development to investment properties.

Fair value (loss)/gain of investment properties is an accounting treatment and does not represent any actual cash inflow that the Company is able to receive. It is determined by reference to valuations conducted on the investment properties by independent property valuers using property valuation techniques which involve certain assumptions of prevailing market conditions. Changes to these assumptions may result in changes in the fair value of the investment properties, which in turn may lead to changes in our business, financial position and results of operations. Investors must exercise their own judgment when reviewing such financial statement items.

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

Under PRC law, construction companies bear the primary civil liability for personal injuries arising out of their construction work. The owner of a property under construction may also bear liability supplementary to the liability of the construction company if the latter is not able to fully compensate the injured. The owner of the property may also bear civil liability for personal injuries, accidents and death if such personal injuries, accidents or death are caused by the fault of such owner.

In respect of the properties we hold for commercial leasing or investment, we do not have a unified policy of procuring insurance policies for all such properties. While some of our commercial properties are covered by property all-risk, equipment damage and public liability insurance, each of our subsidiaries holding an interest in and/or managing commercial properties is at liberty to adopt its own insurance policy from different insurance companies with different coverage. The level of insurance coverage acquired for each of the commercial properties we own and/or manage may not be adequate to cover all losses. In addition, none of the properties held or managed by us for investment were covered by loss of profits insurance. Furthermore, there are certain types of losses, such as losses due to earthquakes, typhoons, floods, wars and civil disorders, for which insurance is not available on what we believe to be commercially reasonable terms in China. As a result, we have not purchased insurance to cover any such losses.

If we suffer any losses, damages or liabilities in the course of our business operations, we may not have adequate insurance coverage to provide sufficient funds to cover any such losses, damages or liabilities or to replace any property that has been destroyed. Therefore, there may be instances when we will sustain losses, damages and liabilities because of our lack of insurance coverage, which may in turn materially adversely affect our financial condition and results of operations.

We guarantee mortgage loans of our customers and may become liable to mortgagee banks if customers default on their mortgage loans.

In accordance with industry practice, banks require us to guarantee mortgage loans taken by purchasers of the properties that we develop. Typically, we guarantee mortgage loans taken out by purchasers up until the time we complete the relevant properties and (i) the property ownership certificates and the mortgage are registered in favor of the mortgagee bank or (ii) the mortgage loans between the mortgagee bank and the purchaser are settled. If a purchaser defaults on a mortgage loan, we may be required to repurchase the underlying property by paying off the mortgage. If we fail to do so, the mortgagee bank may auction the underlying property and recover any additional amount outstanding from us as the guarantor of the mortgage loans. In line with industry practice, we do not conduct any independent credit checks on our customers and rely on the credit evaluation conducted by the mortgagee banks on such customers. These are contingent liabilities not recognized in our consolidated statements of financial position.

As of December 31, 2024, our outstanding guarantees in respect of the mortgages of our customers amounted to RMB21,775.3 million (US$2,983.2 million). Should any material default occur and if we were called upon to honor our guarantees, our financial condition and results of operations could be adversely affected.

Certain important decisions regarding Seazen Holdings may require approval by its independent directors andlor the consent of its shareholders' meeting and we cannot assure you that our strategies, policies and objectives will be adopted by the shareholders' meeting.

A substantial part of our business is carried out through Seazen Holdings, whose A shares are listed on the Shanghai Stock Exchange since November 3, 2015 through a restructuring, for details, please refer to "Business – Restructuring". As of the date of this offering memorandum, Seazen Holdings' issued capital was held as to 67.2% by us and as to 32.8% by other shareholders. Seazen Holdings has historically contributed a significant portion of our Group's total revenue. See "Relationship with Seazen Holdings." Although Seazen Holdings is majority owned by us, it is a public company and thus required under relevant PRC laws and regulations to observe the applicable corporate governance rules that require its operations to be conducted independently of its controlling shareholders. Certain important decisions that may materially affect the interests of the A-shareholders of Seazen Holdings as a whole, including but not limited to, any decision to

issue new securities of the company, undergo material restructuring of assets, acquire substantial assets, procure overseas listing of material subsidiaries or repurchase shares from shareholders as repayment of any loan extended to such shareholders, require approval of the independent directors and/or the shareholders of Seazen Holdings who are independent from its controlling shareholders, in accordance with the terms of its articles of association. We cannot assure you that the strategies, policies and objectives that we support regarding Seazen Holdings will align with the interests of its independent directors and/or shareholders.

Risks Relating to Our Industry

The PRC property market is heavily regulated and subject to frequent introduction of new regulations, including further measures by the PRC government to slow down the growth of the property sector, which may adversely affect property developers.

The PRC government exerts considerable direct and indirect influence on the growth and development of the PRC property market through industry policies and other economic measures such as setting interest rates, controlling the supply of credit by changing bank reserve ratios and implementing lending restrictions, increasing tax and duties on property transfers and imposing foreign investment and currency exchange restrictions. In response to concerns over the increase in property investments, the PRC government introduced various policies and measures to curtail property developments, including:

- requiring real estate developers to finance, with their internal resources, at least 30% of the total investment (excluding affordable housing projects and common commodity housing projects where the relevant threshold shall be 20%);

- limiting the monthly mortgage payment to 50% of an individual borrower's monthly income and limiting all monthly debt service payments of an individual borrower to 55% of his or her monthly income;

- suspending land supply for villa construction and restricting land supply for high-end residential property construction;

- requiring that at least 70% of the land supply approved by any local government for residential property development during any given year must be used for developing low- to medium-cost and small- to medium-size units for sale or as low-cost rental properties;

- requiring that at least 70% of the total development and construction area of residential projects approved or constructed on or after June 1, 2006 in any administrative jurisdiction must consist of units with a unit floor area of less than 90 sq.m. and that projects which have received project approvals prior to this date but have not obtained construction permits must adjust their planning in order to comply with this new requirement, with the exception that municipalities under direct administration of the PRC government and provincial capitals and certain cities may deviate from such ratio under special circumstances upon approval from the MOHURD;

- requiring any first-time home owner using housing reserves (住房公積金) to pay the minimum amount of down-payment at 20% of the purchase price of the underlying property if the underlying property has a unit floor area of less than 90 sq.m. and the purchaser is buying the property as a primary residence, or 30% of the purchase price if the underlying property has a unit floor area of larger than 90 sq.m.;

- requiring any second-time home buyer taking commercial loans for such personal housing purpose to pay a minimum amount of down payment of no less than 30% of the purchase price of the underlying property with a minimum interest rate on such commercial loan of no less than the corresponding term Loan Prime Rate (LPR) plus 20 basis points;

- for a commercial property buyer, (i) requiring banks not to finance any purchase of pre-sold properties, (ii) increasing the minimum amount of down payment to 50% of

the purchase price of the underlying property, (iii) increasing the minimum mortgage loan interest rate to 110% of the relevant PBOC benchmark interest rate, and (iv) limiting the terms of such bank borrowings to no more than 10 years, with commercial banks allowed flexibility based on their risk assessment;

- for a buyer of commercial/residential dual-purpose properties, increasing the minimum amount of down payment to 45% of the purchase price of the underlying property, with the other terms similar to those for commercial properties;

- limiting the grant or extension of revolving credit facilities to property developers that hold a large amount of idle land and vacant commodity properties;

- imposing more restrictions on the types of property developments that foreign investments may engage in;

- imposing or increasing taxes on short-term gains from second-hand property sales;

- restricting foreign investment in the property sector by, among other things, increasing registered capital and other requirements for establishing foreign-invested real estate enterprises (FIREEs), tightening foreign exchange control and imposing restrictions on purchases of properties in China by foreigners;

- requiring commercial banks to suspend mortgage loans to customers for purchase of a third or further residential property, or to non-residents who cannot provide proof of local tax or social security insurance payments for more than a one-year period;

- regulating the benchmark one-year lending rate published by the PBOC;

- adjusting the PBOC Renminbi deposit reserve requirement ratio for all PRC deposit-taking financial institutions several times;

- further increasing down payment ratios and interest rates for loans to purchase second properties in accordance with the price control policies and targets of the corresponding local governments for those cities with excessive growth in housing prices; and

- imposing individual income tax payable on the sales of owner-occupied houses at 20% of the transfer income.

On December 28, 2020, PBOC and China Banking and Insurance Regulatory Commission (CBIRC) jointly promulgated the December 2020 PBOC-CBIRC Notice, which requires a PRC financial institution (excluding its overseas branches), starting from January 1, 2021, to limit the ratio of its real estate loans and personal housing mortgage loans portfolio to its total RMB loan portfolio to a pre-determined ratio (the "**Housing Loan Concentration Management**" policy).

In late 2020, the PBOC and the MOHURD formulated the "Three Red Lines" policy to monitor the leverage ratio and regulate the abilities of the real estate enterprises to incur additional debt, with reference to certain modified liabilities to asset ratio, net gearing ratio and cash to short-term borrowing ratio. For more information, please see "*— We may not always be able to obtain land reserves that are suitable for development.*"

In February 2021, the Ministry of Natural Resources required 22 cities in a pilot program to implement the two-pronged policy on concentrating the housing land supply (the "**Centralized Land Supply**" policy). The cities are required to issue land assignment announcements no more than three times a year, in principle, and to organize land assignment activities in accordance with the relevant announcements. The 22 pilot cities include four first tier cities, Beijing, Shanghai, Guangzhou and Shenzhen, and 18 second tier cities, such as Hangzhou, Nanjing, Xiamen, Suzhou, Chongqing and Wuhan.

On March 26, 2021, the CBIRC, the MOHURD and the PBOC jointly promulgated the Notice on Preventing Loans for Business Purposes from Illegally flowing into the Real Estate Sector (《關於防止經營用途貸款違規流入房地產領域的通知》), which aims to prevent the proceeds

of business loans to flow into the real estate sector through increasing the level of the supervision of the banks over business loans and strengthening the risk management capabilities of the originating banks in pre-loan client screening, post-loan monitoring, internal infrastructure and vetting of third-party vendors.

On May 21, 2021, the MOF, the Ministry of Natural Resources, the STA and the PBOC jointly issued the "Notice on Relevant Issues to Allocate the Tax Administrations to Collect Four Non-tax Governmental Revenues including State-owned Land Use Rights Grant Premiums, Mineral Resources Special Revenues, Sea Area Use Premiums and Uninhabited Islands Use Premiums" (關於將國有土地使用權出讓收入、礦產資源專項收入、海域使用金、無居民海島使用金四項政府非税收入劃轉税務部門徵收有關問題的通知) under which, the local branch of STA will be responsible for the collection of, among others, state-owned land use rights premiums. The pilot scheme has taken effect from July 1, 2021 in certain selected provinces and will be carried out nationwide from January 1, 2022.

On July 13, 2021, the MOHURD, the NDRC, the Ministry of Natural Resources and other five departments jointly issued "the Notice on Continuous Rectification and Regulation of the Order of the Real Estate Market" (關於持續整治規範房地產市場秩序的通知), which requires all relevant governmental agencies to focus on, among others, the issues in real estate development, sales, leasing and property management, with an aim to significantly improve the market dynamics of the real estate market within three years.

We cannot assure you that the PRC government will not change or modify these temporary measures in the future. In addition, provincial, municipal and regional or local governments within the PRC may from time to time impose more stringent and/or permanent measures to slow growth in the property sector. Since 2016, the local governments of several cities in the PRC have implemented a series of measures designed to stabilize the growth of the property market on a more sustainable level. For more information on the various restrictive measures taken by the PRC government, see the section entitled "Regulations." These measures may limit our access to capital resources, reduce market demand for our products and increase our operating costs in complying with these measures. We cannot assure you that the PRC government will not adopt additional and more stringent measures, including but not limited to rules that may restrict the annual increase of interest-bearing indebtedness, which could further slowdown property development in China and adversely affect our business, financial condition and results of operations. The PRC government has implemented regulations replacing the current business tax regime, which is levied on the total revenue of a company, with a value-added tax system, which assesses increments of new value created by a company, for the real estate sector as part of China's major overhaul of its tax structure. In addition, the PRC government may impose a countywide real estate tax in the future. We are not sure when or whether such tax reforms will be imposed and neither can we assess the adverse impact of such new tax policies on our business operations and financial results. If we fail to adapt our operations to such new policies, regulations and measures that may come into effect from time to time with respect to the real property industry, or such policy changes disrupt our business or cause us to incur additional costs, our business, prospects, financial condition and results of operations may be materially and adversely affected.

The PRC property market is volatile.

The PRC property market is volatile and may experience undersupply or oversupply of property units and significant property price fluctuations. Our business depends and will continue to depend on the growth of the economy in the PRC. A significant downturn in the PRC economy could adversely affect the demand for commercial and residential properties. Since the third quarter of 2021, there has been a downturn of the PRC real estate market. Since then, property developers in China have experienced more restrictions in accessing PRC bank lending for real estate development. The negative reaction to the credit tightening and certain credit events relating to PRC real estate developers also adversely affected PRC real estate developers' ability to refinance their indebtedness outside of the PRC. In addition, the broader slowdown in China's economy, exacerbated by the COVID-19 pandemic, reduced the consumer's disposable income and spending pattern, which led to decreased demand for and sales of real estate properties. Such decrease in demand is also compounded by oversupply of housing, particularly in lower-tier cities, as a result of years of rapid development. Several notable PRC real estate developers have faced severe liquidity crises, as a result of the reduction in demand, which led to their default on international indebtedness and ongoing restructuring efforts. The defaults of major developers

also had a ripple effect on the consumer confidence, the industry outlook and the broader economy. As a result of the industry-wide adjustment, the overall property investment has seen significant declines, and the sales of new property have also fallen significantly both in terms of property prices and number of units sold. Since 2023, the PRC government has announced monetary policy adjustments, more proactive fiscal policy and other specific measures to support the real estate sector and boost consumer confidence. There can be no assurance that the consumer confidence in the PRC real estate market and the overall demand for real properties in China will improve in the near future, and if the industry headwind persists or worsens, there is no assurance that we will be able to continue maintain our growth and profitability, which could have material and adverse effects on our business, results of operations and financial condition.

In addition, the PRC central and local governments frequently adjust monetary, fiscal or other economic policies to prevent and curtail the overheating of the economy, which may affect the PRC property market. Such policies may lead to changes in market conditions, including price instability and an imbalance of supply and demand in respect of commercial and residential properties, which may materially adversely affect our business and financial condition. We cannot assure you that there will not be overdevelopment in the PRC property markets, which may in turn cause an oversupply of properties that depresses sale prices and rental income, that would result in an undersupply of potential development sites or increases in land acquisition costs in the markets in which we operate. Such effects may adversely affect our business, financial condition and results of operations.

We face intense competition.

The property market in the Yangtze River Delta and major cities along the Shanghai-Nanjing Economic Corridor has been highly competitive in recent years. Property developers from the PRC and overseas have entered the property development markets in the Yangtze River Delta and major cities along the Shanghai-Nanjing Economic Corridor where we have operations and we may expand into. Many of our competitors, including overseas listed foreign developers and top-tier domestic developers, may have more financial or other resources than us and may be more sophisticated than us in terms of engineering and technical skills. Competition among property developers may cause an increase in land costs and raw material costs, shortages in quality construction contractors, surplus in property supply leading to property price decline, further delays in issuance of governmental approvals, and higher costs to attract or retain talented employees. Moreover, property markets across the PRC are influenced by various other factors, including changes in economic conditions, banking practices and consumer sentiment. If we fail to compete effectively, our business operations and financial condition will suffer.

Risks Relating to Doing Business in the PRC

PRC economic, political and social conditions as well as government policies could adversely affect our business and prospects.

The PRC economy differs from the economies of most of the developed countries in many aspects, including:

- political structure;
- the amount and degree of the PRC government involvement and control;
- level of corruption;
- growth rate and degree of development;
- level and control of capital investment and reinvestment;
- control of foreign exchange; and
- allocation of resources.

The PRC economy has been transitioning from a centrally planned economy to a more market-oriented economy. For more than four decades, the PRC government has implemented

economic reform measures to utilize market forces in the development of the PRC economy. We cannot predict whether changes in the PRC's economic, political and social conditions and in its laws, regulations and policies will have any adverse effect on our current or future business, financial condition or results of operations.

In addition, many of the economic reforms carried out by the PRC government are unprecedented or experimental and are expected to be refined and improved over time. This refining and adjustment process may not necessarily have a positive effect on our operations and business development. For example, the PRC government has in the past implemented a number of measures intended to slow down certain segments of the economy, including the real estate industry, which the government believed to be overheating. These actions, as well as other actions and policies of the PRC government, could cause a decrease in the overall level of economic activity in the PRC and, in turn, have an adverse impact on our business and financial condition.

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

Our business is subject to general economic and social conditions in China. Geopolitical tension and conflicts, natural disasters, epidemics, pandemics and other acts of God which are beyond our control may adversely affect the economy, infrastructure and livelihood of the people in China. Geopolitical tension and conflicts have been escalating continuously in recent years. For instance, the U.S.-China trade tensions have led to the introduction of high tariffs on various goods trading between the two countries, such as high-technology goods, semiconductors, and electronics. The trade tensions between the two countries have been rising and there is a possibility that the extent and scale of trade restrictions between the two countries continue to be escalated if the U.S. and China fail to reach any agreement to settle the issues. There is no assurance as to how the U.S.-China trade tensions might develop or whether there will be any changes to the scope and extent of goods that are or will be being subject to such export controls, sanctions, tariffs, or new trade policies introduced by the two countries. Additionally, the Russia-Ukraine conflict has resulted in significant disruptions to supply chains, logistics and business activities in the regions being affected. The conflict has also caused, and continues to intensify, significant geopolitical tensions in Europe and across the globe. The resulting sanctions imposed are expected to have significant impacts on the economic conditions of the countries and markets targeted by such sanctions, and may have unforeseen, unpredictable secondary effects on global energy prices, supply chains and other aspects of the global economy. Any disruptions or continuing or worsening slowdown, whether as a result of the trade tensions, the Russia-Ukraine conflict, the Israel-Hamas conflict or other reasons, could significantly reduce commerce activities in China and globally. Moreover, rising inflation could result in higher costs of services and supplies and a decrease in consumer spending, which could negatively affect our business operations and financial condition. Some regions in China, including the cities where we operate, are under the threat of flood, earthquake, sandstorm, snowstorm, fire, drought, or epidemics such as the Severe Acute Respiratory Syndrome, or SARS, the H5N1 avian flu, the human swine flu, also known as Influenza A (H1N1), or, most recently, the novel coronavirus named COVID-19 by the World Health Organization.

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

Interpretation of PRC laws and regulations involves uncertainty and the current legal environment in China could limit the legal protections available to you.

Our business is conducted in China and is governed by PRC laws and regulations. All of our subsidiaries are located in China and are subject to PRC laws and regulations. The PRC legal

system is a civil law system based on written statutes, and prior court decisions have little precedential value and can only be used as a reference. Additionally, PRC written statutes are often principle-oriented and require detailed interpretations by the enforcement bodies to further apply and enforce such laws. Since 1979, the PRC legislature has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organization and governance, commercial transactions, taxation and trade, with a view to developing a comprehensive system of commercial law, including laws relating to property ownership and development. However, because these laws and regulations have not been fully developed, and because of the limited volume of published cases and the non-binding nature of prior court decisions, interpretation of PRC laws and regulations involves a degree, sometimes a significant degree, of uncertainty. If we fail to comply with the relevant requirements due to any change in applicable PRC law or regulation, we may be subjected to penalties or other enforcement actions by relevant PRC government authorities. Depending on the government agency or how or by whom an application or case is presented to such agency, we may receive a less favorable interpretation of laws and regulations than our competitors. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention. All these uncertainties may limit the legal protections available to foreign investors, including you.

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

Under the PRC Enterprise Income Tax Law ("**PRC EIT Law**")《中華人民共和國企業所得税法》(主席令第63號), which came into effect on January 1, 2008, enterprises established outside China whose "de facto management bodies" are located in China are considered "resident enterprises" and their global income will generally be subject to the uniform 25% Enterprise Income Tax ("**EIT**") rate. Under the Implementation Rules for the PRC EIT Law, "de facto management bodies" are defined as the bodies that have material and overall management control over the business, personnel, accounts and properties of an enterprise.

Substantially all of our management is currently based in China and may remain in China. In April 2009, the PRC State Administration of Taxation (the "**SAT**") promulgated a circular to clarify the definition of "de facto management bodies" for enterprises incorporated overseas with controlling shareholders being onshore enterprises or enterprise groups in China. However, it remains unclear how the tax authorities will treat an overseas enterprise invested or controlled by another overseas enterprise and ultimately controlled by PRC individual residents, as in our case. Therefore, we may be treated as a PRC resident enterprise for PRC EIT purposes. The tax consequences of such treatment are currently unclear as they will depend on how PRC finance and tax authorities apply or enforce the PRC EIT Law and the Implementation Rules.

We cannot guarantee the accuracy of facts, forecasts and other statistics with respect to China, the PRC economy and the PRC real estate industry contained in this offering memorandum.

Facts, forecasts and other statistics in this offering memorandum relating to China, the PRC economy and the PRC real estate industry have been derived from various official government publications generally believed to be reliable. However, we cannot guarantee the quality or reliability of such materials. They have not been prepared or independently verified by us, the Initial Purchasers or any of our or their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts, forecasts and statistics, which may not be consistent with other information compiled within or outside China. We have, however, taken reasonable care in the reproduction and/or extraction of the official government publications for the purpose of disclosure in this offering memorandum. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, these facts, forecasts and statistics in this offering memorandum may be inaccurate or may not be comparable to facts, forecasts and statistics produced with respect to other economies. Further, there can be no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions. Therefore, you should not unduly rely upon the facts, forecasts and statistics with respect to China, the PRC economy and the PRC real estate industry contained in this offering memorandum.

Risks Relating to the Notes

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

We are a holding company and conduct a substantial part of our operations through our PRC subsidiaries. The Notes will not be guaranteed by any current or future PRC subsidiaries, and will not be secured by any of our assets, including the capital stock of subsidiary guarantors securing the July 2025 Notes or any Permitted Pari Passu Secured Indebtedness incurred pursuant to the July 2025 Notes. Our primary assets are ownership interests in our PRC subsidiaries. Accordingly, our ability to pay principal and interest on the Notes and our ability to satisfy its obligations under the Notes will depend upon distributions of dividends from our subsidiaries.

Creditors, including trade creditors, of our subsidiaries and any holders of preferred shares in such entities would have a claim on the subsidiaries' assets that would be prior to the claims of holders of the Notes. As a result, our payment obligations under the Notes will be effectively subordinated to all existing and future obligations of our subsidiaries and all claims of creditors of our subsidiaries will have priority as to the assets of such entities over our claims and those of our creditors, including holders of the Notes. As of December 31, 2024, we had total current and non-current borrowings of RMB57,733.1 million (US$7,909.4 million), including outstanding bank borrowings of approximately RMB33,399.4 million (US$4,575.7 million). As of December 31, 2024, our total trade and other payables amounted to RMB88,995.7 million (US$12,192.4 million), and we had provided guarantees of RMB21,775.3 million (US$2,983.2 million) to PRC banks in respect of the mortgage loans provided by the banks to purchasers of our developed properties. The Notes and the indenture permit us to incur additional indebtedness and issue additional guarantees, subject to certain limitations. In addition, our secured creditors or those of any subsidiary would have priority as to our assets or the assets of those of any subsidiary securing the related obligations over claims of holders of the Notes.

We have substantial indebtedness, including that under bank and other borrowings, corporate bonds, middle term notes, senior notes, asset-backed medium term notes and private placement notes, and may incur substantial additional indebtedness in the future, which could adversely affect our financial health and our ability to generate sufficient cash to satisfy our outstanding and future debt obligations.

We now have, and will continue to have after the offering of the Notes, a substantial amount of indebtedness. Our outstanding current and non-current borrowings, which include our borrowings from banks and senior notes were RMB79,537.6 million, RMB63,169.6 million and RMB57,733.1 million (US$7,909.4 million) as of December 31, 2022, 2023 and 2024.

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

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

In the future, we may from time to time incur substantial additional indebtedness (including bank borrowings and/or onshore or offshore bond offerings) and contingent liabilities. Under the Indenture, our ability to incur additional debt is subject to limitations on indebtedness and preferred stock covenant. Under such covenant, we may incur (i) certain Permitted Indebtedness or (ii) additional indebtedness if we can, among other things, satisfy the Fixed Charge Coverage Ratio. The Fixed Charge Coverage Ratio is derived by dividing Consolidated EBITDA by Consolidated Fixed Charges. Because our definition of Consolidated Net Income (which is a significant component of Consolidated EBITDA) for the Notes includes our unrealized gains on valuation adjustments on our investment properties, our Consolidated EBITDA and therefore our ability to incur additional debt under such covenants could be substantially larger when compared to certain other similarly situated PRC senior notes issuers whose covenants do not typically include such unrealized gains in the definition of consolidated net income. In addition, because our definition of Consolidated Interest Expense for the Notes excludes the interest expense on indebtedness of third parties that we guarantee (except to the extent that such interest expense has become payable by us), our Consolidated Interest Expense and our ability to incur additional debt could be even larger when compared to certain other similarly situated PRC senior notes issuers whose covenants would typically include such interest expense in the definition of consolidated interest expense. If we or our subsidiaries incur additional debt, the risks that we face as a result of our already substantial indebtedness and leverage could intensify.

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

In addition, the terms of the indenture governing the Notes prohibit us from incurring additional indebtedness unless (i) we are able to satisfy certain financial ratios or (ii) we are able to incur such additional indebtedness pursuant to any of the exceptions to the financial ratio requirements, and meet any other applicable restrictions. Our ability to meet our financial ratios may be affected by events beyond our control. We might not be able to meet these ratios. Certain of our existing financing arrangements also impose operating and financial restrictions on our business. See the section headed "Description of Material Indebtedness and Other Obligations." Such restrictions in the Indenture and our other financing arrangements may negatively affect our ability to react to changes in market conditions, take advantage of business opportunities we believe to be desirable, obtain future financing, fund required capital expenditures, or withstand a continuing or future downturn in our business or the general economy. Any of these factors could materially and adversely affect our ability to satisfy our obligations under the Notes and other debt.

To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control.

Our ability to make payments on and to refinance our indebtedness, including these Notes, and to fund planned capital expenditures and project development will depend on our ability to generate cash. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

Our business might not generate sufficient cash flow from operations to enable us to pay our indebtedness, including the Notes, or to fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness or obtain fundings for our liquidity needs, on or before maturity, from the market and fundings from our connected persons. For example, we have entered into a loan agreement of RMB120 million and a loan framework agreement of RMB1,000 million with one of our related parties, S-Enjoy, to help replenish our working capital. See "Related Party Transactions" for more information. We might not be able to refinance any of our indebtedness on commercially reasonable terms or at all. If we are unable to service our indebtedness or obtain refinancing on terms acceptable to us, we may be forced to adopt an alternative strategy that may include reducing or delaying capital expenditures, selling assets or seeking equity capital. These strategies may not be instituted on satisfactory terms, if at all.

As of December 31, 2024, our current liabilities exceeded our current assets by approximately RMB17,743.1 million. Such a net current liability position may expose us to the risk of shortfalls in liquidity. Any failure to generate sufficient cash flow from operations or to obtain external financing may have a material adverse effect on our ability to refinance our indebtedness, including the Notes, and to meet our other liquidity needs.

Certain investors, including our affiliates, have purchased a majority of the Notes to be issued and may therefore be able to exercise certain rights and powers on behalf of all holders of the Notes. Additionally, this may reduce the liquidity of the Notes in the secondary trading market.

Certain investors, including our affiliates, have purchased a majority of the Notes being offered under this offering memorandum. Any non-affiliate holder of a majority in aggregate principal amount of the Notes will have certain rights and powers under the Indenture and related documents. For example, subject to certain exceptions, the non-affiliate holders of a majority in aggregate principal amount of the Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. In addition, as described in "Description of the Notes — Amendments and Waiver," the Indenture and the Notes may be amended with the consent of the non-affiliate holders of not less than a majority in aggregate principal amount of the outstanding Notes and the non-affiliate holders of not less than a majority in aggregate principal amount of the outstanding Notes may amend or waive future compliance by the Company or any Restricted Subsidiary with any provision of the Indenture and Notes, subject in each case to certain exceptions. Accordingly, any non-affiliate holder that holds a majority in aggregate principal amount of the Notes will be able to exercise such rights and powers on behalf of all holders of the Notes and control the outcome of votes on such matters.

In addition, any non-affiliate holder that holds a significant percentage of the Notes, even if less than a majority, will be able to exercise certain rights and powers and will have significant influence on matters voted on by holders of the Notes. For example, non-affiliate holders of at least 25% aggregate principal amount of the Notes may declare all of the Notes to be immediately due and payable if certain types of Events of Default have occurred and are continuing. Further, the existence of any non-affiliate holder that holds a significant percentage of the Notes may reduce the liquidity of the Notes or affect the trading price of the Notes.

Our subsidiaries are subject to restrictions on the payment of dividends and the repayment of intercompany loans or advances to us and our subsidiaries.

The Company currently does not have substantial business operation, and does not plan to so in the near future. As a result, we depend on the receipt of dividends and the interest and principal payments on intercompany loans or advances from our subsidiaries, including our PRC subsidiaries, to satisfy our obligations. If we are unable to receive dividends and the interest and principal payments on intercompany loans or advances from our subsidiaries, we may not be able to meet our obligations under the Notes. The ability of our subsidiaries to pay dividends and to make payments on intercompany loans or advances to their shareholders is subject to, among other things, their distributable earnings and cash flow conditions, restrictions contained in the articles of association and the financing agreements entered into by our subsidiaries and applicable laws. These restrictions could reduce the amounts that we receive from our subsidiaries, which would restrict our ability to satisfy our obligations under the Notes. Further, some of our subsidiaries are restricted from distributing dividends until their existing indebtedness is paid off and they start to generate profit. In addition, if any of our subsidiaries raises capital by issuing equity securities to third parties, dividends declared and paid with respect to such equity securities would not be available to us to make payments on the Notes. In addition, the shares and assets, including dividends derived from these shares, of certain of our subsidiaries are pledged to secure some of our indebtedness. Furthermore, most of our PRC subsidiaries are held through our A-share listed subsidiary, Seazen Holdings. As an A-share listed company, Seazen Holdings is subject to PRC securities laws and the listing rules of Shanghai Stock Exchange, which may place more restrictions on its ability to declare and issue dividends as compared to our non-public PRC subsidiaries. In addition, given that Seazen Holdings is not 100% controlled by us, we will only be entitled to receive a portion of any dividends issued by Seazen Holdings. These restrictions could reduce the amounts that we receive from our subsidiaries, which would restrict our ability to meet our payment obligations under the Notes.

PRC laws and regulations permit payment of dividends only out of accumulated profits as determined in accordance with PRC accounting standards and regulations and such profits differ from profits determined in accordance with HKFRSs in certain significant respects, including the use of different bases of recognition of revenue and expenses. Our PRC subsidiaries are also required to set aside a portion of their after-tax profits according to PRC accounting standards and regulations to fund certain reserves that are not distributable as cash dividends. In practice, our PRC project companies may pay dividends only after they have completed the development of the project (or at least the development of a phase or a stand-alone tower or building), collected payment and completed the required government tax clearance and foreign exchange procedures. In addition, dividends paid by our PRC subsidiaries to their non-PRC parent company are subject to a 10% withholding tax, unless there is a tax treaty between the PRC and the jurisdiction in which the overseas parent company is incorporated, which specifically exempts or reduces such withholding tax. Pursuant to arrangements relating to the avoidance of double taxation between Hong Kong and the PRC, if the non-PRC parent company is a Hong Kong resident and directly holds a 25% or more interest in the PRC enterprise, such withholding tax rate may be lowered to 5%. However, according to the Announcement of the State Taxation Administration on Issues Concerning the "Beneficial Owner" in Tax Treaties (《國家税務總局關於税收協定中「受益所有人」有關問題的公告》(國家税務總局公告2018年第9號)) from SAT dated February 3, 2018, tax treaty benefits are not available to conduit or shell companies without substantive business activities. Therefore, it is unclear whether dividend payments made by our PRC subsidiaries to our Hong Kong subsidiary (which holds the equity interests in our PRC subsidiaries) will qualify for the 5% rate in any particular year. As a result of such restrictions, there could be limitations, including timing limitations, on our ability to receive payments from our PRC subsidiaries to meet our payment obligations under the Notes and there could be restrictions on payments required to redeem the Notes at maturity or as required for any early redemption.

Furthermore, we may from time to time provide offshore shareholder loans to our PRC subsidiaries and resort to such offshore lending, rather than equity contributions, to our PRC subsidiaries to finance their operations. In such event, the market interest rates that our PRC subsidiaries can pay with respect to offshore loans generally may not exceed comparable interest rates in the international finance markets. The interest rates on shareholder loans paid by our subsidiaries, therefore, are likely to be lower than the interest rate for the Notes. Our PRC subsidiaries are also required to pay withholding tax at a rate of 10% (or a lower treaty rate, if any) on our behalf on the interest paid under any shareholder loan. Prior to payment of interest and principal on any such shareholder loan, the PRC subsidiaries (as foreign-invested enterprises in China) must present evidence of payment of the withholding tax on the interest payable on any such shareholder loan and evidence of registration with the State Administration of Foreign Exchange of the PRC ("**SAFE**"), as well as any other documents that SAFE or its local branch may require.

As a result of the foregoing, we cannot assure you that we will have sufficient cash flow from dividends or payments on intercompany loans or advances from our subsidiaries to satisfy our obligations under the Notes.

Under PRC regulations, we may not be able to transfer to our PRC subsidiaries proceeds from this offering, which could impair our ability to make timely payments of interest, or even principal, under the Notes.

According to the existing PRC rules and regulations relating to supervision of foreign debt, loans by foreign companies to companies incorporated in China are considered foreign debt, and such debt must be registered with the relevant local branches of SAFE. In April 2013, the SAFE issued the Administrative Measures for Registration of Foreign Debt (外債登記管理辦法) (匯發[2013]19號) and Guidelines on the Administration of Registration of Foreign Debt (外債登記管理操作指引) (匯發 [2013]19號), which provide that (inter alia) (i) the SAFE will not process a foreign debt registration of any foreign invested real estate enterprise which obtained its certificate of authorization and completed the filing procedures with MOFCOM on or after June 1, 2007; (ii) foreign invested real estate enterprises established prior to June 1, 2007 may borrow foreign debt up to an amount not exceeding the difference between its total investment and registered capital; and (iii) a foreign invested real estate enterprise that has not fully paid up its registered capital or obtained land use rights certificates, or the paid-in capital of its development projects is less than 35% of the total investment of such projects is not allowed to borrow foreign debt. Our subsidiary, Wealth Zone Development Holdings Co., Ltd. has been a foreign invested-enterprise since August

2003. Therefore, the proceeds of this offering can be transferred to it as loans. However, the amount of the loans shall not exceed the difference between its total investment and registered capital, and such loans are required to be registered with the relevant local branches of SAFE.

In addition, equity contributions by the Company and its non-PRC subsidiaries to our PRC subsidiaries will require approvals from the commerce department of the local government or filing with the local branch of SAFE and MOFCOM, which may take considerable time and result in delays in receiving the contribution. This may in turn adversely affect the financial condition of the PRC subsidiaries and cause delays to the developments undertaken by such PRC subsidiaries. We may not be able to obtain the necessary approvals for our PRC subsidiaries at all. Further, we cannot assure you that the PRC government will not introduce new policies that could further restrict our ability to use funds raised outside China. Therefore, we may not be able to use all or any of the funds that we raise outside China as intended.

Fluctuations in the value of the Renminbi may have a material adverse impact on your investment.

Substantially all of our revenue and expenditures are denominated in Renminbi, while the net proceeds from this offering and any interest we pay on the Notes will be in U.S. dollars. Fluctuations in the exchange rate between the Renminbi and U.S. dollars will affect the relative purchasing power in Renminbi terms of the proceeds from this offering. Fluctuations in the exchange rate may also cause us to incur foreign exchange losses and affect the relative value of any dividend issued by our PRC subsidiaries. In addition, appreciation or depreciation in the value of the Renminbi relative to U.S. dollars would affect our financial results in U.S. dollars terms without giving effect to any underlying change in our business or results of operations. Moreover, because the functional currency of the Company and all of its subsidiaries is the Renminbi, the balance and certain amounts due to related parties denominated in a foreign currency are subject to translation at each reporting date, which could affect our business, financial condition and results of operations. Movements in Renminbi exchange rates are affected by, among other things, changes in political and economic conditions and China's foreign exchange regime and policy. Since July 2005, the Renminbi has not been pegged to the U.S. dollars. In August 2015, the Renminbi experienced a substantial devaluation as a result of adjustments made by the People's Bank of China to the reference Renminbi to U.S. dollar exchange rate. The Renminbi may appreciate or depreciate significantly in value against the U.S. dollar in the medium to long term. Moreover, it is possible that in the future PRC authorities may lift restrictions on fluctuations in Renminbi exchange rates and lessen intervention in the foreign exchange market.

There are limited hedging instruments available in China to reduce our exposure to exchange rate fluctuations between the Renminbi and other currencies. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risks. In any event, the availability and effectiveness of these hedges may be limited and we may not be able to hedge our exposure successfully, or at all.

Interest payable by us to our foreign investors and gain on the sale of our Notes may become subject to withholding taxes under PRC tax laws.

Under the PRC EIT Law and PRC Individual Income Tax Law, if the Company is deemed a PRC resident enterprise, the interest payable on the Notes will be considered to be sourced within China. Unless there are applicable income tax treaties or agreements, such interest payable by us to investors will be subject to a 10% PRC income tax in the case of nonresident enterprises or 20% in the case of nonresident individuals. Such "nonresident enterprise" refer to investors who do not have an establishment or place of business in China or, if there is such establishment or place of business in China, the relevant income is not effectively connected with such establishment or place of business in China. Such "nonresident individuals" refer to individuals who have no domicile and do not stay in the territory of China or who have no domicile but have stayed in the territory of China for less than one year shall pay individual income tax in accordance with the provisions of this Law for his incomes obtained in the territory of China. Similarly, any gain realized on the transfer of the Notes by such investors will also be subject to PRC income tax if such gain is regarded as income derived from sources within China. It is uncertain whether the Company will be considered a PRC "resident enterprise," so it is unclear whether the interest payable to the foreign investors, or the gain the foreign investors may realize from the transfer of the Notes, would be treated as income sourced within China and be subject to PRC tax. If the Company is required under the PRC EIT Law or PRC Individual Income Tax Law to withhold PRC income tax on the

interest payable to the foreign investors who are "nonresident enterprises" or "nonresident individuals", we will be required to pay such additional amounts as are necessary to ensure receipt by the holder of the full amount which the holder would have received but for such withholding. The requirement to pay additional amounts will increase the cost of servicing interest payments on the Notes and could have a material adverse effect on our ability to pay interest on, and repay the principal amount of, the Notes, as well as our profitability and cash flows. In addition, if you are required to pay PRC income tax on the transfer of our Notes, the value of your investment in our Notes may be materially and adversely affected. It is unclear whether, if we are considered a PRC "resident enterprise," holders of our Notes might be able to claim the benefit of income tax treaties or agreements entered into between China and other countries or areas.

We may redeem the Notes in whole at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest in the event we are required to pay additional amounts as a result of future changes in law.

As described under "Description of the Notes – Redemption for Taxation Reasons," in the event we are required to pay additional amounts as a result of future changes in specified tax law or future changes in the existing official position or the stating of an official position regarding the application or interpretation of such law tax that results in our being required to withhold tax on interest payments due to our being treated as a PRC resident enterprise, we may redeem the Notes in whole at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest.

The insolvency laws of Cayman Islands and other local insolvency laws may differ from those of another jurisdiction with which holders of the Notes are familiar.

As the Company was incorporated under the laws of the Cayman Islands, an insolvency proceeding relating to the Company would likely involve the insolvency laws of the Cayman Islands, the procedural and substantive provisions of which may differ from comparable provisions of other jurisdictions with which the holders of the Notes are familiar.

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

We may be unable to obtain and remit foreign exchange.

The Company was incorporated in the Cayman Islands. Our ability to satisfy our obligations under the Notes depends solely upon the ability of our PRC subsidiaries to obtain and remit sufficient foreign currency to pay dividends to us and, if applicable, to pay interest and principal on shareholder loans. Our PRC subsidiaries must present certain documents to SAFE, its authorized branch, or the designated foreign exchange bank, for approval before they can obtain and remit foreign currencies out of China, including evidence of the registration of the loan with SAFE. Prior to payment of interest and principal on any intergroup loan we make to our PRC subsidiaries, the relevant PRC subsidiary must also present evidence of payment of withholding tax at a rate of 10% or a lower tax treaty rate, if any, on the interest payable in respect of such intergroup loan. If any PRC subsidiary for any reason fails to satisfy any of the PRC legal requirements for remitting foreign currency payments, the PRC subsidiary will be unable to pay us dividends or interest and principal on intergroup loans, which may affect our ability to satisfy our obligations under the Notes.

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

If we are unable to comply with the restrictions and covenants in the Indenture governing the Notes or our current or future debt obligations and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders

of the debt could terminate their commitments to lend to us, accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. Furthermore, some of our debt agreements, including the Indenture governing the Notes, contain cross-acceleration or cross-default provisions. As a result, our default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including the Notes, or result in a default under our other debt agreements, including the Indenture governing the Notes. If any of these events occur, we cannot assure you that our assets and cash flow would be sufficient to repay in full all of our indebtedness, or that we would be able to find alternative financing. Even if we could obtain alternative financing, we cannot assure you that it would be on terms that are favorable or acceptable to us. Furthermore, we are permitted to incur indebtedness pursuant to the Indenture if, among other options, we are able to meet the Fixed Charge Coverage Ratio. See "– Risks Relating to Our Business – False, inaccurate or negative media reports about us, our directors and management, or our projects, including the negative news of our previous chairman, whether substantiated or not, may cause harm to our reputation, divert our management's attention and adversely affect our business, financial condition and results of operations" for more information.

The Trustee may request the holders of the Notes to provide an indemnity andlor security to its satisfaction.

In certain circumstances, including without limitation giving of notice to the Company and taking enforcement steps pursuant to terms of the Notes, the Trustee may, at its sole discretion, request the holders of the Notes to provide an indemnity and/or security to its satisfaction before it takes actions on behalf of the holders of the Notes. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured to its satisfaction. Negotiating and agreeing to an indemnity and/or security can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security to it, in breach of the terms of the trust deed or the terms of the Notes and, to the extent permitted by the agreements and the applicable law, it will be for the holders of the Notes to take such actions directly.

We may not be able to repurchase the Notes, the Existing Notes upon a Change of Control Triggering Event.

We must offer to purchase the Notes and the Existing Notes upon the occurrence of certain types of changes of control at a purchase price equal to 101% of their respective principal amount plus accrued and unpaid interest. See the section headed "Description of the Notes." The source of funds for any such purchase would be our available cash or third-party financing. However, we may not have sufficient available funds at the time of the occurrence of any change of control to make purchases of the outstanding Notes or the Existing Notes. Our failure to make the offer to purchase or to purchase the outstanding Notes, the Existing Notes would constitute an event of default under the Notes and the Existing Notes. The event of default may, in turn, constitute an event of default under other indebtedness, any of which could cause the related debt to be accelerated after any applicable notice or grace periods. If our other debts were to be accelerated, we may not have sufficient funds to purchase the Notes or the Existing Notes and repay the debt.

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

The Company may not be able to repurchase the Notes at the option of the Holders of the Notes.

Holders of the notes will have the right to require us to repurchase their Notes, in whole or in part, on June 26, 2027 at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest as described under "Description of the Notes – Repurchase of Notes at the Option of Holders." However, we may not have enough available cash or be able to obtain financing at the time it is required to make repurchases of the Notes surrendered therefor. In addition, our ability to repurchase the Notes may be limited by law, by regulatory authority or by agreements governing our future indebtedness. Any failure by us to repurchase the Notes when the repurchase would constitute a default under the indenture governing the Notes. A default under the indenture governing the Notes could also lead to a default under other agreements governing our indebtedness.

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

The Indenture governing the Notes includes a number of significant restrictive covenants. These covenants restrict, among other things, our ability, and the ability of our Restricted Subsidiaries, to:

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

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

We may designate members of the Restructuring Group (as defined in "Description of the Notes") as Unrestricted Subsidiaries under the Indenture if and when we decide to proceed with the Restructuring.

Although we do not have any specific plan yet, we may designate members of the Restructuring Group as Unrestricted Subsidiaries under the Indenture, if and when we consider appropriate, subject to certain conditions, including, among others, that our Board of Directors has determined in good faith that the designation of Unrestricted Subsidiaries is necessary to obtain approval from the relevant stock exchange for the Restructuring. Following such designation:

- the business, assets and liabilities of such entity will no longer be part of the credit underlying the Notes;

- such entity will not be subject to the restrictive covenants applicable to Restricted Subsidiaries under the Indenture;

- interest expenses on Indebtedness (as defined in the Indenture) of such entity will not be included in the calculation of our Consolidated Interest Expense (as defined under "Description of the Notes"), other than such interest expenses on Indebtedness that is Guaranteed and payable by us or a Restricted Subsidiary; and

- the net income of the Restructuring Group will not be included in the calculation of our Consolidated Net Income and Consolidated EBITDA under the Indenture except to the extent of the cash actually distributed to us or any Restricted Subsidiary as a dividend or other distribution from the Restructuring Group.

As a result of any such designation, the value of assets subject to the restrictive covenants under the Indenture may decrease and the market price and trading of the Notes may be materially affected. Accordingly, you are cautioned as to our intended initial designation of Unrestricted Subsidiaries under the Indenture, notably the subsidiaries within the Restructuring Group, and our ability to designate further Unrestricted Subsidiaries subject to the conditions set forth in the Indenture.

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

In light of land prices, sizes of projects and other factors, we may from time to time consider developing property developments jointly with third parties, including other PRC property developers. As a result, we may need to make investments in joint ventures (including joint ventures in which we may own more or less than a 50% equity interest) and such joint ventures may or may not be Restricted Subsidiaries. Although the Indenture restricts us and our Restricted Subsidiaries from making investments in Unrestricted Subsidiaries or minority joint ventures, these restrictions are subject to important exceptions and qualifications, including, among others, that we may, subject to certain conditions, make investments in any Unrestricted Subsidiaries and minority owned joint ventures primarily engaged in permitted business up to an aggregate amount equal to 35.0% of our total assets. See "Description of the Notes."

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

We pay dividends to our shareholders from time to time. Under the Indenture, any such dividend payment will be a "Restricted Payment," which could not be made unless we can, among other things, satisfy the Fixed Charge Coverage Ratio. However, such restriction is subject to important exceptions and qualifications. Under the terms of the Notes, we may pay dividends on our common stock in an aggregate amount up to 20.0% of our profit for the year without satisfying the Fixed Charge Coverage Ratio. With such an exception, we may be able pay substantial amount of dividends even when we are highly leveraged, which may materially and adversely affect our ability to service our indebtedness, including the Notes.

If we fail to complete the post-issuance report to the NDRC in connection with the Notes, NDRC may impose penalties or other administrative procedures on the Company.

On 5 January 2023, the NDRC issued Order 56. On 9 February 2023, the NDRC published the frequently asked questions on Order 56 and its responses (the "**FAQs**"), which provided further clarifications on the practical implications of certain provisions in Order 56. We shall comply with the provisions relating to foreign debt risk management and interim and ex-post supervision under Order 56, including, among others, to complete the post-issuance filing to the NDRC within the prescribed timeframe after the completion of the issuance of the Notes and any implementation rules as issued by the NDRC from time to time (together, the "**NDRC Reporting Obligations**"). According to Order 56, if any enterprise fails to report relevant information according to Order 56, the review and registration authorities shall, depending on the seriousness of the circumstances, order rectification within a limited time period, or impose disciplinary measures such as interviews and public warnings on such enterprise and its principal responsible person. Furthermore, conduct in violation of Order 56 committed by enterprises will be published on, among others, the Credit China (信用中國) website and the National Enterprise Credit Information Publicity System (國家

企業信用信息公示系統). In the worst scenario, our non-compliance with the NDRC Reporting Obligations under Order 56 may result in it being unlawful for us to perform or comply with any of our obligations under the Notes. Any failure to complete the relevant filings under Order 56 within the prescribed time frames following the completion of the issue of the Notes may have adverse consequences for us and/or the investors of the Notes. Potential investors of the Notes are advised to exercise due caution when making their investment decisions.

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

Approval-in-principle has been received for the listing and quotation of the Notes on the SGX-ST. However, we cannot assure you that we will obtain or be able to maintain a listing on the SGX-ST, or that, if listed, a liquid trading market will develop. We have been advised that the Initial Purchasers intend to make a market in the Notes, but the Initial Purchasers are not obligated to do so and may discontinue such market making activity at any time without notice. In addition, the Notes are being offered pursuant to exemptions from registration under the Securities Act and, as a result, you will only be able to resell your Notes in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act. See the section headed "Transfer Restrictions." If an active trading market does not develop or is sustained, the market price and liquidity of the Notes could be adversely affected.

The rating assigned to the Notes and our corporate ratings may be lowered or withdrawn in the future.

The Notes are expected to be rated B- by S&P. The rating address our ability to perform our obligations under the terms of the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. In addition, we have been assigned a corporate rating of B with a negative outlook by S&P and a corporate rating of Caa1 with a negative outlook by Moody's. A rating may not remain for any given period of time and could be lowered or withdrawn entirely by the relevant rating agency. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. We have no obligation to inform holders of the Notes of any such revision, suspension or withdrawal. A reduction, suspension or withdrawal at any time of the rating may adversely affect the market price of the Notes.

Certain transactions that constitute "connected transactions" under the listing rules of the Hong Kong Stock Exchange will not be subject to the "Limitation on Transactions with Shareholders and Affiliates" covenant.

Our shares are listed on the Hong Kong Stock Exchange and we are required to comply with its listing rules, which provide, among other things, that any transaction between a listed company or any of its subsidiaries, on the one hand, and a "connected person" of such listed company, on the other hand, is a "connected transaction" that, if the value of such transaction exceeds the applicable de minimis thresholds, will require certain procedural requirements to be completed or approvals to be obtained. The "Limitation on Transactions with Shareholders and Affiliates" covenant in the Notes only applies to transactions between the Company or any Restricted Subsidiary, on the one hand, and (x) any holder (or any affiliate of such holder) of 10% or more of the shares of the Company or (y) any affiliate of the Company, on the other hand. As such, transactions between the Company or any Restricted Subsidiary, on the one hand, and an affiliate of any Restricted Subsidiary, on the other hand, will not be captured by such covenants, even though they are subject to the independent shareholders' requirement under the Listing Rules. As a result, we are not required by the terms of the Notes to ensure that any such transactions are on terms that are fair and reasonable, and we will not need to deliver officers' certificates or procure the delivery of fairness opinions by accounting, appraisal or investment banking firms to the trustee of the Notes for any such transactions.

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

The price and trading volume of the Notes may be highly volatile. Factors such as variations in our revenues, earnings and cash flows, proposals for new investments, strategic alliances and acquisitions, changes in interest rates, fluctuations in price for comparable companies, government regulations and changes thereof applicable to our industry and general economic conditions nationally or internationally could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the trading volume and price of the Notes.

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

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

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

We will be subject to reporting obligations in respect of the Notes to be listed on the SGX-ST. The disclosure standards imposed by the SGX-ST may be different than those imposed by securities exchanges in other countries or regions such as Hong Kong. As a result, the level of information that is available may not correspond to what investors in the Notes are accustomed to.

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

The Notes will initially only be issued in global certificate form and held through Euroclear and Clearstream. Interests in the Notes represented by the global certificate will trade in book entry form only, and notes in definitive registered form, or definitive registered notes, will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book entry interests will not be considered owners or holders of the Notes. The nominee of the common depositary for Euroclear and Clearstream will be the sole registered holder of the global certificate representing the Notes. Payments of principal, interest and other amounts owing on or in respect of the global certificate representing the Notes will be made to the paying agent, which will make payments to Euroclear and Clearstream. Thereafter, these payments will be credited to accounts of participants that hold book-entry interests in the global certificate representing the Notes and credited by such participants to indirect participants. After payment to the nominee of the common depositary for Euroclear and Clearstream, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of Euroclear and Clearstream or, if you are not a participant in Euroclear and Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of Noteholder under the Indenture.

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

Similarly, upon the occurrence of an Event of Default under the Indenture, unless and until definitive registered notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through Euroclear and Clearstream. The procedures to be implemented through Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the Notes.

USE OF PROCEEDS

The gross proceeds from this offering, before deducting the underwriting discounts and commissions and other estimated expenses payable in connection with this offering, will be approximately US$294.0 million. We intend to use the net proceeds to fund the Concurrent Offers to Purchase.

Pending application of the net proceeds of this offering, we intend to invest such net proceeds in "Temporary Cash Investments" as defined under the section headed "Description of the Notes."

EXCHANGE RATE INFORMATION

Since 1994, the PBOC has set and published a daily base exchange rate with reference primarily to the supply and demand of Renminbi in the market during the previous day. On July 21, 2005, the PRC government introduced a managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. The PBOC has authorized the China Foreign Exchange Trading Center to announce the Renminbi's closing price each day, and that rate serves as the midpoint of the next day's trading band. In 2007, the PBOC widened the daily trading band of the Renminbi against the U.S. dollar from 0.3% to 0.5%. On June 20, 2010, the PBOC announced that it intended to further reform the Renminbi exchange rate regime by allowing greater flexibility in the Renminbi exchange rate and on April 16, 2012, the band was expanded to 1.0 per cent. These changes in currency policy resulted in the Renminbi appreciating against the U.S. dollar by approximately 26.9 per cent. from July 21, 2005 to December 31, 2013. On March 17, 2014, the PBOC further widened the floating band against the U.S. dollar to 2.0 per cent. PBOC authorized the China Foreign Exchange Trading Center, effective since January 4, 2006, to announce the central parity exchange rate of certain foreign currencies against the Renminbi on each business day. This rate is set as the central parity for the trading against the Renminbi in the inter-bank foreign exchange spot market and the over-the-counter exchange rate for the business day. On August 11, 2015, the PBOC announced plans to improve the central parity rate of the Renminbi against the U.S. dollar by authorizing market-makers to provide parity to the China Foreign Exchange Trading Center operated by the PBOC with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign currencies as well as changes in exchange rates of major international currencies. On the same day, the central parity rate of the Renminbi against the U.S. dollar depreciated by nearly 2.0% as compared to August 10, 2015, and further depreciated by nearly 1.6% on August 12, 2015 as compared to August 11, 2015. The International Monetary Fund announced on September 30, 2016 that the Renminbi joins its Special Drawing Rights currency basket. Since October 2016, the Renminbi against the U.S. dollar continued to depreciate. The PRC government may adopt further reforms of its exchange rate system, including making the Renminbi freely convertible in the future.

The following table sets forth the noon buying rate for U.S. dollars in New York City for cable transfer in Renminbi as certified for customs purposes by the H.10 weekly statistical release of the Federal Reserve Board:

	Noon Buying Rate			
Period	**End**	**Average[1]**	**High**	**Low**
	(RMB per US$1.00)			
2019	6.9618	6.9014	7.1786	6.6822
2020	6.5250	6.8878	7.1681	6.5208
2021	6.3726	6.4518	6.5716	6.3435
2022	6.8972	6.7518	7.3048	6.3084
2023	7.0999	7.0797	7.3430	6.7010
2024	7.2993	7.1958	7.2993	7.0106
2025				
January	7.2422	7.3164	7.3326	7.2712
February	7.2828	7.2734	7.3088	7.2422
March	7.2628	7.2489	7.2843	7.2273
April	7.2706	7.2968	7.3499	7.2675
May	7.1991	7.2166	7.2706	7.1798
June (through June 6, 2025)	7.1886	7.1865	7.1975	7.1750

(1) Annual averages have been calculated from month-end rate. Monthly averages have been calculated using the average of the daily rates during the relevant period.

CAPITALIZATION AND INDEBTEDNESS

The following table sets forth our consolidated cash and cash equivalents, current borrowings and total capitalization as of December 31, 2024:

- on an actual basis; and
- on an adjusted basis to give effect to the issuance of the Notes and receipt of the gross proceeds for this offering before deducting the underwriting discounts and commissions and other estimated expenses of this offering payable by us.

	As of December 31, 2024			
	Actual		As adjusted	
	RMB (Unaudited, in thousands)	US$[1] (Unaudited, in thousands)	RMB (Unaudited, in thousands)	US$[1] (Unaudited, in thousands)
Cash and cash equivalents[2]	6,914,613	947,298	9,104,402	1,247,298
Current borrowings	16,071,392	2,201,772	16,071,392	2,201,772
Non-current borrowings[3]	41,661,723	5,707,633	43,851,516	6,007,633
– Notes to be issued.	–	–	2,189,790	300,000
Total borrowings	**57,733,115**	**7,909,405**	**59,922,908**	**8,209,405**
Total equity	**86,789,759**	**11,890,148**	**86,789,759**	**11,890,148**
Total capitalization[4]	**128,451,482**	**17,597,781**	**130,641,275**	**17,897,781**

(1) All translations from Renminbi into U.S. dollars, and vice versa, were made at the rate of RMB7.2993 to US$1.00, which was the noon buying rate as certified for custom purposes by the H.10 weekly statistical release of the Federal Reserve Board for cable transfers for Renminbi on December 31, 2024.

(2) Cash and cash equivalents excludes restricted cash of RMB3,703.7 million (US$507.4 million) as of December 31, 2024.

(3) Non-current borrowings include Notes to be issued.

(4) Total capitalization is calculated as total non-current borrowings plus total equity.

In the future, we may from time to time incur substantial additional indebtedness (including bank borrowings and/or onshore or offshore bond offerings) and contingent liabilities after the date of this Offering Memorandum. See "Description of Material Indebtedness and Other Obligations."

For the avoidance of doubt, the as adjusted information in the table above does not give effect to the Concurrent Offers to Purchase. We intend to finance the Concurrent Offers to Purchase with proceeds from internal funding and proceeds from this offering. As a result, if the Concurrent Offers to Purchase is consummated, our cash at bank and on hand and borrowings will decrease.

Except as disclosed or contemplated in this offering memorandum, there has been no material change in our total capitalization since December 31, 2024.

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The following summary consolidated statements of income data for the years ended December 31, 2022, 2023 and 2024 and the summary consolidated statements of financial position data as of December 31, 2022, 2023 and 2024 have been derived from, and should be read in conjunction with, our audited consolidated financial statements for the years ended December 31, 2022, 2023 and 2024, as audited by Grant Thornton Hong Kong Limited, our independent certified public accountants, included elsewhere in this offering memorandum[1].

The financial information has been prepared and presented in accordance with HKFRS Accounting Standards, which differ in certain respects from generally accepted accounting principles in other jurisdictions. You should read the summary financial data below in conjunction with the section headed "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements and unaudited consolidated interim financial statements that are included elsewhere in this offering memorandum. Historical results are not necessarily indicative of future results.

Note:

1. The audited consolidated financial statements for the years ended December 31, 2022 and 2023 as disclosed in our annual reports for such years were audited by PricewaterhouseCoopers ("**PwC**"), who was our auditor until November 2024. PwC resigned as our auditor with effect from November 25, 2024, and Grant Thornton Hong Kong Limited ("**Grant Thornton**") was appointed as our new auditor with effect from November 26, 2024. For the purpose of this offering, Grant Thornton also performed an audit of our consolidated financial statements for the years ended December 31, 2022 and 2023, which are included in this offering memorandum.

Selected Consolidated Statements of Income and Other Financial Data

	Year ended December 31,			
	2022	2023	2024	
	(RMB)	(RMB)	(RMB)	(US$)
		(in thousands)		(unaudited)
Revenue	**116,540,630**	**119,463,530**	**89,226,520**	**12,223,983**
Cost of sales and services	(100,601,822)	(103,295,543)	(74,242,114)	(10,171,128)
Gross profit	**15,938,808**	**16,167,987**	**14,984,406**	**2,052,855**
Fair value (losses)/gains on investment properties	1,455,337	23,353	(39,030)	(5,347)
Selling and marketing costs	(5,558,769)	(5,209,342)	(4,032,137)	(552,401)
Administrative expenses	(5,194,244)	(4,149,847)	(3,193,640)	(437,527)
Net impairment losses on financial assets	(424,109)	(1,197,403)	(908,136)	(124,414)
Other income	336,826	160,918	81,305	11,139
Other expenses	(18,702)	(10,037)	(3,688)	(505)
Other gains/(losses) – net	(454,935)	439,325	(125,823)	(17,238)
Operating profit	**6,080,212**	**6,224,954**	**6,763,257**	**926,562**
Finance income	388,005	297,430	78,269	10,723
Finance costs	(3,777,877)	(3,035,696)	(2,982,154)	(408,553)
Finance costs – net	**(3,389,872)**	**(2,738,266)**	**(2,903,885)**	**(397,830)**
Share of results of associates	383,508	692,825	636,575	87,210
Share of results of joint ventures	620,658	840,158	(302,001)	(41,374)
Profit before income tax	**3,694,506**	**5,019,671**	**4,193,946**	**574,568**
Income tax expense	(2,951,802)	(5,486,705)	(3,511,848)	(481,121)
(Loss)/profit from continuing operations	**742,704**	**(467,034)**	**682,098**	**93,447**
Profit from discontinued operation	**–**	**1,251,606**	**–**	**–**
Profit for the year	**742,704**	**784,572**	**682,098**	**93,447**
Profit/(Loss) for the year attributable to:				
– Equity holders of the Company	280,673	879,296	491,312	67,309
– Non-controlling interests	462,031	(94,724)	190,786	26,138
	742,704	784,572	682,098	93,447
Other Financial Data				
EBITDA[(1)]	13,275,546	13,927,704	12,676,500	1,736,673
EBITDA margin[(2)]	11.4%	11.7%	14.2%	14.2%

(1) EBITDA refers to our operating profit plus depreciation, amortization and capitalized interest under cost of sales, but excluding fair value gains on the investment properties and other gains or losses, net. EBITDA is not a standard measure under HKFRSs. EBITDA is a widely used financial indicator of a company's ability to service and incur debts. EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. EBITDA does not account for taxes, interest expense or other non-operating items. In evaluating EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as sales and operating expenses and the amount by which EBITDA exceeds capital expenditures and other charges. We have included EBITDA because we believe it is a useful supplement to cash flow data as a measure of our performance and our ability to generate cash flow from operations to cover debt service and taxes. EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare our EBITDA to EBITDA presented by other companies because not all companies use the same definition. See the section headed "Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Financial Measures" for a reconciliation of our profit for the year under HKFRSs to our definition of EBITDA. Investors should also note that EBITDA as presented herein may be calculated differently from Consolidated EBITDA as defined and used in the indenture governing the Notes. See the section headed "Description of the Notes – Definitions" for a description of the manner in which Consolidated EBITDA is defined for purposes of the Indenture.

(2) EBITDA margin is calculated by dividing EBITDA by revenue.

Selected Consolidated Statements of Financial Position Data

	As of December 31,			
	2022	2023	2024	
	(RMB)	(RMB)	(RMB)	(US$)
		(in thousands)		(unaudited)
ASSETS				
Non-current assets				
Property, plant and equipment	7,987,902	3,861,304	3,739,661	512,331
Right-of-use assets	1,475,120	1,060,960	1,032,060	141,392
Investment properties	113,262,575	121,088,100	122,852,249	16,830,689
Intangible assets	366,147	284,016	40,702	5,576
Investments in associates	12,832,996	12,854,475	10,460,200	1,433,042
Investments in joint ventures	12,958,270	11,714,732	10,648,135	1,458,789
Deferred income tax assets	7,640,630	6,607,576	6,125,095	839,135
Financial assets at fair value through profit or loss	359,942	366,989	304,684	41,742
Financial assets at amortised costs	219,687	267,411	–	–
Goodwill	777	777	–	–
Trade and other receivables and prepayments	630	639	653	89
Total non-current assets	**157,104,676**	**158,106,979**	**155,203,439**	**21,262,785**
Current assets				
Prepayments for leasehold land	2,498,583	2,095,610	1,875,460	256,937
Properties held or under development for sale	204,412,729	142,531,410	97,029,850	13,293,035
Trade and other receivables and prepayments	61,516,856	50,928,943	42,366,724	5,804,217
Contract costs	3,789,212	3,336,978	1,475,183	202,099
Financial assets at fair value through other comprehensive income	641,455	148,608	93,805	12,851
Financial assets at fair value through profit or loss	545,199	270,704	366,874	50,262
Financial assets at amortised costs	511,917	169,410	95,310	13,057
Restricted cash	10,017,870	6,274,884	3,703,679	507,402
Cash and cash equivalents	22,435,399	13,225,030	6,914,613	947,298
Total current assets	**306,369,220**	**218,981,577**	**153,921,498**	**21,087,158**
Total assets	**463,473,896**	**377,088,556**	**309,124,937**	**42,349,943**
EQUITY				
Equity attributable to owners of the Company				
Share capital: nominal value	5,822	5,822	5,822	798
Reserves	44,747,790	45,866,173	46,348,002	6,349,650
	44,753,612	45,871,995	46,353,824	6,350,448
Non-controlling interests	**48,260,729**	**44,637,346**	**40,435,935**	**5,539,700**
Total equity	**93,014,341**	**90,509,341**	**86,789,759**	**11,890,148**

	As of December 31,			
	2022	2023	2024	
	(RMB)	(RMB)	(RMB)	(US$)
		(in thousands)		
				(unaudited)
LIABILITIES				
Non-current liabilities				
Trade and other payables	–	–	193,970	26,574
Borrowings	43,874,405	38,413,872	41,661,723	5,707,633
Lease liabilities	599,709	1,303,788	1,230,236	168,542
Deferred income tax liabilities	7,712,480	8,188,259	7,584,648	1,039,093
Total non-current liabilities	**52,186,594**	**47,905,919**	**50,670,577**	**6,941,842**
Current liabilities				
Trade and other payables	106,949,413	97,215,279	88,801,722	12,165,785
Advances from lessees	861,548	1,012,257	1,002,453	137,335
Contract liabilities	164,832,371	106,091,241	55,308,646	7,577,253
Current income tax liabilities	9,886,047	9,523,320	10,385,529	1,422,812
Borrowings	35,663,149	24,755,728	16,071,392	2,201,772
Lease liabilities	80,433	75,471	94,859	12,996
Total current liabilities	**318,272,961**	**238,673,296**	**171,664,601**	**23,517,953**
Total liabilities	**370,459,555**	**286,579,215**	**222,335,178**	**30,459,795**
Total equity and liabilities	**463,473,896**	**377,088,556**	**309,124,937**	**42,349,943**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements as of and for the years ended December 31, 2022, 2023 and 2024, and in each case, the related notes thereto included elsewhere in this offering memorandum. The financial information included in our consolidated financial statements as of and for the years ended December 31, 2022, 2023 and 2024 have been prepared in accordance with HKFRSs, which may differ in material aspects from generally accepted accounting principles in other jurisdictions. For the purpose of this section unless the context otherwise requires references to 2022, 2023 and 2024 refer to our financial year ended December 31 of that year.

The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results and timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" in this offering memorandum.

Overview

We are a leading property developer in the Yangtze River Delta, focusing primarily on the development of quality residential properties and mixed-use complex projects. In 2024, we were ranked fourth and second among the top 10 Chinese commercial real estate developers by comprehensive strengths and by operations, respectively, by China Real Estate Industry Federation (中國房地產業協會) and Shanghai E-House Real Estate Research Institute (上海易居房地產研究院). In addition, we received various recognitions from China Index Academy in 2024, including being named among the top 10 commercial real estate developers by operations in the PRC and being recognized as an excellent construction operation enterprise. We also received various recognitions at the Annual Premier Product Strength Conference in 2024 (2024超級產品力年度大會), which was co-organized by EH Consulting (億翰智庫) and AUDG (艾迪格設計) under the guidance of China Real Estate Chamber of Commerce (全聯房地產商會), including being named as a 2024 national model of the fourth generation residential projects and being ranked among the top 20 Chinese real estate enterprises by delivery strength and by product strength, the top 10 national excellent construction projects and the top 10 Chinese construction enterprises by product strength.

As of December 31, 2024, we had 222 real estate projects which were under development and/or held for future development in 92 major cities in the PRC. These projects included approximate 19.7 million sq.m. under development and approximately 19.3 million sq.m. held for future development. As of December 31, 2024, we had land reserves with a total estimated GFA of 31.4 million sq.m., of which 23.6 million sq.m. are attributed to our Group's interests.

Our Property Development Operations

Property development operations comprise, among other things, land acquisition, product development and construction, property sales and pre-sales and property management. For product development and construction, we engage third-party contractors to provide a wide range of services which include, without limitation, architectural and interior design, construction, electromechanical engineering and landscaping. To shorten the period between site acquisition, pre-sale and completion of our properties, we have adopted a "rapid asset turnover" business model for our property development operations. As a result, we have been able to rapidly replicate our projects, shorten development cycles, maximize investment returns, improve cash flows and mitigate liquidity risks.

Our Diversified Product Offerings

We develop and sell a variety of residential property types, through four residential property series, namely, our "FirstHomes" series, "SweetHomes" series, "DreamHomes" series and "PrestigeHomes" series, to target different customers groups, including first time buyers, young families, mid-to-high income households and high net worth individuals. We also develop large-scale, mixed-use complex projects that typically consist of a combination of shopping malls, offices, hotels, serviced apartments, residential properties and other ancillary facilities. We offer three mixed-use complex project series, namely our "International Plaza" series, "City Plaza" series and "Lifestyle Mall" series, to meet the needs and preferences of customers in different locations, including central business districts and emerging business districts.

Principal Factors Affecting our Results of Operations

Our business, results of operations and financial condition are affected by a number of factors, including those set forth below.

Macroeconomy of PRC and Regulatory Measures for the Property Sector in China

Substantially all of our revenue has been generated from the commercial and residential property markets in the PRC. The conditions of the commercial and residential property markets in the PRC are significantly impacted by governmental policies and regulations.

From time to time, the PRC government adjusts its regulation of the property market depending on macroeconomic conditions to achieve policy goals, such as preventing the overheating of the property market or stimulating the property market during and after an economic downturn. In recent years, various administrative bodies launched a series of measures to discourage speculation and control the growth of the PRC property market. Demand for properties and property prices in China have fluctuated significantly in recent years, and is expected to continue to be affected by macro-economic control measures implemented by the PRC government from time to time.

On November 11, 2022, China's central bank and banking regulator jointly issued the "Notice on Providing Current Financial Support for the Stable and Healthy Development of the Real Estate Market" (《關於做好當前金融支持房地產市場平穩健康發展工作的通知》(銀發[2022]254號)) (the "**2022 Notice**"), which outlines comprehensive financial support measures including prioritized credit assistance for well-managed, financially sound developers, optimized loan services for construction firms to ensure funding stability, facilitation of bond financing for quality developers with improved investor communication and repayment mechanisms, support for domestic and overseas bond repurchases, and encouragement of trust and asset management products to meet legitimate sector financing needs. On September 24, 2024, the People's Bank of China and the National Financial Regulatory Administration issued the "Notice on Extending the Duration of Certain Real Estate Financial Policies," (《關於延長部分房地產金融政策期限的通知》), which extends the application period of policies regarding reasonable extensions for outstanding financing such as development loans and trust loans under the 2022 Notice.

On September 24, 2024, the People's Bank of China and the National Financial Regulatory Administration also jointly issued the "Notice on Optimizing the Minimum Down Payment Ratio Policy for Individual Housing Loans" (《關於優化個人住房貸款最低首付款比例政策的通知》). The notice establishes a unified national minimum down payment ratio: for families purchasing homes with loans, commercial individual housing loans will no longer differentiate between first-home and second-home purchases, with the minimum down payment ratio uniformly set at no less than 15%. The performance of the property market and our business will continue to be affected by a number of macroeconomic factors, including the growth of the PRC economy, interest rates, RMB exchange rate and the political, economic and regulatory environment in the PRC.

Our business and results of operations may be affected by governmental policies and regulations in the PRC relating to property development, including those that have (i) increased taxes on title transfers and property ownership, (ii) increased down payment requirements for residential mortgages, (iii) tightened credit on financing and mortgage loans and (iv) restricted multiple home ownership and investments in residential property outside one's province of residence.

Ability to Acquire Suitable Land for Future Development

Our growth will depend in large part on our ability to acquire quality land at prices that can yield reasonable returns. In recent years, we have expanded our business geographically. Based on our current development plans, we have sufficient land reserves for development for the next three years. As the PRC economy continues to grow and demand for commercial and residential properties remains relatively strong, we expect competition among developers for land reserves suitable for property development to intensify nationwide and in the cities in which we operate. In addition, the public tender, auction and listing-for-sale practices for granting state-owned land use rights are also likely to increase competition for development land and land acquisition costs. See "Risk Factors – Risks Relating to Our Business – We may not be able to acquire land reserves in desirable locations that are suitable for development at commercially acceptable prices in the future."

Access to Capital and Cost of Financing

Bank and other borrowings are important sources of funding for our property developments. As of December 31, 2022, 2023 and 2024, our outstanding current and non-current bank loans amounted to RMB42,390.2 million, RMB34,617.5 million and RMB33,399.4 million (US$4,575.7 million), respectively. The interest rates of our bank loans and other borrowings are affected by the benchmark interest rates published by the PBOC, which are in turn affected by the general economic conditions in China and the PRC government's monetary policies. Therefore, any increase in the benchmark interest rates will increase the interest costs for our property developments. Our access to capital and cost of financing are also affected by restrictions imposed from time to time by the PRC government and by financial institutions on bank lending for property development. Additionally, an increase in the demand for loans may increase interest rates, resulting in additional interest costs for us, especially in newly raised loans. See "Risk Factors – Risks Relating to Our Business – We may not have adequate financing to fund our future land acquisitions and property developments, and such capital resources may not be available on commercially reasonable terms, or at all."

Product Mix of Our Properties

We derive substantially all of our revenue from the sale of residential and commercial properties. Over the years, we have developed and introduced various products to the market, including large-scale residential properties and mixed-use complexes, which consist of high-end residential flats, retail properties and other properties. Our results of operations and cash flows generated from operating activities may vary from period to period depending on our sales strategy, the types of properties sold and delivered and the average selling prices of these properties. In addition, our results of operations and cash flows generated from operating activities may also vary depending on prevailing market conditions when we sell our properties. The cash flows generated from our investment properties depend on local rental rates, which in turn depend on local supply and demand conditions, as well as the type of property being developed.

Timing of Property Development

The number of property projects that we undertake during any particular period is primarily limited by the substantial capital requirements for land acquisitions and construction, as well as land supply. In addition, the development of property projects may take many months or even years before the commencement of pre-sale or completion and delivery. No revenue is recognized with respect to a property project until it has been completed, sold and delivered to the customers. In addition, as market demand fluctuates, the revenue we recognize in a particular period may also depend on market conditions at the expected completion and delivery time of a particular project. Moreover, delays in construction, regulatory approval and other processes can adversely affect the timetable of our projects. Given the foregoing limitations, timing differences and uncertainties, our results of operations have fluctuated in the past and are likely to continue to fluctuate in the future. To mitigate these fluctuations, we seek to strategically schedule projects so they will be staggered at different stages of development during any particular period.

Land and Construction Costs

Our results of operations are affected by land and construction costs. Land and construction costs constitute the largest items in our cost of sales. Over the years, land premiums have generally been on the rise in China. It is expected that land premiums will continue to rise as the PRC economy continues to grow and demolition and resettlement costs continue to increase. Under our standard construction contracts, we are responsible for key construction materials such as steel and bear any increases in material costs after a contract is entered into. Furthermore, prolonged increases in the price of construction materials will prompt contractors to change their fee quotes for new contracts, thus increasing our cost of sales and overall project cost. If we cannot sell our properties at prices sufficient to cover all our increased costs, we will not be able to achieve our target profit margins, and our profitability will be adversely impacted.

LAT

Our property developments are subject to LAT with respect to the appreciated value of the related land and improvements on such land. LAT applies to both domestic and foreign investors in real estate development in China, and is levied at progressive rates ranging from 30% to 60% of the

appreciation of land value. In the years ended December 31, 2022, 2023 and 2024, we recorded total LAT expenses of RMB1,378.9 million, RMB1,443.8 million and RMB1,227.9 million (US$168.2 million), respectively, in our consolidated statements of income. Provisions for LAT are made upon recognition of revenue. As of the date of this offering memorandum, we have made all prepayments and/or full provisions for LAT in compliance with the relevant LAT laws and regulations in China as interpreted and enforced by the relevant local tax authorities. However, we cannot assure you that the relevant tax authorities will agree to the basis on which we have calculated our LAT liabilities for provision purposes, or that such provisions will be sufficient to cover all LAT obligations that tax authorities may ultimately impose on us. Our financial condition and results of operations may be materially adversely affected if our LAT liabilities as calculated by the relevant tax authorities are substantially higher than our provisions. See "Risk Factors – Risks Relating to Our Business – The relevant PRC tax authorities may challenge the basis on which we calculate our LAT obligations."

Fair Value of Investment Properties

We have designated certain completed properties and properties under development as investment properties, as we intend to hold these properties on a long-term basis for rental income and capital appreciation. Our investment properties are recorded as non-current assets in our consolidated statements of financial position at fair value as of each balance sheet date as determined by independent valuations. Gains or losses arising from changes in the fair value of our investment properties are accounted for as gains or losses upon revaluation in our consolidated statements of income, which may have a substantial effect on our profits. The valuation of property involves the exercise of professional judgment and requires the use of certain bases and assumptions. The fair value of our investment properties may have been higher or lower if a different set of bases or assumptions were to be used. In addition, upward revaluation adjustments reflect unrealized capital gains on our investment properties as of the relevant balance sheet dates and do not generate any cash inflow for our operations or potential dividend distributions to our shareholders. The amounts of fair value adjustments have been changed and may continue to change based on property market conditions in China and our portfolio of investment properties. In the years ended December 31, 2022 and 2023, we recorded fair value gains of RMB1,455.3 million and RMB23.4 million, respectively. In the year ended December 31, 2024, we recorded fair value losses of RMB39.0 million (US$5.3 million). We recognized substantial gains from fair value changes in our investment properties in 2022 but we cannot assure you that similar levels of fair value gains can be achieved in the future.

Critical Accounting Policies

Some of our accounting policies require subjective or complex judgments by our management, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Certain accounting estimates are particularly sensitive because of their significance to our consolidated financial statements. We review our estimates and underlying assumptions on an ongoing basis. We set forth below those accounting policies that we believe are the most critical to our consolidated financial statements.

(a) Accounting policies applied for the years ended December 31, 2023 and 2024

(i) Sales of properties

Control of the property under all the property development and sales contract is transferred at a point in time, revenue is recognised when the property is accepted by the customer, or deemed as accepted according to the contract, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property, and the Group has present right to payment and the collection of the consideration is probable.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component.

(ii) Commercial property management service

The Group provides commercial property management services. Revenue from providing services is recognised in the accounting period in which the services are rendered.

For commercial property management services, the Group billed a fixed amount each month for services provided and recognised as revenue in the amount to which the Group has a right to invoice and corresponds directly with value of performance completed.

If contracts involve the sale of multiple services, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. If the standard-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

(iii) Other services

The Group provides various services to its customers at fixed or variable amounts. If the consideration is variable, the Group estimates the amount of consideration to which it will be entitled in exchange for the promised goods or services. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The Group recognises revenue associated with fixed fees over time where the customer simultaneously receives and consumes the benefits provided by the Group or when the Group's performance do not create an asset with alternative use and the Group has an enforceable right to perform completed to date, by reference to completion of the specific transaction assessed on the basis of the actual costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.

(b) Accounting policies applied for the year ended December 31, 2022

(i) Sales of properties

Revenues are recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws and rules that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer; or
- creates and enhances an asset that the customer controls as the Group performs; or
- do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract cost incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

For property development and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the property is accepted by the customer, or deemed as accepted according to the contract, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property, and the Group has present right to payment and the collection of the consideration is probable.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component.

(ii) Commercial property management service

The Group provides commercial property management services. Revenue from providing services is recognised in the accounting period in which the services are rendered.

For commercial property management services, the Group billed a fixed amount each month for services provided and recognised as revenue in the amount to which the Group has a right to invoice and corresponds directly with value of performance completed.

If contracts involve the sale of multiple services, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. If the standard-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

(iii) Other services

The Group provides various services to its customers at fixed or variable amounts. If the consideration is variable, the Group estimates the amount of consideration to which it will be entitled in exchange for the promised goods or services. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The Group recognises revenue associated with fixed fees over time where the customer simultaneously receives and consumes the benefits provided by the Group or when the Group's performance do not create an asset with alternative use and the Group has an enforceable right to perform completed to date, by reference to completion of the specific transaction assessed on the basis of the actual costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.

Investment Properties

Properties that we do not occupy and hold for long-term rental yields or capital appreciation, or both, are classified as investment properties. Properties that are currently being constructed or developed for future use as investment properties are also classified as investment properties and stated at fair value. An investment property is measured initially at cost, including related transaction costs and, where applicable, borrowing costs. After initial recognition, investment property is carried at fair value. Fair value is based on active market prices and is adjusted, as necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, we use alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are performed at balance sheet date by external valuers.

Properties Held or Under Development for Sale

Properties held or under development for sale are included in current assets at the lower of cost and net realizable value. The costs of properties held or under development consist of costs of leasehold land, construction expenditure, capitalized borrowing costs and other direct costs incurred during the development period. The costs of properties held are determined by apportionment of the total development costs for that development project attributable to the unsold properties. Net realizable value is based on estimated selling price in the ordinary course of business as determined by management with reference to prevailing market conditions, less further costs expected to be incurred before completion and expected selling and marketing costs.

Borrowings Costs

Borrowing costs are capitalized if they are directly attributable to the development of properties for sale or the acquisition, construction or production of other qualifying assets.

Capitalization of borrowing costs commences when the activities to prepare the assets commence and expenditure and borrowing costs are incurred, and capitalization ceases when the assets are substantially completed or ready for their intended use. Other borrowing costs are expensed in the period they are incurred.

Deferred Income Tax

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Joint Arrangements

Under HKFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. We have assessed the nature of our joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize our share of the post-acquisition profits or losses and movements in other comprehensive income. When our share of losses in a joint venture equals or exceeds its interests in the joint venture (which includes any long-term interests that, in substance, form part of our net investment in the joint venture), we do not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealized gains on transactions between us and our joint ventures are eliminated to the extent of our interests in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by us.

Certain Income Statement Items

Revenue

We derive our revenue primarily from sales of properties and, to a lesser extent, property management, rental income and other property-related services. The following table sets forth our revenue by revenue source for the years indicated.

	Year ended December 31,			
	2022	2023	2024	
	(RMB)	(RMB)	(RMB)	(US$)
		(in thousands)		(unaudited)
Revenue				
Sales of properties	104,882,656	107,336,376	76,041,007	10,417,575
Commercial property management services	3,920,751	4,865,086	5,476,774	750,315
Rental income	5,087,577	5,697,459	6,556,150	898,189
Others	2,649,646	1,564,609	1,152,589	157,904
Total	**116,540,630**	**119,463,530**	**89,226,520**	**12,223,983**

As we derive substantially all of our revenue from sales of properties, our results of operations for a given period are dependent upon the amount of total GFA delivered, the location and type of properties we completed and delivered during such period, market conditions and the contracted sales prices of our properties.

Our average selling price per sq.m. sold was RMB7,947, RMB8,255 and RMB7,716 for the years ended December 31, 2022, 2023 and 2024, respectively.

Cost of Sales

Cost of sales consists primarily of the costs we incur directly in relation to our property development activities as well as our leasing and property management operations. Cost of sales includes construction costs, land use rights costs, tax and surcharges, capitalized interest and other business costs.

Our development costs, which consist of construction costs, land use rights costs and capitalized interest, were RMB91,102.1 million, RMB94,450.3 million and RMB70,060.6 million (US$9,598.3 million) for the years ended December 31, 2022, 2023 and 2024.

Our provision for impairment of properties held (or under development) for sale represents the impairment charge we made in connection with certain properties held (or under development) for sale. For the years ended December 31, 2022, 2023 and 2024, our accrual of provision for properties held (or under development) for sale charged into our consolidated statements of income was RMB5,957.0 million, RMB5,348.2 million and RMB1,635.0 million (US$224.0 million), respectively. Upon recognition of the sales of properties in the years ended December 31, 2022, 2023 and 2024 for which impairment provision had been made previously, we reversed impairment provision of RMB2,392.9 million, RMB2,049.3 million and RMB2,933.6 million (US$401.9 million) in the years ended December 31, 2022, 2023 and 2024, respectively, and credited to cost of sales.

The following table sets forth information relating to our cost of sales for the years indicated:

	Year ended December 31,						
	2022		2023		2024		
	(RMB)	(%)	(RMB)	%	(RMB)	(US$)	%
			(in thousands)				
						(unaudited)	
Development costs							
Land use rights costs . .	30,237,176	30.1	35,054,596	33.9	23,395,605	3,205,185	31.5
Construction costs . . .	53,324,267	53.0	51,716,408	50.1	41,175,629	5,641,038	55.5
Capitalised interest . . .	7,540,702	7.5	7,679,296	7.4	5,489,351	752,038	7.4
	91,102,145	90.6	94,450,300	91.4	70,060,585	9,598,261	94.4
Tax and surcharges . . .	1,432,057	1.4	1,267,759	1.2	1,088,135	149,074	1.4
Provision for impairment of properties held or under development for sale	5,957,007	5.9	5,348,186	5.2	1,635,020	223,997	2.2
Other expenses	2,110,613	2.1	2,229,298	2.2	1,458,374	199,796	2.0
	9,499,677	9.4	8,845,243	8.6	4,181,529	572,867	5.6
Total	**100,601,822**	**100.0**	**103,295,543**	**100.0**	**74,242,114**	**10,171,128**	**100.0**

(1) Average cost per sq.m. sold refers to the average cost of our property sales (excluding our leasing and property management operations) and is derived by dividing the sum of construction costs, land use rights costs and capitalized interest for a year by the total GFA delivered in that year. The average selling price per sq.m. sold refers to the average selling price of GFA delivered and recognized as sales during the year.

Gross Profit and Gross Profit Margin

Gross profit represents revenue less cost of sales. Our gross profit for the years ended December 31, 2022, 2023 and 2024 was RMB15,938.8 million, RMB16,168.0 million and RMB14,984.4 million (US$2,052.9 million), respectively. Our gross profit margin for the years ended December 31, 2022, 2023 and 2024 was 13.7%, 13.5% and 16.8%, respectively.

We incurred significant interest expenses in relation to our bank borrowings, corporate bonds and senior notes. Our capitalized interests included in cost of sales were approximately RMB7,540.7 million, RMB7,679.3 million and RMB5,489.4 million (US$752.0 million) for the years ended December 31, 2022, 2023 and 2024, respectively. Most of our interest expenses have been or will be capitalized as properties under development rather than being recorded as expenses in our income statement upon their incurrence. Such capitalized interest expenses will be recorded as expenses in our consolidated income statements as a portion of cost of sales upon the sale of the relevant properties. Accordingly, such capitalized interest expenses may adversely affect our gross profit margin upon recognition of the sale of the relevant properties in future periods.

Fair Value (Losses)/Gains on Investment Properties

We develop and hold certain of our commercial properties such as retail shops, shopping malls and car parks for rental income or capital appreciation. Our investment properties are appraised annually by an independent property valuer. Any appreciation or depreciation in our investment property value is recognized as fair value gains or losses in our consolidated statements of income. In the years ended December 31, 2022 and 2023, we recorded fair value gains of RMB1,455.3 million and RMB23.4 million, respectively. In the year ended December 31, 2024, we recorded fair value losses of RMB39.0 million (US$5.3 million).

Selling and Marketing Costs

Selling and marketing costs consist primarily of advertising and publicity expenses, sales commissions, including commissions in relation to our outsourced marketing activities, selling and marketing staff costs, expenses relating to exhibitions and trade fairs and other expenses relating to sales of our properties, including advertisements on television and in newspapers, magazines, and on billboards.

The following table sets forth our selling and marketing costs for the years indicated:

	Year ended December 31,			
	2022	2023	2024	
	(RMB)	(RMB)	(RMB)	(US$)
		(in thousands)		
				(unaudited)
Selling and marketing costs				
Sales commission	2,260,185	2,448,001	2,224,613	304,771
Advertising and publicity costs	1,443,181	1,472,591	995,052	136,322
Staff costs	937,662	771,493	617,678	84,622
Others	917,741	517,257	194,794	26,686
Total	**5,558,769**	**5,209,342**	**4,032,137**	**552,401**

Administrative Expenses

Administrative expenses consist primarily of administrative staff costs, depreciation, traveling expenses, rental payments, entertainment expenses and other office expenses. The following table sets forth our administrative expenses for the years indicated:

	Year ended December 31,			
	2022	2023	2024	
	(RMB)	(RMB)	(RMB)	(US$)
		(in thousands)		
				(unaudited)
Administrative expenses				
Depreciation of property, plant and equipment	540,790	368,906	193,639	26,528
Amortization of intangible assets	114,244	117,226	65,400	8,960
Bank charges	152,015	188,229	161,035	22,062
Staff costs	3,403,455	2,557,972	2,061,940	282,485
Entertainment expenses	116,080	97,876	72,535	9,937
Professional fees[(1)]	540,485	407,485	331,304	45,389
Auditors' remuneration for annual audit and interim review	2,100	2,100	1,200	164
Rental expenses of low-value and short-term leases	3,784	3,608	1,823	250
Traveling expenses	163,663	166,298	130,999	17,947
Other expenses	157.628	240,147	173,765	23,805
Total	**5,194,244**	**4,149,847**	**3,193,640**	**437,527**

(1) Professional fees represent the fees paid to our auditor, legal advisers and property valuer and other professional parties, mainly in connection with the offerings of corporate bonds and senior notes. Such professional fees also include certain fees paid to our auditor, legal advisers and other professional parties who had provided professional services to us in our ordinary course of business that are not associated with the foregoing.

Other Income/Other Expenses/Other Net Gains or Losses

Our other income, other expenses and other net gains or losses primarily consist of government grants, fair value gains upon transfer of properties held for sale to investment properties, compensation for the return of land use rights, cancellation of property sales contracts or relating to law suits, dividend income, donations and expenses relating to third-party services.

Finance Costs – Net

Our finance costs primarily consist of Interest on borrowings, significant financing component of pre-sale contracts, and interest and finance charges paid/payable for lease liabilities less interest capitalised. Interest on borrowings relating to project development is capitalized to the extent it is directly attributable to a particular project and used to finance the development of that project. Because the development period for a project does not necessarily coincide with the interest payment period of the relevant loan, not all of the interest costs related to a project can be capitalized. As a result, our finance costs fluctuate from period to period depending on the amount of interest costs that are capitalized within the reporting period. For the years ended December 31, 2022, 2023 and 2024, our net finance costs amounted to RMB3,389.9 million, RMB2,738.3 million and RMB2,903.9 million (US$397.8 million), respectively.

Our interest expenses (including capitalized interest expenses) incurred in the years ended December 31, 2022, 2023 and 2024 were RMB5,643.2 million, RMB4,368.5 million and RMB3,581.5 million (US$490.7 million), respectively.

Income Tax Expense

Our income tax expense for a given period includes provisions made for LAT, PRC corporate income tax and deferred income tax (including PRC withholding tax) during the year. For the years ended December 31, 2022, 2023 and 2024, our effective corporate income tax rate[(1)] was 67.9%, 113.1% and 77.0%, respectively.

The following table sets forth our income tax expense for the years indicated:

	Year ended December 31,			
	2022	2023	2024	
	(RMB)	(RMB)	(RMB)	(US$)
		(in thousands)		(unaudited)
Current income tax				
PRC land appreciation tax ...	1,378,875	1,443,826	1,227,922	168,225
PRC corporate income tax ...	1,665,166	2,744,056	2,411,720	330,404
	3,044,041	4,187,882	3,639,642	498,629
Deferred income tax	(92,239)	1,298,823	(127,794)	(17,508)
Total income tax charged for the year	**2,951,802**	**5,486,705**	**3,511,848**	**481,121**

(1) Our effective corporate income tax rate is calculated as:

$$\text{Effective corporate income tax rate} = \frac{\text{PRC corporate income tax + Deferred income tax}}{\text{Profit before income tax – PRC land appreciation tax}} \times 100$$

Review of Historical Operating Results

Year ended December 31, 2024 compared to year ended December 31, 2023

Revenue

Our revenue decreased by RMB30,237.0 million, or 25.3%, from RMB119,463.5 million in the year ended December 31, 2023 to RMB89,226.5 million in the year ended December 31, 2024. This decrease was primarily due to the decrease of 29.2% in revenue from property sales from RMB107,336.4 million in the year ended December 31, 2023 to RMB76,041.0 million in the year ended December 31, 2024, which was attributable to shrinking of property business due to downturn of the real estate industry in 2024 as compared to 2023.

Cost of Sales

Our cost of sales decreased by RMB29,053.4 million, or 28.1%, from RMB103,295.5 million in the year ended December 31, 2023 to RMB74,242.1 million in the year ended December 31, 2024. This decrease was primary due to a 2.1% decrease in our average cost per sq.m. sold from RMB7,264 in the year ended December 31, 2023 to RMB7,110 in the year ended December 31, 2024.

Gross Profit

As a result of the foregoing, our gross profit decreased by RMB1,183.6 million, or 7.3%, from RMB16,168.0 million in the year ended December 31, 2023 to RMB14,984.4 million in the year ended December 31, 2024. Our overall gross profit margin increased from 13.5% in the year ended December 31, 2023 to 16.8% in the year ended December 31, 2024, primarily attributable to a higher proportion of the revenue from commercial property management service and rental income with higher gross profit margin to the total revenue in 2024 as compared to 2023.

Fair Value Losses on Investment Properties

We recorded fair value losses on investment properties of RMB39.0 million in the year ended December 31, 2024, as compared to our fair value gains on investment properties of RMB23.4 million in the year ended December 31, 2023, which was mainly attributable to the slight decrease in valuation of certain investment properties under certain segment due to intensified market competition in 2024 as compared to 2023.

Selling and Marketing Costs

Our selling and marketing costs decreased by RMB1,177.2 million, or 22.6%, from RMB5,209.3 million in the year ended December 31, 2023 to RMB4,032.1 million in the year ended December 31, 2024, primarily due to the decrease in advertising and publicity costs etc. in 2024 as compared to 2023.

Administrative Expenses

Our administrative expenses decreased by RMB956.2 million, or 23.0%, from RMB4,149.8 million in the year ended December 31, 2023 to RMB3,193.6 million in the year ended December 31, 2024. The decrease was mainly because of the decrease in the number of employees and reduction of expenses in 2024.

Finance Costs – Net

Our net finance costs increased by RMB165.6 million, or 6.0%, from RMB2,738.3 million in the year ended December 31, 2023 to RMB2,903.9 million in the year ended December 31, 2024. This increase was primarily due to the decrease in interest income on bank deposits in 2024 as compared to 2023.

Income Tax Expense

Our income tax expense decreased by RMB1,974.9 million, or 36.0%, from RMB5,486.7 million in the year ended December 31, 2023 to RMB3,511.8 million in the year ended December 31, 2024. The decrease was primarily due to the decrease in profit before income tax in 2024.

Profit for the Year

As a result of the foregoing, our profit decreased by RMB102.5 million, or 13.1%, from RMB784.6 million in the year ended December 31, 2023 to RMB682.1 million in the year ended December 31, 2024. Our net profit margin increased slightly from 0.7% in the year ended December 31, 2023 to 0.8% in the year ended December 31, 2024.

Year ended December 31, 2023 compared to year ended December 31, 2022

Revenue

Our revenue increased by RMB2,922.9 million, or 2.5%, from RMB116,540.6 million in the year ended December 31, 2022 to RMB119,463.5 million in the year ended December 31, 2023. This increase was primarily due to the increase of 2.3% in revenue from property sales from RMB104,882.7 million in the year ended December 31, 2022 to RMB107,336.4 million in the year ended December 31, 2023, which was in turn driven by a 3.9% increase in our ASP from RMB7,947 per sq.m. in the year ended December 31, 2022 to RMB8,255 per sq.m. in the year ended December 31, 2023.

Cost of Sales

Our cost of sales increased by RMB2,693.7 million, or 2.7%, from RMB100,601.8 million in the year ended December 31, 2022 to RMB103,295.5 million in the year ended December 31, 2023. This increase was primary due to a 5.2% increase in our average cost per sq.m. sold from RMB6,903 in the year ended December 31, 2022 to RMB7,264 in the year ended December 31, 2023.

Gross Profit

As a result of the foregoing, our gross profit increased by RMB229.2 million, or 1.4%, from RMB15,938.8 million in the year ended December 31, 2022 to RMB16,168.0 million in the year ended December 31, 2023. Our overall gross profit margin decreased from 13.7% in the year ended December 31, 2022 to 13.5% in the year ended December 31, 2023, primarily due to a 5.2% increase in our average cost per sq.m. sold from RMB6,903 in the year ended December 31, 2022 to RMB7,264 in the year ended December 31, 2023.

Fair Value Gains on Investment Properties

Our fair value gains on investment properties decreased by RMB1,431.9 million, or 98.4%, from RMB1,455.3 million in the year ended December 31, 2022 to RMB23.4 million in the year ended December 31, 2023. The decrease in gains on investment properties was primarily because the slow-down of appreciation of overall capital value in 2023 as compared to 2022.

Selling and Marketing Costs

Our selling and marketing costs decreased by RMB349.5 million, or 6.3%, from RMB5,558.8 million in the year ended December 31, 2022 to RMB5,209.3 million in the year ended December 31, 2023, primarily due to the decrease in office expenses in 2023 as compared to 2022.

Administrative Expenses

Our administrative expenses decreased by RMB1,044.4 million, or 20.1%, from RMB5,194.2 million in the year ended December 31, 2022 to RMB4,149.8 million in the year ended December 31, 2023. The decrease was mainly because of our efforts to save expenses in 2023.

Finance Costs – Net

Our net finance costs decreased by RMB651.6 million, or 19.2%, from RMB3,389.9 million in the year ended December 31, 2022 to RMB2,738.3 million in the year ended December 31, 2023. This decrease was primarily due to the decrease in interests on borrowing and foreign exchange losses in 2023 as compared to 2022.

Income Tax Expense

Our income tax expense increased by RMB2,534.9 million, or 85.9%, from RMB2,951.8 million in the year ended December 31, 2022 to RMB5,486.7 million in the year ended December 31, 2023. The increase was primarily due to the increase in our profit in 2023.

Profit for the Year

As a result of the foregoing, our profit increased by RMB41.9 million, or 5.6%, from RMB742.7 million in the year ended December 31, 2022 to RMB784.6 million in the year ended December 31, 2023. Our net profit margin increased slightly from 0.6% in the year ended December 31, 2022 to 0.7% in the year ended December 31, 2023.

Liquidity and Capital Resources

Overview

We operate in a capital-intensive industry, and our primary use for cash is to pay for land acquisition costs, construction costs and finance costs and to fund our working capital. To date, we have primarily financed our working capital, capital expenditure and other capital requirements primarily through the offering of our onshore corporate bonds and offshore senior notes, borrowings from banks and other financial institutions, proceeds from the pre-sales and sales of properties and income generated from our property management services and investment properties. Going forward, we believe our liquidity requirements will be satisfied using a combination of bank loans, cash generated from operating activities, proceeds from the offering of the Notes and other funds raised from the capital markets from time to time.

Cash Flows

The following table sets forth a summary of our consolidated statement of cash flows for the years indicated:

	Year ended December 31,			
	2022	2023	2024	
	(RMB)	(RMB)	(RMB)	(US$)
		(in thousands)		(unaudited)
Selected cash flow statement data				
Net cash (used in)/generated from operating activities	7,464,836	5,996,908	(2,637,082)	(361,279)
Net cash generated from/(used in) investing activities	(218,470)	3,657,768	2,510,175	343,893
Net cash used in financing activities	(31,469,197)	(18,879,493)	(6,129,871)	(839,789)
Net decrease in cash and cash equivalents	(24,222,831)	(9,224,817)	(6,256,778)	(857,175)
Cash and cash equivalents at beginning of the year	46,604,698	22,435,399	13,225,030	1,811,822
Net exchange (losses)/gains on cash and cash equivalents	53,532	14,448	(53,639)	(7,349)
Cash and cash equivalents at end of the year	22,435,399	13,225,030	6,914,613	947,298

Net cash generated from or used in operating activities

We generate our cash from operating activities primarily from proceeds received from pre-sales and sales of our properties and rental income. Our cash used in operating activities is primarily for our property development activities and land acquisitions.

Our net cash flow generated from operating activities reflects our profit before income tax, as adjusted for non-cash items, such as fair value gains on investment properties, finance costs and accrual or reversal of provisions for properties held for sale, and the effects of changes in working capital, such as increases or decreases in payments for properties held or under development for sale, advances from pre-sale of properties, prepayments for leasehold land and trade and other receivables or payables.

In 2024, we had net cash used in operating activities of RMB2,637.1 million, primarily due to (i) interest paid of RMB3,734.4 million, (ii) PRC income tax paid of RMB629.4 million and (iii) PRC LAT of RMB2,148.1 million, partially offset by cash generated from operations of RMB3,874.8 million.

In 2023, we had net cash generated from operating activities of RMB5,996.9 million, which primarily consisted of cash generated from operations of RMB12,428.0 million, partially offset by (i) interest paid of RMB4,377.6 million, (ii) PRC income tax paid of RMB1,244.4 million and (iii) PRC LAT of RMB809.0 million.

In 2022, we had net cash generated from operating activities of RMB7,464.8 million, which primarily consisted of cash generated from operations of RMB17,667.1 million, partially offset by (i) interest paid of RMB6,127.9 million, (ii) PRC income tax paid of RMB1,919.6 million and (iii) PRC LAT of RMB2,154.8 million.

Net cash generated from or used in investing activities

In 2024, we had net cash generated from investing activities of RMB2,510.2 million, which primarily consisted of (i) repayment of fundings to related parties and joint venture partners of RMB7,106.4 million, (ii) capital reduction and disposal of associates of RMB1,617.1 million and (iii) dividends received of RMB1,176.3 million, partially offset by (i) fundings to related parties and joint venture partners of RMB6,538.3 million and (ii) additions of investment properties of RMB1,889.6 million.

In 2023, we had net cash generated from investing activities of RMB3,657.8 million, which primarily consisted of (i) repayment of fundings to related parties and joint venture partners of RMB8,621.8 million, (ii) disposal of subsidiaries and business, net of cash disposed, of RMB1,402.8 million, (iii) dividends received of RMB1,321.7 million and (iv) capital reduction and disposal of joint ventures of RMB1,025.7 million, partially offset by (i) fundings to related parties and joint venture partners of RMB7,984.0 million and (ii) additions of investment properties of RMB2,200.3 million.

In 2022, we had net cash used in investing activities of RMB218.5 million, primarily due to (i) fundings to related parties and joint venture partners of RMB19,196.3 million and (ii) additions of investment properties of RMB6,839.3 million, partially offset by repayment of fundings to related parties and joint venture partners of RMB22,916.1 million.

Net cash used in financing activities

In 2024, we had net cash used in financing activities of RMB6,129.9 million, primarily due to (i) repayments of borrowings of RMB28,365.7 million, (ii) capital reduction by non-controlling interests of RMB1,997.5 million and (iii) transaction with non-controlling interests of RMB1,076.9 million, partially offset by (i) proceeds from borrowings of RMB22,867.9 million and (ii) fundings from non-controlling interests of subsidiaries of RMB2,980.6 million.

In 2023, we had net cash used in financing activities of RMB18,879.5 million, primarily due to (i) repayments of borrowings of RMB36,636.8 million, (ii) payment for fundings from non-controlling interests of subsidiaries of RMB2,661.0 million, (iii) transaction with non-controlling interests of RMB1,711.6 million and (iv) dividends paid to non-controlling interests of RMB1,601.5 million, partially offset by (i) proceeds from borrowings of RMB20,110.9 million and (ii) fundings from non-controlling interests of subsidiaries of RMB3,867.7 million.

In 2022, we had net cash used in financing activities of RMB31,469.2 million, primarily due to (i) repayments of borrowings of RMB54,472.5 million and (ii) payment for fundings from non-controlling interests of subsidiaries of RMB9,675.2 million, partially offset by (i) proceeds from borrowings of RMB26,609.2 million and (ii) fundings from non-controlling interests of subsidiaries of RMB9,829.2 million.

Net Current Assets Position

The following table sets forth our assets and liabilities as of the balance sheet dates indicated:

	As of December 31,			
	2022	2023	2024	
	(RMB)	(RMB)	(RMB)	(US$)
		(in thousands)		(unaudited)
Current assets				
Prepayments for leasehold land	2,498,583	2,095,610	1,875,460	256,937
Properties held or under development for sale	204,412,729	142,531,410	97,029,850	13,293,035
Trade and other receivables and prepayments	61,516,856	50,928,943	42,366,724	5,804,217
Contract costs	3,789,212	3,336,978	1,475,183	202,099
Financial assets at fair value through other comprehensive income	641,455	148,608	93,805	12,851
Financial assets at fair value through profit or loss	545,199	270,704	366,874	50,262
Financial assets at amortised costs	511,917	169,410	95,310	13,057
Restricted cash	10,017,870	6,274,884	3,703,679	507,402
Cash and cash equivalents	22,435,399	13,225,030	6,914,613	947,298
Total current assets	**306,369,220**	**218,981,577**	**153,921,498**	**21,087,158**
Current liabilities				
Trade and other payables	106,949,413	97,215,279	88,801,722	12,165,785
Advances from lessees	861,548	1,012,257	1,002,453	137,335
Contract liabilities	164,832,371	106,091,241	55,308,646	7,577,253
Current income tax liabilities	9,886,047	9,523,320	10,385,529	1,422,812
Borrowings	35,663,149	24,755,728	16,071,392	2,201,772
Lease liabilities	80,433	75,471	94,859	12,996
Total current liabilities	**318,272,961**	**238,673,296**	**171,664,601**	**23,517,953**
Net current (liabilities)	**(11,903,741)**	**(19,691,719)**	**(17,743,103)**	**(2,430,795)**

Commitments

Leasehold Land Commitments

The following table sets forth our leasehold land committed but not yet incurred as of the dates indicated:

	As of December 31,			
	2022	2023	2024	
	(RMB)	(RMB)	(RMB)	(US$)
		(in thousands)		
				(unaudited)
Contracted but not provided for	1,548,687	1,548,687	1,328,534	182,008

Capital Commitments

The following table sets forth our capital committed but not yet incurred as of the dates indicated:

	As of December 31,			
	2022	2023	2024	
	(RMB)	(RMB)	(RMB)	(US$)
		(in thousands)		
				(unaudited)
Committed acquisition of equipment	83,542	–	–	–

Operating Lease Commitments

The following table sets forth our operating lease commitments for rental expenses as of the dates indicated:

	As of December 31,			
	2022	2023	2024	
	(RMB)	(RMB)	(RMB)	(US$)
		(in thousands)		
				(unaudited)
No later than 1 year	1,082	47	1,694	232
Later than 1 year and no later than 5 years	126	–	–	–
	1,208	47	1,694	232

Investment Commitments

The following table sets forth our investment commitments as of the dates indicated:

	As of December 31,			
	2022	2023	2024	
	(RMB)	(RMB)	(RMB)	(US$)
		(in thousands)		
				(unaudited)
Committed investments in associates	1,547,311	1,664,853	1,397,627	191,474
Committed investments in joint ventures	1,238,163	816,369	820,799	112,449
	2,785,474	2,481,222	2,218,426	303,923

Operating Lease Rentals Receivable

The following table sets forth our operating lease rentals receivable as of the dates indicated:

	As of December 31,			
	2022	2023	2024	
	(RMB)	(RMB)	(RMB)	(US$)
		(in thousands)		
				(unaudited)
Within 1 year	7,961,305	9,900,493	10,598,702	1,452,016
1 to 5 years	17,082,017	15,495,000	14,746,471	2,020,258
After 5 years	6,178,789	6,755,871	5,892,181	807,225
	31,222,111	32,151,364	31,237,354	4,279,499

We intend to fund our capital and lease commitments principally from bank financings and proceeds from sales and pre-sales of our developed properties.

Indebtedness

The following table sets forth our outstanding borrowings as of the dates indicated:

	As of December 31,			
	2022	2023	2024	
	(RMB)	(RMB)	RMB	(US$)
		(in thousands)		(unaudited)
Current borrowings				
Current, secured:				
– Loans from banks and non-bank financial institutions	3,797,224	2,299,755	1,852,050	253,730
Current, unsecured:				
– Loans from banks and non-bank financial institutions	10,000	352,875	30,000	4,110
– Senior notes	696,460	708,270	–	–
	706,460	1,061,145	30,000	4,110
Interest payable of short-term borrowings	98,523	45,711	48,683	6,670
Current portion of long-term borrowings	30,445,359	20,854,893	13,780,132	1,887,870
Interest payable of long-term borrowings	615,583	494,224	360,527	49,392
Total current borrowings	**35,663,149**	**24,755,728**	**16,071,392**	**2,201,772**
Non-current borrowings				
Non-current, secured:				
– Loans from banks and non-bank financial institutions	43,652,041	35,947,092	36,443,227	4,992,702
– Middle term notes	3,000,000	3,000,000	7,620,000	1,043,936
– Senior notes	5,206,964	3,887,205	2,154,205	295,125
– Financing under securitisation arrangements	5,637,000	2,045,822	2,021,751	276,979
	57,496,005	44,880,119	48,239,183	6,608,742
Non-current, unsecured:				
– Loans from banks and non-bank financial institutions	2,483,800	2,208,817	1,056,546	144,746
– Middle term notes	1,800,000	2,940,000	–	–
– Private placement notes	170,000	–	–	–
– Corporate bonds	1,971,172	1,100,000	1,100,000	150,699
– Senior notes	10,398,787	8,139,829	5,046,126	691,316
	16,823,759	14,388,646	7,202,672	986,761
Less: Current portion of long-term borrowings	(30,445,359)	(20,854,893)	(13,780,132)	(1,887,870)
Total non-current borrowings	**43,874,405**	**38,413,872**	**41,661,723**	**5,707,633**
Total current and non-current borrowings	**79,537,554**	**63,169,600**	**57,733,115**	**7,909,405**

Since 2014, we have been funding our development costs (including land premium) with internal resources and bank borrowings and proceeds from issuance of corporate bonds and senior notes.

Our outstanding current and non-current borrowings, which include our borrowings from banks, corporate bonds and senior notes were RMB79,537.6 million, RMB63,169.6 million and RMB57,733.1 million (US$7,909.4 million) as of December 31, 2022, 2023 and 2024, respectively. Our current and non-current borrowings decreased during the three years ended December 31, 2022, 2023 and 2024, primarily due to a decrease in construction activities during such periods.

As of December 31, 2024, we had unutilized banking facilities of approximately RMB59.7 billion (US$8.2 billion). Provided that we obtain all necessary permits and licenses for development of our relevant projects as required by the banks and that the funding will be used for the relevant project for which we have applied for the funding, the use of the unutilized banking facilities generally will not be restricted. These conditions are customary for the banks to provide banking facilities to property developers in China.

The following table sets forth the maturity profile of our non-current borrowings as of the dates indicated:

	As of December 31,			
	2022	2023	2024	
	(RMB)	(RMB)	(RMB)	(US$)
		(in thousands)		
				(unaudited)
Between 1 and 2 years	19,072,001	14,199,399	9,911,088	1,357,814
Between 2 and 5 years	16,532,020	13,985,194	12,272,702	1,681,353
Over 5 years	8,270,384	10,229,279	19,477,933	2,668,466
	43,874,405	38,413,872	41,661,723	5,707,633

All of our bank borrowings are secured by one or a combination of the following methods: pledges of land to be developed, properties under development, properties held for sale, investment properties, land use rights, property, plant and equipment, shares of our subsidiaries, bank deposits and guarantees by our subsidiaries. Our bank borrowings are from major commercial banks, which are independent third parties. As of December 31, 2022, 2023 and 2024, the weighted average interest rate on our total borrowings was 6.45%, 6.15% and 5.88%, respectively.

As a result of these borrowings, our operations are subject to a wide range of customary restrictive covenants. For further information, see the sections headed "Risk Factors – Risks Relating to Our Business – We are subject to risks associated with certain covenants or restrictions under our bank borrowings which may adversely affect our business, financial condition and results of operations."

Financial Guarantees and Contingent Liabilities

We make arrangements with various PRC banks to provide mortgage facilities to purchasers of our pre-sold properties. In accordance with market practice, we are required to provide guarantees to these banks in respect of mortgages provided to such purchasers. Guarantees for mortgages on pre-sold residential properties are generally discharged when: (i) the property ownership certificates are registered in favor of the mortgagee banks, or (ii) the settlement of mortgage loans between the mortgagee banks and the purchasers, whichever occurs first. If a purchaser defaults on the mortgage loan, we are typically required to repurchase the underlying property to pay off the mortgage loan. If we fail to do so, the mortgagee banks will auction the underlying property and recover the balance from us if the outstanding loan amount exceeds the net foreclosure sale proceeds. In line with industry practice, we do not conduct independent credit checks on our purchasers but rely on the credit checks conducted by the mortgagee banks. As of December 31, 2022, 2023 and 2024, our outstanding guarantees for mortgage loans of the purchasers of our pre-sold properties were approximately RMB62,295.9 million, RMB33,026.3 million and RMB21,775.3 million (US$2,983.2 million), respectively. Our general policy is that for purchasers utilizing mortgage loans, if purchasers default on subsequent payments after the down

payment, we reserve our rights to seize the full amount of the down payment, unless we are able to resell the property at a price not less than the original amount at which we sold the property to such defaulting purchasers, and that the resale proceeds are sufficient to cover our enforcement costs. Financial guarantees are contingent liabilities not recognized in our financial statements.

The following table sets forth our financial guarantees as of the dates indicated:

	As of December 31,			
	2022	2023	2024	
	(RMB)	(RMB)	(RMB)	(US$)
		(in thousands)		
				(unaudited)
Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties	62,295,853	33,026,298	21,775,253	2,983,197

Except as disclosed in "– Commitments" and "– Indebtedness" above, we did not have outstanding mortgages, charges, debentures, loan capital, bank overdrafts, loans, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance credits or any guarantees or other material contingent liabilities outstanding as of December 31, 2024.

Qualitative and Quantitative Disclosure about Market Risk

We are exposed to various types of market risks, including credit risk, interest rate risk, and liquidity risk.

Credit Risk

We considered the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. To assess whether there's a significant increase in credit risk, we compare the risk of a default occurring on the asset at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower 's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increases in credit risk on other financial instruments of the same borrower
- significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

(a) Cash in banks

We expect that there is no significant credit risk associated with cash deposits at banks since they are substantially deposited with state-owned banks and other medium or large size listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

(b) Trade receivables

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss also incorporates forward looking information.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group. The Group made a written off for trade receivables of RMB78,187,000 during the year ended December 31, 2024.

(c) Other receivables

The Group uses three categories for other receivables which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings.

A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Group definition of category	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
Stage one ...	Customers have a low risk of default and a strong capacity to meet contractual cash flow	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	Gross carrying amount
Stage two ...	Receivables for which there is a significant increase in credit risk since initial recognition	Lifetime expected losses	Gross carrying amount
Stage three ..	Receivables for which there is credit loss since initial recognition	Lifetime expected losses	Amortized cost carrying amount (net of credit allowance)

The Company accounts for its credit risk by appropriately providing for expected losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

Since credit risk has not significantly increased after initial recognition, the loss allowance recognised was therefore limited to 12 months expected losses.

Other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group. The Group made a written off for other receivables of RMB9,093,000 during the year ended December 31, 2024.

(d) Financial assets at amortized cost

All of the entity's debt investments at amortized cost are considered to have low credit risk, and the loss allowance recognized during the period was therefore limited to 12 months expected losses. Our Management considers 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

(e) Financial assets at fair value through profit or loss

We are also exposed to credit risk in relation to debt investments that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period is the carrying amount of these investments.

(f) Financial Guarantee

We have policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments. We have arranged bank financing for certain purchasers of our property units and provided guarantees to secure obligations of such purchasers for repayments. If a purchaser defaults on the payment of its mortgage loan during the guarantee period, the bank holding the guarantee may demand us to repay the outstanding principal of the loan and any interest accrued thereon. Under such circumstances, we are able to forfeit the customer 's deposit and resell the property to recover any amounts paid by us to the bank.

We also provide guarantees to our certain related parties to obtain borrowings after assessing the credit history and pledge information of these related parties. We closely monitor the repayment progress of the relevant borrowings by these related parties.

Interest Rate Risk

Our interest rate risk relates primarily to our fixed-rate borrowings and variable-rate borrowings. Borrowings at fixed-rates expose us to fair value interest rate risk and borrowings at variable rates expose us to cash flow interest rate risk. We currently have not entered into interest rate swaps to hedge against our exposure to changes in fair values of our borrowings. It is our policy to maintain an appropriate level between our fixed-rate and variable rate borrowings so as to balance the fair value and cash flow interest rate risk.

In addition, to the extent that we may need to raise debt financing in the future, upward fluctuations in interest rates will increase the cost of new debt. Fluctuations in interest rates can also lead to significant fluctuations in the fair value of our debt obligations.

We currently do not use any derivative instruments to manage our interest rate risk. To the extent we decide to do so in the future, there can be no assurance that any future hedging activities will protect us from fluctuations in interest rates.

Liquidity Risk

The capital-intensive nature of our business exposes us to liquidity risk. We are exposed to liquidity risk if we are unable to raise sufficient funds to meet our capital commitments. To manage the liquidity risk, we monitor and maintain a level of cash and cash equivalents considered adequate by our management to finance our operations and mitigate the effects of fluctuations in cash flows. In doing so, our management monitors capital on the basis of the gearing ratio to ensure adequate undrawn banking facilities and monitors the utilization of borrowings to ensure compliance with loan covenants. We also continue to obtain longer term financing facilities, mainly issuance of senior notes, project bank loans with pledge of our properties or other resources of funding which we consider appropriate.

Off-Balance Sheet Arrangements

Except for the contingent liabilities disclosed, we have not entered into any off-balance sheet arrangements or commitments to guarantee the payment obligations of any third parties. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing or hedging services with us.

Non-GAAP Financial Measures

We use EBITDA to provide additional information about our operating performance. EBITDA refers to our earnings before the following items:

- finance costs, including capitalized interest under cost of sales;
- income tax expense;
- fair value gains on investment properties;
- other gains-net;
- depreciation; and
- amortization.

EBITDA is not a standard measure under HKFRSs or generally accepted accounting principles in other jurisdictions. As the property development business is capital intensive, capital expenditure requirements and levels of debt and interest expenses may have a significant impact on the profit of companies with similar operating results. Therefore, we believe the investor community commonly use this type of financial measure to assess the operating performance of companies in our market sector.

You should not consider our definition of EBITDA in isolation or construe it as an alternative to profit for the year or as an indicator of operating performance or any other standard measure under HKFRSs or generally accepted accounting principles in other jurisdictions. Our definition of EBITDA does not account for taxes and other non-operating cash expenses. Our EBITDA measures may not be comparable to similarly titled measures used by other companies.

The following table reconciles our profit for the year under HKFRS Accounting Standards to our definition of EBITDA for the years indicated.

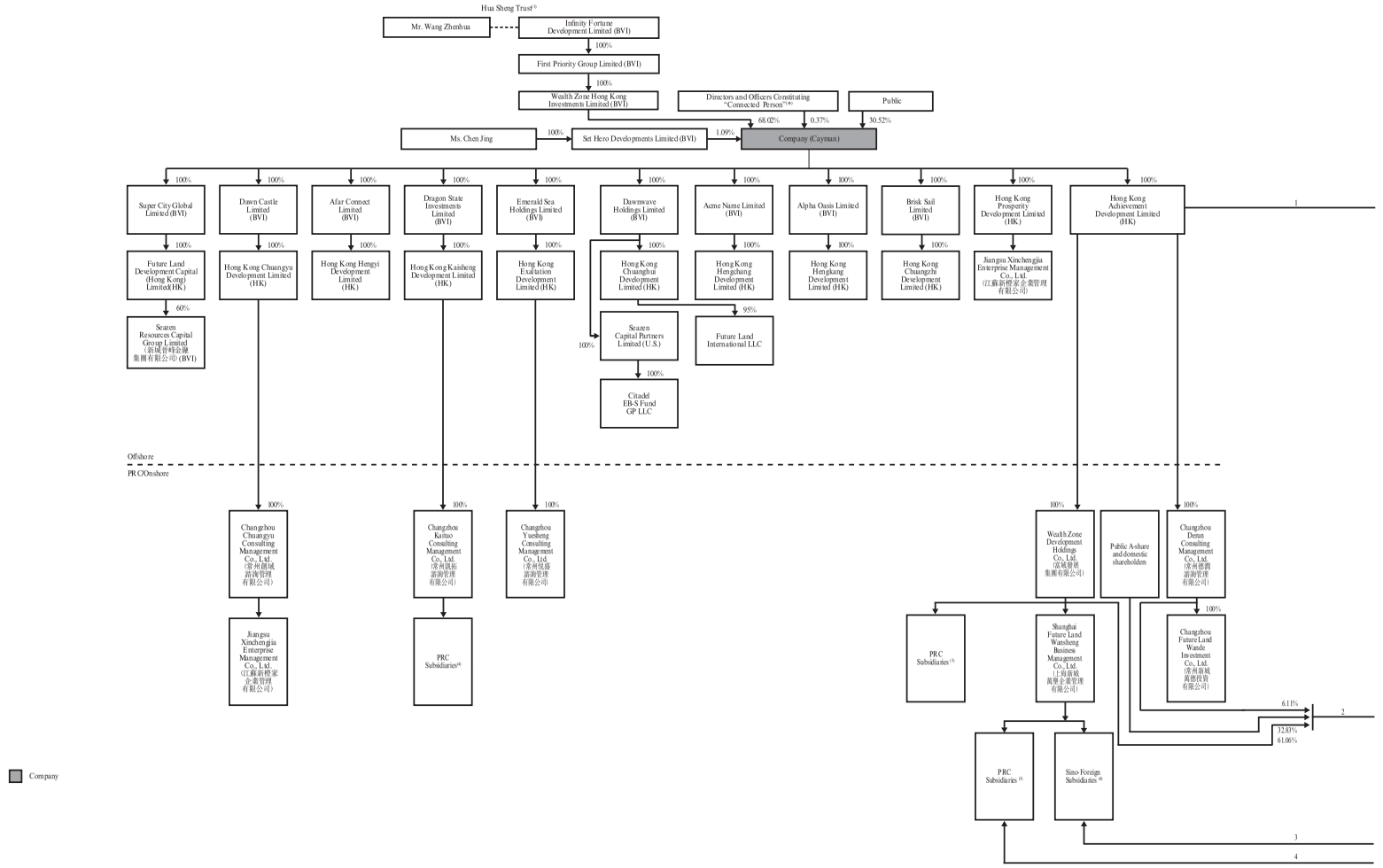
	Year ended December 31,			
	2022	2023	2024	
	(RMB)	(RMB)	(RMB)	(US$)
		(in thousands)		
				(unaudited)
Revenue	116,540,630	119,463,530	89,226,520	12,223,983
Profit for the year	742,704	784,572	682,098	93,447
Operating profit	6,080,212	6,224,954	6,763,257	926,562
Adjustments:				
Finance costs	3,777,877	3,035,696	2,982,154	408,553
Capitalized interest under cost of sales	7,540,702	7,679,296	5,489,351	752,038
Income tax expense	2,951,802	5,486,705	3,511,848	481,121
Fair value gains/(losses) on investment properties	1,455,337	23,353	(39,030)	(5,347)
Other (losses)/gains – net	(454,935)	439,325	(125,823)	(17,238)
Depreciation	540,790	368,906	193,639	26,528
Amortization	114,244	117,226	65,400	8,960
EBITDA[(1)]	13,275,546	13,927,704	12,676,500	1,736,673
EBITDA margin[(2)]	11.4%	11.7%	14.2%	14.2%

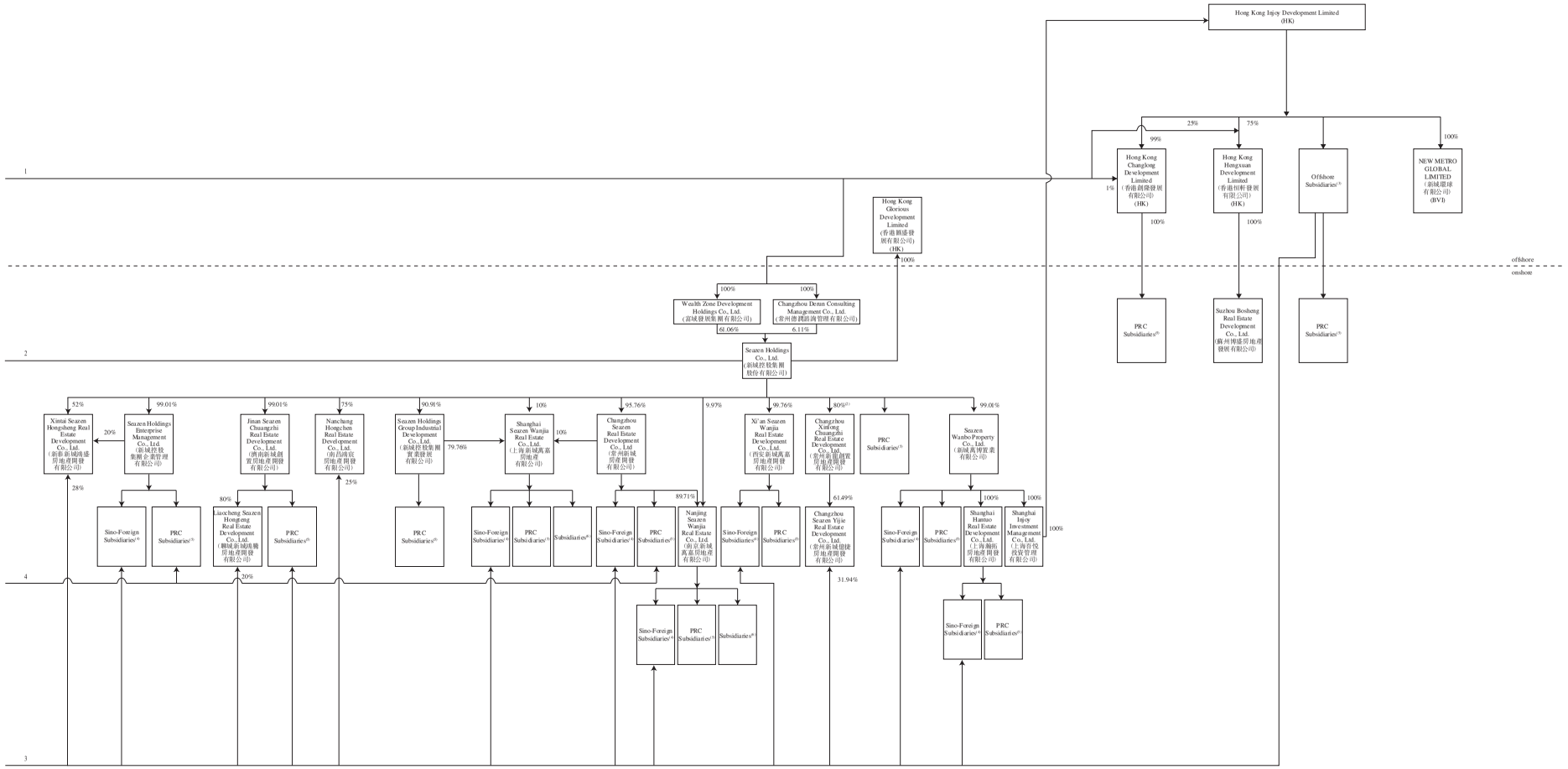
(1) EBITDA refers to our operating profit plus depreciation, amortization and capitalized interest under cost of sales, but excluding fair value gains on the investment properties and other gains or losses, net. EBITDA is not a standard measure under HKFRSs. EBITDA is a widely used financial indicator of a company's ability to service and incur debts. EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. EBITDA does not account for taxes, interest expense or other non-operating items. In evaluating EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as sales and operating expenses and the amount by which EBITDA exceeds capital expenditures and other charges. We have included EBITDA because we believe it is a useful supplement to cash flow data as a measure of our performance and our ability to generate cash flow from operations to cover debt service and taxes. EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare our EBITDA to EBITDA presented by other companies because not all companies use the same definition. See the section headed "Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Financial Measures" for a reconciliation of our profit for the year under HKFRSs to our definition of EBITDA. Investors should also note that EBITDA as presented herein may be calculated differently from Consolidated EBITDA as defined and used in the Indenture. See the section headed "Description of the Notes – Definitions" for a description of the manner in which Consolidated EBITDA is defined for purposes of the Indenture.

(2) EBITDA margin is calculated by dividing EBITDA by revenue.

CORPORATE STRUCTURE

The following chart sets forth our corporate structure as of the date of this offering memorandum:




Hong Kong Injoy Development Limited (HK)
25%
75%
99%
100%
1%
Hong Kong Changlong Development Limited (香港創隆發展有限公司) (HK)
Hong Kong Hongyuan Development Limited (香港恒輝發展有限公司) (HK)
Offshore Subsidiaries(5)
NEW METRO GLOBAL LIMITED (新城環球有限公司) (BVI)
100%
100%
100%
PRC Subsidiaries(6)
Suzhou Bosheng Real Estate Development Co., Ltd. (蘇州博盛房地產發展有限公司)
PRC Subsidiaries(5)
offshore
onshore
1
2
3
4
Hong Kong Glorious Development Limited (香港振盛發展有限公司) (HK)
100%
100%
Wealth Zone Development Holdings Co., Ltd. (富域發展集團有限公司)
Changzhou Denin Consulting Management Co., Ltd. (常州德銘諮詢管理有限公司)
60.06%
6.11%
Seazen Holdings Co., Ltd. (新城控股集團股份有限公司)
52%
99.01%
99.01%
75%
90.91%
10%
95.76%
9.97%
99.76%
80%(2)
99.01%
Xintai Seazen Hongsheng Real Estate Development Co., Ltd. (新泰新城鴻盛房地產開發有限公司)
20%
Seazen Holdings Enterprise Management Co., Ltd. (新城控股集團企業管理有限公司)
Jinan Seazen Chuangzhi Real Estate Development Co., Ltd. (濟南新城創置房地產開發有限公司)
Nanchang Hongchen Real Estate Development Co., Ltd. (南昌鴻宸房地產開發有限公司)
Seazen Holdings Group Industrial Development Co., Ltd. (新城控股集團置業發展有限公司)
79.76%
Shanghai Seazen Wanjia Real Estate Co., Ltd. (上海新城萬嘉房地產有限公司)
10%
Changzhou Seazen Real Estate Development Co., Ltd. (常州新城房產開發有限公司)
Xi'an Seazen Wanjia Real Estate Development Co., Ltd. (西安新城萬嘉房地產開發有限公司)
Changzhou Xinfeng Chuangzhi Real Estate Development Co., Ltd. (常州新豐創置房地產開發有限公司)
PRC Subsidiaries(3)
Seazen Wanbo Property Co., Ltd. (新城萬博置業有限公司)
28%
80%
25%
89.71%
61.49%
100%
100%
Sino-Foreign Subsidiaries(4)
PRC Subsidiaries(3)
Liaocheng Seazen Hongteng Real Estate Development Co., Ltd. (聊城新城鴻騰房地產開發有限公司)
PRC Subsidiaries(6)
PRC Subsidiaries(6)
Sino-Foreign Subsidiaries(4)
PRC Subsidiaries(4)
Subsidiaries(4)
Sino-Foreign Subsidiaries(4)
PRC Subsidiaries(2)
Nanjing Seazen Wanjia Real Estate Co., Ltd. (南京新城萬嘉房地產有限公司)
Sino-Foreign Subsidiaries(4)
PRC Subsidiaries(4)
Changzhou Seazen Yijie Real Estate Development Co., Ltd. (常州新城懿捷房地產開發有限公司)
Sino-Foreign Subsidiaries(4)
PRC Subsidiaries(4)
Shanghai Hanuo Real Estate Development Co., Ltd. (上海瀚拓房地產開發有限公司)
Shanghai Injoy Investment Management Co., Ltd. (上海喜悅投資管理有限公司)
100%
30%
31.94%
Sino-Foreign Subsidiaries(4)
PRC Subsidiaries(4)
Subsidiaries(4)
Sino-Foreign Subsidiaries(4)
PRC Subsidiaries(3)

(1) Infinity Fortune Development Limited is beneficially owned by Hua Sheng Trust, a discretionary trust set up by Mr. Wang Zhenhua, the founder of our Group as settlor and Chen Ting Sen (PTC) Limited as trustee in favor of his family members.

(2) Changzhou Xinlong Chuangzhi Real Estate Development Co., Ltd. also holds 20% equity in the entity.

(3) The Offshore Subsidiaries of the Company are incorporated in BVI or Hong Kong.

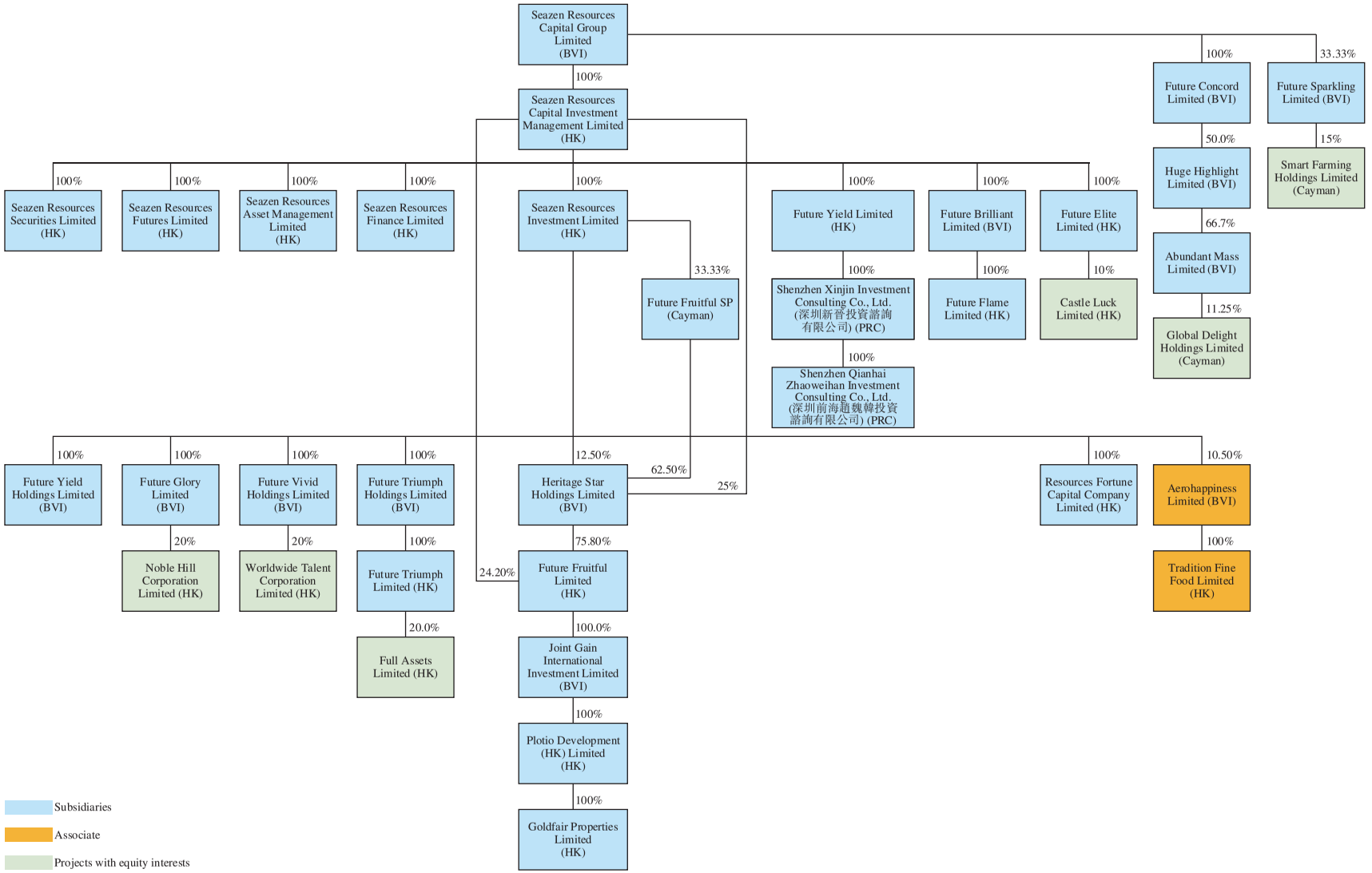
(4) The Sino-Foreign Subsidiaries are controlled by the Company and certain of our offshore subsidiaries, and are primarily engaged in property development.

(5) The PRC subsidiaries of the Company are primarily engaged in property development.

(6) One of the PRC Subsidiaries controls a Sino-Foreign Subsidiary with an Offshore Subsidiary.

(*) Includes (a) 5,000,000 shares beneficially owned by Mr. Lu Zhongming; (b) 12,000,000 shares beneficially owned by Mr. Lv Xiaoping and (c) 6,000,000 shares beneficially owned by Mr. Wang Xiaosong.

(#) The following chart sets forth the subsidiaries of Seazen Resources Capital Group Limited that have active business operations as of the date of this offering memorandum.



Business Overview

We are a leading property developer in the Yangtze River Delta, focusing primarily on the development of quality residential properties and mixed-use complex projects. In 2024, we were ranked fourth and second among the top 10 Chinese commercial real estate developers by comprehensive strengths and by operations, respectively, by China Real Estate Industry Federation (中國房地產業協會) and Shanghai E-House Real Estate Research Institute (上海易居房地產研究院). In addition, we received various recognitions from China Index Academy in 2024, including being named among the top 10 commercial real estate developers by operations in the PRC and being recognized as an excellent construction operation enterprise. We also received various recognitions at the Annual Premier Product Strength Conference in 2024 (2024超級產品力年度大會), which was co-organized by EH Consulting (億翰智庫) and AUDG (艾迪格設計) under the guidance of China Real Estate Chamber of Commerce (全聯房地產商會), including being named as a 2024 national model of the fourth generation residential projects and being ranked among the top 20 Chinese real estate enterprises by delivery strength and by product strength, the top 10 national excellent construction projects and the top 10 Chinese construction enterprises by product strength.

As of December 31, 2024, we had 222 real estate projects which were under development and/or held for future development in 92 major cities in the PRC. These projects included approximate 19.7 million sq.m. under development and approximately 19.3 million sq.m. held for future development. As of December 31, 2024, we had land reserves with a total estimated GFA of 31.4 million sq.m., of which 23.6 million sq.m. are attributed to our Group's interests.

Our Property Development Operations

Property development operations comprise, among other things, land acquisition, product development and construction, property sales and pre-sales and property management. For product development and construction, we engage third-party contractors to provide a wide range of services which include, without limitation, architectural and interior design, construction, electromechanical engineering and landscaping. To shorten the period between site acquisition, pre-sale and completion of our properties, we have adopted a "rapid asset turnover" business model for our property development operations. As a result, we have been able to rapidly replicate our projects, shorten development cycles, maximize investment returns, improve cash flows and mitigate liquidity risks.

Our Diversified Product Offerings

We develop and sell a variety of residential property types, through four residential property series, namely, our "FirstHomes" series, "SweetHomes" series, "DreamHomes" series and "PrestigeHomes" series, to target different customers groups, including first time buyers, young families, mid-to-high income households and high net worth individuals. We also develop large-scale, mixed-use complex projects that typically consist of a combination of shopping malls, offices, hotels, serviced apartments, residential properties and other ancillary facilities. We offer three mixed-use complex project series, namely our "International Plaza" series, "City Plaza" series and "Lifestyle Mall" series, to meet the needs and preferences of customers in different locations, including central business districts and emerging business districts.

Our Competitive Strengths

One of the leading property developers in the Yangtze River Delta

We are a leading property developer in the Yangtze River Delta, a fast-growing region in the PRC. In 2024, we were ranked fourth and second among the top 10 Chinese commercial real estate developers by comprehensive strengths and by operations, respectively, by China Real Estate Industry Federation (中國房地產業協會) and Shanghai E-House Real Estate Research Institute (上海易居房地產研究院). In addition, we received various recognitions from China Index Academy in 2024, including being named among the top 10 commercial real estate developers by operations in the PRC and being recognized as an excellent construction operation enterprise. We also received various recognitions at the Annual Premier Product Strength Conference in 2024 (2024超級產品力年度大會), which was co-organized by EH Consulting (億翰智庫) and AUDG (艾迪格設計) under

the guidance of China Real Estate Chamber of Commerce (全聯房地產商會), including being named as a 2024 national model of the fourth generation residential projects and being ranked among the top 20 Chinese real estate enterprises by delivery strength and by product strength, the top 10 national excellent construction projects and the top 10 Chinese construction enterprises by product strength.

We have a proven track record of developing quality residential properties in Jiangsu Province and in the Yangtze River Delta. As of December 31, 2024, we had 222 real estate projects which were under development and/or held for future development in 92 major cities in the PRC. Leveraging on our premium brand, strong execution capabilities, rapid asset turnover model and property development experience, we have successfully expanded into other cities including, for example, Shanghai, Nanjing, Hangzhou, Wuxi, Suzhou, Nantong, Zhenjiang, Taizhou, Jiaxing, Ningbo, Shaoxing, Jintan, Quzhou and Jinhua in the Yangtze River Delta, Changsha in Hunan Province, Wuhan in Hubei Province, Nanchang in Jiangxi Province, Changchun in Jilin Province, Anqing in Anhui Province, Haikou in Hainan Province, Qingdao and Jinan in Shandong Province, Chengdu in Sichuan Province, Quanzhou in Fujian Province, Xi'an in Shaanxi Province, Zhengzhou in Henan Province, Kunming in Yunnan Province, Chongqing and Tianjin. We believe our strong track record is attributable to our execution capabilities and our ability to identify cities and regions with high growth potential.

Our rapid asset turnover model and standardized development process enable us to maximize our investment returns and improve our operating cash flows

We believe our rapid asset turnover, which we achieve by applying our standardized process for property development, is one of the key factors to our success. Our rapid asset turnover enables us to maximize our investment returns and improve operating cash flows by shortening our property development cycle. We have established a standardized development process for developing property with the use of standardized procedures, components and units since 2005. We established our own architectural design institute in 2007 and possess in-house architectural expertise.

Our standardized development process is designed with our customers' needs and satisfaction in mind and covers the full spectrum of our business operations, including site selection, procurement, property design, construction and quality control, aesthetics, interior design and customer service. As a result, we have been able to efficiently replicate our property projects and consistently deliver high quality properties across various market segments in affluent cities along the Shanghai-Nanjing Economic Corridor. As a result of our standardized development process and operating efficiency, we have the ability to develop projects rapidly, which enhances our profitability and growth potential.

Diversified product portfolio with a strategic focus on middle class customers in the PRC

We offer a wide range of residential properties that primarily target the specific preferences and needs of middle class customers. We believe that there is significant demand in our markets for high quality residential properties, and such demand will continue to increase, as the purchasing power of middle class customers will continue to grow in the future.

Our in-depth knowledge of local markets enables us to offer residential property products to targeted segments within our middle class consumer base. We develop and sell a variety of residential properties, including high-rise apartments, mid-rise apartments, townhouses and luxury stand-alone houses. Our residential properties are divided into four series, namely, our "FirstHomes" series, "SweetHomes" series, "DreamHomes" series and "PrestigeHomes" series, to target different customer groups, including first time buyers, young families, mid-to-high income households and high net worth individuals. These residential property series are designed to meet the evolving needs of middle class customers as their disposable income increases. We believe our focus on middle class customers has enabled us to capitalize on the large population and strong purchasing power of this customer group, and we believe our diversified product offerings have allowed us to penetrate into different segments within our target group of middle class customers.

To further diversify our product portfolio, we started developing commercial properties in 2008. We develop large-scale, mixed-use complex projects that typically consist of a combination of shopping malls, offices, hotels, serviced apartments, high-end residential properties and other

ancillary facilities through three mixed-use complex project series, namely, our "International Plaza" series, "City Plaza" series and "Lifestyle Mall" series, to meet the needs and preferences of customers in different types of locations, including central business districts and emerging business districts. For example, we opened 15 new commercial plazas in the year ended December 31, 2024 under the "Wuyue" series and we had opened a total of 173 Wuyue Plazas by December 31, 2024. We hold some of our commercial properties in prime locations for long-term investment and sell the remaining portion. In addition to generating recurring rental income, we are also able to enjoy potential capital appreciation from our commercial properties over the long term.

Strategically located land reserves, which we believe provide strong support on laying a solid foundation for continued growth

Over the years, we have acquired land reserves in selected cities to establish a platform to support our continued growth. The majority of our land reserves are sizeable and concentrated in major cities along the Shanghai-Nanjing Economic Corridor in the Yangtze River Delta. These cities are located close to, and have easy access to, major roads and railway networks, including the Shanghai-Nanjing Expressway, Shanghai-Nanjing Inter-city High Speed Railway and Beijing-Shanghai High Speed Railway, which increase the value and marketability of these properties. As of December 31, 2024, we had land reserves with a total estimated GFA of approximately 31.4 million sq.m., of which around 23% is located in the Yangtze River Delta, around 46% is located in Central and Western China, around 24% is located in the Bohai Rim and around 7% is located in the Great Bay Area.

Our markets are in affluent second and third-tier cities in the Yangtze River Delta where competition is less intense than first-tier cities in China. This has enabled and will continue to enable us to capitalize on the strong economic development and significant demand in these local real estate markets. Further more, some of our markets are not subject to local policy and regulation restrictions.

Highly skilled and experienced management team with proven execution capabilities and a strong commitment to high corporate governance standards

We have a highly experienced and driven senior management team with proven execution capability. The key members of our management team have knowledge and experience that have enabled them to manage and oversee the operation and growth of our business. The members of our management team are highly experienced in the real estate development industry, with an average of over 16 years of relevant experience. We believe our management team's experience, together with their strong commitment to high corporate governance standards, will help us to achieve sustainable long-term growth and to maximize the value of our business.

Our Business Strategies

Our goal is to become one of the most competitive and profitable property developers in the PRC committed to achieving sustainable growth, adhering to high corporate and managerial standards and maximizing shareholders' returns. We plan to implement the following strategies to achieve our goal.

Continue to strengthen our leadership position in the Yangtze River Delta region

We intend to strengthen our leadership position in the Yangtze River Delta region and benefit from its economic growth. Leveraging our in-depth understanding of the local markets and our experience in property development, we plan to continue to apply our standardized development process to our product offerings to enhance our reputation and brand awareness. Our strong execution capabilities, combined with our scalable business model, provide a solid base from which to expand quickly in the local markets, and to acquire and develop new projects in an efficient manner. In addition to our primary regional focus in cities such as Changzhou, Shanghai, Nanjing, Wuxi and Suzhou, we intend to expand into other cities that have high growth potential in the Yangtze River Delta region, including Zhenjiang, Hangzhou and Nantong. We also intend to expand into major second-tier cities in the Circum-Bohai Bay Region, Midwestern China and Pearl River Delta Region, including Tianjin, Chongqing and Foshan. We will continue to adopt a prudent and disciplined approach when selecting target cities for expansion, taking into account timing and market conditions to ensure our financial performance and liquidity.

Focus on increasing quality land reserves at competitive prices

We plan to continue to increase our land reserves at competitive prices to sustain our continued growth. We plan to continue to maintain our product positioning and optimize our product offerings, taking into account factors such as project location, access to public transportation and surrounding infrastructure, to enhance the value of the land reserves. We intend to continue to acquire quality land reserves for our residential property development projects. At the same time, we also intend to strategically select high quality sites in the Yangtze River Delta region and other areas with high economic growth potential that are suitable for developing large, mixed-use complexes and integrated residential properties. We believe that our well recognized brand name and experience in developing property projects will continue to allow us to identify opportunities to acquire land reserves in prime locations for both our residential and mixed-use complex projects.

Increase customer satisfaction by improving property management services and enhancing our brand recognition

We believe our provision of property management services will help increase the property value, brand recognition and customer satisfaction of our projects. We intend to continue to expand the scope of services of our property management business and to improve our service quality. To offer an effective communication platform with our customers, we have established the Happiness Club (新城幸福會), through which our own project development team and management team can maintain close contact with our customers, understand their needs and spending preferences, as well as encourage them to make purchase recommendations and refer friends and family. In addition, we plan to further improve our property management business by increasing the number of our property management staff and updating our property management service policies and guidelines. We have engaged The Gallup Organization to conduct a customer satisfaction survey and collect customer feedback to guide our efforts to improve our property management services.

Diversify our project portfolio by further expanding our commercial property development operations

Building upon our strength in residential properties, we have developed mixed-use complex projects comprising offices, retail stores, serviced apartments and other ancillary facilities, which we offer primarily for sale or hold for long-term investment. We believe demand for commercial properties will continue to increase as economic activity grows in China. While steadily developing residential projects, we intend to further increase our presence in the commercial property market. We believe that the commercial properties that we hold will generate sustainable rental income, thereby enhancing the stability of our revenue streams and diversifying the risk we face in the residential property market.

Attract, retain and motivate talented personnel through systematic training programs and competitive remuneration packages

We are committed to building a professional and highly specialized team with strong execution capabilities that shares and approves of our values, vision and corporate culture. We believe our success and future growth strategies depend on our ability to attract and retain talented professionals with experience and growth potential.

We offer systemic and comprehensive training programs to our employees and sponsor many of our senior management personnel to take courses from business schools in China to improve their leadership skills. We plan to continue to offer competitive remuneration packages to attract and retain talented professionals. We will offer our employees a wide range of performance incentives, including bonuses and share-based incentives, to align our employees' interests with ours and to foster a higher level of recognition and approval of our corporate value and culture.

Overview of Our Projects

As of December 31, 2024, we had 222 real estate projects which were under development and/or held for future development in 92 major cities in the PRC. These projects included approximately 19.7 million sq.m. under development and approximately 19.3 million sq.m. held for future development. We develop and sell a variety of residential properties, including high-rise apartments, mid-rise apartments, townhouses and luxury stand-alone houses. We develop mixed-use complexes for sale and retain a portion for leasing and long-term investment.

As of December 31, 2024, we had land reserves with a total estimated GFA of 31.4 million sq.m., of which 23.6 million sq.m. are attributed to our Group's interests.

We develop both residential and commercial properties. We classify a property development project as:

- a residential project if 70% or more of the project's total GFA is designated for residential use (excluding hotels) and less than 100,000 sq.m. of its total GFA is designated for commercial use (including financial, wholesale and retail use, offices, serviced apartments and hotels); and

- a mixed-use complex project if (i) more than 30% of the project's total GFA is designated for commercial use, (ii) 100,000 sq.m. or more of its total GFA is designated for commercial use, or (iii) the property does not fall within the parameters of our residential projects.

In addition, we categorize our residential properties and mixed-use complexes into different series to delineate the different positioning of each type of property.

We categorize our residential properties into four series to target different customer groups:

	FirstHomes (啟航)	SweetHomes (樂居)	DreamHomes (圓夢)	PrestigeHomes (尊享)
Unit GFA	60-90 sq.m.	80-120 sq.m.	90-180 sq.m.	180-430 sq.m.
Target customers	First time buyers/ Newlyweds	Young families/ Mid-income households	Mid-to-high income households	High net worth households
Location	Suburban/City periphery	Suburban	City centers	Prime locations

We categorize our mixed-use complexes into three series, details of which are set forth in the table below:

	International Plaza (國際廣場)	City Plaza (城市廣場)	Lifestyle Mall (生活廣場)
Theme/concept	Luxury shopping mall	Convenience shopping centers	Restaurants and leisure goods retail
Location	Central business districts	Emerging business districts	Emerging business districts
Property types addition to retail and residential)	Mid- to high-end hotel, mid- to high-end office and high-end serviced apartments	Mid- to high-end hotel and serviced apartments	Mid-tier office pace, hotel and serviced apartments
Total GFA	Approx. 300,000 sq.m.	Approx. 500,000 sq.m.	Approx. 50,000 sq.m.
Commercial GFA	Approx. 80,000 to 100,000 sq.m.	Approx. 100,000 to 120,000 sq.m.	Approx. 30,000 sq.m.

Classifications of Our Property Projects

We generally classify our property projects into three development stages: projects held for future development, projects under development, and completed projects or project phases.

A property is considered to be held for future development when (i) we have obtained the land use rights certificate, but have not obtained the requisite construction permits or (ii) we have signed a land grant contract for the underlying parcel of land with relevant government authorities. Once a project obtains the required project construction commencement permits, it is classified as being under development until a completion certificate is obtained for every phase of the project. As some of our projects comprise multiple-phase developments that are completed on a rolling basis, a project under development may include different phases at various stages of development. A project or project phase is completed when it is issued a completion certificate by the relevant government construction authorities.

A property is considered "sold" when the purchase contract with a customer is executed and the property is delivered to the customer. A property is treated as "pre-sold" when the purchase contract is executed but the property has not yet been delivered to the customer. Delivery is deemed to take place on the date stated on the property delivery document.

Our classification of properties reflects the basis on which we operate our business and may differ from classifications employed by other developers. Each property project or project phase may require multiple land use rights certificates, construction permits, pre-sale permits and other permits and certificates, which may be issued at different times throughout the development process.

Summary of Our Projects

Completed projects, partially completed projects and projects under planning

The following table sets forth summary information about our major properties as of December 31, 2024:

Projects	Project Type	Project Status	Leasable and sellable area	Accumulated contracted area
			(sq.m.)	(sq.m.)
常州武進區新城路勁西岸雲棲花園 Changzhou Wujin Seazen Lujin Xi'an Yunqi Garden	Residential	Completed	107,578	66,334
常州武進區新城和昱雲璟苑 Changzhou Wujin Seazen Heyu Yunjingyuan	Residential	Completed	120,851	120,761
常州新北區新城綠都萬和城 Changzhou Xinbei Seazen Green City Wanhecheng	Complex	Under development	1,383,945	904,346
常州天寧區新城門第境院 Changzhou Tianning Seazen Mendi Jingyuan	Residential	Completed	200,883	198,439
常州新北區新城華宇雲鏡花苑 Changzhou Xinbei Seazen Huayu Yunjing Huayuan	Residential	Completed	196,263	183,803
常州金壇區新城萃雋花園 Changzhou Jintan Seazen Cuijun Garden	Residential	Completed	140,075	125,335
常州市金壇區新城熙雋花園 Changzhou Jintan Seazen Xijun Garden	Residential	Completed	153,304	132,541
常州新北區新城龍控黑牡丹品悅尚院 Changzhou Xinbei Seazen Logan Black Peony Pinyueshangyuan	Residential	Under development	253,591	17,580
金壇萬建城 Jintan Wanjian City	Residential	Proposed for development	31,841	–
常州金色新城西三期 Changzhou Golden Seazen West Phase III	Residential	Proposed for development	23,953	–
常州新城長島東區 Changzhou Eastern Area of Seazen Long Island	Residential	Proposed for development	236,610	–
泰州泰興市新城丹霞花園 Taizhou Taixing Seazen Danxia Garden	Residential	Under development	445,860	299,888
泰州泰興市新城水岸嘉苑 Taizhou Taixing Seazen Riverbank Jiayuan	Residential	Under development	259,866	184,618
泰州海陵項目 Taizhou Hailing Project	Complex	Under development	568,088	329,499
泰州興化項目 Taizhou Xinghua Project	Complex	Completed	623,747	504,095
泰州泰興項目 Taizhou Taixing Project	Complex	Completed	462,220	316,854
連雲港東海縣新城東海府 Lianyungang Donghai Seazen Donghaifu	Residential	Under development	168,207	168,145
連雲港贛榆區新城海悅銘築 Lianyungang Ganyu Seazen Haiyue Mingzhu	Residential	Under development	107,247	107,247
鹽城大豐區新城悅雋名邸 Yancheng Dafeng Seazen Yuejun Mingdi	Residential	Completed	339,302	307,968
鹽城高新區新城悅雋時代花園 Yancheng High-tech Zone Seazen Yuejun Shidai Garden	Residential	Completed	219,231	212,936
鹽城高新區新城金樾府 Yancheng High-tech Zone Seazen Jinyuefu	Residential	Completed	224,503	203,455
鹽城經開區新城東樾府 Yancheng Economic Development Zone Seazen Dongyuefu	Residential	Under development	259,811	190,348
鹽城亭湖區新城琅樾府 Yancheng Tinghu Seazen Langyuefu	Residential	Under development	110,653	59,977

Projects	Project Type	Project Status	Leasable and sellable area	Accumulated contracted area
			(sq.m.)	(sq.m.)
鹽城經開區新城雲圖花園 Yancheng Economic Development Zone Seazen Yuntu Garden	Residential	Under development	197,887	85,390
淮安淮陰區新城悅雋 Huai'an Huaiyin Seazen Yuejun	Residential	Completed	459,711	455,736
淮安淮陰區天瑞府 Huai'an Huaiyin Tianruifu	Residential	Completed	201,173	174,030
淮安清江浦區新城金樾府 Huai'an Qingjiangpu Seazen Jinyuefu	Residential	Under development	143,658	129,856
淮安清江浦區新城清河印 Huai'an Qingjiangpu Seazen Qingheyin	Residential	Under development	82,974	72,348
淮安清江浦區海尚風華 Huai'an Qingjiangpu Haishang Fenghua	Residential	Under development	619,224	74,198
淮安漣水縣新城和樾府 Huai'an Lianshui Seazen Heyuefu	Residential	Under development	142,261	65,150
淮安漣水項目 Huai'an Lianshui Project	Complex	Under development	613,506	462,086
淮安盱眙項目 Huai'an Xuyi Project	Complex	Under development	364,598	311,594
漣水濱河項目 Lianshui Binhe Project	Complex	Under development	200,933	94,628
無錫惠山區新城天一新著 Wuxi Huishan Seazen Tianyi Xinzhu	Residential	Completed	332,016	326,278
蘇州太倉市新城花語景岸Suzhou Taicang Seazen Huayu Jing'an	Residential	Completed	101,276	91,671
蘇州相城區新城湖畔春曉 Suzhou Xiangcheng Seazen Lakeview Chunxiao	Residential	Under development	158,635	79,652
蘇州吳江區新城鄰水灣景苑 Suzhou Wujiang Seazen Linshuiwan Jingyuan	Residential	Under development	688,594	574,720
蘇州吳江區外果圩項目 Suzhou Wujiang Waiguoyu Project	Residential	Proposed for development	116,369	–
蘇州吳江區新城玖譽灣 Suzhou Wujiang Seazen Jiuyuwan	Residential	Completed	64,738	62,212
蘇州昆山市新城柏麗灣 Suzhou Kunshan Seazen Beautiful Harbour	Residential	Under development	194,818	120,454
蘇州太倉市雲萃景園項目 Suzhou Taicang Yuncui Jingyuan Project	Residential	Completed	109,457	97,186
蘇州張家港市新城和樾花園 Suzhou Zhangjiagang Seazen Heyue Garden	Residential	Completed	164,477	143,812
蘇州張家港市新城雲悅時光花園 Suzhou Zhangjiagang Seazen Yunyue Shiguang Garden	Residential	Completed	56,632	44,647
蘇州張家港市新城江悅風華花園 Suzhou Zhangjiagang Seazen Jiangyue Fenghua Garden	Residential	Under development	72,739	28,548
蘇州相城區新城雅樾瀾庭 Suzhou Xiangcheng Seazen Yayue Lanting	Residential	Completed	101,585	94,549
蘇州MOC芯城匯項目二部 Suzhou MOC Xinchenghui Project Part II	Residential	Completed	61,361	61,361
蘇州MOC芯城匯項目三部 Suzhou MOC Xinchenghui Project Part III	Residential	Under development	234,706	100,503
蘇州MOC芯城匯項目五部 Suzhou MOC Xinchenghui Project Part V	Residential	Completed	130,427	130,080
蘇州MOC芯城匯項目六部 Suzhou MOC Xinchenghui Project Part VI	Residential	Under development	88,204	79,103
蘇州MOC芯城匯項目七部 Suzhou MOC Xinchenghui Project Part VII	Residential	Under development	170,740	–
蘇州MOC芯城匯項目八部 Suzhou MOC Xinchenghui Project Part VIII	Residential	Under development	220,349	155,491

Projects	Project Type	Project Status	Leasable and sellable area	Accumulated contracted area
			(sq.m.)	(sq.m.)
蘇州MOC芯城匯項目九部 Suzhou MOC Xinchenghui Project Part IX	Residential	Under development	79,407	64,867
蘇州MOC芯城匯項目十部 Suzhou MOC Xinchenghui Project Part X	Residential	Completed	39,836	39,836
南通通州區新城上悅城 Nantong Tongzhou Seazen Shang Yuecheng	Residential	Completed	240,884	193,501
南通港閘區新城香溢紫郡	Residential	Under development	714,445	541,671
南通如皋市新城雲境雅苑 Nantong Rugao Seazen Yunjing Yayuan	Residential	Completed	156,865	150,985
南通啟東市新城雲圖雅苑 Nantong Qidong Seazen Yuntu Yayuan	Residential	Under development	395,259	221,637
南通如皋市宸星雅苑 Nantong Rugao Chenxing Yayuan	Residential	Completed	85,855	67,310
南通崇川區新城北緯31度 Nantong Chongchuan Seazen Latitude 31 Degree North	Residential	Completed	184,160	154,559
南通市如東縣新城招商雍華府項目 Nantong Rudong County Seazen Zhaoshang Yonghuafu Project	Residential	Completed	143,294	130,482
南通海門三星鎮震蒙大道東項目 Nantong Haimen Sanxing Town Zhenmeng Avenue East Project	Residential	Under development	153,055	–
南通海門區新城大業風華花苑 Nantong Haimen Seazen Daye Fenghua Huayuan	Residential	Under development	124,233	78,693
上海青浦區新城璞樾門第 Shanghai Qingpu Seazen Puyue Mendi	Residential	Completed	48,373	48,373
上海青浦區新城盛世 Shanghai Qingpu Seazen Glorious Century	Residential	Completed	73,858	58,606
上海浦東新區新城西岸公園 Shanghai Pudong New District Seazen Xi'an Park	Residential	Completed	160,117	141,733
上海寶山區新城雲麓之城 Shanghai Baoshan Seazen Yunluzhicheng	Residential	Under development	198,681	87,922
上海松江區佘山望 Shanghai Songjiang Sheshanwang	Residential	Completed	145,544	109,229
揚州邗江區新城拾光樾 Yangzhou Hanjiang Seazen Shiguangyue	Residential	Completed	55,140	54,558
鎮江潤州區新城江山樾 Zhenjiang Runzhou Seazen Jiangshanyue	Residential	Completed	147,831	139,348
鎮江揚中新城九里香畔 Zhenjiang Yangzhong Seazen Jiuli Xiangpan	Residential	Under development	247,812	222,266
鎮江丁卯新區新城君和雅苑 Zhenjiang Dingmao New District Seazen Junhe Yayuan	Residential	Completed	88,638	84,859
揚州高郵項目 Yangzhou Gaoyou Project	Complex	Under development	734,917	583,806
鎮江揚中項目 Zhenjiang Yangzhong Project	Complex	Under development	601,101	256,152
宿遷泗陽項目 Suqian Siyang Project	Complex	Under development	887,432	745,472
徐州新沂項目 Xuzhou Xinyi Project	Complex	Under development	839,429	476,507
宿遷泗洪項目 Suqian Sihong Project	Complex	Under development	851,617	697,642
宿遷經開區新城十里金樾 Suqian Economic Development Zone Seazen Shili Jinyue	Residential	Completed	276,525	272,249
宿遷宿城區新城雲昱江山 Suqian Sucheng Seazen Yunyu Jiangshan	Residential	Under development	213,327	157,620
南京江寧區新城雲漾濱江 Nanjing Jiangning Seazen Yunyang Binjiang	Residential	Completed	119,133	109,989
南京江寧區新城上宸雲際 Nanjing Jiangning Seazen Shangchen Yunji	Residential	Completed	126,548	115,529
南京江寧區新城雲漾濱江二期 Nanjing Jiangning Seazen Yunyang Binjiang Phase II	Residential	Under development	155,514	99,557

Projects	Project Type	Project Status	Leasable and sellable area	Accumulated contracted area
			(sq.m.)	(sq.m.)
南京江寧區新城銘著風華項目 Nanjing Jiangning Seazen Mingzhu Fenghua Project	Residential	Completed	111,257	74,564
南京江北新區新城星悅天地廣場G01項目 Nanjing Jiangbei New District Seazen Xingyue Tiandi Plaza G01 Project	Residential	Under development	19,515	6,069
南京江北新區新城水岸雲際 Nanjing Jiangbei New District Seazen Riverbank Yunji	Residential	Completed	66,649	55,037
鎮江句容新城天悅府 Zhenjiang Jurong Seazen Tianyuefu	Residential	Completed	110,479	109,930
南京江北新區越江時代項目 Nanjing Jiangbei New District Yuejiang Shidai Project	Residential	Under development	202,815	149,740
南京秦淮區新城翡麗鉑灣 Nanjing Qinhuai Seazen Feili Bowan	Residential	Under development	74,542	64,536
南京棲霞區新城雲樾觀山府 Nanjing Qixia Seazen Yunyue Guanshanfu	Residential	Completed	160,973	140,573
亳州譙城區新城亳州璽樾府 Bozhou Qiaocheng Seazen Bozhou Xiyuefu	Residential	Completed	200,340	155,652
滁州來安縣新城藝境花園 Chuzhou Lai'an Seazen Yijing Garden	Residential	Completed	149,525	129,981
阜陽潁州區新城京師國府 Fuyang Yingzhou Seazen Jingshi Guofu	Residential	Under development	490,696	417,231
阜陽潁州區新城雲昱東方 Fuyang Yingzhou Seazen Yunyu Dongfang	Residential	Under development	166,175	149,192
淮北杜集項目 Huaibei Duji Project	Complex	Under development	664,098	453,770
滁州天長項目 Chuzhou Tianchang Project	Complex	Completed	607,864	449,627
銅陵銅官項目 Tongling Tongguan Project	Complex	Completed	525,500	358,743
阜陽潁上項目 Fuyang Yingshang Project	Complex	Under development	899,166	419,960
阜陽潁州項目 Fuyang Yingzhou Project	Complex	Under development	450,262	315,286
徐州豐縣項目 Xuzhou Feng County Project	Complex	Under development	910,247	700,955
徐州賈汪項目 Xuzhou Jiawang Project	Complex	Under development	1,023,598	619,198
徐州雲龍區新城璞樾禦瓏湖(BC) Xuzhou Yunlong Seazen Puyue Yulonghu (BC)	Residential	Under development	128,927	83,050
徐州雲龍區新城璞樾禦瓏湖(A) Xuzhou Yunlong Seazen Puyue Yulonghu (A)	Residential	Under development	210,348	117,839
徐州邳州市新城邳州碧桂園 Xuzhou Pizhou Seazen Pizhou Country Garden	Residential	Under development	538,982	538,982
徐州邳州市新城邳州熙悅府(75號地塊) Xuzhou Pizhou Seazen Pizhou Xiyuefu (Land Parcel No. 75)	Residential	Completed	182,360	157,376
嘉興平湖市新城悅宸里 Jiaxing Pinghu Seazen Yuechenli	Residential	Completed	192,474	188,717
嘉興平湖市悅宸庭 Jiaxing Pinghu Yuechenting	Residential	Completed	54,265	48,952
嘉興海鹽項目 Jiaxing Haiyan Project	Complex	Completed	436,352	239,657
湖州南潯項目 Huzhou Nanxun Project	Complex	Completed	660,299	433,016
湖州吳興項目 Huzhou Wuxing Project	Complex	Completed	503,339	305,491
南昌進賢項目	Complex	Under development	451,671	272,392
九江濂溪區新城悅雋中央公園 Jiujiang Lianxi Seazen Yuejun Central Park	Residential	Completed	202,664	194,812
南昌南昌縣新城高速 • 昱江來 Nanchang Nanchang Seazen Gaosu • Yujianglai	Residential	Under development	118,850	43,079
南昌高新區新城湖城大境 Nanchang High-tech Zone Seazen Hucheng Dajing	Residential	Under development	513,159	251,576
南昌南昌縣新城天禦城 Nanchang Nanchang Seazen Tianyucheng	Residential	Proposed for development	321,125	–
上饒廣信區新城桃李郡 Shangrao Guangxin Seazen Taolijun	Residential	Under development	209,627	165,694

Projects	Project Type	Project Status	Leasable and sellable area	Accumulated contracted area
			(sq.m.)	(sq.m.)
台州溫嶺市雲樾天境小區 Taizhou Wenling Yunyuetianjing Xiaoqu	Residential	Completed	185,275	141,282
溫州市龍灣區凱迪 • 新城博科園 Wenzhou Longwan Kaidi • Seazen Boke Park	Residential	Completed	237,515	189,407
溫州未來社區項目 Wenzhou Future Community Project	Complex	Completed	294,086	265,628
台州溫嶺市新城雲樾東方 Taizhou Wenling Seazen Yunyue Dongfang	Residential	Completed	302,305	171,407
台州玉環市金麟府 Taizhou Yuhuan Jinlinfu	Residential	Completed	180,376	166,481
台州溫嶺市雲樾瓏灣苑 Taizhou Wenling Yunyue Longwanyuan	Residential	Completed	32,739	31,521
溫州洞頭區新城甌江灣 Wenzhou Dongtou Seazen Oujiang Bay	Residential	Completed	423,575	372,497
溫州金海園區江海名邸 Wenzhou Jinhai Lake District Jianghai Mingdi	Residential	Under development	408,247	134,565
溫嶺市新城雲樾玖溪 Wenling Seazen Yunyuejiuxi	Residential	Completed	107,696	81,085
福州平潭項目 Fuzhou Pingtan Project	Complex	Under development	507,415	164,739
福州晉安區新城卓越榕域風華 Fuzhou Jin'an Seazen Zhuoyue Rongyu Fenghua	Residential	Completed	93,583	80,678
漳州龍文項目 Zhangzhou Longwen Project	Complex	Under development	468,861	112,529
紹興越城區新城玖尚府 Shaoxing Yuecheng Seazen Jiushangfu	Residential	Completed	132,459	113,624
金華蘭溪市新城香悅蘭城 Jinhua Lanxi Seazen Xiangyue Lancheng	Residential	Completed	194,169	168,602
杭州建德市新城臻瓏府 Hangzhou Jiande Seazen Zhenlongfu	Residential	Under development	179,667	–
日照東港項目 Rizhao Donggang Project	Complex	Under development	608,780	132,128
濰坊諸城市新城榮樾大都會 Weifang Zhucheng Seazen Rongyue Daduhui	Residential	Under development	491,008	241,498
濰坊諸城市新城榮樾大都會四五期 Weifang Zhucheng Seazen Rongyue Daduhui Phases IV & V	Residential	Proposed for development	434,329	–
威海榮成市新城悅雋公館 Weihai Rongcheng Seazen Yuejun Mansion	Residential	Under development	235,777	226,707
煙台芝罘區新城璞樾園著 Yantai Zhifu Seazen Puyue Yuanzhu	Residential	Under development	153,680	63,216
青島膠州市新城璽樾 Qingdao Jiaozhou Seazen Xiyue	Residential	Under development	622,634	329,445
青島城陽區新城羊毛灘1號地塊 Qingdao Chengyang Seazen Wool Beach Land Parcel No. 1	Commercial	Proposed for development	106,696	–
青島城陽區新城紅島灣 • 朗雋 Qingdao Chengyang Seazen Hongdaowan • Langjun	Residential	Completed	235,432	233,355
青島膠州市樾府 Qingdao Jiaozhou Yuefu	Residential	Under development	538,157	118,348
青島高新區新城雲樾曉院 Qingdao High-tech Zone Seazen Yunyue Xiaoyuan	Residential	Completed	385,239	354,359
青島城陽區保利羊毛灘5號地塊 Qingdao Chengyang Baoli Wool Beach Land Parcel No. 5	Commercial	Under development	167,031	49,014
青島城陽區保利紅島灣 Qingdao Chengyang Baoli Hongdaowan	Residential	Under development	289,144	113,231

Projects	Project Type	Project Status	Leasable and sellable area	Accumulated contracted area
			(sq.m.)	(sq.m.)
青島城陽區融創羊毛灘2號地塊 Qingdao Chengyang Rongchuang Wool Beach Land Parcel No. 2	Commercial	Proposed for development	186,728	–
青島平度市新城悅雋大都會	Residential	Under development	121,686	109,600
青島萊西市新城悅雋公園里 Qingdao Laixi Seazen Yuejun Gongyuanli	Residential	Under development	152,117	141,443
青島平度市新城悅雋大都會二期 Qingdao Pingdu Seazen Yuejun Daduhui Phase II	Residential	Completed	129,490	125,204
日照莒縣新城金樾府 Rizhao Ju County Seazen Jinyuefu	Residential	Completed	206,855	206,368
日照東港區時代之光 Rizhao Donggang Time Glory	Residential	Completed	107,363	105,681
煙台高新項目 Yantai Hi-Tech Project	Complex	Under development	513,720	42,880
煙台芝罘項目 Yantai Zhifu Project	Complex	Under development	527,605	125,717
日照東港區新城翡麗之光 Rizhao Donggang Seazen Feili Glory	Residential	Under development	119,876	18,174
德州齊河縣新城璽樾(資產包一) Dezhou Qihe Seazen Xiyue (Asset Package I)	Residential	Under development	231,905	184,985
德州齊河縣新城璽樾(資產包二) Dezhou Qihe Seazen Xiyue (Asset Package II)	Residential	Under development	559,523	25,789
濟南曆城區翡麗公館 Jinan Licheng Feili Mansion	Residential	Completed	201,394	173,837
聊城度假區湖語上院 Liaocheng Resort Huyu Shangyuan	Residential	Under development	230,790	221,797
淄博周村區新城悅雋江山 Zibo Zhoucun Seazen Yuejun Jiangshan	Residential	Under development	407,527	330,961
東營東營項目 Dongying Dongying Project	Complex	Under development	676,905	305,762
淄博周村項目 Zibo Zhoucun Project	Complex	Under development	872,260	343,506
濱州濱城項目 Binzhou Bincheng Project	Complex	Under development	667,229	376,619
泰安岱嶽區新城五嶽風華 Tai'an Daiyue Seazen Wuyue Fenghua	Residential	Under development	581,294	408,408
泰安岱嶽區新城五嶽首府 Tai'an Daiyue Seazen Wuyue Capital	Residential	Completed	174,522	147,169
泰安岱嶽區新城五嶽熙湖 Tai'an Daiyue Seazen Wuyue Xihu	Residential	Under development	111,569	64,154
泰安新泰項目 Tai'an Xintai Project	Complex	Under development	678,182	531,405
泰安肥城項目 Tai'an Feicheng Project	Complex	Under development	754,399	245,693
濟寧太白湖項目 Jining Taibai Lake Project	Complex	Under development	577,359	434,145
長沙長沙縣新城朗雋 Changsha Changsha Seazen Langjun	Residential	Completed	217,011	173,613
長沙長沙縣新城匯雋風華 Changsha Changsha Seazen Huijun Fenghua	Residential	Completed	113,209	95,474
湘潭九華區新城璟雋 Xiangtan Jiuhua Seazen Jingjun	Residential	Under development	664,935	388,481
株洲荷塘區新城樾府 Zhuzhou Hetang Seazen Yuefu	Residential	Completed	251,088	219,828
長沙嶽麓區新城梅溪湖金茂灣 Changsha Yuelu Seazen Meixi Lake Jinmaowan	Residential	Completed	623,299	496,713

Projects	Project Type	Project Status	Leasable and sellable area	Accumulated contracted area
			(sq.m.)	(sq.m.)
長沙嶽麓區新城梅溪湖璽悅 Changsha Yuelu Seazen Meixi Lake Xiyue	Residential	Completed	169,359	169,317
長沙嶽麓區新城梅溪華府 Changsha Yuelu Seazen Meixi Huafu	Residential	Completed	249,317	237,067
長沙嶽麓區新城觀山印 Changsha Yuelu Seazen Guanshanyin	Residential	Under development	492,383	309,298
長沙長沙縣新城明昱東方 Changsha Changsha Seazen Mingyu Dongfang	Residential	Under development	307,669	290,338
黃石大冶項目 Huangshi Daye Project	Complex	Under development	601,000	336,134
鄂州鄂城項目 Ezhou Echeng Project	Complex	Under development	1,222,807	361,292
武漢洪山區武漢新城閱璟台 Wuhan Hongshan Wuhan Seazen Yuejingtai	Residential	Completed	466,498	369,527
武漢東湖高新技術開發區武漢新城 • 璞樾門第 Wuhan Donghu High-tech Zone Wuhan Seazen • Puyue Mendi	Residential	Completed	537,018	459,427
武漢漢南區新城天悅觀瀾 Wuhan Hannan Seazen Tianyue Guanlan	Residential	Under development	240,468	51,540
黃岡黃州區黃岡碧桂園新城陽光城 • 城品 Huanggang Huangzhou Huanggang Country Garden Seazen Yangguangcheng • Chengpin	Residential	Under development	201,260	167,920
黃石下陸區新城黃石悅雋大都會 Huangshi Xialu Seazen Huangshi Yuejun Daduhui	Residential	Under development	300,344	224,679
武漢蔡甸項目 Wuhan Caidian Project	Complex	Under development	341,749	56,354
永州零陵項目 Yongzhou Lingling Project	Complex	Under development	883,680	170,830
長沙寧鄉項目 Changsha Ningxiang Project	Complex	Completed	596,432	435,568
婁底婁星項目 Loudi Louxing Project	Complex	Under development	740,921	433,103
常德鼎城項目 Changde Dingcheng Project	Complex	Under development	1,153,954	286,646
宜昌西陵項目 Yichang Xiling Project	Complex	Completed	382,870	219,745
隨州曾都項目 Suizhou Zengdu Project	Complex	Under development	671,200	489,295
孝感高新技術開發區孝感新城璽樾 Xiaogan High-tech Zone Xiaogan Seazen Xiyue	Residential	Under development	383,151	304,601
孝感孝南區經濟開發區孝感碧桂園新城華府 Xiaogan Xiaonan Economic Development Zone Xiaogan Country Garden Seazen Huafu	Residential	Completed	251,901	232,369
武漢江夏區武漢新城 • 金郡 Wuhan Jiangxia Wuhan Seazen • Jinjun	Residential	Completed	71,471	49,308
武漢東西湖區武漢新城桃李郡 Wuhan Dongxihu Wuhan Seazen Taolijun	Residential	Under development	664,984	505,421
仙桃南城項目 Xiantao Nancheng Project	Complex	Under development	924,001	481,577
長沙新城悅雋國際廣場 Changsha Seazen Yuejun International Plaza	Residential	Under development	250,195	115,053
鄭州滎陽市新城尚郡 Zhengzhou Xingyang Seazen Shangjun	Residential	Under development	1,310,627	733,539
鄭州管城區新城時光印象5號地(高層) Zhengzhou Guancheng Seazen Shiguang Yinxiang Land Parcel No. 5 (High-rise)	Residential	Completed	159,614	138,522

Projects	Project Type	Project Status	Leasable and sellable area	Accumulated contracted area
			(sq.m.)	(sq.m.)
鄭州滎陽市新城海棠曉月 Zhengzhou Xingyang Seazen Haitang Xiaoyue	Residential	Under development	147,430	28,861
鄭州管城區新城時光印象4號地(洋房) Zhengzhou Guancheng Seazen Shiguang Yinxiang Land Parcel No. 4 (House)	Residential	Completed	80,857	80,801
鄭州滎陽項目 Zhengzhou Xingyang Project	Complex	Completed	266,657	104,968
唐山路北區新城瀾樾府 Tangshan Lubei Seazen Lanyuefu	Residential	Completed	526,243	476,134
唐山路南區新城瑞府 Tangshan Lunan Seazen Ruifu	Residential	Completed	146,199	137,699
保定蓮池區新城金樾萬象 Baoding Lianchi Seazen Jinyue Wanxiang	Residential	Completed	196,691	173,217
保定蓮池區雙城佳苑 Baoding Lianchi Shuangcheng Jiayuan	Residential	Under development	282,950	–
北京石景山區新城五里春秋 Beijing Shijingshan Seazen Wulichunqiu	Residential	Completed	659,241	499,500
滄州運河區新城璽樾春秋 Cangzhou Yunhe Seazen Xiyuechunqiu	Residential	Completed	168,288	137,084
滄州新華區新城悅雋風華 Cangzhou Xinhua Seazen Yuejun Fenghua	Residential	Completed	315,846	266,706
滄州新華區新城悅雋時代 Cangzhou Xinhua Seazen Yuejun Shidai	Residential	Completed	133,603	117,561
天津津南區新城和興府 Tianjin Jinnan Seazen Hexingfu	Residential	Completed	172,013	139,546
天津濱海新區新城中梁長風雅著 Tianjin Binhai New Area Seazen Zhongliang Changfeng Yazhu	Residential	Under development	233,888	158,677
天津西青區精武鎮地塊 Tianjin Xiqing Jingwu Town Land Parcel	Residential	Completed	118,573	108,542
天津濱海新區項目 Tianjin Binhai New Area Project	Complex	Under development	468,359	303,262
滄州運河項目 Cangzhou Yunhe Project	Complex	Completed	453,343	295,038
天津武清區新城悅雋央著 Tianjin Wuqing Seazen Yuejun Yangzhu	Residential	Completed	263,628	225,988
天津武清區新城悅雋年華 Tianjin Wuqing Seazen Yuejun Nianhua	Residential	Under development	92,771	79,681
天津武清區新城璽樾熙棠 Tianjin Wuqing Seazen Xiyue Xitang	Residential	Completed	169,340	142,351
天津武清區新城璽樾春秋 Tianjin Wuqing Seazen Xiyue Chunqiu	Residential	Under development	285,911	123,591
天津武清區新城悅雋年華二期 Tianjin Wuqing Seazen Yuejun Nianhua Phase II	Residential	Under development	104,090	54,494
天津寶坻區金地新城大境 Tianjin Baodi Jindi Seazen Dajing	Residential	Completed	576,479	531,409
天津北辰區新城樾風華 Tianjin Beichen Seazen Yuefenghua	Residential	Completed	572,720	450,766
天津寧河區新城悅雋公館 Tianjin Ninghe Seazen Yuejun Mansion	Residential	Under development	358,539	220,989
天津寧河區新城悅雋公館(9號地) Tianjin Ninghe Seazen Yuejun Mansion (Land Parcel No. 9)	Residential	Under development	107,962	95,504
天津北辰區新城悅雋風華 • 悅城 Tianjin Beichen Seazen Yuejun Fenghua • Yuecheng	Residential	Completed	167,359	113,814
天津北辰區新城樾風華 • 瓏悅 Tianjin Beichen Seazen Yuefenghua • Longyue	Residential	Under development	70,542	21,171

Projects	Project Type	Project Status	Leasable and sellable area	Accumulated contracted area
			(sq.m.)	(sq.m.)
天津寶坻區新城 • 泊閱 Tianjin Baodi Seazen • Boyue	Residential	Completed	85,642	79,146
天津寶坻項目 Tianjin Baodi Project	Complex	Under development	271,286	140,413
天津北辰區新城雲樾玖璋 Tianjin Beichen Seazen Yunyue Jiuzhang	Residential	Completed	86,428	62,726
天津寶坻區新城璽樾潮鳴 Tianjin Baodi Seazen Xiyue Chaoming	Residential	Under development	289,072	88,124
天津寧河項目 Tianjin Ninghe Project	Residential	Under development	159,339	29,564
天津寶坻區新城萬青 • 時光里 Tianjin Baodi Seazen Wanqing • Shiguangli	Residential	Completed	62,539	53,371
天津北辰區新城悅雋風華 Tianjin Beichen Seazen Yuejun Fenghua	Residential	Completed	146,875	135,740
邯鄲叢台區新城公園尚府 Handan Congtai Seazen Gongyuan Shangfu	Residential	Under development	172,048	155,138
石家莊正定縣新城正弘府 Shijiazhuang Zhengding Seazen Zhenghongfu	Residential	Under development	174,701	128,437
漯河源匯區熙河雲著 Luohe Yuanhui Xihe Celestial Mansion	Residential	Under development	236,895	85,229
許昌建安區金玉堂 Xuchang Jian'an Jinyutang	Residential	Under development	463,866	266,473
商丘睢陽項目 Shangqiu Suiyang Project	Complex	Under development	780,170	425,282
安陽文峰項目 Anyang Wenfeng Project	Complex	Under development	761,806	571,961
唐山路南區謝莊項目 Tangshan Lunan Xiezhuang Project	Residential	Under development	193,454	–
唐山愛民里項目二期 Tangshan Aiminli Project Phase II	Residential	Under development	133,168	–
雲浮雲城項目 Yunfu Yuncheng Project	Complex	Under development	646,815	244,872
東莞石碣鎮新城雲樾花園 Dongguan Shijie Seazen Yunyue Garden	Residential	Completed	78,576	63,204
汕尾海豐縣新城和樾 Shanwei Haifeng Seazen Heyue	Residential	Under development	1,020,181	552,742
新城燕瀾和鳴 Seazen Yanlan Heming	Residential	Completed	109,270	106,145
金樾江南花園 Jinyue Jiangnan Garden	Residential	Under development	885,286	399,432
雲昱花園 Yunyu Garden	Residential	Completed	574,057	501,622
惠州博羅縣羅陽上頭塘地塊 Huizhou Boluo Luoyang Shangtoutang Land Parcel	Residential	Under development	201,311	67,689
南寧邕寧區招商新城臻樾府 Nanning Yongning Zhaoshang Seazen Zhenyuefu	Residential	Under development	101,029	72,555
北海銀海項目 Beihai Yinhai Project	Complex	Completed	460,916	304,129
貴港港北項目 Guigang Gangbei Project	Complex	Completed	589,104	456,025
桂林靈川縣新城安廈大都會 Guilin Lingchuan Seazen Ansha Daduhui	Residential	Under development	198,574	81,496
南寧江南區新城錦樾府 Nanning Jiangnan Seazen Jinyuefu	Residential	Completed	115,960	104,212
佛山南海區壹鳴花園 Foshan Nanhai Yiming Garden	Residential	Completed	527,454	495,503

Projects	Project Type	Project Status	Leasable and sellable area	Accumulated contracted area
			(sq.m.)	(sq.m.)
星盛花園 Xingsheng Garden	Residential	Completed	303,259	201,056
江門新會區新城博富領會國際名苑 Jiangmen Xinhui Seazen Bofu Linghui International Mingyuan	Residential	Under development	165,580	126,648
中山嵐彩名苑	Residential	Completed	224,946	181,724
廣州市白雲區新城翡麗雲境 Guangzhou Baiyun Seazen Feili Yunjing	Residential	Under development	176,617	34,243
昆明晉寧區藍光新城碧桂園古滇水雲城 Kunming Jinning Languang Seazen Country Garden Gudian Shuiyuncheng	Residential	Under development	549,229	98,949
昆明經開區中南新城雲樾 Kunming Economic Development Zone Zhongnan Seazen Yunyue	Residential	Under development	181,372	134,759
保山隆陽項目 Baoshan Longyang Project	Complex	Under development	1,121,681	391,525
昆明安寧項目 Kunming Anning Project	Complex	Completed	771,720	636,096
昆明晉寧項目 Kunming Jinning Project	Complex	Under development	1,100,401	392,558
昭通昭陽項目 Zhaotong Zhaoyang Project	Complex	Completed	751,310	620,870
昆明太平項目 Kunming Taiping Project	Complex	Under development	1,175,928	176,089
遵義紅花崗區新城悅隽風華 Zunyi Honghuagang Seazen Yuejun Fenghua	Residential	Under development	152,121	113,865
貴陽龍里縣新城龍樾府 Guiyang Longli Seazen Longyuefu	Residential	Under development	241,474	37,853
貴陽龍里縣新城龍樾府五六期 Guiyang Longli Seazen Longyuefu Phases V & VI	Residential	Proposed for development	282,492	–
貴陽雲岩項目 Guiyang Yunyan Project	Complex	Under development	709,034	221,412
貴陽經開項目 Guiyang Economic Development Zone Project	Complex	Under development	1,448,397	358,317
遵義紅花崗項目 Zunyi Honghuagang Project	Complex	Under development	598,987	437,592
新城 • 鳳凰台 Seazen • Fenghuangtai	Residential	Under development	733,693	358,388
眉山仁壽縣新城悅隽天府 Meishan Renshou Seazen Yuejun Tianfu	Residential	Completed	178,763	168,481
成都青白江區美的新城公園天下 Chengdu Chingbaijiang Meidi Seazen Gongyuan Tianxia	Residential	Completed	210,281	158,007
成都青白江區新城悅隽盛世 Chengdu Chingbaijiang Seazen Yuejun Glorious Century	Residential	Under development	425,082	352,449
成都溫江區新城林嶼溪 Chengdu Wenjiang Seazen Linyuxi	Residential	Completed	47,503	37,914
成都金牛區新城德商蓉禦天驕 Chengdu Jinniu Seazen Deshang Rongyu Tianjiao	Residential	Completed	60,003	49,136
成都新津區新城金樾府二三期 Chengdu Xinjin Seazen Jinyuefu Phases II & III	Residential	Completed	140,328	121,805
宜賓翠屏項目 Yibin Cuiping Project	Complex	Under development	448,839	233,366
內江市中項目 Neijiang Shizhong Project	Complex	Under development	521,861	326,682

Projects	Project Type	Project Status	Leasable and sellable area	Accumulated contracted area
			(sq.m.)	(sq.m.)
重慶渝北項目 Chongqing Yubei Project	Residential	Under development	417,419	83,000
重慶沙坪壩區西著七里 Chongqing Shapingba Xizhu Qili	Residential	Completed	251,169	207,247
重慶大渡口區新城琅樾江山 Chongqing Dadukou Seazen Langyue Jiangshan	Residential	Under development	451,084	355,876
重慶雙福新區新城和昱麟雲 Chongqing Shuangfu New District Seazen Heyu Linyun	Residential	Under development	474,325	376,462
重慶璧山區新城黛山道8號 Chongqing Bishan Seazen Daishandao No. 8	Residential	Under development	376,398	240,709
重慶江北區新城琅翠 Chongqing Jiangbei Seazen Langcui	Residential	Under development	163,404	144,254
重慶萬州區雍江上境 Chongqing Wanzhou Yongjiang Shangjing	Residential	Under development	349,880	104,374
重慶萬州區雲樾上境 Chongqing Wanzhou Yunyue Shangjing	Residential	Under development	107,921	41,402
重慶江津項目 Chongqing Jiangjin Project	Complex	Under development	649,068	348,513
廣安廣安項目 Guang'an Guang'an Project	Complex	Under development	602,931	400,494
重慶北碚項目 Chongqing Beibei Project	Complex	Under development	332,395	160,155
重慶大足項目 Chongqing Dazu Project	Complex	Under development	945,901	590,650
西安臨潼區新城璽樾驪府 Xi'an Lintong Seazen Xiyuelifu	Residential	Completed	172,266	170,586
鹹陽新城雲境 Xianyang Seazen Yunjing	Residential	Under development	353,997	18,345
咸陽秦都項目 Xianyang Qindu Project	Residential	Under development	206,302	185,236
安康漢濱項目 Ankang Hanbin Project	Complex	Under development	653,784	501,037
寶雞高新項目 Baoji Hi-Tech Project	Complex	Completed	540,854	379,873
延安寶塔項目 Yan'an Baota Project	Complex	Completed	485,834	344,340
烏魯木齊會展項目 Urumqi Huizhan Project	Complex	Under development	841,377	407,907
烏魯木齊米東項目 Urumqi Midong Project	Complex	Under development	849,335	343,211
烏魯木齊高新項目 Urumqi Hi-Tech Project	Complex	Under development	469,268	310,261
瀋陽瀋北項目 Shenyang Shenbei Project	Complex	Under development	971,304	703,599
包頭東河項目 Baotou Donghe Project	Complex	Completed	570,251	381,933
包頭昆北項目 Baotou Kunbei Project	Residential	Completed	129,664	116,317
包頭昆區項目 Baotou Kunqu Project	Complex	Completed	577,695	360,943
蘭州安寧項目 Lanzhou Anning Project	Complex	Completed	421,328	219,527
西寧城北項目 Xining Chengbei Project	Complex	Under development	573,930	358,999
銀川興慶項目 Yinchuan Xingqing Project	Complex	Under development	599,832	436,141

Projects	Project Type	Project Status	Leasable and sellable area	Accumulated contracted area
			(sq.m.)	(sq.m.)
大同雲岡項目 Datong Yungang Project	Complex	Under development	835,099	274,101
太原萬柏林項目 Taiyuan Wanbailin Project	Complex	Under development	892,059	615,017
太原大井峪項目 Taiyuan Dajingyu Project	Residential	Under development	194,703	193,650
運城鹽湖項目 Yuncheng Yanhu Project	Complex	Under development	775,639	596,983
	Total		**110,450,898**	**67,091,828**
	Attributable to the Company		**58,922,407**	**35,445,174**

Contracted sales

Set forth below is a summary of our total contracted sales (including the contracted sales of our joint ventures) for the year ended December 31, 2024:

Province/Region	Contracted GFA sold	Contracted sales
	(sq.m.)	(RMB million)
Yangtze River Delta Area		
Jiangsu Province	1,413,142	13,126
Zhejiang Province	239,413	2,149
Anhui Province	125,831	481
Shanghai City	40,079	243
Central and Western China Area		
Hubei Province	408,557	2,049
Henan Province	239,723	1,174
Chongqing City	171,916	838
Hunan Province	133,704	748
Sichuan Province	191,266	873
Xinjiang Uygur Autonomous Region	292,480	2,225
Yunnan Province	134,995	571
Jiangxi Province	79,714	550
Shanxi Province	182,003	766
Guizhou Province	76,119	680
Shaanxi Province	82,037	378
Guangxi Zhuang Autonomous Region	38,498	215
Gansu Province	23,247	166
Qinghai Province	27,197	269
Ningxia Hui Autonomous Region	539	1
Inner Mongolia Autonomous Region	4,056	8
Bohai Rim Area		
Shandong Province	507,976	3,009
Tianjin City	406,196	3,924
Hebei Province	88,038	716
Beijing City	65,753	1,557
Liaoning Province	8,826	12
Greater Bay Area and Other Areas		
Guangdong Province	311,625	2,341
Fujian Province	95,309	1,101
Total	**5,388,239**	**40,170**

The real estate market experienced some fluctuations in recent years. The average selling price of the properties delivered increased from RMB7,947 per sq.m. in 2022 to RMB8,255 per sq.m. in 2023 and then decreased to RMB7,716 per sq.m. in 2024.

Investment Properties

Set forth below is a summary of our investment properties as of December 31, 2024:

Province	Number of plazas	Occupancy rate[1]	Rental and management fee income[2]
			RMB'000
Jiangsu	43	98.24%	3,335,528
Zhejiang	18	98.63%	1,507,338
Anhui	14	98.36%	883,395
Shaanxi	7	99.26%	627,085
Shandong	14	98.97%	745,515
Hunan	6	95.47%	408,094
Guangxi	5	99.06%	263,652
Yunnan	6	99.28%	332,477
Hubei	8	99.50%	544,970
Jiangxi	4	98.17%	266,820
Sichuan	6	96.54%	294,224
Jilin	2	100.00%	182,747
Hainan	1	100.00%	169,172
Tianjin	4	97.19%	254,433
Hebei	2	99.91%	177,851
Shanghai	3	88.00%	163,470
Guizhou	2	100.00%	116,819
Qinghai	2	100.00%	115,637
Inner Mongolia	2	94.68%	79,060
Fujian	3	100.00%	161,355
Liaoning	3	98.81%	212,472
Henan	4	82.05%	167,102
Ningxia	1	98.17%	78,426
Chongqing	5	92.98%	161,026
Guangdong	3	98.35%	159,357
Shanxi	3	99.22%	216,089
Gansu	1	100.00%	113,090
Xinjiang	2	99.09%	212,671

Notes:

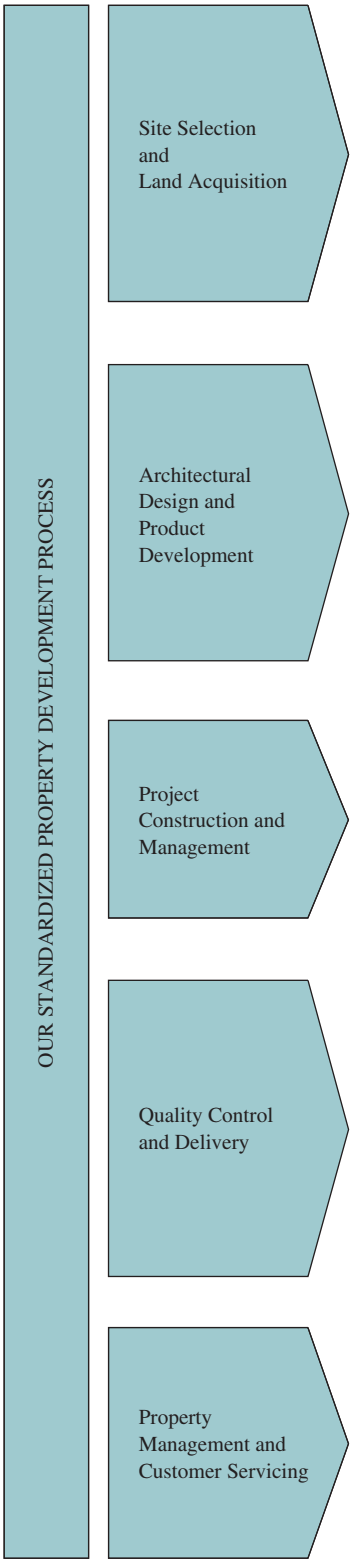
1. The occupancy rate represents the occupancy of our commercial properties on December 31, 2024.

2. Rental income includes rentals, management fee, carpark, various operation and other sporadic management income.

Property Development Management

"Rapid asset turnover" Model and Standardized Development Process

We adopted a "rapid asset turnover" model in managing our property development projects, with the objective of shortening the period between site acquisition and pre-sale of our properties. As an integral part of our rapid asset turnover model, we have implemented a standardized development process, through which we develop our property using standardized procedures, components and units.



- Collect and analyze empirical data on the population composition, macro-economic environment, competitive landscape, regulatory restrictions and policies, and user preferences, etc., of existing and target markets
- Carry out in-depth studies to analyze the demand, supply and potential of the local market
- Develop standardized investment model and site selection procedures to identify and assess opportunities for property development

- Centralize design and research efforts at our architecture research institute to:
  - develop standardized property series to delineate our positioning for each of our target customer groups
  - improve our property's design and innovation
  - develop standardized floor plans for different property series and product types
  - develop architectural themes and concepts to meet the needs and preferences of our target customer groups
  - develop standardized components for our property projects

For each of our property series, we design, procure and incorporate standardized property structures and components, such as:

- foundation work and structural components
- electrical, plumbing and drainage components
- artificial intelligence control and appliance units
- landscape

To ensure efficient development and consistent delivery of high quality properties to customers, we established standardized procedures for:

- procurement and selection of design firms and contractors
- inspection and testing of building materials and equipments
- inspection of completed units before delivery

We established quality control standards and foster close cooperations among our design and research, project management, sales and property management teams throughout the property development process.

We formulated the following standardized policies and protocols for our customer service officers

- day-to-day property management protocols
- retail store management protocols
- clubhouse services protocols
- public amenities management protocols
- communal area cleaning, maintenance and security service protocols

The use of standardized designs and modular components helps us efficiently develop a wide range of products (including high-rise apartments, mid-rise apartments, townhouses and luxury stand-alone houses) to meet the needs and preferences of our target customers. We have developed the following standardized designs and modular components for our properties:

Product Designs and Components

Modern

Neo-Classic

Italian

French Neo

French

Standardized high-rise components

Townhouse components

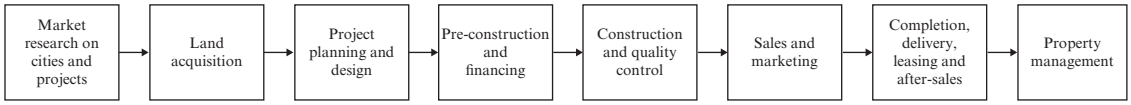
Stand-alone house components

Mid-rise apartment components

Our research and implementation of a standardized property development process has enhanced our execution capability as we are better able to closely monitor our property development processes and rapidly replicate our property projects.

Property Development Process

The following diagram outlines the key work flows of our property development process.



Market Research

The sales and marketing department at our headquarters is responsible for market research, identifying target cities and potential projects. We assess and evaluate the potential of target cities, and potential development sites and position the products to be developed accordingly.

The primary criteria in our project site evaluation include the following:

- location, size, dimensions;
- local population, purchasing power, target customer demand and expected growth of the area/district in which the land is located;
- transportation access and infrastructure support;
- estimated development costs and time, including demolition and resettlement costs and schedule;
- expected financial return;
- development prospects, taking into account social, economic and environmental factors;
- local competitive environment;
- applicable zoning regulations and preferential government policies;
- government development plans for the relevant site and the neighboring area; and

- product positioning.

If we decide to proceed with a particular development, we will prepare an in-depth feasibility study which includes project design, product positioning, financial projection, and return analysis. The feasibility study report will be submitted to our Investment Committee, consisting of senior management members, which will consider and assess the costs, return, capital requirements and resource requirements of the proposed project against the availability of our resources and its compatibility with our strategic direction.

We regularly monitor announcements made by respective local governments in relation to public tenders, auctions or listing-for-sale of land parcels, and maintain good relationships with real estate agents and brokers to obtain information on suitable projects in the secondary market.

Land acquisition

There are two common ways by which we may acquire land for property development in the PRC: (i) bidding in public tenders, auctions or listings-for-sale for land use rights in accordance with the Provisions on the Assignment of State-owned Construction Land Use Right through Bid Invitation, Auction and Quotation (招標拍賣掛牌出讓國有建設用地使用權規定) (國土資源部令第39號), promulgated on September 21, 2007 and effective since November 1, 2007; or (ii) acquire land use rights in the secondary market through the purchase of projects which have not been completed or acquire project companies directly from other developers.

In recent years, we have obtained a substantial majority of our land use rights through listing-for-sale in accordance with the Provisions on Bidding, Auction and Sale of Land Use Rights. The Provisions on Bidding, Auction and Sale of Land Use Rights require all land planned for commercial development (such as retail, residential, and commercial property) to be transferred in one of the following ways: public tenders, auctions or listings-for-sale on the land exchanges. In the case of public tender, the relevant authorities will assess either solely on tender prices or, alternatively, by reference to a matrix of parameters, including tender prices, credit record of the bidders and quality of the development proposals, in determining to whom to grant such rights. On the other hand, where land use rights are gr anted through auction or listing-for-sale, the highest bidder normally wins.

We have, in the past, voluntarily returned land use rights gr anted to us through listing-for-sale to ensure we have sufficient working capital. For example, we entered into a rescission agreement with the Jiangning office of the Nanjing Municipal Bureau of State Land and Resources ("**Jiangning Land Bureau**") in 2008 to rescind a land grant contract. Pursuant to the rescission contract, we returned to the Jiangning Land Bureau the land use rights of certain land parcels (the "**Jiangning Land Parcels**") located in Jiangning with an aggregate GFA of 133,827 sq.m.

The land use rights of the Jiangning Land Parcels were granted to us as a result of our successful bid at the public tender held by the Jiangning local government in December 2007. We paid a total of RMB129.8 million in 2007 as deposit for the Jiangning Land Parcels, of which RMB94.4 million has been returned to us.

Project planning and design

We have strong in-house design capabilities and maintain a dedicated in-house design team who is responsible for the overall planning and design of our projects.

Once the conceptual design of a property development project is established, we contract out the detailed project design work to reputable architectural, interior and landscape design firms, which we select through a tender process. Our departments work closely with these selected architectural and interior design firms to transform the conceptual design into a detailed development proposal (the "**Project Design Proposal**") for approval by the relevant PRC government authorities.

Pre-construction

Before construction is commenced on a project, we must obtain the development rights to the relevant parcel(s) of land and the necessary permits and certificates, including a land use rights certificate, construction land planning permit, construction work planning permit and construction work commencement permit.

In recent years, we have not experienced significant delays in obtaining the foregoing certificates and permits.

Compliance with idle land related regulations

Under PRC laws, we may be subject to administrative actions or penalties if we fail to develop a property project according to the terms of the land grant contract. To ensure compliance with these idle land related regulations, we have adopted internal control procedures pursuant to which our project companies are required to closely monitor the progress of development projects, including obtaining the permits and certificates for each project.

Each of our project companies must report to our Board if we fail to complete any Project Design Proposal or obtain any of the necessary permits and certificates for a project at least three months before the expected commencement of construction specified in the project's land grant contract. Our Board would then consider deferring the construction commencement date of the project and approving a deferred construction schedule as appropriate. After obtaining approval from the Board, the project company would then apply to the relevant local governmental authority to delay construction and execute a supplemental land grant contract to amend the land commencement and completion dates as necessary.

If the failure to obtain any necessary permits or certificates of a project is attributed to the local government's failure to complete the demolition of existing buildings, resettlement of existing residents or construction of basic infrastructure as required under the land grant contracts, such incidents are expected to also be reported to the Board for assessment. After obtaining approval from the Board, our strategic investments department and our legal and compliance department are expected to jointly negotiate with the relevant governmental authorities for remedial actions, including but not limited to amending or rescinding the land grant contracts (as appropriate) or entering into new land grant contracts for the acquisition of other equivalent land parcels.

We have not been requested by the PRC authorities to pay idle land fees, nor has any land held by us been reclaimed by the government without compensation.

Project financing

We financed our projects primarily through cash flows from operating activities, including proceeds from pre-sales and sales of our properties and borrowings from banks.

We use the pre-sale and sale proceeds of our properties to fund the remaining construction of the same project and to settle bank loans. According to PRC law, we may pre-sell properties under construction after certain criteria are met and proceeds from pre-sales must be used for the construction of properties in the same project. Our policy is to finance our property developments with internal resources to the extent practicable so as to reduce the level of external funding required.

To the extent necessary and subject to the guidelines issued by CBRC, we finance our projects partially through borrowings from banks. The terms of our bank borrowings generally restrict the application of the borrowing proceeds to specific projects or project phases. Our bank loans are primarily provided by major commercial banks in the PRC.

Our ability to finance our projects also depends on the economic conditions and regulatory measures introduced by the central and local governments. In particular, any decisions to raise the reserve ratio by the PBOC will limit the amount available to commercial banks for lending and our ability to obtain financing from commercial banks.

We have not defaulted on any material provisions (including any cross-default provisions) of any of our bank loans.

Construction and our contractors

Tendering process

We outsource the construction work for our property developments including, among other things, foundation digging, general construction, equipment installation, interior decoration and engineering work to qualified independent contractors, which are selected through a tender process in accordance with relevant laws and regulations. The tender process is managed by our tender committee, which comprise our construction and quality management department, our supply and procurement department and our finance and audit department. As part of the tender process, our tender committee conducts the following due diligence:

- retrieves information from our contract management system and raise queries internally based on our prior experience with a particular bidder;
- conducts interviews with bidders and request confirmations and undertakings with respect to their cash flows, experience and credentials; and
- conducts independent research and investigation to verify the credentials and track record of the bidders.

Our tender committee screens bidders that do not meet our requirements. A winning bidder will be selected based on a pre-determined formula that takes into account both the quality of workmanship and price quoted by the bidder. The selected bidder will be required to enter into a construction contract with us. Based on our records, our PRC legal advisers are of the opinion that we are not in violation with any applicable PRC tender laws and regulations.

Major contractors and design firms

We have access to a wide range of construction contractors and engineering/architectural design firms, and have longstanding relationship with more than 70 construction contractors and 20 design firms. Three of such construction contractors were among our top five materials suppliers and contractors in recent years. All of our major contractors or design firms are sizable and properly qualified in respect of the construction and design work contracted to them. Some of such contractors have worked with us for more than 10 years.

Key terms of agreements

Our contractors must perform their work in accordance with the quality standards and construction schedule set forth in their construction contracts. Under our standard construction contract, contractors are required to pay fines for delays and bear the costs of rectifying any construction defects. We pay contractors in stages in accordance with the terms and conditions as stipulated in the contractor's construction contract. The stage payments vary from case to case. Upon completion of the project, the contractors will have received approximately 75% to 80% of the total payment. At closing and settlement, we will settle 90% to 95% of the total payment, and retain the remaining 5% to 10% as retention money for a period of 6 to 12 months.

Procurement

Our supply and procurement department coordinates the procurement of building materials and is in charge of price negotiations. Our supply and procurement department purchases major construction materials used in our projects, including standardized components of our properties in bulk. All our construction materials are held and used in connection with the construction of our projects. For major construction materials, we select suppliers through a tender process. In addition, we maintain strict quality control procedures for selecting, inspecting and testing materials. Our project management teams inspect all equipment and materials to ensure compliance with the contractual specifications before accepting the materials on site and approving payment. We reject and return to the suppliers any substandard materials or materials that do not comply with our specifications.

Project management

We have a "rapid asset turnover" model for developing property projects. We aim at commencing pre-sale of our properties within a relatively short period following site acquisition in order to reduce our development cycle, maximize investment returns, improve cash flows and mitigate the liquidity risks. To implement this strategy, the project management team of each of our project companies, comprising both project managers and in-house qualified engineers, conducts daily on-site supervision of our projects to monitor the progress of construction and quality of construction workmanship.

Quality control and construction supervision

We emphasize quality control to ensure that our properties comply with relevant regulations and are of high quality. Our quality control policies can be categorized into the following aspects:

- selection of design firms and contractors;
- selection, inspection and testing of building materials and equipment;
- establishment of quality control standards; and
- on-site inspection of construction processes by our local project management team and our construction and quality management team.

We have implemented standardized technical guidelines to ensure the construction of all our projects complies with relevant laws, regulations, and standards promulgated by the relevant PRC governmental authorities and other industry associations. These guidelines for m part of the construction contracts we enter into with the construction companies and form a comprehensive reference for our project management and construction and quality management teams in monitoring the construction of our projects.

We closely monitor the entire construction process. In addition to monitoring by our local project management team, our construction and quality management team, comprising qualified engineers and qualified construction technicians, conducts regular inspections of all our construction sites. We also engage independent quality supervisory companies to conduct on-site quality and safety control checks on all workmanship before accepting the completion of major construction phases.

Our sales and property management department, together with the engineers from our construction and quality management team, inspect every unit of our completed property developments to ensure they are in satisfactory condition prior to delivery of such properties to our customers.

Our strict quality control measures are designed to ensure our contractors comply with the relevant rules and regulations including environmental, labor, social and safety regulations. In recent years, we have not been involved in any dispute with our contractors that has had a material and adverse effect on our business nor have there been any serious personal injuries or death involving our contractors.

Contract management system

We established a contract management system to record, among other things, the payment schedule of each construction or procurement contract we entered into and feedback given by our construction and quality management team or any of our project companies in respect of each of the construction contractors and suppliers we engaged. The contract management system helps us manage our payments and cash flows and evaluate suppliers and service providers for future projects.

Sales and marketing

Marketing

We have a dedicated in-house sales and marketing department responsible for the advertising and sales of our products. We also retain external agents including advertising

companies and real estate sales agencies to help implement our sales and marketing plans and strategies. Our sales and marketing department is involved throughout the property development process and in the positioning and pricing of our property developments.

Prior to land acquisition and construction of our projects : our sales and marketing department works closely with our strategic development department to collect relevant market data and conduct the feasibility study of each proposed land acquisition. It also participates in developing the optimal positioning and the conceptual design of all of our projects post land acquisition. This helps ensure that the designs of our projects are in line with the preferences of our target customer bases.

During the construction process: our sales and marketing department regularly conducts on-site inspections to ensure the landscaping, floor plans and interior decoration accurately reflect the sales and marketing materials we presented to customers and potential customers.

Prior to launching property pre-sale: our sales and marketing department formulates strategies and plans for marketing our properties, prepares promotional materials, conducts promotional campaigns, recommends unit prices and pricing related policies for our projects and coordinates and monitors our relationship with the media. In addition to our sales and marketing department's recommendation, the selling prices of all of our projects are determined, approved and controlled in accordance with established internal control procedures. For further information, please refer to the paragraph headed "– Marketing expenses and pricing control" in this section.

Throughout and subsequent to the pre-sale period: our sales and marketing department provides comprehensive assistance to our customers and collects feedback from customers and potential customers to modify our marketing plans as appropriate.

Promotional initiatives: our sales and marketing department, together with local project companies and sales team, conducts detailed analysis of market conditions to keep abreast of market developments and changes in macro and social economic conditions. We monitor the marketing and pricing campaigns launched by our competitors, the changes in transaction volumes and contracted ASP, and introduce appropriate sales promotional initiatives to maintain the competitiveness of our projects.

We have in limited circumstances pre-sold less desirable units in a particular project phase below its development costs. Impairment testing is conducted at each financial reporting date to determine whether the carrying value of each project or project phase is below the recoverable amount.

Marketing expenses and pricing control

We have formulated comprehensive and centralized marketing expenses and pricing control policies to strategically determine, flexibly adjust and strictly control marketing expenses and selling prices for all of our projects.

Prior to the commencement of development, our strategic investments department determines and approves the marketing budget for each of our projects and the target ASP for each property type under a project. Such budgets and target ASP are deter mined based on the recommendation by our sales and marketing department and our finance department, which takes into account a wide range of factors, including but not limited to prevailing market conditions and estimated development costs.

In light of the volatility in the PRC property market, our project companies closely study the changing market conditions and the promotional campaigns launched by our competitors during the property development and pre-sale stages of our projects. Where necessary, a project company may request additional promotional initiatives to be launched or the selling prices of selected units of a project or project phase be reduced or discounted for promotional purposes. Similarly, a project company may also request to revise selling prices upwards in response to thriving market conditions or positive market reception of a particular project. Any unbudgeted marketing expenses and any deviation of the target ASP of our properties must be approved by a committee that comprises senior management members from the relevant regional management team, the

sales and marketing department, the finance department and the strategic investment department. Approval for higher budgets or price deviations will only be granted if the committee is satisfied that the relevant initiative is suitable and necessary in view of prevailing market conditions and does not materially affect the overall profitability of the project or the project phase or the financial condition of the our operations as a whole.

Pre-sales

We generally commence pre-sales of our properties prior to completion of construction. We normally launch pre-sales after a fully-furnished replica of each major floor plan in a development project is completed and a majority of the landscaping and ancillary facilities are completed. We generally use pre-sale proceeds to finance the remaining construction of the project.

Various PRC laws and regulations governing pre-sale of properties impose conditions to be fulfilled before the pre-sale of a particular property can commence. These conditions include obtaining the relevant land use rights certificate, construction land planning permit, construction work planning permit, construction work commencement permit and commodity housing pre-sale permit. In the past, we have not experienced any significant delays in obtaining the foregoing certificates and permits. Property developers are also required to use standard pre-sale contracts prescribed by the local authorities.

Completion, delivery, leasing and after-sales services

Customers payment arrangements

Our customers may purchase our properties with cash or by mortgage financing. Customer who choose cash payments must fully settle the purchase price shortly after the execution of sales contract. Customers who choose to use mortgage financing must pay a down payment upon signing the sales contract. The remainder of the purchase price will normally be paid by the mortgagee bank within two to three months, depending on approval process of the relevant mortgagee bank.

In line with market practice, we have arrangements with various banks to provide mortgage financing to our customers. We do not conduct independent credit checks on the purchasers but rely on the credit checks conducted by the relevant banks. As with other property developers in the PRC, we are usually required by the banks to guarantee the obligations to repay the mortgage loans on the property. The guarantee periods normally last until the release or satisfaction of the mortgage loan after the relevant property ownership certificate (房屋所有權證) is delivered. If a purchaser defaults under a mortgage loan, we are obligated to repay all debt owed by the purchaser to the mortgagee bank under the loan. The mortgagee bank will assign their rights under the loan and the mortgage to us and, after registration of change of mortgagee, we will have full recourse to the property. We have suffered immaterial losses as a result of defaults by purchasers in the past. When purchasers default on mortgage payments, our general policy is to keep the down payment unless we manage to resell the property at a price sufficient to cover the original sales price and our enforcement costs.

Delivery of properties for sale

We aim to deliver properties to our customers within the time frame prescribed in the sale and purchase contracts (including the pre-sale contracts). Under PRC law, we are required to obtain a "Record of Acceptance Examination Upon Project Completion" (竣工驗收備案證明) before delivering properties to our customers. We have not experienced any significant delays in the completion of our projects or delivery of relevant title documents after sale.

We also aim to deliver quality properties and satisfactory purchasing experiences to our customers. Prior to delivery of properties to our customers, our construction and quality management department conducts on-site inspections to ensure such properties are in satisfactory condition. Our sales team then arranges for our customers to inspect their purchased property prior to the expected delivery date to ensure the properties meet our prescribed standards as well as our customers' expectations. Our customer service officers also assist customers in applying for property ownership certificate (房屋所有權證).

After-sales services

Our sales and marketing department is responsible for our after-sales customer services and the formulation of customer service processes and standards. Our dedicated customer service

officers provide comprehensive after-sales services, which include assisting customers in obtaining property title certificates and handling customer complaints. In addition, our customer service officers are responsible for collecting and analyzing customer data to identify the latest trends in customer preferences and conducting customer satisfaction surveys to help improve our projects' market positioning, design, marketing strategies and quality of service.

Investment Properties and Commercial Leasing

We retain a portion of the properties we developed for rental use investment. We decide whether our commercial properties will be sold or retained, for investment purposes in the early stage of each project based on various factors such as location, land use plans, regional market conditions and supporting commercial facilities. As of the date of this offering memorandum, we have 148 completed investment properties.

Development of Hotels

As of the date of this offering memorandum, the Hilton Changzhou which was developed by us as a part of our Future Land Emporium (新城帝景) has been in operation.

Commercial Property Leasing and Management

We established a commercial property and leasing department to develop and expand our commercial property development, leasing and management business. With the aim to enhance our brand image as a commercial property developer and operator, our commercial property and leasing department formulates strategic plans, undertakes project management and supervision, carries out in-depth feasibility studies, devises business and marketing plans, and provides operation management services to our commercial property development and operations. To increase recurring income through a diversified portfolio of commercial properties and car parks, we intend to select tenants based on factors such as the positioning of the project, market demand in surrounding areas, level of market rent and needs of the tenants. We intend to attract large-scale anchor tenants such as well-known brands, chain cinema operators, major game centers and top catering operators and enter into long-term lease with them. We believe that our investment strategy will generate steady recurring income and significantly enhance the sales and appreciation of our investment properties.

Corporate Governance and Legal Compliance

Corporate governance and legal compliance management is carried out across our integrated organizational structure through the work of (1) our legal and compliance department that sets out and monitors our corporate governance and compliance standards and (2) all operation departments that implement such standards.

We have a team of in-house lawyers to carry out legal and compliance review of all aspects of our operations. Our legal and compliance department was formally established in September 2011 with the approval of the Jiangsu Judicial Department. Its formal establishment institutionalizes our legal and compliance management, promotes legal training and compliance awareness among our employees, enhances communication with the relevant government authorities and raises our corporate governance standards.

Properties for Own Use

On July 13, 2015, we entered into a commodity housing pre-sale contract with Shanghai Xinhaolong Property Development Co., Ltd., an independent third party, to acquire an office building located at Guoco Changfeng City No. 5, Lane 388, Zhongjiang Road, Shanghai at a consideration of RMB832,508,300. The GFA of the building is 33,300.33 sq.m. In addition, we occupy a number of premises through lease or licensing arrangements.

Suppliers and Customers

Our major suppliers are construction material suppliers and construction contractors, and the five largest suppliers accounted for approximately 9.2%, 7.8% and 10.1% of our total purchases for the years ended December 31, 2022, 2023 and 2024, respectively. Our single largest supplier for

the years ended December 31, 2022, 2023 and 2024 accounted for approximately 2.4%, 2.7% and 2.8% of our purchases, respectively. Our five largest customers accounted for approximately 0.4%, 0.4% and 0.7% of our total revenue for the years ended December 31, 2022, 2023 and 2024, respectively.

Awards and Recognitions

Over the past years, we have received widespread recognition from authoritative industry associations. The table below sets out some of the awards we received in respect of our property development operations:

Date	Recipient/project	Award/recognition	Awarding body
Corporate level awards			
2021	The Company	Ranked as one of China's top 10 real estate A-share listed companies in terms of comprehensive strength in 2021	China Institute of Index Studies (中國指數研究院)
2022	The Company	Ranked as one of China's top 10 real estate developers in terms of comprehensive strength in 2022	China Real Estate Industry Federation (中國房地產業協會) Shanghai E-House Real Estate Research Institute (上海易居房地產研究院)
2022	The Company	Ranked as one of China's top 10 commercial real estate developers in terms of comprehensive strength in 2022	China Real Estate Industry Federation (中國房地產業協會) Shanghai E-House Real Estate Research Institute (上海易居房地產研究院)
2022	Seazen Holdings	Ranked 3rd of China's top 10 commercial real estate enterprises in terms of brand value in 2022	China Institute of Index Studies (中國指數研究院)
2022	Wuyue Plaza	Ranked 3rd of China's top 10 commercial real estate projects in terms of brand value in 2022	China Institute of Index Studies (中國指數研究院)
2022	The Company	Times Oscar city operator in 2022	China Urban Construction and Development Center (中國城鎮建設發展中心) The Time Weekly (時代周報)
2022	The Company	Listed in the "CSI 500 Brand Value Index of Listed Companies" (abbreviated as: National Business Daily Brand 100, code: 931852)	China Securities Index Co., Ltd. (中證指數有限公司) National Business Daily (每日經濟新聞)
2022	The Company	ESG development influential enterprise award in 2022 at the 2022 Huaxia Dual Carbon Capital Development Forum and "Dual Carbon China" Awards Ceremony	China Times (華夏時報) Huaxia Dual Carbon Energy Research Institute (華夏雙碳能源研究院) China Energy Research Society (中國能源研究會)

Date	Recipient/project	Award/recognition	Awarding body
2023 . . .	The Company	Ranked 4th of China's top 10 real estate developers in terms of comprehensive commercial real estate strength in 2023	China Real Estate Industry Federation (中國房地產業協會) Shanghai E-House Real Estate Research Institute (上海易居房地產研究院)
2023 . . .	The Company	Ranked 2nd of China's top 10 real estate developers in terms of commercial real estate operations in 2023	China Real Estate Industry Federation (中國房地產業協會) Shanghai E-House Real Estate Research Institute (上海易居房地產研究院)
2023 . . .	Nanjing Jianye Wuyue Plaza	Typical projects of real estate developer in 2023	China Real Estate Industry Federation (中國房地產業協會) Shanghai E-House Real Estate Research Institute (上海易居房地產研究院)
2023 . . .	Urumqi Convention and Exhibition Center Wuyue Plaza	Excellent real estate brand project in 2023	China Real Estate Industry Federation (中國房地產業協會) Shanghai E-House Real Estate Research Institute (上海易居房地產研究院)
2023 . . .	The Company	Ranked as one of China's top 100 real estate enterprises in terms of comprehensive strength in 2023	China Institute of Index Studies (中國指數研究院)
2023 . . .	The Company	Ranked as one of China's top 30 real estate enterprises in terms of brand value in 2023	China Institute of Index Studies (中國指數研究院)
2023 . . .	The Company	Ranked as one of China's top 10 commercial real estate enterprises in terms of brand value in 2023	China Institute of Index Studies (中國指數研究院)
2023 . . .	The Company	Ranked as one of China's top 10 A-share listed enterprises in terms of commercial real estate operations in 2023	China Institute of Index Studies (中國指數研究院)
2023 . . .	The Company	Excellent construction and operation award for China's A-share listed enterprises in 2023	China Institute of Index Studies (中國指數研究院)
2023 . . .	The Company	Real estate excellence award in 2023	Viewpoint Index Institute (觀點指數研究院)
2023 . . .	The Company	Real estate enterprise quality delivery excellence award in 2023	Viewpoint Index Institute (觀點指數研究院)
2023 . . .	The Company	Real estate management and team excellence award in 2023	Viewpoint Index Institute (觀點指數研究院)

Date	Recipient/project	Award/recognition	Awarding body
2023 . . .	The Company	Real estate business model excellence award in 2023	Viewpoint Index Institute (觀點指數研究院)
2023 . . .	The Company	Performance index – commercial real estate enterprise performance award in 2023	Viewpoint Index Institute (觀點指數研究院)
2024 . . .	The Company	Ranked 4th of China's top 10 commercial real estate developers in terms of comprehensive strength in 2024	China Real Estate Industry Federation (中國房地產業協會) Shanghai E-House Real Estate Research Institute (上海易居房地產研究院)
2024 . . .	The Company	Ranked 2nd of China's top 10 commercial real estate developers in terms of commercial real estate operation in 2024	China Real Estate Industry Federation (中國房地產業協會) Shanghai E-House Real Estate Research Institute (上海易居房地產研究院)
2024 . . .	The Company	Ranked as one of China's top 10 real estate developers in terms of commercia real estate operation in 2024	China Institute of Index Studies (中國指數研究院)
2024 . . .	The Company	Ranked as one of China's top 10 real estate developers in terms of financing capabilities in 2024	China Institute of Index Studies (中國指數研究院)
2024 . . .	The Company	Ranked as one of China's top 10 real estate developers in terms of profitability in 2024	China Institute of Index Studies (中國指數研究院)
2024 . . .	The Company	Excellent construction and operation enterprise award	China Institute of Index Studies (中國指數研究院)
2024 . . .	The Company	Steadily develop valuable enterprises award in 2024	Economic Observer (經濟觀察報)
2024 . . .	The Company	Golden Swallow Award in 2024	Leju Finance (樂居財經)
2024 . . .	The Company	Social responsibility benchmark enterprise award in 2024	Leju Finance (樂居財經)

Competition

The property market in China is highly fragmented. Our existing and potential competitors include major domestic developers and, to a lesser extent, foreign developers primarily from Asia, including leading developers from Hong Kong. We compete with them in relation to a number of factors, including the acquisition of land, brand recognition, financial resources, price, product quality, service quality and other factors. Some of these competitors may have better track records, greater financial, human and other resources, larger sales networks and greater brand recognition.

In particular, the residential property and mixed-use complex markets in the Yangtze River Delta have been highly competitive in recent years. Property developers from the PRC and overseas have entered the property development markets in Changzhou, Nanjing, Suzhou, Kunshan, Wuxi, Shanghai and other cities in the Yangtze River Delta. The rapid development of major cities in Jiangsu Province and Shanghai in recent years has led to a diminishing supply of undeveloped land in desirable locations in the Yangtze River Delta. Moreover, the PRC government has implemented

policies tightly controlling the amount of new land available for development. These factors have increased competition and land gr ant premiums in relation to land made available for development.

We believe that with our rapid asset turnover model, diversified product portfolio and strategic focus on middle class customers, we have demonstrated resiliency to market changes and competition.

Intellectual Property

We conduct our business under various trademarks which we have registered in the PRC and Hong Kong. We are also the registered owner of the domain names such as "seazengroup.com.cn", "xincheng.com.cn", "injoyplaza.com.cn", "xcdc.com.cn" and "www.900950.com".

We are not aware of any infringement (i) by us of any intellectual property rights owned by third parties; or (ii) by any third parties of any intellectual property rights owned by us.

Insurance

We maintain insurance policies for our properties and assets and carry employer's liability insurance as required by the relevant local authorities, such as those for medical and related expenses that our employees may incur as a result of personal injuries at their workplaces or on the construction sites of our property developments. We also maintain insurance policies including property all-risk insurance and public liability insurance, with respect to our investment properties, including insurance coverage for damages arising from or in connection with the occurrence of an earthquake.

According to applicable PRC laws and regulations, property developers are not required to maintain insurance coverage in respect of their property development operations. As such, we generally do not maintain and do not require our construction contractors to maintain insurance coverage on our properties developed for sale other than for properties for which we are required to maintain insurance coverage under loan agreements. We do not maintain insurance policies for properties that have been delivered to our customers. Instead, the respective property management companies of each of our projects maintain all property risk insurance and public liability insurance for the common areas and amenities of these properties.

Under PRC laws, construction companies as employers are required to purchase insurance for their construction workers. As we engage third-party contractors to carry out construction for our projects, we currently do not maintain such insurance ourselves.

We believe that our insurance coverage is adequate and is in line with customary industry practices of property developers. However, there are risks for which we do not have sufficient or any insurance coverage for losses, damages and liabilities that may arise in our business operations.

Environmental Matters

Property developers in China are subject to a number of environmental laws and regulations. We expect our environmental compliance costs will remain similar to our historical costs. We have not been imposed any fines or penalties for noncompliance of PRC environmental laws and regulations. As of the date of this offering memorandum, we have not encountered any material issues in passing inspections conducted by the relevant environmental authorities upon completion of our properties.

Labor and Safety

Property developers in China are subject to various PRC laws and regulations with respect to labor, health, safety, insurance, and accidents issued by the relevant governmental authorities from time to time, for our operations in the PRC. We have not been charged any fines or penalties for noncompliance of PRC labor and safety laws and regulations.

Legal Proceedings

As a property developer in the PRC, we are subject to legal or arbitration proceedings, disputes or claims in the ordinary course of business from time to time. Except as disclosed below, we are not, as of the date of this offering memorandum, involved in any litigation, arbitration or claim of material importance pending or threatened by us or against us that would have a material adverse effect on our results of operations or financial condition.

Lawsuit involving Suzhou Seazen Chuangjia Property Limited

As of the date of this offering memorandum, Suzhou Seazen Chuangjia Property Limited* (蘇州新城創佳置業有限公司) ("**Suzhou Seazen**"), a subsidiary of Seazen Holdings, is involved in a lawsuit in Suzhou, China. Suzhou Seazen is a co-defendant in the lawsuit, which involves a contractual dispute with respect to certain equity transfer arrangements among the plaintiff and the co-defendants. Upon hearing the case, Suzhou Seazen was ordered by Suzhou Intermediate People's Court to compensate the plaintiff in an amount of approximately RMB130.9 million, part of which shall be shared with other co-defendants. Seazen Holdings has filed an appeal with Jiangsu High People's Court regarding this case. As a result, the outcome of this lawsuit remains uncertain as of the date of this offering memorandum and it may have a negative material impact on our reputation, financial position and business operations.

Overview

All land in the PRC is either state-owned or collectively-owned, depending on the location of the land. All land in urban areas of a city or town is state-owned, and all land in the rural areas and suburban areas and all farm land are, unless otherwise specified by law, collectively-owned. The State has the right to resume its ownership of land or the land use rights in accordance with law if required for the public interest (and compensation must be paid by the state).

Although all land in the PRC is owned by the State or by collectives, individuals and entities may obtain land use rights and hold such land use rights for development purposes. Individuals and entities may acquire land use rights in different ways, the two most important being land grants from local land authorities and land transfers from land users who have already obtained land use rights.

Land Grants

National and local legislation

In April 1988, the National People's Congress (the "**NPC**") passed an amendment to the Constitution of the PRC. The amendment, which allowed the transfer of land use rights for value, paved the way for reforms of the legal regime governing the use of land and transfer of land use rights. In December 1988, the Standing Committee of the NPC also amended the Land Administration Law of the PRC (《中華人民共和國土地管理法》(主席令第12號)) (implemented on June 25, 1986, and revised on December 29, 1988, August 28 2004 and August 26, 2019 by the Standing Committee of the NPC) (the "**Land Administration Law**") to permit the transfer of land use rights for value.

In May 1990, the State Council (國務院) enacted the Provisional Regulations of the PRC Concerning the Grant and Assignment of the Right to Use State-owned Land in Urban Areas (《中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例》(國務院令第55號) (revised on November 11, 2020). These regulations, generally referred to as the Urban Land Regulations, formalized the process of the grant and transfer of land use rights for consideration. Under this system, the State retains the ultimate ownership of the land. However, the right to use the land, referred to as land use rights, can be granted by the state and local governments at or above the county level for a maximum period of 70 years for specific purposes pursuant to a land grant contract and upon payment to the State of a premium for the grant of land use rights.

The Urban Land Regulations prescribe different maximum periods of grant for the different uses of land as follows:

Use of land	Maximum period (Years)
Commercial, tourism, entertainment	40
Residential	70
Industrial	50
Educational, scientific, cultural, public health and sports	50
Comprehensive utilization or others	50

Under the Urban Land Regulations, domestic and foreign enterprises are permitted to acquire land use rights unless the law provides otherwise. The state may not resume possession of lawfully-granted land use rights prior to expiration of the term of grant. Should the public interest require the resumption of possession by the State under special circumstances during the term of grant, compensation shall be paid by the State, on the basis of the period of which the land user has used the land and the status with respect to the development and utilization of the land. Subject to compliance with the terms of the land grant contract, a holder of land use rights may exercise substantially the same rights as a land owner during the grant term, including holding, leasing, transferring, mortgaging and developing the land for sale or lease.

Upon paying in full the land premium pursuant to the terms of the contract, a land-grantee may apply to the relevant land bureau for the land use rights certificate. In accordance

with the Property Rights Law (《中華人民共和國物權法》)（主席令第62號）, which was effective as of October 1, 2007 (superseded by the Civil Code of the People's Republic of China (《中華人民共和國民法典》(主席令第45號)) (issued on May 28, 2020 and became effective on January 1, 2021)), the term of land use rights for land of residential use will automatically be renewed upon expiry. The renewal of the term of land use rights for other use shall be dealt with according to the then-current relevant laws. In addition, if public interest requires the resumption of possession of land by the State during the term of the relevant land use rights, owners of residential properties and other real estate on the land shall be compensated and the relevant land premium shall be refunded to them.

On March 26, 2005, the General Office of the State Council promulgated the Notice on Effectively Stabilizing House Prices (《關於切實穩定住房價格的通知》)（國辦發明電[2005]8號）to restrain the excessive increase of housing prices and to promote the sound development of the real estate market. The notice provided that housing prices should be stabilized, and the system governing housing supply should be vigorously adjusted and improved. In accordance with the notice, seven departments of the State Council including the Ministry of Construction (建設部) issued the Opinion on the Work of Stabilizing Housing Prices (《關於做好穩定住房價格工作意見的通知》)（國辦發[2005]26號）on May 9, 2005. The Opinion stated, among other things, that: (i) the local government should focus on ensuring the supply of low-to medium-end ordinary residential houses while controlling the construction of high-end residential houses; (ii) the real estate registration department will no longer register the transfer of apartment units which are pre-sold where such units have not obtained the relevant property ownership certificates; and (iii) the government should rigorously enforce the administration on land transfer, prohibit any transfer of land for those real estate development projects that fail to satisfy the requirements as prescribed by law and stop any act of "Quick Buying and Quick Selling", and reinforce the straightening-out of unused lands, effectively prevent the act of hoarding any land for speculation, strictly implement the provisions of laws and collect the expense of unused lands from any project that hasn't been started for 1 full year as of the date when the construction thereof is stipulated to be initiated in the land transfer contract; where the breach has lasted for 2 full years, the right of land use shall be revoked for free.

Pursuant to these measures, local governments were required to adopt plans, by September 2006, to focus on developing low-to-mid-priced and small-to-medium-size properties to meet demand from owner-occupiers. These measures stipulate that commencing from June 1, 2006, the minimum down payment was 30% of the total purchase price for residential units with floor area exceeding 90 square meters on all existing units and those yet to be completed, or a down payment of 20% on residential units for occupation by the owner with floor areas under 90 square meters. The measures require that at least 70% of the residential units in residential housing projects approved or commenced after June 1, 2006 must be no larger than 90 square meters. The measures continue to prohibit land provision for houses and restrict land provision for development of low density and large residential property.

On May 24, 2006, the General Office of the State Council further issued the Notice on Adjusting the Housing Structure and Stabilizing Housing Prices (《關於調整住房供應結構穩定住房價格意見的通知》)（國辦發[2006]37號）. The Notice provided for the following broad directives to, among other things: (i) encourage mass-market residential developments and curb the development of high-end residential properties; (ii) restrict housing mortgage loans to not more than 70% of the total property price (for houses purchased for self-residential purposes and with an area of less than 90 sq.m., the owners are still able to apply for a housing mortgage up to an amount representing 80% of the total property price); (iii) halt land supply for villa projects and restrict land supply for high-end, low-density residential projects; (iv) moderate the progress and scale of demolition of old properties for re-development; (v) require local governments to ensure that at least 70% of the total development and construction area must consist of units of less than 90 sq.m. in size (with any exceptions requiring the approval of the Ministry of Construction); and (vi) prevent banks from providing loans to a property developer whose total capital fund is less than 35% of the total investment amount in an intended development project.

On July 6, 2006, the Ministry of Construction promulgated Certain Opinions regarding the Implementation of the Ratio Requirements for the Structure of Newly Constructed Residential Units (《關於落實新建住房結構比例要求的若干意見》(建住房[2006]165號)), or the New Opinions. The New Opinions stipulate that, the residential units with a floor area of less than 90 square meters shall account for over 70% of the total area of residential units, which are newly approved and constructed in each city or county after June 1, 2006. The relevant local government will have authority to determine the configuration of newly constructed property.

On July 13, 2006, the General Office of the State Council issued the Notice about Relevant Matters on Establishing the State Land Supervision System (《國務院辦公廳關於建立國家土地督察制度有關問題的通知》(國辦發[2006]50號)). In accordance with this notice, the Ministry of Land and Resources established the State Land Supervision General Office (國家土地總督察辦公室) and send its local counterparts State Land Supervision Bureau (國家土地督察局) in order to strengthen supervision and management on land and practice the strictest possible land management system.

On August 31, 2006, the State Council issued a Notice about Relevant Matters on Strengthening Control on Land (《關於加強土地調控有關問題的通知》(國發[2006]31號)) in order to hold back the problems of excessive increases in the aggregate amount of construction land, the excessive expansion of low-cost industrial land, the illegal use of land and abusive occupation of cultivated land. The notice implements the following major measures: (i) adjusting land approval measures for urban construction in accordance with the principle of sharing both rights and responsibilities; (ii) only after guaranteeing the social security fee for the land expropriated from farmers can the approval of land expropriation be granted; (iii) the total amount of money from the sale of state-owned land use rights shall be fully accounted for in the local budget and collected into the local government treasury, and the "line of income and expenditure" shall be administrated separately; (iv) raising the standard for the land use rights fee of newly added construction land as well as the urban land use tax and rural cultivated land use tax; (v) the State formulating and promulgating the unified minimum standard for granting industrial land across the country, and industrial land being granted by tender, auction or putting up for bidding; and (vi) prohibiting conversion of agricultural land into construction land "in the name of leasing while actually expropriating" or other illegal ways.

On November 7, 2006, Ministry of Finance, Ministry of Land and Resources and the PBOC issued a Notice about Relevant Matters on Policy Adjusting Concerning the Land Use Fee for Newly Created Construction Land (《關於調整新增建設用地土地有償使用費政策等問題的通知》(財綜[2006]48號)). The notice requires the land use fee on newly created construction land be doubled from January 1, 2007. On April 22, 2009, Ministry of Finance, Ministry of Land and Resources issued a Notice about Adjusting the Rating and Category of Collecting the Land Use Fee for Newly Created Construction Land in Certain Areas (《關於調整部分地區新增建設用地土地有償使用費徵收等別的通知》(財綜[2009]24號)), which abolishes the rating and category of collecting the land use fee for newly created construction land in certain areas in the Notice issued on November 7, 2006 and stipulates a new standard.

Pursuant to the Opinions on Resolving Difficulties of Housing for Urban Low-income Family (《關於解決城市低收入家庭住房困難的若干意見》(國發[2007]24號)) promulgated by the State Council on August 7, 2007, the authorities of each region will adjust the housing supply structure in order to: (i) implement the Circular on Forwarding Opinions of Ministry of Construction and Other Departments on Adjusting Housing Supply Structure and Stabilizing Housing Prices issued by the General Office of the State Council (《國務院辦公廳轉發建設部等部門關於調整住房供應結構穩定住房價格意見的通知》(國辦發[2006]37號)); (ii) focus on the development of low to medium priced, and small to medium sized commodity housing and (iii) to increase the supply of housing. The approval percentage of new housing construction (with a GFA of less than 90 sq.m.) will be more than 70% of the total housing developed area. The annual supply of low rental housing construction land, economy-sized housing and low to medium price and small to medium sized commodity housings shall not be less than 70% of the total residential housing land.

The administration department of the Ministry of Land and Resources (the "**Administration Department**") at both municipality and county levels will implement the Notice on the Implementation of Specific Clearing of the Grant of the State-owned Land Use Rights (《關於開展國有土地使用權出讓情況專項清理工作的通知》(監發[2007]6號)) jointly published by the Ministry of Supervision, Ministry of Land and Resources, Ministry of Finance, National Audit Office of the PRC and the Ministry of Construction on August 8, 2007. Further, it will investigate, on a case by case basis, the development of residential land with an emphasis on the observation of land-use contract by real estate development enterprises. Pursuant to the Urban Real Estate Administration Law of the PRC (《中華人民共和國 城市房地產管理法》(主席令第18號)) (implemented on January 1, 1995, and revised on August 30, 2007, August 27, 2009 and August 26, 2019 by the Standing Committee of the NPC) (the "**Urban Real Estate Law**"), for any developer that neither commences nor completes the construction work in accordance to the land-use contract, the Administration Department will provide comments to ensure that such enterprises complete the development on

schedule. Enterprises that do not carry out any measure to resolve the situation will be prohibited from participating in any tenders, auction and putting up for bidding for acquiring new land sites. The Administration Department will strictly enforce the regulations governing idle land and for land where the construction still has not commenced after exceeding one full year from the date of commencement stipulated in the contract, the idle land fee shall be imposed and the respective enterprises will be instructed to commence the construction works and fulfill the completion schedule. The idle land fee, in principle, shall be computed and imposed based on 20% of land premium price of the granted or allocated land. Any land that has not been developed for over two years shall be reclaimed with no compensation. For land where construction works have been commenced on the date stipulated in the contract but the developed area is less than the one-third of the area to be developed or the invested capital is less than one-fourth of the total investment as stipulated in the contract and the development is suspended over a year without any approval, it shall be treated as idle land strictly following the laws.

On December 30, 2007, the General Office of the State Council issued the Notice on the Strict Implementation of the Laws and Policies Regarding Rural Collective Construction Land (《關於嚴格執行有關農村集體建設用地法律和政策的通知》(國辦發[2007]71號)). This notice states that residential land in rural areas shall only be allocated to residents of the relevant village residing in the area and that no urban inhabitants shall be allowed to purchase any homesteads, peasants' dwellings or "houses with limited property rights" in rural areas. No organization or individual shall be allowed to illegally rent or occupy any land collectively owned by peasants for the development of real estate.

According to the Land Investigation Regulations (《土地調查條例》(國務院令第518號)) (implemented on February 7, 2008, and revised on February 6, 2016 and March 19, 2018 by the State Council), a nationwide land investigation shall be carried out once every 10 years and a land status alteration investigation shall be filed for record with the competent department of land and resources of the people's government at the next higher level. The regulation also specifies the qualification requirements that a government department must meet in order to undertake the investigation tasks. The regulation specifies that the purpose of land investigations is to ascertain the land resources that are available and their utilization status.

On January 7, 2010, the General Office of the State Council issued the Notice on Promoting the Steady and Healthy Development of the Real Estate Market (《關於促進房地產市場平穩健康發展的通知》(國辦發[2010]4號)), which, among other things, provides that land resource authorities shall deepen the supervision on the compliance of the contracts and strictly collect the land premiums according to the land grant contracts, and shall:

- effectively increase the supply of social welfare housing and ordinary commodity residential properties, in particular, lo w and medium-cost and small and medium-sized ordinary commodity residential properties;
- direct consumers to make reasonable purchases of residential properties and discourage investment and speculation in the housing market;
- strengthen credit risk management for real estate projects and market supervision;
- speed up the construction of social welfare housing projects; and
- set or clarify the responsibilities of provincial and local governments.

On March 8, 2010, the Ministry of Land and Resources issued the Notice on Strengthening the Supply and Supervision of Land Use for Real Estate Property (《國土資源部關於加強房地產用地供應和監管有關問題的通知》(國土資發[2010]34號)). The Notice, among other things, provides that:

- the land and resources bureau at the city and county levels shall ensure that the land supply for government-subsidized housing, slum-dwellers reconstruction and small commercial housing units for self-housing shall not be less than 70% of the total residential land supply and strictly control the land supply for large-sized apartments and restrict the land supply for villas;

- land resource authorities shall prohibit property developers who owe land grant premium payments, possess idle land, engage in land speculation and price manipulation, conduct project development exceeding approved scope or fail to conform with the land use rights grant contract from land bidding transactions within a set period of time; and

- the land use rights grant contract must be executed within ten days after a grant of land has been mutually agreed and a down payment of 50% of the land grant premium shall be paid within one month from the execution of the land use rights grant contract with the remaining amount paid no later than one year after the execution of the land use rights grant contract.

On September 21, 2010, the Ministry of Land and Resources and MOHURD jointly promulgated the Notice on Further Strengthening Control and Regulation of Land and Construction of Property Development (《關於進一步加強房地產用地和建設管理調控的通知》(國土資發[2010]151號)), which stipulates, among other things, that: (i) at least 70% of land designated for construction of urban housing must be used for affordable housing, housing for resettlement of shanty towns and small to medium-sized ordinary commercial housing; in areas with high housing prices, the supply of land designated for small to medium-sized, price-capped housing must be increased; (ii) developers and their controlling shareholders are prohibited from participating in land biddings before the rectification of certain misconduct, including (1) illegal transfer of land use rights; (2) failure to commence required construction within one year from the delivery of land under land grant contracts due to such developers' own reasons; (3) noncompliance with the land development requirements specified in land grant contracts; and (4) crimes such as obtaining land by forging official documents and illegal land speculation; (iii) developers are required to commence construction within one year from the date of delivery of land under the relevant land grant contract and complete construction within three years of commencement; (iv) development and construction of projects of low-density and large-sized housing must be strictly limited and the plot ratio of the planned GFA to the total site area of residential projects must be more than 1:1; and (v) the grant of two or more bundled parcels of lands and undeveloped land is prohibited.

On December 19, 2010, the Ministry of Land and Resources promulgated the Notice on Strict Implementation of Policies Regarding Regulation and Control of Real Property Land and Promotion of the Healthy Development of Land Markets (《關於嚴格落實房地產用地調控政策促進土地市場健康發展有關問題的通知》(國土資發[2010]204號)), which, among other things, provides that (i) cities and counties that have less than 70% of their land supply designated for affordable housing, redevelopment housing for shanty towns or small/medium-sized residential units shall not provide land for large-sized and high-end housing before the end of 2010; (ii) local land and resources authorities shall file a transaction report with the Ministry of Land and Resources and provincial land and resources authorities, respectively, in relation to land sold via competitive bidding, auction and listing-for-sale with a 50% or more premium; and (iii) for land designated for affordable housing but used for the development of commodity houses, any illegal income derived therefrom will be confiscated and the relevant land use rights terminated. In addition, unapproved changes to the plot ratio are strictly prohibited.

On January 26, 2011, the General Office of the State Council issued the Notice on Relevant Issues of Further Improvement of the Control in Real Estate Market (《進一步做好房地產市場調控工作有關問題的通知》(國辦發[2011]1號)). This Notice, among other things, provides that:

- the minimum down payment for second home purchases increases from 50% to 60%;

- the developer will forfeit the land use rights and the PRC government will impose an idle land fee of up to 20% of the land premium if a developer fails to obtain the construction permit and commence development for more than two years from the commencement date stipulated in the land grant contract; and

- municipalities directly under the central government, municipalities with independent planning status, provincial capitals and cities with high housing prices shall limit the number of homes local residents can buy in a specific period. In principle, local resident families that own one house and non-local resident families who can provide local tax clearance certificates or local social insurance payment certificates for a required period are permitted to purchase only one additional house (including newly built houses and second-hand houses). Sales of properties to (i) local resident families who own two houses or more, (ii) non-local resident families who own one house or more, and (iii) non-local resident families who cannot provide local tax clearance certificates or local social insurance payment certificates for a required period shall be suspended in local administrative regions.

On February 26, 2013, the General Office of the State Council announced the Notice on Continuing Adjustment and Control of Property Markets (《國務院辦公廳關於繼續做好房地產市場調控工作的通知》(國辦發[2013]17號)). This notice further clarified the requirements of the State Council:

- Improving the stabilization mechanism for housing prices. The provincial and municipal governments shall strengthen their administration on the property market, including increasing the supply of properties and setting annual pricing targets at cities where the property prices rise too fast. The relevant departments of the State Council will strengthen the supervision on the provincial governments with respect to the price stabilization work.

- Restraining speculative investment. The policies require a strict implementation of purchase limits and credit restrictions and set to expand the scope of property tax pilots. The notice requires local governments to strictly implement purchase limits. If the property prices in any cities rise too fast and there is yet any purchase limit policy in place, the relevant provincial governments should require such cities to adopt purchase limit policies promptly. Financial institutions are required to strictly implement credit policies with respect to down-payment ratios and interest rates for mortgages and to review the backgrounds of mortgage applicants more rigorously. The local offices of the People's Bank of China may also increase the interest rates and down-payment ratios for mortgages on second properties if the property prices in any cities rise too fast. The tax authority together with the building and construction authority are required to work closely to impose a 20% individual income tax on the gain from the sale of second-hand properties.

- Increasing the supply of land and ordinary commodity housing units. The notice also encourages the supply of land for residential purposes. The relevant authorities are required to speed up the approval processes for property developments with small-to-medium sized units. Financial institutions are required to give priority to projects where small-to-medium sized units account for more than 70% of the total units.

- Speeding up the planning and construction of affordable housing.

- Strengthening market regulations and managing market expectation.

- Speeding up to establish and perfect a long-term mechanism to guide the healthy development of the real estate market.

In addition to the general framework for transactions relating to land use rights set out in the Urban Land Regulations, local legislation may provide for additional requirements, including those applicable to specific transactions within specific areas relating to the grant and transfer of land use rights. These local regulations are numerous and some of them are deemed to be inconsistent with national legislation. Under PRC laws, national laws and regulations prevail to the extent of such inconsistencies.

On November 24, 2014, the General Office of the State Council issued an order on Interim Regulation on Real Estate Registration (《不動產登記暫行條例》(國務院令第710號)) (implemented on March 1, 1995, and revised on March 24, 2019 and March 10, 2024), specifying that the local government shall appoint a local registration institution to be responsible for the registration of all real estate in the area and shall establish a real estate registration book, which can be shared and searched in the national wide. In addition, the right to use land for construction purposes is required to be registered under the Interim Regulation on Real Estate Registration.

Under "the 13th Five-year Plan" (《國土資源"十三五"規劃綱要》國土資發[2016]38號) promulgated by the Ministry of Land and Resources on April 12, 2016, the total amount of construction land will be effectively controlled, and reduce or even suspend the supply of residential land in high inventory city.

Under the Notice on Strengthening the Management and Regulation of Housing and Land Supply (《關於加強近期住房及用地供應管理和調控有關工作的通知》(建房[2017]80號)) promulgated and implemented on April 1, 2017, the Ministry of Housing and Urban-Rural Construction and the Ministry of Land and Resources pointed out that the contradiction between housing supply and demand is prominent, cities which have heavy housing prices stress shall increase the scale of residential land supply, and cities which have heavy inventory stress shall reduce and even stop the supply of residential land.

On May 19, 2018, the MOHURD issued the Notice on Relevant Issues of Further Improvement of the Control in Real Estate Market (《關於進一步做好房地產市場調控工作有關問題的通知》(建房[2018]49 號)). This notice set up some non-binding goals such as the percentage of the residential land in the constructive land of the Key Cities should be no less than 25% and the percentage of the area of residential land which is used for the public rental houses; rental houses and joint ownership houses in the total newly increased residential land should be higher than 50% in the next 3 to 5 years.

Environmental Protection

The laws and regulations governing the environmental requirements for real estate development in the PRC include the Environmental Protection Law (《中華人民共和國環境保護法》(主席令第9號)) (implemented on December 26, 1989, and revised on April 24, 2014 by the Standing Committee of the NPC), Law of the PRC on the Prevention and Control of Environmental Noise Pollution (《中華人民共和國噪聲污染防治法》(主席令第104號)) (implemented on June 5, 2022 by the Standing Committee of the NPC), the Environmental Impact Assessment Law (《中華人民共和國環境影響評價法》(主席令第24號)) (implemented on September 1, 2003, and revised on July 2, 2016 and December 29, 2018 by the Standing Committee of the NPC), the Administrative Regulations on Environmental Protection for Development Projects (《建設項目環境保護管理條例》(國務院令第682號)) (implemented on November 29, 1998, and revised on July 16, 2017 by the State Council) and the Interim Measures of Environmental Protection for Acceptance Examination Upon Completion of Buildings (《建設項目竣工環境保護驗收暫行辦法》(國環規環評[2017]4號)). Pursuant to these laws and regulations, depending on the impact of the project on the environment, for which the environmental impact report or the environmental impact statement is required to be prepared in accordance with the law, the project owner shall, before the commencement of construction, submit the environmental impact report or the environmental impact statement to the environmental protection administrative department with the approval authority for approval. If the environmental impact assessment documents of the construction project have not been examined or approved upon examination by the approval authority in accordance with the law, the project owner shall not commence the construction. For which the environmental impact registration form shall be completed and reported in accordance with the law, the project owner shall, according to the provisions of the environmental protection administrative department of the State Council, submit the environmental impact registration form to the environmental protection administrative department at the county level at the place

where the construction project is located for recordation. It is emphasized by the latest revised the Environmental Protection Law, effective on January 1, 2015, that an environmental impact assessment shall be conducted as legally required in the preparation of a relevant development and utilization plan or the construction of a project impacting the environment. A development and utilization plan that has not undergone environmental impact assessment as legally required may not be implemented. The construction project that has not undergone environmental impact assessment as legally required may not be commenced. In addition, upon completion of the property development, the relevant environmental authorities will also inspect the property to ensure compliance with the applicable environmental standards and regulations before the property can be delivered to the purchasers.

According to Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》(主席令第16號)) (implemented on January 1, 1998, and revised three times on October 28, 2007, July 2, 2016 and October 26, 2018), in house sales, housing development companies shall expressly disclose to buyers such information as energy conservation measures in the house or warranty period for thermal insulation, record such information in the property purchase contracts, quality guarantees and instruction manuals, and shall be responsible for the truthfulness and accuracy of the information.

According to Renewable Energy Law of the People's Republic of China (《中華人民共和國可再生能源法》(主席令第23號)) (implemented on January 1, 2006, and revised on December 26, 2009), real estate development enterprises shall provide necessary conditions for the utilization of solar energy in the design and construction of buildings.

The Ministry of Environmental Protection issued the Implementation Opinions of the Ministry of Environmental Protection on Tightening Interim and Ex-Post Regulation of Environmental Impact Assessment of Construction Projects on January 25, 2018 (《環境保護部關於強化建設項目環境影響評價事中事後監管的實施意見》(環評[2018]11號), requiring various governmental authorities to tighten the interim and ex-post regulation of the environmental impact assessment.

Modes of Land Grant

Pursuant to PRC laws and the stipulations of the State Council, except for land use rights which may be obtained through allocation (劃撥), land use rights for property development are obtained through governmental grant. There are two methods by which land use rights may be granted, namely by private agreement or competitive processes (i.e., tender, auction or listing at a land exchange administered by the local government).

As of July 1, 2002, the grant of land use rights by way of competitive processes is governed by the Regulations on the Grant of Use Right of State-owned Land by Invitation of Tender, Auction or Listing-for-bidding (《招標拍賣掛牌出讓國有土地使用權規定》(國土資源部令第11號)), issued by the Ministry of Land and Resources of the PRC on May 9, 2002 (the "**2002 Regulations**") and revised as of September 28, 2007 with the name of Regulations on Granting State-owned Construction Land Use Rights through Tenders, Auction and Putting up for Bidding (《招標拍賣掛牌出讓國有建設用地使用權規定》(國土資源部令第39號)) (the "**2007 Regulations**"). Following the 2002 Regulations, the Ministry of Land and Resources issued the Notice on Continuing the Review of the Implementation of the Grant of Land use Rights for Commercial Use by Invitation of Bids Auction or Listing (《關於繼續開展經營性土地使用權招標拍賣掛牌出讓情況執法監察工作的通知》(國土資發[2004]71號)) on a Land Exchange on March 31, 2004, requiring all local land administration authorities to strictly enforce the 2002 Regulations. In addition, the Ministry of Land and Resources required that with effect from August 31, 2004, the grant of land use rights must be made pursuant to auctions or listing at a land exchange and that no land use rights for commercial use may be granted by way of agreement. In the Urgent Notice of the General Office of the State Council on Intense Regulation and Rectification of the Land Market and Strict Administration of Land (《關於深入開展土地市場治理整頓嚴格土地管理的緊急通知》(國辦發明電[2004]20號)) issued by the State Council on April 29, 2004, the development of agricultural land was suspended for a period of six months for rectification by the PRC government of irregularities in land development in China. The 2007 Regulations specifically provide that land to be used for industrial, commercial, tourism, entertainment or commodity residential purposes, or where there are two or more intended users for the certain piece of land, must be granted by way of competitive processes. A number of measures are provided by the 2007 Regulations to ensure such grant of land

use rights for commercial purposes is conducted openly and fairly. For instance, the local land bureau must take into account various social, economic and planning considerations when deciding on the use of a certain piece of land, and its decision regarding land use designation is subject to approval of the city or provincial government. The grantee shall apply for land registration and obtain the state-owned land use rights certificate upon full payment of the land premium of the granted land according to the state-owned land grant contract. In the event that the land premium of the granted land is not paid in full, the grantee will not receive the land use rights certificate. In addition, the announcement of tender, auction or listing-for bidding must be made 20 days prior to the date on which such competitive process begins. Further, it also stipulated that for listing at a land exchange, the time period for accepting bids must be no less than 10 days.

In the case of tender, the local land bureau granting the land use rights should examine the qualifications of the intended bidders and inform those qualified to participate in the bidding processes by sending out invitations to tender. Bidders are asked to submit sealed bids together with the payment of a security deposit. When land use rights are granted by way of tender, a tender evaluation committee consisting of not less than five members (including a representative of the grantor and other expert), formed by the land bureau is responsible for opening the tenders and deciding on the successful bidder. The successful bidder will then sign the land grant contract with the land bureau and pay the balance of the land premium before obtaining the State land use rights certificate.

Where land use rights are granted by way of auction, a public auction will be held by the relevant local land bureau. The land use rights are granted to the highest bidder. The successful bidder will then be asked to sign the land grant contract with the local land bureau and pay the relevant land premium within a prescribed period.

Where land use rights are granted by way of listing-for-sale administered by the local government, a public notice will be issued by the local land bureau to specify the location, area and purpose of use of land and the initial bidding price, period for receiving bids and terms and conditions upon which the land use rights are proposed to be granted. The land use rights are granted to the bidder with the highest bid who satisfies the terms and conditions. The successful bidder will enter into a land grant contract with the local land bureau and pay the relevant land premium within a prescribed period.

In January 4, 1991, the Implementation Regulations for PRC Law of Land Administration (《中華人民共和國土地管理法實施條例》(國務院令第73號)) was issued by the State Council and revised on July 29, 2014 (國務院令第653號) ("**2014 Revision**"). According to 2014 Revision, for provision of use right of state-owned land for construction in the form of tender or auction, the competent departments of municipal or county people's governments shall, in conjunction with the departments concerned, draw up a plan and submit it to the municipal or county people's government, the competent department of land administration of municipal or county people's government shall organize its implementation upon approval, and conclude a contract on the paid-for use of the land with the land user. The land user should file an application for land registration according to law.

In June 11, 2003, the Ministry of Land and Resources promulgated the Regulations on Grant of State-owned Land Use Rights by Agreement (《協議出讓國有土地使用權規定》(國土資源部令第21號)), or the 2003 Regulations, to regulate granting of land use rights by agreement when there is only one party interested in the land, the designated use of which is other than for commercial purposes as described above. According to the 2003 Regulations, the local land bureau, together with other relevant government departments, including the city planning authority, will formulate the plan concerning the grant, including the specific location, boundary, purpose of use, area, term of grant, conditions of use, conditions for planning and design as well as the proposed land premium, which shall not be lower than the minimum price regulated by the State, and submit such plan to the relevant government for approval. Afterwards, the local land bureau and the relevant party will negotiate and enter into the land grant contract based on the above-mentioned plan. If two or more parties are interested in the land use rights proposed to be granted, such land use rights shall be granted by way of tender, auction or listing at a land exchange in accordance with the 2007 Regulations.

The grantee is required to pay the land premium pursuant to the terms of the contract and the contract is then submitted to the relevant local bureau for the issue of the land use rights certificate. Upon expiration of the term of grant, the grantee may apply for its renewal. Upon approval by the relevant local land bureau, a new contract is entered into to renew the grant, and a land premium shall be paid.

Under the Circular of the General Office of the State Council on Forwarding the Notice of the Ministry of Construction, the NDRC and the Ministry of Supervision on Adjusting the Housing Supply Structure and Stabilizing the Housing Price (《國務院辦公廳轉發建設部等部門關於調整住房供應結構穩定住房價格意見的通知》(國辦發[2006]37號)) implemented on May 24, 2006, among other things, that: (a) land used for real estate development must be granted through tender, auction or bidding-for-sale and the area of land shall be ascertained reasonably; (b) land supply priority shall be given to ordinary commodity houses at middle to low prices and in medium to small sizes (including affordable housing) and renting affordable housing. The land supply plan shall be known to the public; and (c) the land supply for low-density and large-sized housing shall be strictly controlled, and the rules on ceasing land supply for villa real estate development shall be resolutely implemented.

The "Notice of the State Council on Promoting the Land Saving and Intensive Use" (《國務院關於促進節約集約用地的通知》(國發[2008]3號)) issued by the State Council on January 03, 2008 states that the people's governments of all provinces, autonomous regions and municipalities directly under the Central Government; all ministries and commissions of the State Council, and all institutions directly under the State Council shall:

- Examine and adjust various types of relevant planning and land use standards on the principle of land saving and intensive use;
- Make full use of existing construction land, and vigorously enhance the construction land use efficiency;
- Give full play the fundamental role of the market in the allocation of land resources, and improve the long-term mechanism of land saving and intensive use;
- Strengthen supervision and inspection, and fulfill the responsibility of land saving and intensive use in an all-round way.

The National Development and Reform Commission issued the Catalogue for Guiding Industrial Restructuring (《產業結構調整指導目錄(2024本)》(《中華人民共和國國家發展和改革委員會令第7號)) (the "**Catalogue**") on August 27, 2019. On November 22, 2019, the National Development and Reform Commission revised several items of the Catalogue in the Negative List for Market Access (2019 Version) (《市場准入負面清單(2019)》(發改體經[2019]1685號)) (the "**List**"). According to the Catalogue and the List, the real estate projects related to the villa, the golf course and the racecourse is confined.

On December 2, 2024, the Ministry of Natural Resources, National Development and Reform Commission, and National Forestry and Grassland Administration jointly issued the "Guidelines on Supporting High-Quality Industrial Development with Natural Resource Elements (2024 Version)" (《《自然資源要素支撐產業高質量發展指導目錄》(2024本)》), which designates large auto markets, building materials centers, theme parks, imitation ancient towns, racetracks, motor vehicle training grounds and cemeteries as restricted land supply projects (with residential projects subject to maximum plot size limits of 7/14/20 hectares for small/medium/large cities respectively), while expressly prohibiting land supply for villa-style real estate developments and new training centers for Party/state agencies and state-owned enterprises.

The Urban and Rural Planning Law of the People's Republic of China (《中華人民共和國城鄉規劃法》(主席令第23號)) was implemented on January 1, 2008, and revised on April 24, 2015 and April 23, 2019. This law provides, among other things, that if land use rights were obtained by way of allocation, the developer shall apply to the relevant urban and rural planning authorities for a site selection opinion before applying to other relevant authorities for approval or consent. This law also specifies that if the land use rights were obtained by way of allocation within the planning zones of cities or towns, the developer shall, before applying to the land administration authorities at or above the county level for land use rights, apply for the construction land planning

permit from the relevant urban and rural planning authorities of that city or town after obtaining the approval or consent of other relevant authorities. Further, if land use rights were obtained by way of grant within the planning zones of cities or towns, relevant urban and rural planning authorities shall, prior to the granting of land use rights, specify the planning conditions such as the location, nature of use and permitted density of the development and integrate the planning conditions into the grant contract of the land use rights. Land without planning conditions cannot be granted. After a grant contract of land use rights is executed, the developer needs to apply to urban and rural planning authorities of the city or county for the construction land planning permit along with the required documents. If a development is within the planning zones of a city or town, the developer needs to apply to urban and rural planning authorities of the particular city or county, or to the township government specified by the provincial level government for a planning permit for construction in a rural area. The development of projects must comply with the planning conditions and an application must be filed with the urban and rural planning authorities of the relevant city or county if any amendments to the planning conditions are necessary. Within six months of the completion of projects, a developer needs to file documents in respect of the inspection and assessment by government authorities of completed project with the urban and rural planning authorities.

Recover State-owned Land Use Rights

In accordance with the Land Administrative Law of the People's Republic of China (《中華人民共和國土地管理法》(主席令第32號)) promulgated by the Standing Committee of the NPC on June 25, 1986 and amended on December 29, 1988, August 28, 2004 and August 26, 2019, the land administrative authorities may recover state-owned land use rights with the approval of the governments that originally approved the land use rights, under any of the following cases:

- to use the land for public interests (subject to proper compensation);
- to use the land in re-building old city districts in order to implement urban construction plans (subject to proper compensation);
- when the term of the land use rights expires, the holder has failed to apply for extension or failed to obtain approval for extension;
- the use of the land originally allocated has been stopped due to cancellation or removal of units;
- roads, railways, airports and mining sites that have been approved to be abandoned.

Under the Provisional Regulations on Grant and Transfer, the maximize term of the land use rights shall not exceed: (i) 70 years for residential purposes; (ii) 40 years for commercial, tourism and entertainment purposes; or (iii) 50 years for education, science, culture, public health, physical education, industrial, mixed-use or other purposes.

Pursuant to the Implementation Regulations for PRC Law of Land Administration (《中華人民共和國土地管理法實施條例》(國務院令第653號)) (implemented on January 1, 1999, and revised on January 8, 2011 and July 29, 2014 by the State Council), the original land registration organ shall nullify the land registration for withdrawal of the land use right of a land use unit.

Land Transfers from Current Land Users

In addition to a direct grant from the government, an investor may also acquire land use rights from land users that have already obtained the land use rights by entering into an assignment contract or a joint-develop agreement with the land user.

The assignment contract or joint-develop agreement must be registered with the relevant local land bureau at the municipal or county level for land use rights title change purposes. Upon a transfer of land use rights, all rights and obligations contained in the land grant contract are deemed to be incorporated as part of the terms and conditions of such transfer.

The assignment contract or the joint-develop agreement is subject to terms and conditions specified in the land grant contract. For residential construction projects, the Urban Real Estate

Law (《中華人民共和國城市房地產管理法》(主席令第32號)) requires that at least 25% of total construction costs, excluding land premiums, be expended and the construction schedule and date of completion and delivery of the project have been determined before assignment can take place. All rights and obligations of the current holder under a land grant contract will be transferred contemporaneously to the assignee of the land use rights. The relevant local government has the right to acquire the land use rights to be assigned if the assignment price is significantly lower than the market price. Relevant local governments may also acquire the land use rights from a land user in the event of a change in town planning. The land user will then be compensated for the loss of his land use rights.

Land Reserve and Primary Development

The Ministry of Finance, Land and Resources and the PBOC jointly promulgated the Measures for Land Reserve Administration (《土地儲備管理辦法》(國土資規[2017]17號)), which became effective on January 3, 2018 and revised on January 10, 2025. Pursuant to the Measure, the land reserve institution may develop state-owned land obtained through government reclamation, priority purchase, rural land conversion, or direct acquisition, conduct primary development prior to market supply using strictly government-budgeted funds, and are prohibited from mortgaging or initial registration of such reserved lands.

Mortgage and Guarantee

The mortgage of real estate in the PRC is governed by the Property Rights Law (《中華人民共和國物權法》(主席令第62號)), Security Law of the PRC (《中華人民共和國擔保法》(主席令第50號)) (the Property Rights Law and the Guarantee Law of the PRC were superseded by the Civil Code of the People's Republic of China (《中華人民共和國民法典》(主席令第45號)) (issued on May 28, 2020 and became effective on January 1, 2021)), Urban Real Estate Law (《中華人民共和國城市房地產管理法》(主席令第32號)), the Regulation on Administration of Mortgages of Urban Real Estate (《城市房地產抵押管理辦法》(建設部令第98號)), and other relevant real estate related laws and regulations. When a mortgage is created over the ownership of a completed building, the same will be simultaneously created over the land use rights of the land where the building is erected. The mortgagee and the mortgagor shall enter into a mortgage contract in writing which becomes effective on the date of the registration of such mortgage by the relevant real estate authority. Pursuant to the Security Law, a real estate mortgage agreement shall contain specific provisions including (i) the type and amount of the indebtedness secured, (ii) the period of the obligation by the debtor, (iii) the repayment of the indebtedness, and (iv) the name, quantity, conditions, location, valuation and ownership of the mortgaged property. Pursuant to the Real Estate Law, buildings newly-erected on a piece of urban land after a mortgage contract has been entered into shall not be a mortgaged property. If the mortgaged property is auctioned off, the new buildings added on the land may be auctioned together with the mortgaged property, but the mortgagee shall not be entitled to priority compensation from the proceeds of the auction of the new buildings.

Pursuant to the Property Rights Law, a real estate mortgage becomes effective on the date of registration with the local real estate department. When carrying out mortgaged property registration, the loan contract and the mortgage contract as well as the land use rights certificate or the property ownership certificate in respect of the mortgaged property must be submitted to the registration authority. If the mortgagor cannot repay the loan that is secured by the mortgaged property, the mortgagee may agree with the mortgagor to receive payment by appraising the mortgaged property or through the proceeds of an auction or sale of the property. If no such agreement is reached, the mortgagee may institute proceedings in a People's Court. After the mortgaged property has been appraised or been auctioned or sold, any portion of the proceeds that exceeds the amount of the indebtedness shall belong to the mortgagor and any shortfall shall be paid by the mortgagor.

The Security Law also contains comprehensive provisions dealing with guarantees. Under the Security Law, guarantees may be in two forms: (i) general guarantees whereby the guarantor bears the liability when the debtor fails to perform the payment obligation; and (ii) guarantees with joint and several liabilities whereby the guarantor and debtor are jointly and severally liable for the payment obligation. A guarantee contract must be in writing and, unless agreed otherwise, the guarantee shall remain valid for six months after the expiration of the term for performance of the principal obligation of the debtor.

Idle Land

According to the Measures on Disposing Idle Land (《閒置土地處置辦法》(國土資源部令第5號)) enacted and enforced by the Ministry of Land and Resources on April 28, 1999, the land can be defined as idle land under any of the following circumstances: (i) development and construction of the land is not commenced within the prescribed time limit after obtaining the land use rights without consent from the people's government who approved the use of the land; (ii) where the "Contract on Paid Use of the Right to Use State-Owned Land" or the "Approval Letter on Land Used for Construction" has not prescribed the date of commencing the development and construction, the development and construction of the land is not commenced at the expiry of one year from the date when the "Contract on Paid Use of the Right to Use State-Owned Land" became effective or when the Ministry of Land and Resources issued the "Approval Letter on Land Used for Construction"; (iii) the development and construction of the land has been commenced but the area of the development and construction that has been commenced is less than one-third of the total area to be developed and constructed or the invested amount is less than 25% of the total amount of investment, and the development and construction have been continuously suspended for one year or more without an approval; or (iv) other circumstances prescribed by the laws and the administrative regulations.

On June 1, 2012, the Ministry of Land and Resources promulgated further Measures on the Disposal of Idle Land (《閒置土地處置辦法》(國土資源部令第53號)) ("**further measures**"), which became effective on July 1, 2012. The Ministry of Land and Resources extended and clarified that the definition of idle land includes any land that became idle as a result of government related or non-government related acts. Government actions may cause land to become idle if (i) the government fails to deliver the land parcels to the grantee in accordance with the time limit specified under the relevant land grant contract or related documents, (ii) the grantee of the land use rights cannot develop the land in accordance with the contracted purposes due to recent land or urban planning adjustments, (iii) there are changes in the land or urban planning conditions due to modification of relevant national policies, and (iv) there are mass petitions, military control, protection of cultural relics, natural disaster and other related issues, which delay the development schedule of the land parcels.

The further measures require land use rights to be granted by the Ministry of Land and Resources to fulfill the following requirements: (i) the land use rights shall be free of encumbrances; (ii) original residents to be resettled (if any) must be compensated; (iii) there must be no legal or economic disputes in connection with the land use rights; and (iv) the relevant land parcels must have a clearly defined premise, nature of use, floor-area ratio and other land planning conditions.

The further measures provide clear procedures for investigation of idle land. Where the municipality or county-level land administrative department suspects the land to constitute idle land, it shall, within 30 days, commence investigation to confirm the status of the land, and issue an "Idle Land Investigation Notification Memorandum" ("**notification memorandum**") to the grantee of the land use rights. The grantee of the land use rights shall, within 30 days of receiving the notification memorandum, provide materials outlining the state of affairs of the land development, reasons for the land being idle and other related explanatory materials to the abovementioned administrative department. The municipality or county-level land administrative department shall, after a piece of land which has been ascertained as idle land, notify the concerned land user and draft a proposal on methods of disposal of the idle land including but not limited to extending the time period for development and construction (provided that the extension shall be no longer than one year), changing the use of the land, arranging for temporary use, ascertaining a new land user by competitive bidding, public auction. The administrative department of land under the people's government of city or county level shall, after the proposal on disposal has been approved by the original people's government who approved the use of the land, arrange for implementation of the proposal.

With respect to any land parcel obtained under a land grant contract within the scope of city planning and becoming idle due to non-government related acts, if the work has not been commenced after one year from the prescribed date of commencement, a surcharge on idle land equivalent to no more than 20% of the land grant premium may be levied (such land grant premium cannot be listed as manufacturing cost for accounting purposes); if the work has not been commenced after two years from the prescribed date of commencement, the land can be

confiscated without any compensation. However, the preceding stipulations shall not apply if the delay is caused by force majeure; acts of government or acts of other relevant departments under the government; or by the indispensable preliminary work. The further measures provide that, with respect to any land parcel becoming "idle" as a result of government-related acts, the grantee of the relevant land use rights shall explain to the municipality or county-level land administrative department the reasons for the land becoming idle, and consult the relevant government authority and rectify the situation accordingly ("**rectification procedures**"). The means of rectification include but are not limited to the extension of the period permitted for commencing development, the adjustment of the land use and planning requirements or the substitution of the relevant land parcels with other land parcels. To enhance control over land hoarding and land speculating activities, the further measures also require the Ministry of Land and Resources not to accept or process any application for title transfer transaction, lease transaction, mortgage transaction or land registration application in respect of the land use rights over any idle land parcel before the completion of the required rectification procedures. To strengthen the regulation of idle land, the further measures require that the Ministry of Land and Resources to copy the relevant finance authorities in all its communications about idling of government-owned land with the grantee of land use rights.

Property Development

Property development projects in the PRC are generally divided into single projects and large tract development projects. A single project refers to the construction of buildings on a plot of land and the subsequent sale of units. Large tract development projects consist of the comprehensive development of large area and the construction of necessary infrastructure such as water, electricity, road and communications facilities. The developer may either assign the land use rights of the developed area or construct buildings on the land itself and sell or lease the buildings erected on it.

Under the "Regulations on Administration of Development of Urban Real Estate (《城市房地產開發經營管理條例》) (the "**Development Regulations**") promulgated by the State Council on July 20, 1998, revised on January 8, 2011, March 19, 2018, March 24, 2019 and March 27, 2020, an enterprise which is to engage in development of real estate shall satisfy certain requirements including (i) its registered capital shall be more than RMB1 million; and (ii) it shall have four or more full-time professional real estate/construction technicians and two or more full-time accounting officers, each of whom shall hold the relevant qualification certificate. People's governments of the provinces, autonomous regions and municipalities directly under the Central Government may, in the light of the actual conditions prevailing in their respective localities, work out provisions for the conditions of registered capital and specialized technical personnel for the establishment of a real estate development enterprise higher than those in the preceding paragraph.

Where a foreign-invested enterprise is to be established to engage in development and sale of real estate, the relevant requirements of the laws and regulations regarding foreign-invested enterprises must also be observed and relevant approvals be obtained. Pursuant to the Catalogue of Industries for Guiding Foreign Investment ("**the Catalogue**") (2007 Revision) (《外商投資產業指導目錄》中華人民共和國國家發展和改革委員會、中華人民共和國商務部令第57號) and the Catalogue (2011 Revision), large tract development projects, construction and operation of upscale hotel, villa, upscale office building and international convention and exhibition center, secondary real estate market transactions, and real estate agencies or brokerage companies were listed in the restricted category. Since the implement of the Catalogue (2015 Revision), real estate industry were removed from the restricted category, which meant there were no longer any restrictions on the scope of business of foreign-invested real estate enterprise.

Pursuant to the Urban Land Regulations, foreign entities may acquire land use rights in the PRC unless the law provides otherwise. However, pursuant to the "Opinions of the Ministry of Construction, the Ministry of Commerce, National Development and Reform Commission, the People's Bank of China, the State Administration for Industry of Commerce and the State Administration of Foreign Exchange on Regulating the Access to and Administration of Foreign Investment in the Real Estate Market"(《建設部、商務部、國家發展和改革委員會等關於規範房地產市場外資准入和管理的意見》(建住房[2006]171號)) and the "Notice of the Ministry of Housing and Urban-Rural Development, the Ministry of Commerce, the National Development and Reform Commission and Other Departments on Adjusting the Policies on the Market Access and Administration of Foreign Investment in the Real Estate Market" ("**Notice on the Market Access**

and Administration of Foreign Investment in the Real Estate Market") (《住房城鄉建設部、商務部、國家發展改革委等部門關於調整房地產市場外資准入和管理有關政策的通知》(建房[2015]122號)), in order to develop the acquired land, the foreign entities need to establish foreign investment enterprises in the PRC as the project companies.

On March 15, 2019, Foreign Investment Law of the PRC (《外商投資法》(主席令第26號)) was promulgated and took effect on January 1, 2020. Law of the PRC on Chinese-Foreign Equity Joint Ventures (《中外合資經營企業法》主席令第51號), Law of the PRC on Wholly Foreign-Owned Enterprises (《外資企業法》主席令第51號) and Law of the PRC on Chinese-Foreign Contractual Joint Ventures (《中外合作經營企業法》主席令第81號) are simultaneously abolished. Pursuant to the Foreign Investment Law, industries outside the negative list for foreign investment access are to be managed according to the principle of consistency between domestic and foreign investment. It seems to illustrate that the establishment of the foreign investment enterprises is no longer a requirement to the foreign real estate enterprises.

In addition, these project companies may be in the for m of Sino-foreign equity or cooperative joint ventures or wholly foreign-owned enterprises. The typical scope of business of such project companies includes development, construction, property management, and sales and leasing commodity properties and ancillary facilities on the specific land as approved by the government. The term of the property development company is usually the same as the term of grant of the land use rights in question.

Pursuant to the Measures for Reporting Foreign Investment Information (《外商投資信息報告辦法》商務部、國家市場監督管理總局令2019年第2號) (implemented on January 1, 2020), foreign investors and foreign-invested enterprises shall report and submit investment information in a timely manner in accordance with the law and follow the principles of truthfulness, accuracy and completeness. Foreign investors or foreign-invested enterprises shall submit investment information by submitting initial reports, change reports, cancellation reports, annual reports, etc. in accordance with these Measures. The reporting and submission of investment information is not a prerequisite for foreign investors or foreign-invested enterprises to complete business registration or other formalities, nor is it a new administrative approval for foreign investors or foreign-invested enterprises.

Once a foreign entity developer has established a project company and secured the land use rights to a piece of land for development, it has to apply for and obtain the requisite planning permits from the planning departments and have its design plan approved by and apply for and obtain a construction work commencement permit from, the relevant construction commission for commencement of construction work on the land. When the construction work on the land is completed, the completed buildings and structures must be examined and approved by the government departments before they can be delivered to purchasers or lessors for occupancy.

Under the "Provisions on Administration of Qualification Certificates of Real Estate Developers" (《房地產開發企業資質管理規定》(建設部令[第77號])) (the "**Qualification Certificate Regulation**") issued by the Ministry of Construction on November 16, 1993 and revised twice on March 29, 2000 and May 4, 2015, a real estate developer shall apply for its qualifications according to such Regulation. An enterprise may not engage in the development and sale of real estate without the qualification registration certificate. The construction authority under the State Council takes charge of supervising the qualifications of real estate developers throughout China, and the real estate development authority under a local government on or above the county-level shall supervise the qualifications of local real estate developers.

Under the Decision on Amending the Provisions on the Administration of the Qualifications of Real Estate Development Enterprises and Other Departmental Rules (關於修改《房地產開發企業資質管理規定》等部門規章的決定(住房和城鄉建設部令第24號)) promulgated by the Ministry of Housing and Urban-Rural Construction on May 4, 2015, the requirements of registered capital in different levels and capital verification report are cancelled.

In accordance with the Qualification Certificate Regulation, real estate developers are classified into four classes. The approval system is tiered, so that confirmation of class 1 qualification shall be subject to preliminary examination by the construction authority under the people's government of the relevant province, autonomous region or municipality directly under the central government and then final approval of the construction authority under the State

Council. Procedures for approval of developers of class 2, 3 or 4 shall be formulated by the construction authority under the people's government of the relevant province, autonomous region or municipality directly under the central government. A developer that passes the qualification examination will be issued a qualification certificate of the relevant class by the authority.

Under the Qualification Certificate Regulation, the real estate development authorities shall examine applications for registration of qualifications of a real estate developer when it reports its establishment, by considering its assets, professional personnel and business results. A real estate developer shall only undertake real estate development projects in compliance with the approved qualification registration.

After a newly established real estate developer reports its establishment to the property development authority, the latter shall issue a provisional qualification certificate to the eligible developer within 30 days of its receipt of the above report. The real estate developer shall apply for a formal qualification certificate from the real estate development authority within one month before expiry of the provisional one. The provisional qualification certificate shall be effective for one year from the date of its issuance. The real estate development authority can extend the validity period for not more than two years after considering the actual business situation of the enterprise. Failure to obtain the required provisional or formal qualification certificate may result in a fine ranging from RMB50,000 to RMB100,000 and revocation of the developer's business license if such failure to obtain the certificate is not rectified.

A developer of any qualification classification may only engage in the development and sale of real estate within its approved scope of business and may not engage in business exceeding the scope permitted by its classification. A class 1 real estate developer is not restricted as to the scale of real estate project to be developed and may undertake a real estate development project anywhere in the country. A real estate developer of class 2, 3 or 4 may undertake a project with a gross area of less than 250,000 sq.m. and the specific scope of business shall be as confirmed by the construction authority under the people's government of the relevant province, autonomous region or municipality.

The real estate development authorities perform annual inspections of qualified developers. Developers who fail to meet the qualification requirements or violate the relevant rules may have their qualification classification certificates degraded or revoked.

For the purpose of carrying out the construction and development of a real estate project, the real estate developers shall, after signing the land grant contract in accordance with the Regulations on Land Granting and Transfer and the Tender, Auction and Listing Regulations, attend certain procedures and obtain relevant approval documents in relation to the design, planning, construction and development of the land.

Planning and Construction Permits

Under the "Regulations on Planning Administration regarding Granting and Transfer of State-owned Land Use Rights in Urban Area" (《城市國有土地使用權出讓轉讓規劃管理辦法》(建設部令第22號)) promulgated by the Ministry of Construction in December 1992 and revised on January 26, 2011, a real estate developer shall apply for a construction land planning permit (建設用地規劃許可證) from the municipal planning authority. After obtaining the construction land planning permit, the real estate developer shall then organize the necessary planning and design work in accordance with relevant planning and design requirements. A planning and design proposal in respect of the real estate project shall be submitted to the municipal planning authority following the requirements and procedures under the Urban and Rural Planning Law of the People's Republic of China (《中華人民共和國城鄉規劃法》(主席令第29號)), which was implemented on January 1, 2008 and revised on April 24, 2015 and April 23, 2019, and a construction work planning permit (建設工程規劃許可證) must be obtained from the municipal planning authority.

On January 21, 2011, the State Council promulgated the Regulation on Expropriation and Compensation Related to Buildings on State-owned Land (《國有土地上房屋徵收與補償條例》(國務院令第590號)), which replaces the Regulations for the Administration of Demolition and Removal of Urban Housing (《城市房屋拆遷管理條例》(國務院令第305號)). The new regulation provides, among other things, that:

- buildings can be expropriated under certain circumstances for public interests but only governmental authorities are permitted to conduct resettlement activities. Real estate developers are prohibited from involvement in the demolition and relocation procedures;

- compensation shall be paid before the resettlement;

- compensation to owners of properties to be demolished cannot be less than the market value of similar properties at the time of an expropriation. The market value of properties shall be determined by qualified real estate appraisal institutions in accordance with appraisal rules related to property expropriation. If any owner does not agree with the appraised market value of the property, he can apply to the real estate appraisal institution for re-appraisal; and

- neither violence nor coercion may be used to force homeowners to leave. In addition, certain measures such as illegally cutting water and power supplies cannot be used in relocation work.

Under the Opinion on Further Strengthen the Management of Urban Planning and Construction (《中共中央國務院關於進一步加強城市規劃建設管理工作的若干意見》) promulgated by the State Council on February 6, 2016, new residential project should promote block system in principle, and completed residential community should open gradually for the Intensive Utilization of urban land.

Sales/Pre-sales of Commodity Buildings

Commodity buildings can be sold before or after their completion. These sales are regulated and conducted in accordance with the provisions of the "Regulations for the Administration of Sale of Commodity Buildings" (《商品房銷售管理辦法》(建設部令第88號)), or the Sales Regulations promulgated by the Ministry of Construction in April 2001, the Measures for the Administration of Pre-sale of Commodity Buildings (《城市商品房預售管理辦法》(建設部令第131號)), or the Pre-sales Measures amended by the Ministry of Construction in July 2004 and in accordance with the Development Regulations.

For units of a commodity building sold before completion to occur under the Pre-sale Regulations, a developer must make the necessary pre-sale registration with the real estate development authority of the relevant city or county and obtain a pre-sale permit. A Pre-sale will take place if:

- The premium in respect of the land use rights has been paid in full and the land use rights certificate has been obtained;

- The construction work planning permit and the construction work commencement permit have been obtained;

- At least 25% of the total amount of the project investment fund has been injected into the development of the project and the progress of construction and the expected completion date of the project has been ascertained; and

- The pre-sale permit has been obtained.

Under the "Regulations for the Administration of Sale of Commodity Buildings" (《商品房銷售管理辦法》(建設部令第88號)), commodity buildings may be put to post-completion sale only when the following preconditions have been satisfied: (a) the real estate development enterprise offering to sell the post-completion buildings shall have an enterprise legal person business license and a qualification certificate of a real estate developer; (b) the enterprise has obtained a land use rights certificate or other approval documents of land use; (c) the enterprise has the permit for construction project planning and the permit for construction; (d) the commodity buildings have been completed and been inspected and accepted as qualified; (e) the relocation of the original residents has been completed; (f) the supplementary essential facilities for supplying water, electricity, heating, gas, communication, etc. have been made ready for use, and other supplementary essential facilities and public facilities have been made ready for use, or the schedule of construction and delivery date of have been specified; (g) the property management plan has been completed. Before the post-completion sale of a commodity building, a real estate developer shall submit the real estate development project manual and other documents showing that the preconditions for post-completion sale have been fulfilled to the real estate development authority for making a record.

According to the Property Rights Law (《中華人民共和國物權法》(主席令第62號)) which was promulgated on March 16, 2007 and implemented on October 1, 2007 (superseded by the Civil Code of the People's Republic of China (《中華人民共和國民法典》(主席令第45號)) (issued on May 28, 2020 and became effective January 1, 2021)), parties can apply for registration of a caveat by agreement in order to secure that they obtain future property rights. After registration of such caveat, without permission of the persons who enjoy such right of registration of the caveat, any disposal of the relevant real estate shall have no effect to the property rights.

Pursuant to the Notice on Promoting the Steady and Healthy Development of the Real Estate Market (《關於促進房地產市場平穩健康發展的通知》(國辦發[2010]4號)) issued by the General Office of the State Council on January 7, 2010, local governments must decide the minimum scale of pre-sales rationally and may not issue separate pre-sale permits by floor or unit.

On April 13, 2010, the MOHURD of People's Republic of China issued the Notice on Further Strengthening the Supervision over the Real Estate Market and Improving the Pre-sale System of Commercial Housing (《關於進一步加強房地產市場監管完善商品住房預售制度有關問題的通知》(建房[2010]53號)). It provides that, among other things, within 10 days after the real estate developers obtain the pre-sale permit for the project for sale, they shall release the information regarding number of properties allowed for pre-sale under such pre-sale permission and the prices of such mentioned pre-sale units to the public in one time. They shall also sell the properties to the public at the price as published and strictly subject to the pre-sale permits.

On September 2, 2010, Shanghai Municipal Housing Support And Building Administration Bureau issued the Notice of Further Strengthening Municipal Supervision on Real Estate Market and Regulating Pre-sale Behaviors (《上海市住房保障和房屋管理局關於進一步加強本市房地產市場監管規範商品住房預銷售行為的通知》(滬房管市[2010]246號)). To thoroughly apply the "Notice on Further Strengthening the Supervision over the Real Estate Market and Improving the Pre-sale System of Commercial Housing" (《關於進一步加強房地產市場監管完善商品住房預售制度有關問題的通知》(建房[2010]53號)), it requires that (1) real estate project with a GFA less than 30,000 sq.m. shall apply for only one pre-sale permit; real estate project with a GFA more than 30,000 and where it is necessary to conduct pre-sale in stages, each pre-sale permit applied shall not cover less than 30,000 sq.m.; (2) real estate enterprise shall complete filings with relevant local authorities prior to pre-sale, setting out, among other things, the pre-sale price of each unit for sale; real estate enterprise shall submit amended filings with relevant local authorities if any particular unit is sold at a price higher than that stated in the relevant filings; (3) relevant authorities shall regulate the reservation and sales behaviors, and real estate developing enterprises shall not sign any commercial housing deposit contracts or commercial housing sales contracts unless they have obtained the Pre-sale Permit or have filed for sales of their existing houses.

On November 4, 2010, the MOHURD and the SAFE collectively promulgated the Notice on Further Regulating the Administration on House Purchase by Overseas Organization and Individual (《關於進一步規範境外機構和個人購房管理的通知》(建房[2010]186號)), which stipulates that, except as otherwise stated in laws and regulations, an overseas individual shall solely purchase one unit of owner-occupied residential house, and an overseas organization with a branch or representative office set up in the PRC shall solely purchase non-residential house necessary for business operations in the city where it is registered.

On August 19, 2015, the MOHURD, MOFCOM, NDRC, PBOC, SAIC and SAFE jointly issued the Notice on Adjusting the Policies on the Market Access and Administration of Foreign Investment in the Real Estate Market (《住房城鄉建設部、商務部、國家發展改革委、人民銀行、工商總局、外匯局關於調整房地產市場外資准入和管理有關政策的通知》(建房[2015]122號)), which provides that an overseas individual who studies or work in the PRC and an overseas organization with a branch or representative office set up in the PRC shall purchase houses necessary for private use or business operations.

On March 16, 2011, the NDRC promulgated the Regulations on Sales of Commodity Houses at Expressly Marked Price (《商品房銷售明碼標價規定》(發改價檢[2011]548號)) with effect from May 1, 2011, which provide that real estate development enterprises and intermediary agencies (collectively, the "**Sellers and Agencies**") shall, during the period of selling new-built commodity houses, publish and mark the prices of the commodity houses and closely related factors thereof as well as the pricing standards. The regulation stipulates that the Sellers and Agencies shall mark the price of each commodity house with one price only. For real estate development projects that have obtained the pre-sale permits or are registered as finished houses, the Sellers and Agencies shall publish the availability of all houses that are permitted to be sold and the price of each house within a specified time frame. The Sellers and Agencies shall not sell the house at a price higher than the marked price and shall not collect charges not specified. Meanwhile, intermediary agencies shall sell second-hand commodity houses with reference to the regulation. In the event that the Sellers and Agencies do not expressly mark the price or publish their charges or commit fraud through the marking of price or pricing artifices, local competent authorities of county-level or above shall have the right to penalize the Sellers and Agencies accordingly.

Individual Housing Loans

"Circular on for the Determination of Second Residential Property in Individual Commercial Housing Loan Applications" (《關於規範商業性個人住房貸款中第二套住房認定標準的通知》(建房[2010]83號)) was jointly promulgated by MOHURD, PBOC and CBRC on May 26, 2010. The circular lays down the deter mining criteria of a property being identified as an individual's second residential property in individual commercial housing loan applications. The circular provides that the number of residential properties owned by an individual loan applicant shall be determined with reference to the number of completed residential properties actually owned by the members of the family (including the individual loan applicant, their spouses and minor children) of the individual who plans purchase another residential property with the use of individual commercial housing loan. The application or authorization of any individual commercial housing loan by an individual borrower shall be subject to checks on the borrowers' residential property registry records through the property registration information system and the issuance written results of such checks by the urban real estate authorities. The lender should implement a differential credit policy for the individual borrower's second (or above) residential property in accordance with the number of residential properties owned by such borrowers. The policy in this circular is also applicable to non-residents who can provide local tax clearance certificates or local social insurance payment certificates for one year or above.

"Circular on Regulations of Policies Concerning Individual Housing Provident Fund Loans" (《關於規範住房公積金個人住房貸款政策有關問題的通知》(建金[2010]179號)) was jointly promulgated by MOHURD, Ministry of Finance, PBOC and CBRC on November 2, 2010 and it lays down regulations in relation to the Individual Housing Provident Fund Loans. The circular provides that Individual Housing Provident Fund Loans could only be used to purchase, build, re-build and repair ordinary and privately used residential properties of laborers with the aim of meeting their basic need for housing. The making use of Individual Housing Provident Fund Loans to carry out speculative purchase of properties is strictly prohibited. To purchase the first residential property for private use with Individual Housing Provident Fund Loans, the down payment of the purchase shall not be less than 20% of the total purchase price if the gross floor area of the property is less than 90 meter squares (inclusive). If the gross floor area of the property is more than 90 meter squares, the down payment shall not be less than 30% of the total purchase price. For the purchase of the second residential property, Individual Housing Provident Fund Loans are only available to laborers whose families' per-capita gross floor area is lower than the local average, and that could only be used to purchase ordinary and privately used residential properties that help improve the living condition of the laborers. The down payment for the purchase of the second residential property shall not be less than 50% of the total purchase price, and the interest rate of the loan shall not be less than 1.1 times of the interest rate for Individual

Housing Provident Fund Loans in relation to the purchase of the first residential property during the same period. Individual Housing Provident Fund Loans are not available to laborers and their families for purchasing the third (or more) residential property.

"Issues of Development of Policies Concerning Individual Housing Provident Fund Loans" (《關於發展住房公積金個人住房貸款業務的通知》(建金[2014]148號)) was jointly promulgated by Ministry of Housing and Urban-Rural Development, Ministry of Finance and the People's Bank of China on October 9, 2014. According to the notice, PRC government supports employees to purchase housing units by appropriately increasing loan limit of individual housing provident fund loans for the first housing unit.

"Issues of Further Improvement of Housing Finance Service" (《中國人民銀行、中國銀行業監督管理委員會關於進一步做好住房金融服務工作的通知》(銀發[2014]287號)) was jointly promulgated by the People's Bank of China and China Banking Regulatory Commission on September 29, 2014. The notice provides that if the resident families apply for a commercial individual housing loan to purchase the first ordinary housing unit for their own living, the minimum down payment ratio shall not be lower than 30% and the lending rate shall not be lower than 70% of the benchmark interest rate for loan.

"Issues concerning Individual Housing Loan Policies" (《中國人民銀行、中國銀行業監督管理委員會個人住房貸款政策有關問題的通知》(銀發[2015]98號)) was jointly promulgated by the People's Bank of China, the Ministry of Housing and Urban-Rural Development and the China Banking Regulatory Commission on March 30, 2015 and it specifies individual housing loan policies. The notice provides that a resident's family that owns one housing unit and has not paid off the corresponding housing loan, if the family applies again for a commercial individual housing loan to purchase an ordinary housing unit for its own living to improve its current living conditions, the minimum down payment ratio shall not be lower than 40%, and the specific down payment ratio and lending rate shall be rationally determined by the banking financial institution according to the borrower's credit standing and repayment capability, among others.

To purchase the first residential property for private use with Individual Housing Provident Fund Loans, the down payment of the purchase shall not be less than 20% of the total purchase price. For a resident family that owns one housing unit and has paid off the corresponding housing loan, if the family applies again for Individual Housing Provident Fund Loans to improve its current living conditions, the minimum down payment ratio shall not be lower than 30%.

Under the Notice of the People's Bank of China and the China Banking Regulatory Commission on Issues concerning Adjusting the Individual Housing Loan Policies (《中國人民銀行、中國銀行業監督管理委員會關於調整個人住房貸款政策有關問題的通知》(銀發[2016]26號)) issued on February 1, 2016, in cities where "housing purchase restriction" measures are not implemented, the minimum down payment ratio for commercial individual housing loans granted to households of residents for purchasing ordinary housing units for the first time shall generally be 25%, and may be lowered by five percentage points by local governments; and where a household which owns one housing unit but has not paid off the relevant housing loan applies again for a commercial individual housing loan to purchase an ordinary housing unit to improve living conditions, the minimum down payment ratio shall not be less than 30%.

Under the Notice of Maintaining the Rights and Interests in Housing Loans of Employees Contributing to the Housing Provident Fund (《住房城鄉建設部、財政部、中國人民銀行、國土資源部《關於維護住房公積金繳存職工購房貸款權益的通知〉》(建金[2017]246號) implemented on December 12, 2017, Housing and urban-rural developments shall strengthen market regulation and require real estate development enterprises, when selling commercial buildings, to provide a written undertaking not to deny home buyers use of housing provident fund loans and publish it at the place of building sale. Real estate development enterprises shall conscientiously honor their undertakings and may neither restrict, obstruct or refuse home buyers' use of housing provident fund loans by raising prices, reducing discounts, or any other means nor require, directly or in disguise, home buyers to sign written documents to voluntarily waive the right to housing provident fund loans.

Under the Notice of the People's Bank of China and the National Financial Regulatory Administration on Adjusting and Optimizing Differentiated Housing Credit Policies (《中國人民銀行、國家金融監督管理總局關於調整優化差別化住房信貸政策的通知》) implemented on August 31, 2023, for households purchasing commercial residential properties with loans, the minimum

down payment ratio for first-home commercial personal housing loans shall be uniformly set at no less than 20%, while the minimum down payment ratio for second-home commercial personal housing loans shall be uniformly set at no less than 30%.

The lower limit on interest rates for first-home commercial personal housing loans shall remain subject to current regulations, while the lower limit for second-home commercial personal housing loans shall be adjusted to no less than the corresponding term Loan Prime Rate (LPR) plus 20 basis points.

Leasing

Both the Urban Land Regulations and the Real Estate Law permit the leasing of granted land-use rights and of the buildings or homes constructed on the land. On December 1, 2010 the Ministry of Housing and Urban-Rural Construction promulgated the "Measures for Administration of Leases of Commodity Buildings" (《商品房屋租賃管理辦法》(住房和城鄉建設部令第6號)) ("**New Lease Measures**"), which took effect on February 1, 2011 and replaces the Measures for Administration of Leases of Buildings in Urban Areas (《城市房屋租賃管理辦法》). Pursuant to New Lease Measures, within 30 days after a lease contract is entered into, the parties thereto shall file with the local property administration authority. Any failure to comply with such filing requirement would lead to a fine. According to the Real Estate Law, rental income derived from the any building situated on allocated land, or land which the landlord has acquired only allocated land use rights, must be turned over to the State.

Under the Opinion on accelerating the cultivation and development of housing rental market (《國務院辦公廳關於加快培育和發展住房租賃市場的若干意見》國辦發[2016]39號) promulgated by General Office of the State Council on May 17, 2016, the government encourages real estate development enterprises to carry out housing rental business.

Insurance

There are no mandatory provisions in the PRC laws, regulations and government rules which require a real estate developer to take out insurance policies for its real estate projects.

According to the "Construction Law of the People's Republic of China" (《中華人民共和國建築法》) (主席令第29號) promulgated by the Standing Committee of the National People's Congress on November 1, 1997 and effective as of March 1, 1998, which has been amended on April 22, 2011 and April 23, 2019, Construction enterprises shall purchase work-related injury insurance and pay work-related injury insurance premiums for employees according to law. Enterprises shall be encouraged to purchase accidental injury insurance and pay insurance premiums for the employees engaging in dangerous operations. In the "Opinions of the Ministry of Construction on Strengthening the Insurance of Accidental Injury in the Construction Work" (《建設部關於加強建築意外傷害保險工作的指導意見》(建質[2003]107號)) by the Ministry of Construction on May 23, 2003, the Ministry of Construction further emphasizes the importance of the insurance of accidental injuries in the construction work and put forward the detailed opinions of guidance.

Real Estate Loans

Commercial Bank Loans

On June 5, 2003, the PBOC promulgated the Notice on Further Strengthening the Administration of Real Estate Related Credit (《關於進一步加強房地產信貸業務管理的通知》(銀發[2003]121號)). According to this notice, commercial banks shall focus their business on supporting real estate projects targeted at mid- to lower-income households and appropriately restrict the granting of real estate loans to projects for the construction of luxury apartments and houses. The notice provides that when applying for bank loans, a real estate development company must contribute at least 30% of the total investment of the project from its own funds, and prohibits banks from advancing funds to real estate developers as working capital or for payment of land premiums. See "Recent macroeconomic control measures" below for recent developments in this area.

On August 30, 2004, the CBRC issued a Guideline for Commercial Banks on Risks of Real Estate Loans (《商業銀行房地產貸款風險管理指引》(銀監發[2004]57號)). According to the

guideline and the Notice on Further Strengthening the Administration of Real Estate Related Credit (《關於進一步加強房地產信貸業務管理的通知》(銀發[2003]121號)), no loans shall be granted in relation to projects which have not obtained requisite land use rights certificates, construction land planning permits, construction works planning permits and construction work commencement permits. The guideline also stipulated that not less than 35% of the investment in a property development project must be funded by the real estate developer's own capital for the project in order for banks to extend loans to the real estate developer. In addition, the guideline noted that commercial banks should set up strict approval systems on granting loans.

On March 16, 2005, the PBOC promulgated a Notice on Adjusting the Housing Loan Policy and Deposit Rate of Excess Reserves for Commercial Banks (《關於調整商業銀行住房信貸政策和超額準備金存款利率的通知》(銀發[2005]61號)) which canceled the preferential mortgage lending interest rate for individuals and restricted on the minimum mortgage loan rate to 0.9 times the benchmark rate. The PBOC also increased the public housing fund loan rate (住房公積金貸款利率) by 0.18% and permitted commercial banks to decrease the mortgage loan rate from 80% to 70% of the value of the property if it is located in a city where property prices are increasing too rapidly.

On May 31, 2006, the PBOC promulgated a Notice about Relevant Matters on Adjusted Housing Credit Policies (《關於調整住房信貸政策有關事宜的通知》(銀發[2006]184號)). The notice provides that, from June 1, 2006, the first installment payment for an individual house bought through a mortgage loan must not be lower than 30% of the purchase price. However, for houses purchased for self-residential purposes and with a gross floor area of less than 90 sq.m., the 20% first installment payment regulation still applies.

On September 27, 2007, PBOC and CBRC promulgated a "Circular on Strengthening the Management of Commercial Real-estate Credit Loans" (《關於加強商業性房地產信貸管理的通知》(銀發[2007]359號)), which increases the down payment requirement applicable to a purchaser acquiring his second residential property to at least 40% and the interests payable on these loans must not be less than 110% of the benchmark interest rate of the same kind and same term by PBOC. Under this circular, the PRC authority has tightened control over commercial banks' loans to property developers in order to prevent these banks from excessive credit granting. The circular emphasizes that commercial banks must not offer loans to property developers who have been found by state land and resource and construction authorities as hoarding land and buildings. Commercial banks are also prohibited from accepting commercial properties that have been vacant for more than three years as guaranties for loans. Under the complementary notice on Strengthening the Administration of Commercial Real Estate Credit Loans (《關於加強商業性房地產信貸管理的補充通知》(銀發[2007]452號)), if a member of a family (including the purchaser, his/her spouse and their children under 18) has borrowed loans from banks to buy a house, any member of the family that buys another house will be regarded as a second-time home buyer.

On April 17, 2010, the State Council issued the Notice on Strictly Restraining the Excessive Growth of the Property Prices in Some Cities (《國務院關於堅決遏制部分城市房價過快上漲的通知》(國發 [2010]10號)), according to which a stricter differential housing credit policy shall be enforced. It provides that, among other things, (1) for first-time family buyer (including the borrower, his/her spouse and his/her underage children, similarly hereinafter) of the apartment larger than 90 square meters, a minimum 30% down payment must be paid; (2) the down payment requirement on second-home mortgages was raised to at least 50% from 40% and also reiterated that an extra 10% should be adopted on interest rates for such buyers; and (3) for those who buy three or more houses, even higher requirements on both down payments and interest rates shall be levied. In addition, the banks can suspend housing loans to third or more home buyers in places where house prices rise too rapidly and too high and home supply is insufficient.

On September 29, 2010, the PBOC and the CBRC jointly issued the Notice on Relevant Issues Regarding the Improvement of Differential Mortgage Loan Policies (《關於完善差別化住房信貸政策有關問題的通知》(銀發[2010]275號)), which (i) raised the minimum down payment to 30% for all first home purchases with mortgage loans; (ii) required commercial banks in China to suspend mortgage loans to: (1) customers for their third or more residential property purchase, and (2) to non-local residents who cannot provide documentation certifying payment of local tax or social security for longer than a one-year period; and (iii) restricted the grant of new project bank loans or extension of credit facilities for all property companies with non-compliance records regarding, among other things, holding idle land, changing the land use to that outside the scope of the designated purpose, postponing construction commencement or completion, or hoarding properties.

On September 24, 2015, the PBOC and the CBRC jointly issued the Notice on Issues concerning Further Improving the Differential Housing Credit Policies (《關於進一步完善差別化住房信貸政策有關問題的通知》(銀發[2015]305號)), which provided that in cities where no purchase limitations are imposed, for a commercial individual housing loan provided for the household of a resident to purchase his or her first ordinary housing unit, the minimum down payment ratio shall be adjusted to not less than 25%.

Trust Financing

On October 1, 2001, "The Trust Law of the People's Republic of China" (《中華人民共和國信託法》(主席令第50號)) (the "**Trust Law**") came into effect. Trust Law regulates settlers, trustees, and beneficiaries that engage in civil, business or public welfare trust activities within the PRC. For purposes of the Trust Law, trust refers to that the settler, based on his faith in trustee, entrusts his property rights to the trustee and allows the trustee to, according to the will of the settler and in the name of the trustee, administer or dispose of such property in the interest of a beneficiary or for any intended purposes. The trust property shall be segregated from the property owned by the trustee. Where the trustee dies or the trustee as a body corporate is dissolved, removed or is declared bankrupt according to the applicable law, and the trusteeship is accordingly terminated, the trust property shall not be form part of his legacy or liquidation property.

A trust shall be created for lawful trust purposes and shall be made in written form. To create a trust, there must be definite property under the trust, and such property including the lawful property right must be the property lawfully owned by the settler. If laws or administrative regulations stipulate that registration shall be made for the creation of a type of trust, such registration shall be made accordingly, or the trust shall have no effect.

On March 1, 2007, "The Administration Measures on Trust Company" (《信託公司管理辦法》(中國銀行業監督管理委員會令2007年第2號)) came into effect. For the purposes of these measures, "trust financing company" shall have the meaning of a financial institution which was established pursuant to the PRC Company Law and these Measures and primarily engages in trust business; and the term "trust business" shall have the meaning of any business of a trust financing company through which it accepts a trust and handles trust affairs as a trustee and obtains remuneration. A trust financing company engaging in trust activities shall comply with laws, administrative regulations and the trust document and may not harm the interests of the State, the public or the legal rights and interests of third parties. To establish as a trust financing company, a financial institution shall be approved by the CBRC and shall obtain a financial business license. A trust financing company may apply to engage in cash trust, movable property trust, real estate property trust or any other business that regulated by laws and regulations or approved by the CBRC. Where a trust financing company manages or disposes of trust property, it must scrupulously carry out its responsibilities and perform its obligation of honest, trustworthy, prudent and efficient management. Meanwhile, trust property is not a part of the trust financing company's own property and does not constitute a liability of the trust financing company towards the beneficiary. When a trust financing company is terminated by way of liquidation or dissolution, trust property shall not be a part of its property subject to liquidation.

On February 4, 2009, the amended "Measures for the Administration of Trust Companies' Trust Plans of Assembled Funds" (《信託公司集合資金信託計劃管理辦法》(中國銀行業監督管理委員會令2009年第1號)) came into effect. This regulation is applicable to the set-up trust plans of assembled funds ("**Trust Plan**") in the PRC. Trust Plans must be set up according to relevant industry polices, laws and regulations, and shall has explicit investment target and strategy. For the purposes of this regulation, "Trust Plan" includes any trust activity that the trust financing company acts as a trustee, according to the will of the settler, administer or dispose settler's property in the interest of a beneficiary. The property of Trust Plan is segregated from property owned by trust financing company. A trust financing company is prohibited to mix the property of a Trust Plan into its own property. In case where a trust financing company is dissolved, deregistered or declared bankrupt according to the law, the property of Trust Plan shall not form part of the liquidation property.

During the period of a Trust Plan, the trust financing company is required to select well-managed commercial bank as the custodian. The trust financing company is also required to establish specific departments and appoint specialized employees to manage the Trust Plan. Furthermore, the trust financing company may be required to disclose information of the Trust Plan in accordance with relevant laws and regulations.

From October 2008 to November 2010, the CBRC issued several regulatory notices in relation to real estate business conducted by trust financing companies, including a "Circular on Relevant Matters regarding Strengthening the Supervision of Real-estate and Securities Business of Trust Companies" (《關於加強信託公司房地產、證券業務監管有關問題的通知》(銀監辦發[2008]265號)), pursuant to which trust financing companies are restricted from providing trust loans, in form or in nature, to (i) property projects that have not obtained the requisite land use rights certificates, construction land planning permits, construction works planning permits and construction work commencement permits; (ii) property developers that had not been issued with Class 2 qualification certificates by the relevant competent construction authorities; (iii) property projects of which less than 35% of the total investments are funded by the property developers' own capital (the percentage of 35% was changed to 20% for affordable housing and ordinary commodity apartments and 30% for other property projects as provided by a Notice on Adjusting the Capital Ratio of Fixed Assets Investment Project (國務院《關於調整固定資產投資項目資本金比例的通知》(國發[2009]27號)) issued by the State Council on May 25, 2009); and (iv) to property developers for payment of land premium or for working capital purposes.

Establishment of Real Estate Enterprises

According to the Urban Real Estate Law (《中華人民共和國城市—房地產管理法》(主席令第32號)) promulgated by the Standing Committee of NPC on July 5, 1994, becoming effective in January 1995, and amended in August 2007, August 2009 and August 2019 respectively, real estate development refers to the act of constructing infrastructure and buildings on state-owned land, the land use rights of which have been legally acquired; and a real estate developer is defined as an enterprise which engages in the development and operation of real estate for the purpose of making profits.

In accordance with the Urban Real Estate Law (《中華人民共和國城市房地產管理法》(主席令第32號)), to establish a real estate development enterprise, a registration should be made with the Administration for Industry and Commerce. The Administration for Industry and Commerce shall handle registration procedures of those which comply with conditions as prescribed by this law and issue licenses to them; and refuse to handle registration procedures of those which do not comply with conditions prescribed by this law. Those which establish a limited liability company or limited stock company to engage in real estate development and operations shall also execute the relevant provisions of the Corporate Law. A real estate enterprise shall report for record to a department designated by the people's government above county level where the registration department is located within one month after obtaining the license.

On May 25, 2009, the State Council issued a Notice on Adjusting the Capital Ratio of Fixed Assets Investment Project (《國務院關於調整固定資產投資項目資本金比例的通知》(國發[2009]27號)). The Notice provides that the minimum capital requirement for affordable housing and ordinary commodity apartments are 20%, and the minimum capital requirement for other real estate development projects is 30%. These regulations apply to both domestic and foreign investment projects.

On September 9, 2015, the State Council issued a Notice on Adjusting and Improving the Capital System of Fixed Asset Investment Projects (《國務院關於調整和完善固定資產投資項目資本金制度的通知》(國發[2015]51號)). The Notice provides that the minimum capital requirement for other real estate development projects reduces to 25%.

Qualifications of Real Estate Development Enterprises

Classification and rating of qualifications of real estate development enterprises

In accordance with the relevant provisions of Administrative Regulations on Development and Operation of Urban Real Estate (《城市房地產開發經營管理條例》(2020年第二次修訂)) (Promulgated and implemented on July 20, 1998, and revised on January 8, 2011, March 19, 2018, March 24, 2019, March 27, 2020 and November 29, 2020 by the State Council), a real estate development enterprise should, within 30 days starting from the date of obtainment of the business license, go to the competent department of real estate development of the locality wherein the registration organ is located for the record. The competent department of real estate development should, on the basis of the assets, specialized technical personnel and development and management achievements, verify the human quality grade of a real estate development enterprise put on record. The real estate development enterprise should, in accordance with the verified qualification grade, undertake corresponding real estate development projects.

On March 29, 2000, the Ministry of Construction promulgated the Regulations on Administration of Qualification of Real Estate Development Enterprises (《房地產開發企業資質管理規定》(建設部令[第77號])) and revised it on May 4, 2015. Pursuant to the regulations, the enterprises engaged in real estate development should be approved in accordance with the provisions of application for the enterprise qualification level. Enterprises that fail to obtain certificates of real estate investments (hereinafter referred to as qualification certificates) shall not engage in the real estate development business.

Enterprises engaged in real estate development enterprises are classified into four qualification levels: Level I, Level II, Level III and Level IV in accordance with the enterprise conditions. The preliminary examination of the qualification of level I should be performed by the administrative departments of people's governments of the provinces, autonomous regions and municipalities directly under the Central Government and then reported to the construction administrative departments of the state council for approval. The examination measures of the enterprises of level II qualification or lower should be developed by the construction administrative department of the people's governments of the provinces, autonomous regions and municipalities directly under the Central Government. Those enterprises passing the qualification examination should be awarded with corresponding levels of qualification certificates by the qualification examination departments. The newly-established real estate enterprises should put a record in the competent department of real estate development within 30 days upon receipt of the business license. The competent department of real estate development should verify and issue the provisional qualification certificate (暫定資質證書) to the enterprises that conform to the conditions within 30 days upon receipt of the application for filing. The valid period of the provisional qualification certificate is one year. The competent department of real estate development may extend the valid period of the provisional qualification certificate depending on the actual conditions and the extension should not exceed two years. Enterprises engaged in real estate development shall apply for verification of qualification level to the competent department of real estate development one month before expiration of the valid period of the provisional qualification certificate.

Business scope of real estate development enterprises

Pursuant to the Qualification Certificate Regulation (《房地產開發企業資質管理規定》(建設部令[第77號])), enterprises of various qualification levels shall engage in the in real estate development and management within the prescribed business scope and shall not undertake tasks bypassing the levels. The level I qualification of real estate development enterprises can undertake the unrestricted construction scale of real estate construction across the country. The level II and lower levels of real estate development enterprises can undertake the development construction projects with the construction area less than 250,000 square meters. The specific range of business is deter mined by the competent construction administrative department of the people's governments of provinces, autonomous regions and municipalities directly under Central Government.

Annual inspection of qualification of real estate development enterprises

Pursuant to the Qualification Certificate Regulation (《房地產開發企業資質管理規定》(建設部令[第77號])), an annual inspection system is implemented for the qualification of real estate development enterprises. For enterprises that do not conform to the original qualification conditions or have adverse operating acts, their qualification certificates should be downgraded or canceled by the original qualification approval department. The annual inspection of qualification of level I qualification of real estate development enterprises should be under the charge of competent construction administrative department of State Council or its authorized authority. For the annual inspection of level II or below qualifications of real estate development enterprises, the competent construction administrative department of the provinces, autonomous regions and municipalities directly under the central government shall develop the administrative measures.

Under the Notice of the Ministry of Housing and Urban-Rural Development on further regulating the operation of real estate enterprises and maintaining the order of the real estate market (《住房城鄉建設部關於進一步規範房地產開發企業經營行為維護房地產市場秩序的通知》(建房[2016]223號)) promulgated on October 10,2016, real estate administrative department will punish improper management behavior.

On July 29, 2016, the MOHURD, NDRC, MIIT, PBOC, SAT, SAIC, CBRC jointly issued Opinion on strengthening the management of real estate intermediary to promote the healthy

development of the industry (《住房城鄉建設部等部門關於加強房地產中介管理促進行業健康發展的意見》(建房[2016]168號)). The Opinion provided measures to strengthen the management of real estate intermediary, including (1) the agency shall not force the client to choose a designated financial institution; (2) Financial services should not be bundled with other services; (3) prohibit agency provide illegal financial products and services such as loan on down-payment.

Advertisement

On April 24,2015, the Standing Committee of the National People's Congress released the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》(主席令第16號)), which came into effect on September 1,2015 and revised on October 26, 2018. The Advertising Law provides that, in the case of real estate advertisements, property listings information shall be true, the area stated shall be the floor area or the usable area, and the advertisements shall not contain the following contents: (1) Commitment on appreciation or investment return; (2) Use the time required to travel between the property to a specific location to state the property's location; (3) Violate the provisions of the State on pricing administration; and (4) Misleading promotion of transportation, commercial, cultural and educational facilities and other municipal facilities under planning or construction.

Under the Provisions on the Release of Real Estate Advertisements (《房地產廣告發佈規定》(國家工商行政管理總局令第80號)) promulgated on December 24, 2015 and implemented on February 1, 2016, an advertisement on real estate shall contain true information on the source of real estate, with the area thereof clarified as the gross floor area or the gross internal floor area, and shall not contain: (1) any commitment on appreciation or investment return; (2) any indication of the location of the project by the time needed from the project to a specific object of reference; (3) any violation of the provisions of the state on price management; (4) any misleading publicity on transport, commercial, cultural and educational, and other municipal facilities in planning or under construction; or (5) any undertaking that the advertiser may handle household registration, employment, admission to schools of a higher level, and other matters for purchasers.

Foreign Investment in Property Development

On July 11, 2006, the Ministry of Construction, MOFCOM, NDRC, PBOC, SAIC and SAFE jointly issued the Options on Regulating the Entry and Administration of Foreign Investment into the Real Estate Market (《關於規範房地產市場外資准入和管理的意見》(建住房[2006]171號)) (the "**171 document**"). The 171 document provides that: (i) foreign organizations and individuals who have established FIEs are allowed to invest and purchase non-self-resided real estate in China; branches of foreign organizations established in China and foreign individuals who work or study in China for over a year are eligible to purchase commercial houses which match their real needs for self-utilization or self-residence under their real names; (ii) foreign-invested real estate corporations can apply for the FIE approval certificate (外商投資企業批准證書) and business license (營業執照) only after they have paid back all the land premium and obtained the State-owned land use rights certificate; (iii) foreign investors shall pay off all the transfer price in a lump sum with their own funds if they acquire Chinese domestic real estate corporations; and (iv) by no means can Chinese or foreign investors make any commitment in any documents to guarantee a fixed return or fixed revenue in disguised form for any party in the contract.

On August 14, 2006, Commerce Department of PRC promulgated the Notification on Relevant Issues on Implementing "Opinions on Regulating Foreign Capital Admittance and Management in the Property Market" (《商務部辦公廳關於貫徹落實〈關於規範房地產市場外資准入和管理的意見〉有關問題的通知》(商資字[2006]192號)). According to this Notification, foreign-capital-invested property enterprises with total investment exceeding or equal to US$10 million or between US$3 million and US$10 million shall have its registered capital no less than 50% of the total investment while no less than 70% hereof when total investment less than or equal to US$3 million. Foreign investors that merge domestic property enterprises through stock equity transfer and other means shall appropriately arrange staff members and deal with banking debts and pay off all transfer payment in a lump sum with its owned funds within three months since the issuing date of foreign-investment enterprise business license. Foreign investors that merge stock equity of the Chinese side in foreign-invested property enterprises shall appropriately arrange staff and deal with banking debts and pay off all considerations for transfer in a lump sum with its owned funds within three months since the issuing date of foreign-investment enterprise business license.

MOFCOM and SAFE jointly issued a Notice on Further Strengthening and Regulating the Approval and Administration regarding Foreign Direct Investment in the Real Estate Industry (《關於進一步加強、規範外商直接投資房地產業審批和監管的通知》(商資函[2007]50號)) ("**No. 50 Notice**") on May 23, 2007, which was amended on October 28, 2015. Under the Notice, local commercial authorities should reinforce the approval and supervision process over foreign-invested real estate enterprises, and strictly control foreign fund from investing in high-end real estate development projects. For foreign-invested company intending to engage in the property development business, the land use rights should be obtained, or at least has entered into pre-contract purchase agreement with the relevant land administrative authorities, land developers, or the owners of the house or other constructions, otherwise the proposed foreign-invested real estate company will not be approved by the authorities. For existing foreign-invested company who intends to expand its operations in its business operation or company who intends to engage in the operation or development of the new real estate project, they should undertake relevant procedures with the approval authority. Furthermore, pursuant to the 2015 Revision, passing the annual joint inspection is not the requirement of acquiring the foreign exchange for foreign investors any more.

On August 19, 2015, the MOHURD, MOFCOM, NDRC, PBOC, SAIC and SAFE jointly issued the Notice on Adjusting the Policies on the Market Access and Administration of Foreign Investment in the Real Estate Market (《住房城鄉建設部、商務部、國家發展改革委、人民銀行、工商總局、外匯局關於調整房地產市場外資准入和管理有關政策的通知》(建房[2015]122號)), which provides that: (1) the proportion of the registered capital of a foreign-funded real estate enterprise to its total investment shall be governed by the Interim Provisions of the State Administration for Industry and Commerce on the Proportion of the Registered Capital of a Chinese-Foreign Equity Joint Venture to Its Total Investment (《國家工商行政管理局關於中外合資經營企業註冊資本與投資總額比例的暫行規定》(工商企字[1987]第38號)); (2) The requirement that foreign-funded real estate enterprises must fully pay up their registered capital to apply for domestic loans, overseas loans, and settlement of foreign exchange loans is cancelled; (3) foreign-funded real estate enterprises may, in accordance with the relevant provisions on foreign exchange administration, directly undergo the relevant foreign exchange registration under foreign direct investment with banks.

In November 2010, MOFCOM promulgated the Notice on Strengthening Administration of the Approval and Registration of Foreign Investment into Real Estate Industry (《關於加強外商投資房地產業審批備案管理的通知》(商辦資函[2010]1542號)), which provides that, among other things, in the case where a real estate enterprise is established within the PRC with overseas capital, it is prohibited from purchasing and/or selling real estate properties completed or under construction within the PRC for arbitrage purposes. The local MOFCOM authorities are not permitted to approve investment companies to engage in real estate development and management.

Pursuant to the current laws and regulations in PRC, the real estate enterprises with foreign investment can be established in the for ms of Sino-foreign joint ventures, Chinese foreign cooperative ventures or wholly foreign-owned enterprises. Prior to the establishment of registration, enterprises are required to be approved by the competent commerce department and obtain the Certificate of approval for establishment of enterprises with foreign investment.

On June 28, 2017, the NDRC and the MOFCOM jointly promulgated the Catalogue of Industries for Guiding Foreign Investment ("**the Catalogue**") (2017 Revision) (《外商投資產業指導目錄》中華人民共和國國家發展和改革委員會、中華人民共和國商務部令2017年第4號). Under the Catalogue 2017 Revision, Real estate industry had been removed from the restricted category, which meant that there were no longer any restrictions on the scope of business of foreign-invested real estate enterprise.

According to Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》(主席令第26號) implemented on January 1, 2020, the State applies the administrative system of pre-establishment national treatment plus negative list to foreign investment. "Pre-establishment national treatment" as mentioned in the preceding paragraph means the treatment accorded to foreign investors and their investments no less favorable to that accorded to domestic investors and their investments at the stage of investment access; and "negative list" as mentioned in the preceding paragraph means a special administrative measure for access of foreign investment in specific fields as imposed by the state. The state accords national treatment to foreign investment outside of the negative list.

On May 4, 2015, SAFE issued the Notice of the State Administration of Foreign Exchange on Repealing and Amending Relevant Regulatory Documents Involving the Reform of the Registration System for Registered Capital (《國家外匯管理局關於廢止和修改涉及註冊資本登記制度改革相關規範性檔的通知》(匯發[2015]20號)), which provide that (inter alia) (i) SAFE will not process a foreign debt registration of any foreign invested real estate enterprise which obtained its certificate of authorization and completed the filing procedures with MOFCOM on or after June 1, 2007; (ii) foreign invested real estate enterprises established prior to June 1, 2007 may borrow foreign debt up to an amount not exceeding the difference between its total investment and registered capital; and (iii) a foreign debt registration of any foreign invested real estate enterprise that has not obtained land use rights certificates, or whose paid-in capital for its development projects is less than 35% of the total investment of such projects, are not allowed to borrow foreign debt.

On May 10, 2013, SAFE issued the Notice on the Foreign Exchange Administration of Domestic Direct Investment of Foreign Investors and the Supporting Documents (《國家外匯管理局關於印發外國投資者境內直接投資外匯管理規定及配套文件的通知》) (匯發[2013]21號), effective as of May 13, 2013. This notice abolishes 24 previous regulations, and further simplifies and clarifies the Regulation of Foreign Exchange of Domestic Direct Investment by Foreign Investors.

On February 13, 2015, SAFE issued the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (匯發[2015]13號), effective as of June 1, 2015. This notice canceled two administrative approval items: confirmation of foreign exchange registration under domestic direct investment and confirmation of foreign exchange registration under overseas direct investment, instead, banks shall directly examine and handle foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment (hereinafter collectively referred to as "foreign exchange registration of direct investment") pursuant to this Notice and the Annex-Operating Guidelines for Foreign Exchange Business in Direct Investment, and the SAFE and its branch offices (hereinafter referred to as "**foreign exchange authorities**") shall indirectly regulate the foreign exchange registration of direct investment through banks.

On December 19, 2020, the NDRC and the Ministry of Commerce of the PRC issued the Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》(中華人民共和國國家發展和改革委員會、中華人民共和國商務部令第37號)) (the "**Measures**"), which issued on December 19, 2020 and became effective on January 18, 2021. Pursuant to the Measures, foreign investment that affects or may affect national security shall be subject to security review under the Measures.

Property Service Enterprises

Foreign-invested Property Service Enterprises

Pursuant to Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024) (《外商投資准入特別管理措施(負面清單)(2024)》中華人民共和國國家發展和改革委員會、中華人民共和國商務部令第23號), the services of property management fall into such categories permitted foreign investment. Foreign-invested property service enterprises can be established in the forms of in the forms of Sino-foreign joint venture, Chinese foreign cooperative venture or wholly foreign-owned enterprise. Establishment of a Property Service Enterprise is subject to the recordation procedure by the relevant departments of the PRC government and obtain Recordation Receipt (外商投資企業設立備案回執) for establishment of enterprises with foreign investment issued thereof.

PRC Deed Tax

Under the Provisional Regulation on the Deed Tax of the People's Republic of China (《中華人民共和國契稅暫行條例》(國務院令[第709號])) which took effect on October 1,1997, and revised on March 2,2019, Units or individuals to whom titles of land or houses have been transferred within the territory of the People's Republic of China shall be title deed tax payers and shall pay title deed taxes according to the provisions of these regulations.

The transfer of titles of land or houses mentioned in the regulations refers to the following acts:

- Leasing of the right to the use of State-owned lands;
- Transfer, including sales, donation and exchange of land use right;
- Purchase and sale of houses;
- House trading;
- House donation;
- House exchange.

The transfer of land use right mentioned in the preceding paragraph does not include the transfer of operation right of the rural collective land.

The transfer of land-use rights and the ownership of houses by means of the following methods are also deemed to be governed by the above regulation, as stipulated by the Implementation Rule of Provisional Regulation on the Deed Tax (《中華人民共和國契稅暫行條例細則》(財法字[1997]52號)):

- Using land-use rights ownership of a house as investment;
- Setting off debt with land-use rights and the ownership of house;
- Obtaining land-use rights and the ownership of a house as a prize; and
- Obtaining land-use rights and the ownership of a house by the way of purchasing in advance. The rate of deed tax will within the range of 3-5%, be determined by the PRC government agencies of provincial, autonomous region and municipal level in light of the actual conditions of the underlying properties respective areas and shall be reported to the State Administration of Taxation.

The deed tax will be reduced or exempted under the following circumstances:

- When the land or house is requisitioned or occupied by the people's government at or above the county level and the land or house ownership is re-accepted, whether the tax is reduced or exempted shall be deter mined by the people's government of province, autonomous region, municipality;
- Taxpayers who are subject to the land use rights of barren hills, waste ditch, barren hills and barren beaches for agricultural, forestry, animal husbandry or fishery production shall be exempt from deed tax;
- Pursuant to the relevant laws of China and the provisions of bilateral and multilateral treaties or agreements concluded or participated by China, foreign embassies, consulates, United Nations agencies in China and their diplomatic representatives, consular officials and other diplomatic personnel are exempt from deed tax when the ownership of the house is confirmed by the Ministry of Foreign Affairs;

The following situations also falls into the scope of tax reduction and tax exemption according to the Implementation Rule of Provisional Regulation on the Deed Tax (《中華人民共和國契稅暫行條例細則》(財法字[1997]52號)):

- For the acceptance of land and houses by state agencies, institutions, social organizations and military units for office, teaching, medical service, scientific research and military facilities, the deed tax will be exempted;
- For the initial purchase of state-owned residential houses by urban and township workers and staff members according to the provisions of relevant laws and regulations, the deed tax will be exempted;

- For the purchase of residential houses in replacement of houses damaged or destroyed due to force majeure, the tax will, upon approval, be reduced or exempted according to the circumstances; and

- Any other types of reduction or exemption provided by the Ministry of Finance.

Reduction or exemption of deed tax will not be applicable if the relevant land or house and the change of use is no longer within the above-mentioned scope, and an amount of tax equivalent to the tax reduction or exemption should be paid.

On September 29, 2010, the Ministry of Finance, the Ministry of Construction and the State Administration of Taxation promulgated the Notice on Adjustment of the Deed Tax and Personal Income Tax Preferential Policies in Real Estate Transactions (《關於調整房地產交易環節契稅個人所得稅優惠政策的通知》(財稅[2010]94號)), which provides that deed tax rate is reduced to 1% for first-time individual buyer who purchases an ordinary residential property with a GFA of less than 90 sq.m. as the family's sole property.

On February 17, 2016, the Ministry of Finance, State Administration of Taxation, Ministry of Housing and Urban-Rural Development jointly issued Notice of the Ministry of Finance, the State Administration of Taxation, and the Ministry of Housing and Urban-Rural Development on Adjusting the Preferential Policies on Deed Tax and Business Tax during Real Estate Transactions (《財政部、國家稅務總局、住房城鄉建設部關於調整房地產交易環節契稅、營業稅優惠政策的通知》(財稅[2016]23號)), which provided that: (1) Where any housing unit with an area of 90 square meters or less is purchased by an individual as the only home of the family, the deed tax thereon shall be levied at the reduced tax rate of 1%; or where the area of the housing unit is more than 90 square meters, the deed tax thereon shall be levied at the reduced tax rate of 1.5%; and (2) Where an individual purchases his or her second housing unit with an area of 90 square meters or less for improving the current living conditions of his or her family, the deed tax shall be levied at the reduced tax rate of 1%; or where the area of the housing unit is more than 90 square meters, the deed tax thereon shall be levied at the reduced tax rate of 2%.

On November 12, 2024, the Ministry of Finance, State Taxation Administration, and Ministry of Housing and Urban-Rural Development jointly issued the Announcement on Tax Policies to Promote Stable and Healthy Development of the Real Estate Market (《關於促進房地產市場平穩健康發展有關稅收政策的公告》(財政部、稅務總局、住房城鄉建設部公告2024年第16號)), which adjusts deed tax policies for housing transactions: a 1% deed tax rate applies to individuals purchasing their family's sole home (≤140 sq.m), increasing to 1.5% for homes > 140 sq.m, while uniformly applying a 3% rate for second homes (eliminating previous preferential rates).

Income Tax

According to the EIT Law (《中華人民共和國企業所得稅法》(主席令第64號)) enacted by the NPC on March 16, 2007 and revised on February 24, 2017 and December 29, 2018. Relevant implementation rules enacted by the State Council on December 6, 2007, both in effect from January 1, 2008 onwards, a uniform income tax rate of 25% will be applied towards PRC enterprises, foreign investment enterprises and foreign enterprises which have set up production and operation facilities in the PRC. Pursuant to the Notice of the State Council on the Implementation of the Transitional Preferential Policies in respect of Enterprise Income Tax (《國務院關於實施企業所得稅過渡優惠政策的通知》國發[2007]39號) (implemented on December 26, 2007), the PRC EIT law also permits enterprises to continue to enjoy their existing tax incentives, adjusted by certain transitional phase-out rules, under which enterprises that were subject to an EIT rate of 15% prior to January 1, 2008 may continue to enjoy the lower rate and gradually transition to the new EIT rate within five years after the effective date of the PRC EIT Law, that is 18% in 2008, 20% in 2009, 22% in 2010, 24% in 2011 and the new statutory EIT rate of 25% from 2012 onwards. In addition, under the phase-out rules, enterprises established before the promulgation date of the PRC EIT Law and which were granted tax holidays (such as a two-year exemptions and five years of reduction by 50%) under the then effective tax laws or regulations may continue to enjoy their tax holidays until their expiration.

According to the implementation rules of the EIT Law (《中華人民共和國企業所得税法實施條例》(國務院令第512號)) (implemented on January 1, 2008, and revised on April 23, 2019 and December 6, 2024), if an enterprise incorporated outside the PRC has its "de facto management body" located within the PRC, such an enterprise may be recognized as a PRC tax resident enterprise and subject to EIT at the rate of 25%. According to the PRC EIT Law, dividends received by a qualified PRC tax resident enterprise from another qualified PRC tax resident enterprises are exempted from EIT. Furthermore, according to the "Notice of the State Administration of Taxation on Issues about the Determination of Chinese-Controlled Enterprises Registered Abroad as Resident Enterprises on the Basis of Their Body of Actual Management" (《國家税務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》(國税發[2009]82號)) issued by the State Administration of Taxation on April 22, 2009, where an overseas Chinese-funded enterprise concurrently satisfies the following conditions, it shall be determined as a resident enterprise whose body of actual management is within China:

- The premises where the senior management and the senior management bodies responsible for the routine production and business management of the enterprise perform their functions are mainly located within China;

- The financial decisions (about borrowing, lending, financing, financial risk management, etc.) and the personnel decisions (about appointment, dismissal, payment, etc.) of the enterprise are made by the bodies or persons within China or are subject to the approval of the bodies or persons within China;

- The enterprise's primary properties, account books, company seals, minutes and archives of the meetings of the board of directors and shareholders are located or preserved within China; and

- The enterprise's directors or senior management with 1/2 or more of the voting rights usually lives in China.

On March 6, 2009, the State Administration of Taxation promulgated the Measures for the Treatment of Enterprise Income Tax on Real Estate Development and Operation Business (《房地產開發經營業務企業所得税處理辦法》(國税發[2009]31號)), which was revised on June 16, 2014 and June 15, 2018, and regulates the revenue, cost of sales, fees deduction, accounting of costs and tax treatment of specific matters of enterprises engaging in the real estate business in the PRC in relation to the imposition of corporate income tax.

Value-Added Tax

Under the Announcement of the State Administration of Taxation on issues concerning the refund of Business Income Tax on the liquidation of land Value-Added Tax on real estate development enterprises (《國家税務總局關於房地產開發企業土地增值税清算涉及企業所得税退税有關問題的公告》(國家税務總局公告2016年第81號)) promulgated on December 9, 2016, enterprises can apply for tax refund if they have paid extra Business Income Tax due to the liquidation of land Value-Added Tax.

According to the Notice of the Ministry of Finance and the State Administration of Taxation on Clarifying the Value-added Tax Policies on Finance, Real Estate Development and Educational Auxiliary Services (《財政部、國家税務總局關於明確金融、房地產開發、教育輔助服務等增值税政策的通知》(財税[2016]140號)) issued on December 21, 2016, the compensation costs paid in order to obtain the land can be deducted in calculation of sales.

Under the Notice of the Ministry of Finance and the State Administration of Taxation on Comprehensively Implementing the Pilot Program of Replacing Business Tax with Valued-Added Tax (《財政部、國家税務總局關於全面推開營業税改徵增值税試點的通知》(財税[2016]36號)) came into force on May 1, 2016 and revised twice on December 18, 2017 and February 1, 2018, (1) where a taxpayer conducts any taxable act, the tax rate shall be 6%, except when the taxpayer falls within the scope of the circumstance as prescribed in the following items (2), (3) or (4); (2) where a taxpayer provides transportation, postal services, basic telecommunications, construction or immovable property leasing services, sells any immovable property, or transfers the right to use land, the tax rate shall be 11%; (3) where a taxpayer provides tangible movable property leasing services, the tax rate shall be 17%; (4) for a cross-border taxable act conducted by an entity or

individual within the territory of China, the tax rate shall be zero (specific scope shall be provided for separately by the Ministry of Finance and the State Administration of Taxation); and (5) where any individual sells a residential property held for less than two years after the day of purchase, a 5% value-added tax thereon shall be collected in full amount; where any individual sells a residential property held for two years or longer after the date of purchase, the value-added tax thereon shall be exempt. The preferential policy shall not be implemented in Beijing, Shanghai, Guangzhou, and Shenzhen. In Beijing, Shanghai, Guangzhou, and Shenzhen, where any individual sells a residential property held for less two years after the day of purchase, a 5% value-added tax thereon shall be collected in full amount; where any individual sells an ordinary residential property held for two years or longer after the date of purchase, the value-added tax thereon shall be exempt; where any individual sells a non-ordinary residential property held for two years or longer after the date of purchase, a 5% value-added tax will be levied on the difference between sales income and purchase price.

In accordance with the Notice of the Ministry of Finance and the State Administration of Taxation on Comprehensively Implementing the Pilot Program of Replacing Business Tax with Valued-Added Tax, State Administration of Taxation promulgated the Interim Measures for the Collection of Value-Added Tax on the Sale of Self-Developed Real Estate Projects by Real Estate Developers (《房地產開發企業銷售自行開發的房地產項目增值稅徵收管理暫行辦法》(國家稅務總局公告2016年第18號)), which came into force on May 1, 2016 and revised on June 15, 2018 and provides that: (1) a real estate developer who sells any self-developed real estate project by means of collecting prepayments shall prepay value-added tax at the pre-levy rate of 3% upon receipt of prepayments; and (2) where the general tax computation method applies, tax pre-payable shall be calculated at the applicable tax rate of 11%; and where the simple tax computation method applies, tax pre-payable shall be calculated at the levy rate of 5%.

For the transition period, prior to May 1, 2016, the sale of properties is subject to business tax, which is levied at 5% when the companies receive advances from customers. Such payment of taxes, together with the relevant surcharges, is recorded as prepaid business tax and surcharges before the relevant revenue is recognized. Effective from May 1, 2016, the sale of properties is subject to value-added tax. Under the general value-added tax method, the companies are subject to 11% value-added tax on value-added amount. Qualified old construction projects, which are those with construction commenced on or before April 30, 2016, however, has an alternative to elect a simplified value-added tax method, which is 5% on sales with no deduction of input value-added tax. The companies prepay value-added tax at 3% or 5% when receiving advances from customers and during the two months up to June 30, 2016, such payment is recorded as prepaid value-added tax before the relevant revenue is recognized.

Under Decision of the State Council to Repeal the Interim Regulation of the People's Republic of China on Business Tax and Amend the Interim Regulation of the People's Republic of China on Value-Added Tax (《國務院關於廢止〈中華人民共和國營業稅暫行條例〉和修改〈中華人民共和國增值稅暫行條例〉的決定》(國務院令第691號)), for taxpayers selling immovable, transferring the rights to use land, or selling or importing the goods listed in the Decision of the State Council to Repeal the Interim Regulation of the People's Republic of China on Business Tax, the value-add tax rate is 11%.

On April 4, 2018, the MOF and the SAT promulgated the Notice of the Ministry of Finance and the State Administration of Taxation on Adjusting Value-added Tax Rates (《財政部、稅務總局關於調整增值稅稅率的通知》(財稅[2018]32號)) (implemented on May 1, 2018). Pursuant to this notice, the tax rates of 17% and 11% applicable to any taxpayer's VAT taxable sale or import of goods shall be adjusted to 16% and 10%, respectively.

On March 20, 2019, the MOF, SAT and GAC promulgated the Announcement of the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs on the Policy of Deepening the Reform of Value-Added Tax (《財政部、稅務總局、海關總署關於深化增值稅改革有關政策的公告》(財政部、稅務總局、海關總署公告2019年第39號)) (implemented on April 1, 2019). Pursuant to this notice, the tax rates of 16% and 10% applicable to any taxpayer's VAT taxable sale or import of goods shall be adjusted to 13% and 9%, respectively.

Land Appreciation Tax

Under the Interim Regulation of the People's Republic of China on Land Appreciation Tax ("**LAT Regulation**") (《中華人民共和國土地增值稅暫行條例》(國務院令第588號)) promulgated by the State Council on December 13, 1993 and revised on January 8, 2011, and its implementation rules, LAT applies to both domestic and foreign investors, irrespective of whether they are corporate entities or individuals. LAT is payable on the appreciation in value representing the balance of the proceeds received on sales, after deducting various prescribed items. LAT is charged at progressive rates ranging from 30% to 60%. Apart from the aforementioned deductions, property developers enjoy an additional deduction, which is equal to 20% of the payment made for acquisition of land-use rights and the costs of land development and the construction of new buildings or related facilities. An exemption from payment of LAT may be available if the taxpayer constructs ordinary residential apartments and the appreciation amount does not exceed 20% of the sum of deductions allowed under PRC law. If, however, the appreciation amount exceeds 20% of the sum of allowable deductions, such an exemption is not available and the taxpayer will be liable to LAT on the full appreciation amount, after taking account of the allowable deductions. The allowable deductions include the following items:

- Payment made to acquire land-use rights;
- Costs and expenses related to land development and the construction of the properties;
- Construction costs and charges in the case of newly constructed buildings and structures;
- Taxes in connection with the transfer of real estate; and
- Other items stipulated by the Ministry of Finance (including 20% deduction of the first two items mentioned above in relation to property development).

LAT is charged at progressive rates ranging from 30% to 60% of the appreciation value (i.e., the balance as described above).

Appreciation value	**LAT rates (%)**
	(Years)
For the portion	
Not exceeding 50% of allowable deductions	30
Over 50% but not more than 100% of allowable deductions	40
Over 100% but not more than 200% of allowable deductions	50
Over 200% of allowable deductions	60

An exemption from payment of LAT may be available if the taxpayer constructs ordinary standard residential apartments and the appreciation amount does not exceed 20% of the sum of deductions allowed under PRC law.

According to the implementation rules of LAT Regulation, a provision of LAT may be made before the completions of construction of the tax payer transfers the proceeds of pre-sale. The provision rate may be determined by Local government subject to the minimum requirement set forth by the State Administrative of Taxation.

Urban Land-use Tax

Pursuant to the Provisional Regulation Governing Land-Use Tax in Cities and Towns of the People's Republic of China (《中華人民共和國城鎮土地使用稅暫行條例》(國務院令第645號)) enacted by the State Council on September 27, 1988 and revised on December 31, 2006, on December 7, 2013 and on March 2, 2019, land-use taxes in respect of urban land is to be levied according to the area of relevant land. The annual tax shall be between RMB0.6 and RMB30 per sq.m. of urban land.

Under the Notice of the Ministry of Finance and the State Administration of Taxation on Continuing the Implementation of the Preferential Policies for House Property Tax and Urban Land Use Tax on Agricultural Product Wholesale Markets and Farmers' Markets (《財政部、税務總局關於繼續實行農產品批發市場農貿市場房產税城鎮土地使用税優惠政策的通知》(財税[2019]12號)) issued on January 9, 2019, from January 1, 2019 through December 31, 2021, the buildings and land used by agricultural product wholesale markets and farmers' markets (either self-owned or leased, here and below), especially for the trade of trade of agricultural products shall be exempt from house property tax and urban land use tax for the time being. For the buildings and land used by agricultural product wholesale markets and farmers' markets in which other products are sold at the same time, the exemption of house property tax and urban land use tax shall be prorated based on the ratio of the areas used for the trading of other products to those used for the trading of agricultural products.

Real Estate Tax

Before January 1, 2009, there are two parallel tax systems in China for enterprises engaged in real estate development and investment in China. Such tax applicable for domestic enterprises, organizations and individuals is real estate tax which is calculated on the remaining original book value of the real estate after 10% to 30% deductions of the original book value depending on where the real estate is located, at a rate of 1.2%, or on the rental income derived by the real estate at a rate of 12% according to the Provisional Rules on Real Estate Tax of the People's Republic of China (《中華人民共和國房產税暫行條例》(國務院令第588號)) promulgated by the State Council on September 15, 1986 and revised on January 8, 2011.

By issuance of PRC State Council Order 546 (國務院令2008第546號) on December 31, 2008, the State Council unifies the two parallel real estate tax systems by abolishing the urban real estate tax. Starting from January 1, 2009, all enterprises, organizations and individuals that own or use real estate in China shall subject to real estate tax by using the calculation method as mentioned in the Provisional Rules on Real Estate Tax of People's Republic of China (《中華人民共和國房產税暫行條例》(國務院令第588號)).

Stamp Duty

Under the Stamp Duty Law of the People's Republic of China (《中華人民共和國印花税法》(中華人民共和國主席令第89號)), which came into effect on July 1, 2022, property rights transfer instruments (including transfers of property ownership) shall be subject to stamp duty at 0.05% of the stated amount.

Urban Maintenance and Construction Tax and Educational Surcharge

Under the Provisional Regulation on Urban Maintenance and Construction Tax of the People's Republic of China (《中華人民共和國城市維護建設税暫行條例》(國務院令第588號)) promulgated by the State Council on February 8, 1985, and revised on January 8, 2011, any taxpayer, whether an entity or individual, of product tax, value-added tax or business tax shall be required to pay urban maintenance and construction tax. The tax rate shall be 7% for a taxpayer whose domicile is in an urban area, 5% for a taxpayer whose domicile is in a county and a town, and 1% for a taxpayer whose domicile is not in any urban area or county or town.

Under the Provisional Provisions on Imposition of Education Surcharge (《徵收教育費附加的暫行規定》(國務院令第588號)) promulgated by the State Council on April 28, 1986 and revised on June 7, 1990 and August 20, 2005, and on January 8, 2011 respectively, a taxpayer, whether an entity or individual, of product tax, value-added tax or business tax shall pay an education surcharge at a rate of 3% on the total amount of consumption, value-added tax or business tax paid by such entity, unless such obliged taxpayer is instead required to pay a rural area education surcharge as stipulated under the Notice of the State Council on Raising Funds for Schools in Rural Areas (《關於籌措農村學校辦學經費的通知》(國發[1984]174號)).

Environmental Protection Tax

According to the Environmental Protection Tax Law (《中華人民共和國環境保護税法》(主席令第16號)) promulgated by the NPC Standing Committee on December 25, 2016 and revised on October 26, 2018: (1) Within the territory of the People's Republic of China and other sea areas under the jurisdiction of the People's Republic of China, the enterprises, public institutions and other producers and operators that directly discharge pollutants to the environment are taxpayers of environmental pollution tax, and shall pay environmental pollution tax in accordance with the provisions of this Law. (2) Where an enterprise, public institution or any other producer or operator falls under any of the following circumstances, it shall not be deemed as directly discharging pollutants to the environment, and shall not pay environmental protection tax on the corresponding pollutants: (i) It discharges taxable pollutants to a centralized sewage or domestic garbage treatment site established in accordance with the law. (ii) It stores or disposes of solid wastes at any facility or site that meets the national and local environmental protection standards. (3) Where a centralized urban and rural sewage or domestic garbage treatment site established in accordance with the law discharges taxable pollutants to the environment in excess of the discharge standards as prescribed by the state or the local area, it shall pay environmental protection tax. Where an enterprise, public institution or any other producer or operator that stores or disposes of solid wastes fails to comply with the national or local environmental protection standards, it shall pay environmental protection tax.

Under the Regulation on the Implementation of the Environmental Protection Tax Law (《中華人民共和國環境保護税法實施條例》(國務院令第693號))which came into effect on January 1, 2018 and the Environmental Protection Tax Law, the Regulation on the Administration of Collection and Use of the Funds for Discharge of Pollutants (《排污費徵收使用管理條例》) issued by the State Council on January 2, 2003, shall be repealed concurrently and no pollutant discharge fees shall be collected any more.

Registration of Foreign Debt

According to the Regulation of the People's Republic of China on Foreign Exchange Administration (《中華人民共和國外匯管理條例》(國務院令第532號)) (implemented on April 1, 1996, and revised twice on January 14, 1997 and on August 5, 2008), any institution or individual borrowing foreign debts shall abide by the relevant state provisions, and handle the foreign debt registration formalities at a foreign exchange administrative organ. The regulation also states that, where any violation of foreign debt administration is committed, such as unapproved international borrowing, overseas bond issuance or provision of international guaranty, the foreign exchange administrative organ shall impose a warning and a fine of not more than 30% of the amount of violation.

Pursuant to the Opinion on Further Strengthen the Supervision of Foreign Debt (《關於進一步加強對外發債管理的意見》(國辦發[2000]第23號)), issued and implemented on March 10, 2000, Foreign debt refers to negotiable securities which was issued by domestic institutions, including state organs, financial institutions and other domestic enterprises and foreign invested enterprises in overseas financial markets. The Opinion also states that: (1) Where a domestic institution plans to issue foreign debt, it needs the approval of the State Planning Commission and the State Administration of foreign exchange first, and then the approval of the State Council. (2) commercial paper issued by domestic institutions shall be approved by the State Administration of Foreign Exchange, and shall occupy the short-term foreign debt quota for the institution approved by the State Administration of Foreign Exchange. (3) domestic institutions shall carry out registration of foreign debt in accordance of regulation of State Administration of Foreign Exchange. Meanwhile, if domestic institutions provide guarantee for financing of their overseas branch, (i) where the fund will not be transferred inward, it shall be approved by the State Administration of Foreign Exchange; (ii) where the fund will be transferred inward, it shall be approved in accordance of the approval procedure for foreign debt.

On January 8, 2003, the State Development Planning Commission, Ministry of Finance and State Administration of Foreign Exchange jointly issued the Provisional Measures on Administration of Foreign Debt (《外債管理暫行辦法》(國家發展計劃委員會、財政部、國家外匯管理局令第28號)), which came into effect on March 1, 2003 and revised on 26 July, 2022. The Provisional Measure states that: (1) The State shall implement comprehensive administration on all foreign debt and contingent foreign debt. Foreign loans, provision of guarantee to foreign

lenders and application and repayment of funds from foreign debt shall comply with provisions of relevant State laws and regulations and these Measures. (2) State Development Planning Commission and relevant authorities shall formulate plans for sovereign foreign loans and determine total amount of all foreign debt and structural adjustment targets in accordance with requirements of national economy and social development, international income and expenditure and capacity for undertaking of foreign debt. (3) The sum of cumulative accrued amounts of medium-term to long-term foreign loans and balance amounts of short-term foreign loans taken by a foreign investment enterprise shall be limited to the difference between the total project investment amount approved by the examination and approval department and the amount of registered capital. Foreign investment enterprises may take foreign loans freely within the scope of difference. The total project investment amount shall be examined and verified by the original examination and approval department where the scope of difference is exceeded. (4) Funds from medium-term to long-term foreign loans taken by domestic enterprises shall be used strictly in accordance with the approved usage and not for other purposes. Necessary changes in usage of funds shall be submitted for approval in accordance with original approval procedures. Funds from short-term loans taken by domestic enterprises shall be used primarily for working capital and not for medium-term to long-term purposes such as investment in fixed assets.

On April 28, 2013, The State Administration of Foreign Exchange released the Administrative Measures on Registration of Foreign Debt ("**Administrative Measures**") (《外債登記管理辦法》(匯發[2013]19號)) and the Operational Guidelines for the Administrative Measures (the "**Operational Guidelines**") (《外債登記管理操作指引》), which came into effect on May 13, 2013 and revised on May 4, 2015. According to the Administrative Measures and the Operational Guidelines: (1) According to the length of the borrowing time of the foreign debt, foreign debt can be divided into short-term foreign debt and long-term foreign debt. Short-term foreign debt refers to those the maturity term is under 1 years, and Medium- and long-term foreign debt refers to those the maturity term is over 1 years. (2) Short-term foreign debt shall, in principle, be used as liquid funds, and shall not be used for medium- and long-term purposes such as fixed asset investments, etc. (3) Registration of foreign debt shall mean debtors' registration or submission of information on execution of foreign debt contract, withdrawal of funds, repayment of foreign debt and foreign exchange settlement and sale to the foreign exchange bureau at the locality in accordance with the stipulated method upon borrowing of foreign debt pursuant to the provisions. Different methods for registration of foreign debt shall be implemented for different types of debtors. (4) In the event of change of foreign debt loan contract, the debtor shall complete registration change formalities for execution of foreign debt contract with the foreign exchange bureau pursuant to the provisions. Where the outstanding balance of foreign debt is zero and the debtor will not make another withdrawal of funds, the debtor shall complete foreign debt deregistration formalities with the foreign exchange bureau pursuant to the provisions. (5) If the debtor is a domestic obligor other than a financial department or a domestic bank ("**non-banking debtor**"), it shall, within 15 working days after the conclusion of a foreign debt contract, go to local SAFE to go through registration formalities for each transaction. Where a non-banking debtor draws funds or repays principal and pay interest which constitutes a non-transfer fund business, it shall, within 5 working days after such drawdown or repayment and payment, go to local SAFE to go through filing formalities for each transaction. (6) Where payment and collection of funds are not handled by a domestic bank, the non-bank debtor shall present the relevant proof materials to complete filing formalities with the foreign exchange bureau at the locality upon the occurrence of a change in foreign debt withdrawal amount, principal repayment and interest payment amount and outstanding balance.

On September 8, 2022, the Measures for the Administration of the Review and Registration of Medium- and Long-Term Foreign Debt of Enterprises (《企業中長期外債審核登記管理辦法》(中華人民共和國國家發展和改革委員會令第56號)) came into effect, which provides that: (1) Medium- and long-term foreign debt of enterprises (hereinafter referred to as "foreign debt") means debt instruments with a term of more than one year (excluding one year), denominated in either local or foreign currency, borrowed from overseas by enterprises established in the People's Republic of China or their controlled overseas enterprises/branches, with agreed principal and interest repayment terms. (2) Enterprises shall obtain the Enterprise Foreign Debt Review and Registration Certificate (hereinafter referred to as the Registration Certificate) prior to borrowing foreign debt and complete the review and registration procedures. No foreign debt may be borrowed without such review and registration. (3) Enterprises shall, within 10 working days after each foreign debt borrowing, report the borrowing information (including key operational indicators and foreign debt details) to the review and registration authority via the online system; and within 10 working days after the expiry of the Registration Certificate, submit corresponding foreign debt borrowing details.

On July 9, 2019, the General Office of the National Development and Reform Commission issued the Notice of the Relevant Requirements for Recordation and Registration of Real Estate Enterprises' Applications for Issuance of Foreign Debts (《國家發展改革委辦公廳關於對房地產企業發行外債申請備案登記有關要求的通知》(發改辦外資[2019]778號)), which provides that: (1) Foreign debts issued by real estate enterprises can only be used to replace medium- and long-term foreign debts due within the next one year. (2) Real estate enterprises should specify the details of the proposed replacement of foreign debt, including debt size, duration, by our Committee for the record registration, etc., in the foreign debt filing and registration application materials, and submit the "commitment letter on the authenticity of the enterprise issuing foreign debt". (3) Real estate enterprises need to disclose the use of funds, etc., in the offering memorandum.

The Notice of the State Administration of Foreign Exchange on Further Promoting the Convenience of Cross-border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》(匯發[2019]28號)) was issued by State Administration of Foreign Exchange on October 25, 2019 and revised on December 4, 2023 by The Notice of the State Administration of Foreign Exchange on Further Deepening Reforms to Promote Facilitation of Cross-Border Trade and Investment (《國家外匯管理局關於進一步深化改革 促進跨境貿易投資便利化的通知》(匯發[2023]28號)), which provides that: (1) The requirement that non-bank debtors shall go to the local foreign exchange bureau for foreign debt cancellation registration is canceled. (2) The requirement that each foreign debt shall be registered separately is canceled in pilot areas.

The Board is responsible for and has general powers over the management and conduct of our business. The table below shows certain information in respect of members of our Board as of the date of this offering memorandum.

Name	Age	Position
Wang Xiaosong	37	Chairman and Non-Executive Director
Lv Xiaoping	63	Executive Director and Chief Executive Officer
Lu Zhongming	53	Executive Director
Zhou Fudong	45	Executive Director
Zhong Wei	56	Independent Non-Executive Director
Zhu Zengjin	61	Independent Non-Executive Director
Wu Ke	49	Independent Non-Executive Director

Executive Directors

Lv Xiaoping (呂小平) is our executive director and the chief executive officer. Mr. Lv joined our Group in 2001 and has been appointed as a non-executive director since November 2012. He is also President of Seazen Holdings Co. Ltd. ("**Seazen Holdings**") (600155.SH), a majority subsidiary of our Company that is listed on the Shanghai Stock Exchange. Mr. Lv served as the vice president of Seazen Holdings between September 2001 and August 2004. From August 2004 to January 2013, Mr. Lv was a director and the president of Jiangsu Future Land, principally responsible for the overall management of its residential property development business. Mr. Lv was the vice chairman of Jiangsu Future Land from February 2013 till Jiangsu Future Land was absorbed and merged by Seazen Holdings by way of share swap. Since October 2018, Mr. Lv has served as a non-executive director of S-Enjoy Service Group Co., Limited ("**S-Enjoy**") (Stock Code: 1755). Mr. Lv graduated from Naval University of Engineering with a bachelor's degree in engineering in 1983. Mr. Lv graduated from China European International Business School with an MBA degree in 2007. Prior to joining our Group, Mr. Lv worked in Changchai Company Limited, a company listed on the Shenzhen Stock Exchange (Stock code: 000570) between 1987 and 2001 and served as the secretary to the board of directors and head of investment, where he was responsible for business development and investment strategies.

Lu Zhongming (陸忠明) is currently the chief financial officer and executive director and a member of the nomination committee of the Company (the "**Nomination Committee**"), overseeing the accounting and finance functions of the Group. He also an executive director of Seazen Holdings. Mr. Lu joined the Group in 2001 and has served as the finance general manager of Jiangsu Future Land between June 2002 and May 2010, a director of Jiangsu Future Land from May 2010 till Jiangsu Future Land was absorbed and merged by Seazen Holdings by way of share swap, deputy general manager of Seazen Holdings between June 2010 and March 2015 and a supervisor of Seazen Holdings since December 2015. Since October 2018, Mr. Lu has served as a non-executive director of S-Enjoy Service Group Co., Limited (Stock Code: 1755). Mr. Lu completed his accounting study from Nanjing Institute of Finance & Economics (南京財經學院) in 1999, and obtained his master degree in business administration from Tongji University (同濟大學) in December 2013. Prior to joining the Group, Mr. Lu served as the deputy head of finance and audit department of Jiangsu Wuling Diesel Engines Holdings Co., Ltd* (江蘇五菱柴油機股份有限公司) (acquired by Seazen Holdings in 2001) between 1998 and 2001.

Zhou Fudong (周福東) was appointed as our executive director and a member of the ESG Committee in April 2025. Mr. Zhou has nearly 20 years of experience in financial management. Mr. Zhou has served in the Company since June 2013, and has consecutively served as the assistant general manager, deputy general manager and general manager of the Financial Management Department. Since 2022, Mr. Zhou has been serving as the assistant president of the Company. He is also currently a director of several subsidiaries of the Company. Prior to joining the Group, Mr. Zhou successively served as the auditor, the senior auditor and the audit manager at PricewaterhouseCoopers Zhong Tian CPAs Limited Company (普華永道中天會計師事務所有限公司) from August 2005 to October 2012, and the senior audit manager at the Shanghai branch of Baker Tilly China Certified Public Accountants (天職國際會計師事務所(特殊普通合夥)上海分所) from November 2012 to May 2013. Mr. Zhou obtained a bachelor's degree in engineering from

Tongji University in the PRC in 2002, and subsequently a master's degree in engineering from the same university in 2005. Mr. Zhou has been a certified public accountant in the PRC since December 2009.

Non-Executive Directors

Wang Xiaosong (王曉松) is our chairman and non-executive director. Mr. Wang is the son of Mr. Wang Zhenhua, who founded the business of our group. Mr. Wang joined Jiangsu Future Land in 2009 as civil engineer and subsequently as project manager. Between November 2011 and January 2013, Mr. Wang became the vice president and general manager of the marketing department of Jiangsu Future Land where he was responsible for and gained valuable experience in sales and market research. Mr. Wang served as president of Jiangsu Future Land from February 2013 till Jiangsu Future Land was absorbed and merged by Seazen Holdings by way of share swap, and was responsible for its general management. In addition, since April 2013 till Jiangsu Future Land was absorbed and merged by Seazen Holdings by way of share swap, Mr. Wang has been a director of Jiangsu Future Land. He served as the President of Seazen Holdings from August 2018 to January 2021 and was appointed as the President of Seazen Holdings in January 2023. Since July 2019, Mr. Wang has acted as a non-executive director of S-Enjoy. Mr. Wang graduated from Nanjing University (南京大學) with a bachelor's degree environmental sciences in 2009.

Independent Non-Executive Directors

Zhong Wei (鍾偉) is our independent non-executive director and a member of the Audit Committee and Remuneration Committee. Mr. Zhong has been a professor at the Department of Economics and Business Administration, Beijing Normal University since July 1999. Mr. Zhong worked as a lecturer at the Business School of Jiangnan University from July 1994 to July 1997. Mr. Zhong also served as an assistant engineer at Wuxi Alarm Devices Factory (無錫報警設備廠) from July 1990 to July 1992. Mr. Zhong served as an independent director for Dongxing Securities Co., Ltd. since July 2011, which principally provides securities dealings and related services. Mr. Zhong also served as an independent director for Fudian Bank Co., Ltd. since September 2012, which principally offers commercial and investment banking services. Mr. Zhong graduated from Nanjing University in 1990 majoring in applied physics and from Southeast University in 1994 majoring in industrial economics management. Mr. Zhong received his doctorate degree in 1999 from Beijing Normal University majoring in international economics. Between September 2001 and July 2004, Mr. Zhong engaged in postdoctoral research in management science at Tongji University.

Zhu Zengjin (朱增進) is our independent non-executive director. Mr. Zhu is the chairman of the Remuneration Committee and the Nomination Committee, and a member of the Audit Committee. Mr. Zhu joined our Group in November 2012. Mr. Zhu graduated from Nanjing University (南京大學) with a bachelor's degree in law in 1985 and from Beijing University (北京大學) with an EMBA degree in 2005. Mr. Zhu was designated as a visiting scholar in law to New York University (紐約大學) in the United States between 1998 and 1999. Mr. Zhu was the head of the business department between July 1985 and August 1998 and the deputy head and partner between August 1999 and August 2009 of Jiangsu C&T Partners Law Firm (江蘇世紀同仁律師事務所) respectively. Mr. Zhu was also a listing committee member of the GEM Board of the China Securities Regulatory Commission (中國證監會創業板發審委委員) between August 2009 and August 2011. Since January 2002, Mr. Zhu has been a committee member of the Jiangsu Province All China Lawyers Association in Securities Law (江蘇省全國律師協會公司證券法委員會委員) and has been recognized as a Well Known Lawyer in Jiangsu Province (江蘇知名律師) by the association. Mr. Zhu has served as an independent director of two listed companies in the PRC, namely Ningbo Yunsheng Co., Ltd. (寧波韻升股份有限公司) (Stock Code: 600366) and Bank of Nanjing Co., Ltd (南京銀行股份有限公司) (Stock Code: 601009), since March 2012 and June 2012, respectively, and three other non-listed PRC companies, namely, Guolian Trust Co., Ltd (國聯信託股份有限公司), Institute of Architectural Design Co., Ltd (蘇州設計院股份有限公司) and Jiangnan Rural Commercial Bank Co., Ltd (江南農村商業銀行) since June 2008, September 2009 and June 2012, respectively.

Wu Ke (吳科) is our independent non-executive director. Ms. Wu is the chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee. Ms. Wu joined our Group in June 2024. Ms. Wu has over 29 years of experiences in the field of accounting. Ms. Wu is currently a partner and senior manager of Changzhou Huifeng Certified Public Accountants Co., Ltd. (常州匯豐會計師事務所有限公司), where she has joined since October 1999. Prior to that, between July 1995 and October 1999, Ms. Wu served as a project manager at Changzhou New District Accounting Firm (常州新區會計師事務所) (previously known as Changzhou New District Audit Firm (常州新區審計師事務所) and Changzhou High-tech Industrial Development Zone Audit Firm (常州高新技術產業開發區審計師事務所)), which was merged to Changzhou Huifeng Certified Public Accountants Co., Ltd. upon enterprise restructuring in October 1999. Ms. Wu qualified as an intermediate accountant by the Ministry of Finance and the Ministry of Personnel of the People's Republic of China in May 2000, and she has been a certified public accountant in the People's Republic of China since July 2000. Ms. Wu has also been a registered expert consultant in Jiangsu Province (江蘇省註冊諮詢專家) certified by the Jiangsu Provincial Department of Science and Technology and Jiangsu Consulting Association since December 2016. Ms. Wu graduated from Jiangsu Radio and Television University (江蘇廣播電視大學), now known as Jiangsu Open University (江蘇開放大學) majoring in foreign trade accounting in July 1995, and subsequently graduated from Jiangsu University majoring in accounting in July 2002.

Joint Company Secretaries

Zhang Wanling (張宛玲) joined the Group since January 2008. She has many years of experience in the Company's capital markets activities and was responsible for the compliance matters of the Company. Ms. Zhang is currently the general manager of the capital market department of the Company, mainly responsible for the Company's capital market operations and investor relations, while supervising the corporate governance of the Company to ensure compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other applicable laws and regulations. Ms. Zhang obtained a master's degree in business administration from the Beijing Institute of Technology in October 2002.

Ms. Ng Sau Mei (伍秀薇) has been appointed as the Joint Company Secretary and the Authorized Representatives with effect from 21 August 2020. Ms. Ng is an associate director of the Listing Services Department of TMF Hong Kong Limited and is responsible for provision of corporate secretarial and compliance services to listed company clients. She has over 19 years of experience in the company secretarial field and has extensive knowledge and experience in dealing with corporate governance, regulatory and compliance affairs of listed companies. She is a Chartered Secretary, a Corporate Governance Professional and a fellow member of both The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom.

Board Committees

Audit Committee

Our audit committee consists of three independent non-executive directors including Ms. Wu Ke, Mr. Zhu Zengjin and Mr. Zhong Wei. The audit committee is chaired by Ms. Wu. The primary duties of the audit committee is to assist the Board in providing an independent view of the effectiveness of our financial reporting process, internal control and risk management system, oversee the audit process and perform other duties and responsibilities as assigned by the Board.

Remuneration Committee

Our remuneration committee consists of three members, namely Mr. Zhu Zengjin, Mr. Zhong Wei and Ms. Wu Ke, our independent non-executive directors. All of the committee members are our independent non-executive directors. The remuneration committee is chaired by Mr. Zhu. The primary duties of the remuneration committee include:

- making recommendations to our directors on our policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration;

- determining the terms of the specific remuneration package of our directors and senior management;

- reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our directors from time to time; and

- considering and approving the grant of share options to eligible participants.

Nomination Committee

The Nomination Committee comprises three members, including one executive director and two independent non-executive Directors. The members of the Nomination Committee are Mr. Zhu Zengjin (chairman), Mr. Lu Zhongming and Ms. Wu Ke. The principal duties of the Nomination Committee include the following:

- to review the structure, size and composition of the Board and make recommendations regarding any proposed changes;

- to identify suitable candidates for appointment as Directors;

- to make recommendations to the Board on appointment or reappointment of and succession planning for Directors; and

- to assess the independence of independent non-executive Directors.

ESG Committee

The ESG Committee comprises four members, including Mr. Wang Xiaosong (chairman), Mr. Lv Xiaoping, Mr. Zhou Fudong and Mr. Lu Zhongming. The principal duties of the ESG Committee include the following:

- formulating and reviewing the Company's environmental, social and governance ("**ESG**") responsibilities, vision, strategy, framework, principles and policies, and strengthening the materiality assessment and reporting process to ensure the continuous execution and implementation of ESG policies passed by the Board;

- considering and approving the Company's ESG goals, and regularly reviewing the achievement of ESG goals; and

- monitoring main ESG trends and related risks and opportunities and evaluating whether the Group's ESG-related structure and business model are adequate and effective in this regard, adopting and updating the Group's ESG policies when necessary and ensuring that such policies are up-to-date and comply with applicable laws, regulations and regulatory requirements, as well as international standards.

Compensation of Directors and Senior Management

Our executive directors receive, in their capacity as our employees, compensation in the form of salaries, bonus and other allowances and benefits in kind, including our contribution to the pension scheme for our executive directors, in their capacity as employees, according to the law of the relevant jurisdiction.

The aggregate amount of remuneration (including fees, salaries, performance related bonus, retirement scheme contributions and pre-IPO share award scheme) paid to our directors for the years ended December 31, 2022, 2023 and 2024 was approximately RMB26.6 million, RMB23.0 million and RMB18.7 million, respectively.

PRINCIPAL SHAREHOLDERS

The following table sets forth information regarding beneficial ownership of our Shares as of the date of this offering memorandum by those persons who beneficially own more than 5% of our outstanding shares and underlying shares, as recorded in the register maintained by us pursuant to Part XV of the SFO.

Name	Capacity/ Nature of interest	Number of Shares	Approximate percentage of shareholding
Wang Zhenhua[1, 2 and 3]	Founder of a discretionary trust	4,474,549,274	63.33%
	Interest of spouse[4]	101,065,905	1.43%
Chen Jing[2]	Interest in a controlled corporation	101,065,905	1.43%
	Interest of spouse	4,474,549,274	63.33%
Chen Ting Sen (PTC) Limited[3]	Trustee	4,474,549,274	63.33%
Infinity Fortune Development Limited[3]	Interest in a controlled corporation	4,474,549,274	63.33%
First Priority Group Limited[3]	Interest in a controlled corporation	4,474,549,274	63.33%
Wealth Zone Hong Kong Investments Limited[4]	Beneficial owner	4,474,549,274	63.33%

(1) Mr. Wang Zhenhua is the founder of the Hua Sheng Trust, through which Chen Ting Sen (PTC) Limited held long position in 4,474,549,274 Shares through its controlled corporations in its capacity as trustee.

(2) Ms. Chen Jing, spouse of Mr. Wang Zhenhua, held 100% of Set Hero Developments Limited, which in turn held the 101,065,905 Shares. Ms. Chen Jing was deemed under SFO to be interested in the shares of Mr. Wang Zhenhua and vice versa.

(3) Chen Ting Sen (PTC) Limited, as trustee of the Hua Sheng Trust, which was established by Mr. Wang Zhenhua as the settlor in favour of his family members, held 100% of the issued share capital of Infinity Fortune Development Limited, which in turn held 100% of the issued share capital of First Priority Group Limited.

(4) Wealth Zone Hong Kong Investments Limited is held as to 100% of its issued share capital by First Priority Group Limited.

RELATED PARTY TRANSACTIONS

The following discussion describes certain material related party transactions between our consolidated subsidiaries and our directors, executive officers and substantial shareholders and, in each case, the companies with whom they are affiliated.

As a listed company on the Hong Kong Stock Exchange, we are subject to the requirements of Chapter 14A of the Listing Rules which require certain "connected transactions" with "connected persons" be approved by a company's independent shareholders. Each of our related party transactions disclosed hereunder that constitutes a connected transaction within the meaning of the Listing Rules requiring shareholder approval has been so approved, or otherwise exempted from compliance under Chapter 14A of the Listing Rules.

The following table sets forth certain material transactions between us and our related parties for the years indicated:

	Year ended December 31,			
	2022	2023	2024	
	(RMB)	(RMB)	(RMB)	(US$)
		(in thousands)		(unaudited)
Transaction with Related Parties				
(i) Fundings to related parties				
– Joint ventures	5,733,841	3,501,136	2,269,935	310,980
– Associates	7,671,130	2,428,558	3,575,302	489,814
– Entities controlled by Mr. Wang Zhenhua[(1)]	–	1,800,000	5,172,229	708,592
	13,404,971	7,729,694	11,017,466	1,509,386
(ii) Interest-bearing fundings to related parties				
– Joint ventures	169,083	20,593	–	–
– Associates	790,487	2,327	–	–
	959,570	22,920	–	–
(iii) Interest income from related parties				
– Joint ventures	6,491	18,868	20,135	2,758
– Associates	45,602	7,592	–	–
	52,093	26,460	20,135	2,758
(iv) Fundings from related parties				
– Joint ventures	9,159,406	3,080,091	2,867,096	392,791
– Associates	10,030,626	4,440,238	3,827,812	524,408
– Entities controlled by Mr. Wang Zhenhua[(1)]	24,773	1,840,161	5,172,229	708,592
	19,214,805	9,360,490	11,867,137	1,625,791
(v) Interest-bearing fundings returned from related parties				
– Joint ventures	75,173	17,750	–	–
– Associates	470,158	391,172	–	–
– Entities controlled by Mr. Wang Zhenhua	–	–	193,970	26,574
	545,331	408,922	193,970	26,574
(vi) Payment made on behalf of related parties				
– Joint ventures	541,197	191,554	450,183	61,675
– Associates	379,341	1,330,180	240,693	32,975
– Entities controlled by Mr. Wang Zhenhua	24,773	40,161	–	–
	945,311	1,561,895	690,876	94,650

	Year ended December 31,			
	2022	2023	2024	
	(RMB)	(RMB)	(RMB)	(US$)
		(in thousands)		
				(unaudited)
(vii) Service fees incurred for property management services from				
– Entities controlled by Mr. Wang Zhenhua	917,552	597,638	343,145	47,011
(viii) Expenses incurred for accepting construction services from				
– Joint ventures	–	3,720	49,320	6,757
– Associates	13,566	120,280	70,017	9,592
	13,566	124,000	119,337	16,349
(ix) Project management service income from				
– Joint ventures	143,738	35,277	21,033	2,882
– Associates	266,493	147,979	84,011	11,509
	410,231	183,256	105,044	14,391
(x) Consulting service income from				
– Joint ventures	206,640	70,922	65,907	9,029
– Associates	82,941	123,581	102,793	14,083
– Entities controlled by Mr. Wang Zhenhua	–	–	26	4
	289,581	194,503	168,726	23,116
(xi) Rental income from				
– Entities controlled by Mr. Wang Zhenhua	4,025	4,035	4,216	578
(xii) Purchases of investment property from				
– Associates	–	–	838,113	114,821
Key Management Compensation				
– Salaries and other short-term employee benefits	30,444	24,332	22,035	3,019

(1) For risks related to such fundings, see "Risk Factors — To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control."

	As of December 31,			
	2022	2023	2024	
	(RMB)	(RMB)	(RMB)	(US$)
		(in thousands)		
				(unaudited)
Guarantees Provided to Related Parties				
– Guarantee to joint ventures	1,463,565	1,109,895	887,389	121,572
– Guarantee to associates	3,460,863	2,032,080	1,864,195	255,394
	4,924,428	3,141,975	2,751,584	376,966
Investment Pledged for their Borrowings of Related Parties				
– Shares pledged for joint ventures	472,830	509,210	547,168	74,962
– Shares pledged for associates	632,306	1,235,997	1,013,151	138,801
	1,105,136	1,745,207	1,560,319	213,763
Related-Party Balances				
(i) Amounts due from related parties				
– Joint ventures	5,953,087	5,285,088	5,295,787	725,520
– Associates	6,625,138	5,280,724	5,194,436	711,635
	12,578,225	10,565,812	10,490,223	1,437,155
(ii) Amounts due to related parties				
– Joint ventures	14,753,713	13,470,272	11,419,391	1,564,450
– Associates	10,607,879	10,333,810	10,587,360	1,450,462
– Entities controlled by Mr. Wang Zhenhua	485,785	466,084	600,337	82,246
	25,847,377	24,270,166	22,607,088	3,097,158
(iii) Trade receivables from related parties				
– Joint ventures	30,595	22,462	42,332	5,799
– Associates	50,927	88,415	114,631	15,704
	81,522	110,877	156,963	21,503
(iv) Trade payables to related parties				
– Joint ventures	–	–	4,393	602
– Associates	–	25,203	22,275	3,052
– Entities controlled by Mr. Wang Zhenhua	446,217	784,648	831,458	113,909
	446,217	809,851	858,126	117,563

DESCRIPTION OF MATERIAL INDEBTEDNESS AND OTHER OBLIGATIONS

To fund our existing property projects and to finance our working capital requirements, we have entered into financing agreements with banks. Set forth below is a summary of the material terms and conditions of these loans and other indebtedness.

Project and Working Capital Loan Agreements in PRC

As of December 31, 2024, certain of our PRC subsidiaries have entered into loan agreements with various PRC banks. These loans are typically secured project or secured working capital loans to finance the construction of our projects and have terms ranging from six months to 10 years. As of December 31, 2024, the aggregate outstanding borrowings from banks amounted to approximately RMB33.18 billion (US$4.55 billion). Our project and working capital loans are typically secured by land use rights, properties and/or equity interests held by the PRC subsidiary borrowers and/or our other PRC subsidiaries. The Notes will be structurally subordinated to these loans and any other indebtedness incurred by our PRC Subsidiaries.

Interest

We have both floating rate and fixed rate project and working capital loans. The principal amounts outstanding under the floating rate borrowings generally bear interest at floating rates calculated by reference to the relevant bank's benchmark interest rate per annum. Floating interest rates generally are subject to review by the lending banks annually. Interest payments are payable either monthly or quarterly and must be made on each payment date as provided in the particular loan agreement. As of December 31, 2024, the weighted average interest rate on our total borrowings was 6.13% per annum.

Covenants

Under these project and working capital loans, many of our subsidiary borrowers have agreed, among other things, not to take the following actions without first obtaining the relevant lenders' prior consent:

- create encumbrances on any part of their property or assets or deal with their assets in a way that may adversely affect their ability to repay their loans;
- grant guarantees to any third parties that may adversely affect their ability to repay their loans;
- sell or dispose of assets;
- incurring other material indebtedness;
- make any major changes to their corporate structures, such as entering into joint ventures, mergers and acquisitions and reorganizations or making other changes to the company's status, such as liquidation or dissolution; and
- alter the nature or scope of their business operations in any material respect.

Dividend Restrictions

Pursuant to the project and working capital loan agreements, some of our PRC subsidiaries have agreed not to distribute any dividends (or agreed to give notice to the relevant banks before any distribution of dividends):

- if the borrowers' after-tax net profit is nil or negative or insufficient to cover losses from the previous accounting periods; or
- if the borrower's profit before tax in the relevant accounting period has not been used to pay off the principal, interest or other related expenses due in that accounting period or is insufficient to cover the principal, interest or other related expenses due in next period; or

- before the principal amount of and accrued interest on the relevant loans have been fully paid. We do not believe that the dividend restrictions in such loans will materially and adversely affect our ability to service the repayment obligations under our debt instruments, as most of these loans are required to be repaid when the underlying property projects are completed, and as such, by the time units in the projects are ready for sale, the dividend restrictions should no longer exist.

Events of Default

The project and working capital loans contain certain customary events of default, including insolvency and breaches of the terms of the loan agreements. The banks generally are entitled to terminate their respective agreements and/or demand immediate repayment of the loans and any accrued interest upon the occurrence of an event of default.

Guarantee and Security

Certain of our PRC subsidiaries have entered into guarantee agreements with the PRC banks in connection with some of the project loans pursuant to which these subsidiaries have guaranteed all liabilities of the subsidiary borrowers under these project and working capital loans. Further, as of December 31, 2024, most of the project and working capital loans were secured by land use rights, properties and/or equity interests held by the PRC subsidiary borrowers and/or our other PRC subsidiaries.

July 2025 Notes

On January 13, 2021, we entered into an indenture (as amended and supplemented from time to time, the "**July 2025 Indenture**") pursuant to which we issued 4.45% Senior Notes due 2025 in an aggregate principal amount of US$300 million.

Guarantee

The obligations pursuant to the July 2025 Notes are guaranteed by the Existing Notes Guarantors specified in the July 2025 Indenture. Under certain circumstances and subject to certain conditions, a guarantee by an Existing Notes Guarantor may be replaced by a limited-recourse guarantee, referred to as a JV Subsidiary Guarantee in the July 2025 Indenture. Each of the Existing Notes Guarantors, jointly and severally, guarantees the due and punctual payment of the principal, any premium, and interest on, and all other amounts payable under, the July 2025 Notes.

Collateral

In order to secure the obligations under the July 2025 Notes, the Company under the July 2025 Indenture pledged the capital stock of all such Existing Notes Guarantors owned by the Company for the benefit of the holders of the July 2025 Notes. The collateral may be released or reduced in the event of certain asset sales and certain other circumstances. The holders of the Notes will be entitled to share in the benefit of such pledge of Capital Stock on a pari passu basis with the holders of the July 2025 Notes and any holders of other Permitted Pari Passu Secured Indebtedness.

Interest

The July 2025 Notes bear an interest rate of 4.45% per annum. Interest is payable semi-annually in arrears on January 13 and July 13 of each year, commencing July 13, 2021.

Covenants

Subject to certain conditions and exceptions, the July 2025 Indenture contains certain covenants, restricting us and each of the related restricted subsidiaries from, among other things:

- incurring or guaranteeing additional indebtedness and issuing disqualified or preferred stock;

- declaring dividends on its capital stock or purchasing or redeeming capital stock;
- making investments or other specified restricted payments;
- entering into agreements that restrict the related restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- issuing or selling capital stock of the related restricted subsidiaries;
- guaranteeing indebtedness of the related restricted subsidiaries;
- selling assets;
- creating liens;
- entering into sale and leaseback transactions;
- entering into transactions with shareholders or affiliates; and
- effecting a consolidation or merger.

Events of Default

The July 2025 Indenture contains certain customary events of default, including default in the payment of principal, or of any premium, on the July 2025 Notes, when such payments become due, default in the payment of interest which continues for 30 days, breaches of covenants, insolvency and other events of default specified in the July 2025 Indenture. If an event of default occurs and is continuing, the trustee under the July 2025 Indenture or the holders of at least 25% of the outstanding July 2025 Notes may declare the principal of the July 2025 Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

Change of Control

Upon the occurrence of a certain event of change of control and a rating decline, we are obligated to make an offer to repurchase all outstanding July 2025 Notes at a purchase price equal to 101% of their principal amount plus any accrued and unpaid interest.

Maturity and Redemption

The maturity date of the July 2025 Notes is July 13, 2025.

At any time and from time to time on or after July 13, 2023, we may at our option redeem the July 2025 Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below, plus accrued and unpaid interest, if any, to (but not including) the redemption date, if redeemed during the 12-month period commencing on July 13 of any year set forth below:

Year	Redemption Price
2023	102%
2024	101%

At any time prior to July 13, 2023, we may redeem the July 2025 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the July 2025 Notes plus a premium and any accrued and unpaid interest to the redemption date.

At any time and from time to time prior to July 13, 2023, we may redeem up to 35% of the aggregate principal amount of the July 2025 Notes at a redemption price of 104.45% of the principal amount of the July 2025 Notes, plus any accrued and unpaid interest to (but not including) the redemption date with the proceeds from sales of certain kinds of our capital stock, subject to certain conditions. Additionally, if we or a subsidiary guarantor under the July 2025

Indenture would become obligated to pay certain additional amounts as a result of certain changes in specified tax law, we may redeem the July 2025 Notes at a redemption price equal to 100.0% of the principal amount of the July 2025 Notes, plus any accrued and unpaid interest, subject to certain exceptions.

October 2025 Guaranteed Senior Notes

On July 15, 2021, NEW METRO GLOBAL LIMITED and Seazen Holdings entered into an indenture (as amended and supplemented from time to time, the "**October 2025 Indenture**") pursuant to which NEW METRO GLOBAL LIMITED issued 4.625% senior notes due 2025 in an aggregate principal amount of US$300 million.

Guarantee

The obligations pursuant to the October 2025 Guaranteed Senior Notes are guaranteed by Seazen Holdings specified in the October 2025 Indenture. Seazen Holdings guarantees the due and punctual payment of the principal, any premium, and interest on, and all other amounts payable under, the October 2025 Guaranteed Senior Notes.

Interest

The October 2025 Guaranteed Senior Notes bear an interest rate of 4.625% per annum. Interest is payable semi-annually in arrears on January 15 and July 15 of each year.

Covenants

Subject to certain conditions and exceptions, the October 2025 Indenture contains certain covenants, restricting us and each of the related restricted subsidiaries from, among other things:

- incurring or guaranteeing additional indebtedness and issuing disqualified or preferred stock;
- declaring dividends on its capital stock or purchasing or redeeming capital stock;
- making investments or other specified restricted payments;
- entering into agreements that restrict the related restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- issuing or selling capital stock of the related restricted subsidiaries;
- guaranteeing indebtedness of the related restricted subsidiaries;
- selling assets;
- creating liens;
- entering into sale and leaseback transactions;
- entering into transactions with shareholders or affiliates; and
- effecting a consolidation or merger.

Events of Default

The October 2025 Indenture contains certain customary events of default, including default in the payment of principal, or of any premium, on the October 2025 Guaranteed Senior Notes, when such payments become due, default in the payment of interest which continues for 30 days, breaches of covenants, insolvency and other events of default specified in the October 2025 Indenture. If an event of default occurs and is continuing, the trustee under the October 2025 Indenture or the holders of at least 25% of the outstanding October 2025 Guaranteed Senior Notes may declare the principal of the October 2025 Guaranteed Senior Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

Change of Control

Upon the occurrence of a certain event of change of control, NEW METRO GLOBAL LIMITED or Seazen Holdings is obligated to make an offer to repurchase all outstanding October 2025 Guaranteed Senior Notes at a purchase price equal to 101% of their principal amounts plus any accrued and unpaid interest.

Maturity and Redemption

The maturity date of the October 2025 Guaranteed Senior Notes is October 15, 2025.

At any time and from time to time on or after October 15, 2023, NEW METRO GLOBAL LIMITED may at its option redeem the October 2025 Guaranteed Senior Notes, in whole or in part, at a redemption price equal to the percentage of the principal amount of the October 2025 Guaranteed Senior Notes set forth below plus accrued and unpaid interest, if any, to (but not including) the redemption date, if redeemed during the 12-month period commencing on October 15 of any year set forth below:

Year	Redemption Price
2023	102%
2024	101%

At any time and from time to time prior to October 15, 2023, NEW METRO GLOBAL LIMITED may at its option redeem the October 2025 Guaranteed Senior Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the October 2025 Guaranteed Senior Notes, plus a premium and any accrued and unpaid interest to (but not including) the redemption date.

At any time and from time to time prior to October 15, 2023, NEW METRO GLOBAL LIMITED may redeem up to 35% of the aggregate principal amount of the October 2025 Guaranteed Senior Notes at a redemption price of 104.625% of the principal amount of the October 2025 Guaranteed Senior Notes, plus any accrued and unpaid interest to (but not including) the redemption date with the proceeds from sales of certain kinds of our capital stock, subject to certain conditions.

Additionally, if NEW METRO GLOBAL LIMITED or Seazen Holdings would become obligated to pay certain additional amounts as a result of certain changes in specified tax law, NEW METRO GLOBAL LIMITED or Seazen Holdings may redeem the October 2025 Guaranteed Senior Notes at a redemption price equal to 100.0% of the principal amount of October 2025 Guaranteed Senior Notes, plus any accrued and unpaid interest (including any such additional amounts), subject to certain exceptions.

May 2026 Guaranteed Senior Notes

On February 2, 2021, NEW METRO GLOBAL LIMITED and the Company entered into an indenture (as amended and supplemented from time to time, the "**May 2026 Indenture**") pursuant to which NEW METRO GLOBAL LIMITED issued 4.50% senior notes due 2026 in an aggregate principal amount of US$404 million.

Guarantee

The obligations pursuant to the May 2026 Guaranteed Senior Notes are guaranteed by the Company specified in the May 2026 Indenture. We guarantee the due and punctual payment of the principal, any premium, and interest on, and all other amounts payable under, the May 2026 Guaranteed Senior Notes.

Interest

The May 2026 Guaranteed Senior Notes bear an interest rate of 4.50% per annum. Interest is payable semi-annually in arrears on February 2 and August 2 of each year.

Covenants

Subject to certain conditions and exceptions, the May 2026 Indenture contains certain covenants, restricting us and each of the related restricted subsidiaries from, among other things:

- incurring or guaranteeing additional indebtedness and issuing disqualified or preferred stock;
- declaring dividends on its capital stock or purchasing or redeeming capital stock;
- making investments or other specified restricted payments;
- entering into agreements that restrict the related restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- issuing or selling capital stock of the related restricted subsidiaries;
- guaranteeing indebtedness of the related restricted subsidiaries;
- selling assets;
- creating liens;
- entering into sale and leaseback transactions;
- entering into transactions with shareholders or affiliates; and
- effecting a consolidation or merger.

Events of Default

The May 2026 Indenture contains certain customary events of default, including default in the payment of principal, or of any premium, on the May 2026 Guaranteed Senior Notes, when such payments become due, default in the payment of interest which continues for 30 days, breaches of covenants, insolvency and other events of default specified in the May 2026 Indenture. If an event of default occurs and is continuing, the trustee under the May 2026 Indenture or the holders of at least 25% of the outstanding May 2026 Guaranteed Senior Notes may declare the principal of the May 2026 Guaranteed Senior Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

Change of Control

Upon the occurrence of a certain event of change of control, NEW METRO GLOBAL LIMITED or we are obligated to make an offer to repurchase all outstanding May 2026 Guaranteed Senior Notes at a purchase price equal to 101% of their principal amounts plus any accrued and unpaid interest.

Maturity and Redemption

The maturity date of the May 2026 Guaranteed Senior Notes is May 2, 2026.

At any time and from time to time on or after May 2, 2024, NEW METRO GLOBAL LIMITED may at its option redeem the May 2026 Guaranteed Senior Notes, in whole or in part, at a redemption price equal to the percentage of the principal amount of the May 2026 Guaranteed Senior Notes set forth below plus accrued and unpaid interest, if any, to (but not including) the redemption date, if redeemed during the 12-month period commencing on May 2 of any year set forth below:

Year	Redemption Price
2024	102%
2025	101%

At any time prior to May 2, 2024, NEW METRO GLOBAL LIMITED may at its option redeem the May 2026 Guaranteed Senior Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the May 2026 Guaranteed Senior Notes, plus a premium and any accrued and unpaid interest to (but not including) the redemption date.

At any time and from time to time prior to May 2, 2024, NEW METRO GLOBAL LIMITED may redeem up to 35% of the aggregate principal amount of the May 2026 Guaranteed Senior Notes at a redemption price of 104.5% of the principal amount of the May 2026 Guaranteed Senior Notes, plus any accrued and unpaid interest to (but not including) the redemption date with the proceeds from sales of certain kinds of our capital stock, subject to certain conditions.

Additionally, if NEW METRO GLOBAL LIMITED or we would become obligated to pay certain additional amounts as a result of certain changes in specified tax law, NEW METRO GLOBAL LIMITED or Seazen Holdings may redeem the May 2026 Guaranteed Senior Notes at a redemption price equal to 100.0% of the principal amount of May 2026 Guaranteed Senior Notes, plus any accrued and unpaid interest (including any such additional amounts), subject to certain exceptions.

Corporate Bonds

2023 Corporate Bond I & II

On June 14, 2023, as approved by the China Securities Regulatory Commission, Seazen Holdings issued two series of corporate bonds for an aggregate amount of RMB1.1 billion.

2023 Corporate Bond I

Seazen Holdings issued the 4.50% corporate bonds for an aggregate amount of RMB400 million due 2026. The corporate bonds adopted simple annual interest, with the interest being paid annually. The annual coupon rate is 4.50%.

2023 Corporate Bond II

Seazen Holdings issued the 6.30% corporate bonds for an aggregate amount of RMB700 million due 2025. The corporate bonds adopted simple annual interest, with the interest being paid annually. The annual coupon rate is 6.30%.

2022 Middle Term Notes

In September 2022, Seazen Holdings issued the second tranche of the 2022 Middle Term Notes, which has a principal amount of RMB1 billion with a coupon rate of 3.28%, and has a term of three years.

In December 2022, Seazen Holdings issued the third tranche of the 2022 Middle Term Notes, which has a principal amount of RMB2 billion with a coupon rate of 4.30%, and has a term of three years.

2023 Middle Term Notes

In July 2023, Seazen Holdings issued the first tranche of the 2023 Middle Term Notes, which has a principal amount of RMB850 million with a coupon rate of 4.00%, and has a term of three years.

In December 2023, Seazen Holdings issued the second tranche of the 2023 Middle Term Notes, which has a principal amount of RMB850 million with a coupon rate of 4.48%, and has a term of three years.

2024 Middle Term Notes

In May 2024, Seazen Holdings issued the first tranche of the 2024 Middle Term Notes, which has a principal amount of RMB800 million with a coupon rate of 3.20%, and has a term of three years.

In May 2024, Seazen Holdings issued the second tranche of the 2024 Middle Term Notes, which has a principal amount of RMB560 million with a coupon rate of 3.40%, and has a term of three years.

In November 2024, Seazen Holdings issued the third tranche of the 2024 Middle Term Notes, which has a principal amount of RMB1,560 million with a coupon rate of 3.50%, and has a term of five years.

DESCRIPTION OF THE NOTES

For purposes of this "Description of the Notes," the term "Company" refers only to Seazen Group Limited, and any successor obligor on the Notes, and not to any of its subsidiaries.

The Notes are to be issued under an indenture (the "**Indenture**"), to be dated as of the Original Issue Date, among the Company and The Bank of New York Mellon, London Branch, as trustee (the "**Trustee**", which expression shall include its successor(s) and all persons for the time being are the trustee or trustees under the Indenture).

The following is a summary of certain provisions of the Indenture and the Notes. This summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Indenture and the Notes. It does not restate those agreements in their entirety. Whenever particular sections or defined terms of the Indenture not otherwise defined herein are referred to, such sections or defined terms are incorporated herein by reference.

Copies of the Indenture will be available for inspection following prior written request and satisfactory proof of holding during normal business hours on or after the Original Issue Date at the corporate trust office of the Trustee currently located at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom.

Brief Description of the Notes

The Notes are:

- general obligations of the Company;
- senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes;
- at least *pari passu* in right of payment with the May 2026 Guaranteed Senior Notes and all other unsecured, unsubordinated Indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated Indebtedness pursuant to applicable law); and
- effectively subordinated to the July 2025 Notes and the other secured obligations of the Company, to the extent of the value of the assets serving as security therefor.

The Notes will mature on June 26, 2028, unless earlier redeemed pursuant to the terms thereof and the Indenture.

The Notes will bear interest at 11.88% per annum from the Original Issue Date or from the most recent interest payment date to which interest has been paid or duly provided for, payable semiannually in arrears on June 26 and December 26 of each year (each an "**Interest Payment Date**"), commencing December 26, 2025. Interest on the Notes will be paid to Holders of record at the close of business on June 11 or December 11 immediately preceding an Interest Payment Date (each, a "**Record Date**"), notwithstanding any transfer, exchange or cancellation thereof after a Record Date and prior to the immediately following Interest Payment Date. Interest on the Notes will be calculated on the basis of a 360-day year comprised of twelve 30-day months. So long as the Notes are held in global form, each payment in respect of the Global Note will be made to the person shown as the holder of the Notes in the Notes register at the close of business (of the relevant clearing system) on the Clearing System Business Day before the due date for such payments, where "Clearing System Business Day" means a weekday (Monday to Friday, inclusive) except December 25 and January 1.

Except as described under "Optional Redemption," "Redemption for Taxation Reasons," and otherwise provided in the Indenture, the Notes may not be redeemed prior to maturity (unless they have been repurchased by the Company).

In any case in which the date of the payment of principal of, premium on or interest on the Notes is not a Business Day in the relevant place of payment or in the place of business of the Paying Agent, then payment of such principal, premium or interest need not be made on such date

but may be made on the next succeeding Business Day. Any payment made on such Business Day shall have the same force and effect as if made on the date on which such payment is due, and no interest on the Notes shall accrue for the period after such date.

The Indenture allows additional Notes to be issued from time to time (the "**Additional Notes**"), subject to certain limitations described under "– Further Issues." Unless the context requires otherwise, references to the "Notes" for all purposes of the Indenture and this "Description of the Notes" include any Additional Notes that are actually issued.

The Notes will be issued only in fully registered form, without coupons, in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. No service charge will be made for any registration of transfer or exchange of Notes, but the Company may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

All payments on the Notes will be made by wire transfer in U.S. dollars by the Company at the office or agency of the Company maintained for that purpose (which initially will be the specified office of the Paying Agent currently located at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom), and the Notes may be presented for registration of transfer or exchange at such office or agency; *provided* that, if the Notes are in definitive form and the Company acts as its own paying agent, all payments on the Notes will be made by wire transfer of immediately available funds to the accounts specified by the Holders thereof or, if no such account is specified, by mailing a check to the address of each Holder as such address appears in the Note register maintained by the Registrar. Interest payable on the Notes held through Euroclear or Clearstream will be available to Euroclear or Clearstream participants (as defined herein) on the Business Day following payment thereof.

As of the date of the Indenture, all of the Company's Subsidiaries will be "Restricted Subsidiaries." However, under the circumstances described below under the caption "– Certain Covenants – Designation of Restricted and Unrestricted Subsidiaries," the Company will be permitted to designate certain of its Subsidiaries as "Unrestricted Subsidiaries." The Company's Unrestricted Subsidiaries will generally not be subject to the restrictive covenants in the Indenture.

Further Issues

Subject to the covenants described below and in accordance with the terms of the Indenture, the Company may, from time to time, without notice to or the consent of the Holders, create and issue Additional Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, issue price and the first payment of interest on them and, to the extent necessary, certain temporary securities law transfer restrictions) (a "**Further Issue**") so that such Additional Notes may be consolidated and form a single class with the previously outstanding Notes and vote together as one class on all matters with respect to the Notes; *provided* that the issuance of any such Additional Notes shall then be permitted under the "Limitation on Indebtedness and Preferred Stock" covenant described below.

Optional Redemption

At any time and from time to time on or after June 26, 2027, the Company may at its option redeem the Notes, in whole or in part, at a redemption price equal to 102.97% of the principal amount of the Notes plus accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time and from time to time prior to June 26, 2027, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including), the redemption date. Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying the Applicable Premium.

At any time and from time to time prior to June 26, 2027, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the Net Cash Proceeds of one or more sales of Common Stock of the Company in an Equity Offering at a redemption price of 111.88% the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes

originally issued on the Original Issue Date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related Equity Offering.

The Company will give not less than 30 days' nor more than 60 days' notice of any redemption to the Holders and the Trustee. If less than all of the Notes are to be redeemed at any time, the Notes for redemption will be selected as follows:

(1) if the Notes are listed on any national securities exchange and/or are being held through the clearing systems, in compliance with the requirements of the principal national securities exchange on which the Notes are listed and/or in compliance with the requirements of the applicable clearing systems; or

(2) if the Notes are not listed on any national securities exchange or held through the clearing systems, on a pro rata basis or by such method as the Trustee in its sole and absolute discretion deems fair and appropriate.

A Note of US$200,000 in principal amount or less shall not be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to such Note will state the portion of the principal amount to be redeemed. A new Note in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note. On and after the redemption date, interest will cease to accrue on Notes or portions of them called for redemption.

Repurchase of Notes Upon a Change of Control Triggering Event

Not later than 30 days following a Change of Control Triggering Event, the Company will make an Offer to Purchase all outstanding Notes (a "**Change of Control Offer**") at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the Offer to Purchase Payment Date.

The Company has agreed in the Indenture that it will timely repay all Indebtedness or obtain consents as necessary under, or terminate, agreements or instruments that would otherwise prohibit a Change of Control Offer required to be made pursuant to the Indenture. Notwithstanding this agreement of the Company, it is important to note that if the Company is unable to repay (or cause to be repaid) all of the Indebtedness, if any, that would prohibit repurchase of the Notes or is unable to obtain the requisite consents of the holders of such Indebtedness, or terminate any agreements or instruments that would otherwise prohibit a Change of Control Offer, it would continue to be prohibited from purchasing the Notes. In that case, the Company's failure to purchase tendered Notes would constitute an Event of Default under the Indenture.

Certain of the events constituting a Change of Control Triggering Event under the Notes will also constitute an event of default under certain other debt instruments of the Company and its Subsidiaries. Future debt of the Company may also (1) prohibit the Company from purchasing Notes in the event of a Change of Control Triggering Event; (2) provide that a Change of Control Triggering Event is a default; or (3) require repurchase of such debt upon a Change of Control Triggering Event. Moreover, the exercise by the Holders of their right to require the Company to purchase the Notes could cause a default under other Indebtedness, even if the Change of Control Triggering Event itself does not, due to the financial effect of the purchase on the Company. The Company's ability to pay cash to the Holders following the occurrence of a Change of Control Triggering Event may be limited by the Company's then-existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See "Risk Factors – Risks Relating to the Notes – We may not be able to repurchase the Notes, the Existing Notes upon a Change of Control Triggering Event."

The phrase "all or substantially all", as used with respect to the assets of the Company in the definition of "Change of Control," will likely be interpreted under applicable law of the relevant jurisdictions and will be dependent upon particular facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or transfer of "all or substantially all" the assets of the Company has occurred.

Notwithstanding the above, the Company will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the

same manner, at the same times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

The Trustee shall not be required to take any steps to ascertain whether a Change of Control Triggering Event or any event which could lead to the occurrence of a Change of Control Triggering Event has occurred and shall not be liable to any person for any failure to do so.

Except as described above with respect to a Change of Control Triggering Event, the Indenture does not contain provisions that permit the Holders to require that the Company purchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

Repurchase of Notes at the Option of Holders

Holders may at their option (the "**Put Option**") require the Company to repurchase for cash all of their Notes, or any portion of the principal thereof in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess thereof, on June 26, 2027 (the "**Put Settlement Date**") at the repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest, if any, to (but not including) the Put Settlement Date; *provided* that any such accrued and unpaid interest will be paid on the Put Settlement Date to the Holder of record at the close of business on the immediately preceding Record Date.

On or before the thirtieth (30th) Business Day prior to the Put Settlement Date, the Company will provide to the Trustee and all Holders a notice stating, among other things:

- the last date on which a Holder may exercise its Put Option, which is the fifteenth (15th) Business Day prior to the Put Settlement Date;
- the repurchase price (including the accrued and unpaid interest to, but excluding, the Put Settlement Date);
- the Put Settlement Date; and
- the name and address of the Paying Agent.

To exercise the Put Option, a Holder must deliver a written put option exercise notice to the Paying Agent (which shall be irrevocable) during the period beginning at any time from the open of business on the date that is thirtieth (30) Business Days prior to the Put Settlement Date until the close of business on the fifteenth (15) Business Day immediately preceding the Put Settlement Date. Each put option exercise notice must state:

- if individual definitive notes have been issued, the certificate number of such individual definitive notes or, if not issued, the notice must comply with appropriate clearing system procedures;
- the portion of the principal amount of Notes to be repurchased, which must be in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess thereof; and
- the applicable provisions of the Notes and the Indenture pursuant to which the Notes are to be repurchased by the Company.

Holders may not withdraw any put option exercise notice (in whole or in part) after such notice is delivered to the Paying Agent.

Holders must either effect book-entry transfer according to appropriate clearing system procedures, or deliver the individual definitive notes, together with necessary endorsements, to the office of the Paying Agent together with the delivery of the repurchase notice to receive payment of the repurchase price.

The Company will be required to repurchase the Notes presented to the Paying Agent to be repurchased on the later of (i) the Put Settlement Date and (ii) the time of book-entry transfer or

the delivery of the Notes to be repurchased. If the Paying Agent holds money sufficient to pay the repurchase price of the Notes on the Put Settlement Date, then, with respect to the Notes that have been properly specified for repurchase to the Paying Agent:

- the Notes will cease to be outstanding and, interest will cease to accrue (whether or not book-entry transfer of the Notes is made or whether or not the individual definitive note is delivered to the Paying Agent); and

- all other rights of the Holder will terminate (other than the right to receive the repurchase price).

No Notes may be repurchased pursuant to the Put Option on the Put Settlement Date if the principal amount of the Notes has been accelerated, and such acceleration has not been rescinded, on or prior to such date (except in the case of an acceleration resulting from an Event of Default by the Company in the payment of the repurchase price with respect to such Notes).

Our ability to satisfy our repurchase obligations may be affected by the factors described in "Risk Factors – Risks Relating to the Notes – The Company may not be able to repurchase the Notes at the option of the Holders of the Notes." If we fail to repurchase the Notes when required, we will be in default under the Indenture.

Conflicting Instructions with respect to Put Options and Offers to Purchase

Notwithstanding anything set forth in the captions "– Optional Redemption," "– Repurchase of Notes upon a Change of Control Triggering Event" or "– Repurchase of Notes at the Option of Holders," (1) in the event that two or more notices with respect to any of the Put Options and Offers to Purchase are sent to the Paying Agent on the same date, the notice with the earliest of Put Settlement Dates and Offer to Purchase Payment Dates shall prevail; (2) in the event that any two or more of the Put Settlement Dates with respect to any Put Options and the Offer to Purchase Payment Dates with respect to any Offers to Purchase fall on the same date, the notice sent to the Paying Agent first shall prevail; and (3) in the event that one or more notices with respect to any of the Put Options and Offers to Purchase are sent the Paying Agent on the same date and the relevant Put Settlement Dates and/or the relevant Offer to Purchase Payment Dates fall on the same date, then the Put Option and/or the Offer to Purchase that will provide Holders with a higher purchase price shall prevail.

No Mandatory Redemption or Sinking Fund

There will be no mandatory redemption or sinking fund payments for the Notes.

Additional Amounts

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

(1) for or on account of:

  (a) any tax, duty, assessment or other governmental charge that would not have been imposed but for:

    (i) the existence of any present or former connection between the Holder or beneficial owner of such Note and the Relevant Jurisdiction or the

jurisdiction through which payments are made, other than merely holding such Note or the receipt of payments thereunder, including, without limitation, such Holder or beneficial owner being or having been a national, domiciliary or resident of such Relevant Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein;

(ii) the presentation of such Note (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of, premium, if any, and interest on, such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the Holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any date within such 30-day period;

(iii) the failure of the Holder or beneficial owner to comply with a timely request of the Company or a Surviving Person addressed to the Holder, to provide information concerning such Holder's or its beneficial owner's nationality, residence, identity or connection with any Relevant Jurisdiction or the jurisdiction through which payments are made, if and to the extent that due and timely compliance with such request is required under the tax laws of such jurisdiction in order to reduce or eliminate any withholding or deduction as to which Additional Amounts would have otherwise been payable to such Holder; or

(iv) the presentation of such Note (in cases in which presentation is required) for payment in the Relevant Jurisdiction or the jurisdiction through which payments are made, unless such Note could not have been presented for payment elsewhere;

(b) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;

(c) any tax, assessment, withholding or deduction required by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended ("**FATCA**"), any current or future Treasury Regulations or rulings promulgated thereunder, any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, or any agreement with the U.S. Internal Revenue Service under FATCA; or

(d) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (a), (b) and (c); or

(2) to a Holder that is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be required to be included in the income under the laws of a Relevant Jurisdiction or the jurisdiction through which payments are made, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, or a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner or beneficial owner been the Holder thereof.

Whenever there is mentioned in any context the payment of principal of, and any premium or interest on, any Note, such mention shall be deemed to include payment of Additional Amounts provided for in the Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

Redemption for Taxation Reasons

The Notes may be redeemed, at the option of the Company or a Surviving Person with respect to the Company, as a whole but not in part, upon giving not less than 30 days' nor more

than 60 days' notice to the Holders (which notice shall be irrevocable) and the Trustee, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Company or the Surviving Person, as the case may be, for redemption (the "**Tax Redemption Date**") if, as a result of:

(1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Jurisdiction affecting taxation; or

(2) any change in the existing official position or the stating of an official position regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction),

which change or amendment is proposed and becomes effective (i) with respect to the Company on or after the Original Issue Date, or (ii) with respect to any Surviving Person, on or after the date such Surviving Person becomes a Surviving Person, with respect to any payment due or to become due under the Notes or the Indenture, the Company or a Surviving Person, as the case may be, is, or on the next Interest Payment Date would be, required to pay Additional Amounts, and such requirement cannot be avoided by the taking of reasonable measures by the Company or a Surviving Person, as the case may be; *provided* that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company or a Surviving Person, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due.

Prior to the mailing of any notice of redemption of the Notes pursuant to the foregoing, the Company or a Surviving Person, as the case may be, will deliver to the Trustee at least 30 days but not more than 60 days before a redemption date:

(1) an Officers' Certificate stating that such change or amendment referred to in the prior paragraph has occurred, describing the facts related thereto and stating that such requirement cannot be avoided by the Company or a Surviving Person as the case may be, taking reasonable measures available to it; and

(2) an Opinion of Counsel or an opinion of a tax consultant, in either case of recognized standing with respect to tax matters of the Relevant Jurisdiction, stating that the requirement to pay such Additional Amounts results from such change or amendment referred to in the prior paragraph.

The Trustee shall be entitled to accept such Officers' Certificate and Opinion of Counsel as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it shall be conclusive and binding on the Holders. The Trustee will not be responsible for any loss occasioned by acting in reliance on such Officers' Certificate and Opinion of Counsel. The Trustee is not obligated to investigate or verify any information contained in such Officers' Certificate and Opinion of Counsel.

Any Notes that are redeemed will be cancelled.

Certain Covenants

Set forth below are summaries of certain covenants contained in the Indenture.

Limitation on Indebtedness and Preferred Stock

(1) The Company will not, and the Company will not permit any Restricted Subsidiary to, Incur any Indebtedness (including Acquired Indebtedness), and the Company will not permit any Restricted Subsidiary to issue Preferred Stock; *provided* that the Company, Seazen Holdings, Seazen Resources, any Existing Notes Guarantor or any Finance Subsidiary may Incur Indebtedness (including Acquired Indebtedness) and any Restricted Subsidiary (other than Seazen Holdings, Seazen Resources, any Existing Notes Guarantor or any Finance Subsidiary) may Incur Permitted Subsidiary Indebtedness if, after giving effect to the Incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, (x) no Default has occurred and is continuing and (y) the Fixed Charge Coverage Ratio would be not less

than 2.0 to 1.0. Notwithstanding the foregoing, the Company will not permit any Restricted Subsidiary to, Incur any Disqualified Stock (other than Disqualified Stock held by the Company, Seazen Holdings, Seazen Resources, any Existing Notes Guarantor or a Finance Subsidiary, so long as it is so held).

(2) Notwithstanding the foregoing, the Company and, to the extent provided below, any Restricted Subsidiary may Incur each and all of the following ("**Permitted Indebtedness**"):

(a) Indebtedness under the Notes (excluding any Additional Notes);

(b) any *Pari Passu* Guarantees;

(c) Indebtedness of the Company or any Restricted Subsidiary outstanding on the Original Issue Date excluding Indebtedness permitted under clause (d) below; *provided* that such Indebtedness of Restricted Subsidiaries (other than Seazen Holdings, Seazen Resources, any Existing Notes Guarantor or any Finance Subsidiary) shall be included in the calculation of Permitted Subsidiary Indebtedness (other than any such Indebtedness excluded from the definition of Permitted Subsidiary Indebtedness by the terms thereof);

(d) Indebtedness of the Company or any Restricted Subsidiary owed to the Company or any Restricted Subsidiary; *provided* that (i) any event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Company or any Restricted Subsidiary) shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (d) and (ii) if the Company is the obligor on such Indebtedness and Seazen Holdings, Seazen Resources, any Existing Notes Guarantor or another Finance Subsidiary is not the obligee, such Indebtedness must expressly be subordinated in right of payment to the Notes;

(e) Indebtedness ("**Permitted Refinancing Indebtedness**") issued in exchange for, or the net proceeds of which are used to refinance or refund, replace, exchange, renew, repay, defease, discharge or extend (collectively, "refinance" and "refinances" and "refinanced" shall have a correlative meaning), then outstanding Indebtedness (or Indebtedness that is no longer outstanding but that is refinanced substantially concurrently with the Incurrence of such Permitted Refinancing Indebtedness) Incurred under the immediately preceding paragraph (1) or clauses (a), (b), (c), (h), (p), (q), (r), (s), (u), (v), (w) and (x) of this paragraph (2) and any refinancings thereof in an amount not to exceed the amount so refinanced (plus premiums, accrued interest, fees and expenses); *provided* that (i) Indebtedness the proceeds of which are used to refinance the Notes or Indebtedness that is *pari passu* with, or subordinated in right of payment to, the Notes shall only be permitted under this clause (e) if (A) in case the Notes are refinanced in part or the Indebtedness to be refinanced is *pari passu* with the Notes, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made *pari passu* with, or subordinate in right of payment to, the remaining Notes, or (B) in case the Indebtedness to be refinanced is subordinated in right of payment to the Notes, (i) such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes, at least to the extent that the Indebtedness to be refinanced is subordinated to the Notes, (ii) such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the Stated Maturity of the Indebtedness to be refinanced, and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced and (iii) in no event may Indebtedness of the Company be refinanced pursuant to this clause by means of any Indebtedness of any Restricted Subsidiary that is not New Metro Global Limited (新城環球有限公

司), Seazen Holdings, Seazen Resources, any Existing Notes Guarantor or another Finance Subsidiary;

(f) Indebtedness Incurred by the Company or any Restricted Subsidiary pursuant to Hedging Obligations designed solely to protect the Company or any Restricted Subsidiary from fluctuations in interest rates, currencies or the price of commodities and not for speculation;

(g) Pre-Registration Mortgage Guarantees by the Company or any Restricted Subsidiary;

(h) Indebtedness Incurred by the Company or any Restricted Subsidiary for the purpose of financing (x) all or any part of the purchase price of assets, real or personal property (including the lease purchase price of land use rights) or equipment to be used in the ordinary course of business by the Company or a Restricted Subsidiary in the Permitted Business, including any such purchase through the acquisition of Capital Stock of any Person that owns such real or personal property or equipment which will, upon acquisition, become a Restricted Subsidiary, or (y) all or any part of the purchase price or the cost of development, construction or improvement of assets, real or personal property (including the lease purchase price of land use rights) or equipment to be used in the ordinary course of business by the Company or such Restricted Subsidiary in the Permitted Business; *provided* that in the case of clauses (x) and (y), (A) the aggregate principal amount of such Indebtedness shall not exceed such purchase price or cost, (B) such Indebtedness shall be Incurred no later than 180 days after the acquisition of such asset, property or equipment or completion of such development, construction or improvement and (C) on the date of the Incurrence of such Indebtedness and after giving effect thereto, the sum of (1) the aggregate principal amount outstanding of all such Indebtedness permitted by this clause (h) (together with refinancings thereof, but excluding any Contractor Guarantee Incurred under this clause (h) to the extent the amount of such Contractor Guarantee is otherwise reflected in such aggregate principal amount) plus (2) the aggregate amount outstanding of all Indebtedness permitted and then outstanding under clauses (p), (q), (r), (s), (v) and (w) below (together with any refinancings thereof) does not exceed an amount equal to 30% of Total Assets;

(i) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting reimbursement obligations with respect to workers' compensation claims or self-insurance obligations or bid, performance or surety bonds (in each case other than for an obligation for borrowed money);

(j) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting reimbursement obligations with respect to letters of credit or trade guarantees issued in the ordinary course of business to the extent that such letters of credit or trade guarantees are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than the 30 days following receipt by the Company or such Restricted Subsidiary of a demand for reimbursement;

(k) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from Guarantees or letters of credit, surety bonds or performance bonds securing any obligation of the Company or any Restricted Subsidiary pursuant to such agreements, in any case, Incurred in connection with the disposition of any business, assets or Restricted Subsidiary, other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary for the purpose of financing such acquisition; *provided* that the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds actually received by the Company or any Restricted Subsidiary from the disposition of such business, assets or Restricted Subsidiary;

(l) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business *provided*, *however*, that such Indebtedness is extinguished within five Business Days of Incurrence;

(m) (i) Guarantees by the Company or any Restricted Subsidiary of Indebtedness of the Company or any Restricted Subsidiary that was permitted to be Incurred by another provision of this covenant, provided that such Guarantee is permitted to be made under the covenant under "– Limitation on Issuances of Guarantees by Restricted Subsidiaries"; or (ii) Guarantees by any Existing Notes JV Subsidiary Guarantor of Indebtedness of any other Existing Notes JV Subsidiary Guarantor that is a direct or indirect Subsidiary or parent of such Existing Notes JV Subsidiary Guarantor, which Indebtedness was permitted to be Incurred by another provision of this covenant;

(n) Indebtedness of the Company or any Restricted Subsidiary maturing within one year; provided that the aggregate principal amount of Indebtedness permitted by this clause (n) at any time outstanding does not exceed US$35 million (or the Dollar Equivalent thereof);

(o) Indebtedness of the Company or any Restricted Subsidiary constituting an obligation to pay the deferred purchase price of Capital Stock of a Restricted Subsidiary pursuant to a Staged Acquisition Agreement, to the extent that such deferred purchase price is paid within 12 months after the date the Company or such Restricted Subsidiary enters into and becomes obligated to pay under such Staged Acquisition Agreement;

(p) Acquired Indebtedness of any Restricted Subsidiary Incurred and outstanding on the date on which such Restricted Subsidiary became a Restricted Subsidiary (other than Indebtedness Incurred (i) to provide all or any portion of the funds utilized to consummate the transaction or series of transactions pursuant to which a Person becomes a Restricted Subsidiary or (ii) otherwise in contemplation of a Person becoming a Restricted Subsidiary or any such acquisition); provided that on the date of the Incurrence of all such Indebtedness and after giving effect thereto, the sum of (1) the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to this clause (q) (together with any refinancings thereof), plus (2) the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to clause (h) above and clauses (q), (r), (s), (v) and (w) below (together with any refinancings thereof, but excluding any Contractor Guarantee Incurred under clause (h) above to the extent the amount of such Contractor Guarantee is otherwise reflected in such aggregate principal amount), does not exceed an amount equal to 30% of Total Assets;

(q) Indebtedness Incurred by the Company or any Restricted Subsidiary arising from any Investment made by a Trust Company Investor in a PRC Project Company; *provided* that on the date of Incurrence of all such Indebtedness and after giving effect thereto, the sum of (1) the aggregate amount outstanding of all Indebtedness permitted under this clause (p) (together with any refinancings thereof) plus (2) the aggregate principal amount outstanding of all Indebtedness permitted under clauses (h) and (p) above and clauses (r), (s), (v) and (w) below (together with refinancings thereof, but excluding any Contractor Guarantee Incurred under clause (h) above to the extent the amount of such Contractor Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 30% of Total Assets;

(r) Indebtedness Incurred by any Restricted Subsidiary which is secured by Investment Properties; *provided* that on the date of the Incurrence of all such Indebtedness and after giving effect thereto, the sum of (1) the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to this clause (q) (together with any refinancings thereof), plus (2) the aggregate

principal amount outstanding of all such Indebtedness Incurred pursuant to clauses (h), (p) and (q) above and clauses (s), (v) and (w) below (together with any refinancings thereof, but excluding any Contractor Guarantee Incurred under clause (h) above to the extent the amount of such Contractor Guarantee is otherwise reflected in such aggregate principal amount), does not exceed an amount equal to 30% of Total Assets;

(s) Bank Deposit Secured Indebtedness Incurred by the Company or any Restricted Subsidiary; *provided* that on the date of the Incurrence of such Indebtedness and after giving effect thereto, the sum of (1) the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to this clause (r) (together with any refinancings thereof), plus (2) the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to clauses (h), (p), (q) and (r) above and (v) and (w) below (together with any refinancings thereof, but excluding any Contractor Guarantee Incurred under clause (h) above to the extent the amount of such Contractor Guarantee is otherwise reflected in such aggregate principal amount), does not exceed an amount equal to 30% of Total Assets;

(t) Indebtedness Incurred by the Company or a Restricted Subsidiary constituting a Subordinated Shareholder Loan;

(u) Indebtedness of the Company or any Restricted Subsidiary in an aggregate principal amount outstanding at any time (together with refinancings thereof) not to exceed US$30.0 million (or the Dollar Equivalent thereof); and

(v) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting a Guarantee of Indebtedness of any Person (other than the Company or a Restricted Subsidiary) by the Company or such Restricted Subsidiary; *provided* that on the date of the Incurrence of all such Indebtedness and after giving effect thereto, the sum of (1) the aggregate principal amount of all such Indebtedness Incurred under this clause (u) (together with any refinancings thereof), plus (2) the aggregate principal amount outstanding of Indebtedness that was permitted to be Incurred under clauses (h), (p), (q), (r) and (s) above and (w) below (together with any refinancings thereof, but excluding any Contractor Guarantee Incurred under clause (h) above to the extent the amount of such Contractor Guarantee is otherwise reflected in such aggregate principal amount), does not exceed an amount equal to 30% of Total Assets;

(w) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting an obligation to pay the deferred purchase price of Capital Stock of a Person pursuant to a Minority Interest Staged Acquisition Agreement, to the extent that such deferred purchase price is paid within 12 months after the date the Company or such Restricted Subsidiary enters into such Minority Interest Staged Acquisition Agreement and becomes obligated to pay such deferred purchase price; provided that on the date of the Incurrence of all such Indebtedness and after giving effect thereto, the sum of (1) the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to this clause (v) (together with any refinancings thereof), plus (2) the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to clauses (h), (p), (q), (r), (s), (v) above (together with any refinancings thereof, but excluding any Contractor Guarantee Incurred under clause (h) above to the extent the amount of such Contractor Guarantee is otherwise reflected in such aggregate principal amount), does not exceed an amount equal to 30% of Total Assets; and

(x) Indebtedness (i) Incurred for the purposes of, in connection with or to facilitate property delivery or to ensure social stability, where such incurrence of Indebtedness is as required by PRC government bodies and/or under applicable PRC laws, rules, regulations, government policies or measures, or (B) otherwise required by PRC government bodies as part of their rescue measures for stressed property developers.

(3) For purposes of determining compliance with this "Limitation on Indebtedness and Preferred Stock" covenant, in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, including under the proviso in paragraph (1) above, the Company, in its sole discretion, shall classify, and from time to time may reclassify, such item of Indebtedness as one or more of such types.

(4) Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that may be Incurred pursuant to this covenant will not be deemed to be exceeded with respect to any outstanding Indebtedness due solely to the result of fluctuations in the exchange rates of currencies.

Limitation on Restricted Payments

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly (the payments or any other actions described in clauses (1) through (4) below being collectively referred to as "**Restricted Payments**"):

(1) declare or pay any dividend or make any distribution on or with respect to the Company's or any Restricted Subsidiary's Capital Stock (other than dividends or distributions payable or paid in shares of the Company's or any Restricted Subsidiary's Capital Stock (other than Disqualified Stock or Preferred Stock) or in options, warrants or other rights to acquire shares of such Capital Stock) held by Persons other than the Company or any Restricted Subsidiary;

(2) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock of the Company or any Restricted Subsidiary (including options, warrants or other rights to acquire such shares of Capital Stock) or any direct or indirect parent of the Company held by any Persons other than the Company or any Restricted Subsidiary other than the purchase of Capital Stock of a Restricted Subsidiary pursuant to a Staged Acquisition Agreement;

(3) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Indebtedness that is subordinated in right of payment to the Notes (excluding any intercompany Indebtedness between or among the Company and any Restricted Subsidiary); or

(4) make any Investment, other than a Permitted Investment;

if, at the time of, and after giving effect to, the proposed Restricted Payment:

(A) a Default has occurred and is continuing or would occur as a result of such Restricted Payment;

(B) the Company could not Incur at least US$1.00 of Indebtedness under the proviso in paragraph (1) of the covenant described under the caption "– Limitation on Indebtedness and Preferred Stock"; or

(C) such Restricted Payment, together with the aggregate amount of (1) all Restricted Payments made by the Company and its Restricted Subsidiaries after the Original Issue Date and (2) all payments made by the Company and its Restricted Subsidiaries after the Measurement Date but on or before the Original Issue Date that would have been Restricted Payments had they been made after the Original Issue Date (excluding Restricted Payments permitted by clauses or payments that would have been permitted, as the case may be, by clauses (2) to (14) of the immediately following paragraph), shall exceed the sum (without duplication) of:

(1) 50% of the aggregate amount of the Consolidated Net Income of the Company (or, if the Consolidated Net Income is a loss, minus 100% of the amount of such loss) accrued on a cumulative basis during the period (taken as one

accounting period) beginning on January 1, 2012 and ending on the last day of the Company's most recently ended fiscal quarter for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile in a timely manner) are available (which may include internal consolidated financial statements); plus

(2) 100% of the aggregate Net Cash Proceeds received by the Company after the Measurement Date a capital contribution to its common equity or from the issuance and sale of its Capital Stock (other than Disqualified Stock) to a Person who is not a Subsidiary of the Company, including any such Net Cash Proceeds received upon (A) the conversion of any Indebtedness (other than Subordinated Indebtedness) of the Company into Capital Stock (other than Disqualified Stock) of the Company, or (B) the exercise by a Person who is not a Subsidiary of the Company of any options, warrants or other rights to acquire Capital Stock of the Company (other than Disqualified Stock) in each case excluding the amount of any such Net Cash Proceeds used to redeem, repurchase, defease or otherwise acquire or retire for value any Subordinated Indebtedness or Capital Stock of the Company; plus

(3) the amount by which Indebtedness of the Company or any Restricted Subsidiary is reduced on the Company's consolidated statement of financial position upon the conversion or exchange (other than by a Subsidiary of the Company) subsequent to the Measurement Date of any Indebtedness of the Company or any Restricted Subsidiary convertible or exchangeable into Capital Stock (other than Disqualified Stock) of the Company (less the amount of any cash, or the Fair Market Value of any other property, distributed by the Company upon such conversion or exchange); plus

(4) an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) that were made after the Measurement Date in any Person resulting from (A) payments of interest on Indebtedness, dividends or repayments of loans or advances by such Person, in each case to the Company or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income) after the Measurement Date, (B) the unconditional release of a Guarantee provided by the Company or a Restricted Subsidiary after the Measurement Date of an obligation of another Person, (C) to the extent that an Investment made after the Measurement Date was, after such date, or is sold or otherwise liquidated or repaid for cash, the lesser of (x) cash return of capital with respect to such Investment (less the cost of disposition, if any) and (y) the initial amount of such Investment, or (D) from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, not to exceed, in each case, the amount of Investments (other than Permitted Investments) made by the Company or a Restricted Subsidiary after the Measurement Date in any such Person; plus

(5) US$20.0 million (or the Dollar Equivalent thereof).

The foregoing provision shall not be violated by reason of:

(1) the payment of any dividend or redemption of any Capital Stock within 60 days after the related date of declaration or call for redemption if, at said date of declaration or call for redemption, such payment or redemption would comply with the preceding paragraph;

(2) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company with the Net Cash Proceeds of, or in exchange for, a substantially concurrent Incurrence of Permitted Refinancing Indebtedness;

(3) the redemption, repurchase or other acquisition of Capital Stock of the Company, Seazen Holdings, Seazen Resources, any Existing Notes Guarantor or any other

Finance Subsidiary (or options, warrants or other rights to acquire such Capital Stock) in exchange for, or out of the Net Cash Proceeds of a substantially concurrent capital contribution or a sale (other than to a Subsidiary of the Company) of, shares of Capital Stock (other than Disqualified Stock) of the Company, Seazen Holdings, Seazen Resources, any Existing Notes Guarantor or any other Finance Subsidiary; *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (c)(ii) of the preceding paragraph;

(4) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company in exchange for, or out of the Net Cash Proceeds of, a substantially concurrent capital contribution or sale (other than to a Subsidiary of the Company) of, shares of Capital Stock (other than Disqualified Stock) of the Company, Seazen Holdings, Seazen Resources, any Existing Notes Guarantor or any other Finance Subsidiary; *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (c)(ii) of the preceding paragraph;

(5) the payment of any dividends or distributions declared, paid or made by a Restricted Subsidiary payable, on a pro rata basis or on a basis more favorable to the Company, to all holders of any class of Capital Stock of such Restricted Subsidiary;

(6) payments made under a Staged Acquisition Agreement to acquire the Capital Stock of a Person, *provided* that such Person becomes a Restricted Subsidiary on or before the last date in the period stipulated in such Staged Acquisition Agreement for which the purchase price can be made (such date not to exceed 12 months from the date when the Company or any Restricted Subsidiary becomes obligated to pay under the Staged Acquisition Agreement) (the "**Deadline Date**"); *provided further* that in the event such Person does not become a Restricted Subsidiary on or before the Deadline Date, all payments previously made under this clause (6) shall be aggregated and constitute Restricted Payments made on the Deadline Date and such Restricted Payments must satisfy the other conditions under this "Limitations on Restricted Payments" covenant;

(7) the repurchase, redemption or other acquisition of Capital Stock of the Company from employees, former employees, directors or former directors of the Company or any Restricted Subsidiary (or their estate or authorized representatives) upon the death, disability or termination of employment of such employees or directors pursuant to agreements or plans (including employment agreements and share option plans) approved by the board of directors of the Company in an aggregate amount not to exceed US$1.0 million (or the Dollar Equivalent thereof) in any fiscal year of the Company;

(8) repurchases of Capital Stock deemed to occur upon the exercise of stock options if such Capital Stock represents a portion of the exercise price thereof;

(9) dividends paid to, or the purchase of Capital Stock of any PRC Project Company held by, any Trust Company Investor in respect of any Indebtedness permitted to be Incurred under clause (2)(q) of the covenant described under the caption "– Limitation on Indebtedness and Preferred Stock";

(10) an Investment in the Capital Stock of a Restricted Subsidiary held by a minority shareholder which Investment increases the proportion of the Capital Stock of such Restricted Subsidiary held, directly or indirectly, by the Company;

(11) the declaration and payment of dividends on the Common Stock of the Company by the Company with respect to any financial year in an aggregate amount not to exceed 20% of the Company's consolidated net profit in such financial year;

(12) payments, including distributions, made under or in connection with any Perpetual Bond Obligation pursuant to the terms thereof or in connection with a repurchase or redemption thereof;

(13) the declaration and payment of dividends by the Company to, or the making of loans to, any direct or indirect parent company of the Company in amounts required for any direct or indirect parent company to pay:

(a) franchise and excise taxes and other fees and expenses required to maintain its organizational existence;

(b) foreign, federal, state and local income and similar taxes, to the extent such income taxes are attributable to the income of the Company and its Restricted Subsidiaries and, to the extent of the amount actually received from its Unrestricted Subsidiaries, in amounts required to pay such taxes to the extent attributable to the income of such Unrestricted Subsidiaries; *provided* that in each case the amount of such payments in any fiscal year does not exceed the amount that the Company, its Restricted Subsidiaries and its Unrestricted Subsidiaries (to the extent described above) would be required to pay in respect of such foreign, federal, state and local income taxes for such fiscal year had the Company, its Restricted Subsidiaries and its Unrestricted Subsidiaries (to the extent described above) been a stand-alone taxpayer (separate from any such direct or indirect parent company of the Company);

(c) customary salary, bonus and other benefits payable to officers, employees, directors and managers of any direct or indirect parent company of the Company to the extent such salaries, bonuses and other benefits are attributable to the ownership or operation of the Company and its Restricted Subsidiaries;

(d) general corporate or other operating (including, without limitation, expenses related to auditing or other accounting matters) and overhead costs and expenses of any direct or indirect parent company of the Company to the extent such costs and expenses are attributable to the ownership or operation of the Company and its Restricted Subsidiaries; and

(e) cash interest required to be made in respect of any existing Indebtedness on the Original Issue Date of such indirect or direct parent of the Company in accordance with the terms of the agreements or instruments governing such Indebtedness; *provided* that such direct or indirect parent company of the Company is otherwise unable to pay such interest and such dividends or loans are applied directly to the payment of such interest; or

(14) the purchase by the Company or a Restricted Subsidiary of Capital Stock of any Restricted Subsidiary that is not Wholly Owned, directly or indirectly, by the Company from an Independent Third Party pursuant to an agreement entered into between/among the Company or any Restricted Subsidiary and such Independent Third Party solely for the purpose of acquiring real property or land use rights, provided that (A) such purchase occurs within 12 months after such Restricted Subsidiary acquires the real property or land use rights it was formed to acquire and (B) the Company delivers to the Trustee a Board Resolution set forth in an Officers' Certificate confirming that, in the opinion of the Board of Directors, the purchase price of such Capital Stock is less than or equal to the Fair Market Value of such Capital Stock;

provided that, in the case of clause (2), (3), (4) or (11) of the preceding paragraph, no Default shall have occurred and be continuing or would occur as a consequence of the actions or payments set forth therein.

The Restricted Payment made pursuant to clause (1) of the preceding paragraph shall be included in calculating whether the conditions of clause (C) of the first paragraph of this "– Limitation on Restricted Payments" covenant shall have been met with respect to any subsequent Restricted Payments.

The amount of any Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or the Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The value of any assets or securities (other than any Restricted Payments set forth in clauses (5) through (14) above and any Investment deemed to have been made by the Company or any Restricted Subsidiary in the Restructuring Group in connection with the Restructuring upon designation of such Subsidiaries as Unrestricted Subsidiaries (to the extent such Investment does not constitute a Permitted Investment pursuant to clause (19) of the definition thereof)) that are required to be valued by this covenant will be the Fair Market Value. The Board of Directors' determination of the Fair Market Value of a Restricted Payment or any such assets or securities must be based upon an opinion or appraisal issued by an appraisal or investment banking firm of recognized international standing if the Fair Market Value exceeds US$10.0 million (or the Dollar Equivalent thereof).

Not later than the date of making any Restricted Payment in excess of US$10.0 million (or the Dollar Equivalent thereof) ((other than any Restricted Payments set forth in clauses (5) through (14) above and any Investment deemed to have been made by the Company or any Restricted Subsidiary in the Restructuring Group in connection with the Restructuring upon designation of such Subsidiaries as Unrestricted Subsidiaries (to the extent such Investment does not constitute a Permitted Investment pursuant to clause (19) of the definition thereof))), the Company will deliver to the Trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this "– Limitation on Restricted Payments" covenant were computed, together with a copy of any fairness opinion or appraisal required by the Indenture.

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

(1) Except as provided below, the Company will not, and the Company will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:

(a) pay dividends or make any other distribution on any Capital Stock of such Restricted Subsidiary owned by the Company or any other Restricted Subsidiary;

(b) pay any Indebtedness or other obligation owed to the Company or any other Restricted Subsidiary;

(c) make loans or advances to the Company or any other Restricted Subsidiary; or

(d) sell, lease or transfer any of its property or assets to the Company or any other Restricted Subsidiary;

provided that for the avoidance of doubt the following shall not be deemed to constitute such an encumbrance or restriction: (i) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on Common Stock; (ii) the subordination of loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary; and (iii) the provisions contained in documentation governing Indebtedness requiring transactions between or among the Company and any Restricted Subsidiary or between or among any Restricted Subsidiary to be on fair and reasonable terms or on an arm's length basis.

(2) The provisions of paragraph (1) do not apply to any encumbrances or restrictions:

(a) existing in agreements as in effect on the Original Issue Date, or in the Notes, the Indenture, any Pari Passu Guarantee, any Indebtedness of the Company Guaranteed by any Pari Passu Guarantee or any Permitted Pari Passu Secured Indebtedness, and any extensions, refinancings, renewals or replacements of any of the foregoing agreements; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken

as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

(b) existing under or by reason of applicable law, rule, regulation or order;

(c) with respect to any Person or the property or assets of such Person acquired by the Company or any Restricted Subsidiary, existing at the time of such acquisition and not incurred in contemplation thereof, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Person or the property or assets of such Person so acquired, and any extensions, refinancings, renewals or replacements thereof; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

(d) that otherwise would be prohibited by the provision described in clause (1)(d) of this covenant if they arise, or are agreed to, in the ordinary course of business and, that (i) restrict in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease or license, (ii) exist by virtue of any Lien on, or agreement to transfer, option or similar right with respect to any property or assets of the Company or any Restricted Subsidiary not otherwise prohibited by the Indenture or (iii) do not relate to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of the Company or any Restricted Subsidiary in any manner material to the Company or any Restricted Subsidiary;

(e) with respect to a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, such Restricted Subsidiary that is permitted by the "– Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries," "– Limitation on Indebtedness and Preferred Stock" and "– Limitation on Asset Sales" covenants;

(f) with respect to any Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the Incurrence of Indebtedness of the type described under the "– Limitation on Indebtedness and Preferred Stock" covenant if, as determined by the Board of Directors, the encumbrances or restrictions are (i) customary for such types of agreements and (ii) would not, at the time agreed to, be expected to materially and adversely affect the ability of the Company to make required payment on the Notes and any extensions, refinancings, renewals or replacements of any of the foregoing agreements; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

(g) existing in customary provisions in joint venture agreements and other similar agreements, to the extent such encumbrance or restriction relates to the activities or assets of the Company or a Restricted Subsidiary that is a party to such joint venture and if (as determined in good faith by the Board of Directors) (i) the encumbrances or restrictions are customary for a joint venture or similar agreement of that type and (ii) the encumbrances or restrictions would not, at the time agreed to, be expected to materially and adversely affect the ability of the Company to make the required payments on the Notes; or

(h) existing with respect to any Unrestricted Subsidiary or the property or assets of such Unrestricted Subsidiary that is designated as a Restricted Subsidiary in

accordance with the terms of the Indenture at the time of such designation and not incurred in contemplation of such designation, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Subsidiary or its subsidiaries or the property or assets of such Subsidiary or its subsidiaries, and any extensions, refinancing, renewals or replacements thereof; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced.

Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries

The Company will not sell, and the Company will not permit any Restricted Subsidiary, directly or indirectly, to issue or sell any shares of Capital Stock of a Restricted Subsidiary (including options, warrants or other rights to purchase shares of such Capital Stock) except:

(1) to the Company or a Wholly Owned Restricted Subsidiary, or in the case of a Restricted Subsidiary that is not Wholly Owned, pro rata to its shareholders or incorporators or on a basis more favorable to the Company and its Restricted Subsidiaries;

(2) to the extent such Capital Stock represents director's qualifying shares or is required by applicable law to be held by a Person other than the Company or a Wholly Owned Restricted Subsidiary;

(3) the sale or issuance of Capital Stock of a Restricted Subsidiary if, immediately after giving effect to such sale or issuance, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any remaining Investment in such Person would have been permitted to be made under the "Limitation on Restricted Payments" covenant if made on the date of such sale or issuance and *provided* that the Company complies with the "– Limitation on Asset Sales" covenant; or

(4) the issuance or sale of Capital Stock of a Restricted Subsidiary (which remains a Restricted Subsidiary after any such issuance or sale); *provided* that the Company or such Restricted Subsidiary applies the Net Cash Proceeds of such issuance or sale in accordance with the "– Limitation on Asset Sales" covenant.

Limitation on Issuances of Guarantees by Restricted Subsidiaries

The Company will not permit any Restricted Subsidiary (other than Seazen Holdings, Seazen Resources, any Existing Notes Guarantor or any other Finance Subsidiary), directly or indirectly, to Guarantee any Indebtedness ("**Guaranteed Indebtedness**") of the Company, unless (1)(a) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for an unsubordinated Guarantee (in substantially the same terms and conditions as the Guarantee by such Restricted Subsidiary on such Guaranteed Indebtedness) of payment of the Notes by such Restricted Subsidiary and (b) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Company or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under such Guarantee of the Notes, until the Notes have been paid in full or (2) such Guarantee is permitted by clauses (2)(c), (d), (m)(ii) or (r) (in the case of (2)(r), with respect to the Guarantee provided by such Restricted Subsidiary through the pledge of cash deposits, bank accounts or other assets to secure (or the use of any Guarantee, letter of credit or similar instrument to Guarantee), directly, or indirectly, any Bank Deposit Secured Indebtedness of the Company), under the "– Limitation on Indebtedness and Preferred Stock" covenant.

Limitation on Transactions with Shareholders and Affiliates

The Company will, and will procure the Restricted Subsidiaries to, comply with the rules of The Stock Exchange of Hong Kong Limited governing transactions between the Company and/or its Restricted Subsidiaries on one hand and their respective related parties on the other, as

amended, supplemented and restated from time to time (the "**Listing Rules**"), except to the extent that failure so to comply would not constitute a material breach of the Listing Rules (as determined in good faith by the Board of Directors).

Limitation on Liens

The Company will not, and the Company will not permit any Restricted Subsidiary to, directly or indirectly, incur, assume or permit to exist any Lien of any nature whatsoever on any of its assets or properties of any kind, whether owned at the Original Issue Date or thereafter acquired, except Permitted Liens, unless the Notes are secured equally and ratably with (or, if the obligation or liability to be secured by such Lien is subordinated in right of payment to the Notes, prior to) the obligation or liability secured by such Lien, for so long as such obligation or liability is secured by such Lien.

Limitation on Sale and Leaseback Transactions

The Company will not, and the Company will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction; *provided* that the Company or any Restricted Subsidiary may enter into a Sale and Leaseback Transaction if:

(1) the Company or such Restricted Subsidiary could have (a) incurred Indebtedness in an amount equal to the Attributable Indebtedness relating to such Sale and Leaseback Transaction under the covenant described under the caption "– Limitation on Indebtedness and Preferred Stock" and (b) incurred a Lien to secure such Indebtedness pursuant to the covenant described under the caption "– Limitation on Liens," in which case, the corresponding Indebtedness and Lien will be deemed incurred pursuant to those provisions;

(2) the gross cash proceeds of such Sale and Leaseback Transaction are at least equal to the Fair Market Value of the property that is the subject of such Sale and Leaseback Transaction; and

(3) the transfer of assets in such Sale and Leaseback Transaction is permitted by, and the Company or such Restricted Subsidiary applies the proceeds of such transaction in compliance with, the covenant described under the caption "– Limitation on Asset Sales."

Limitation on Asset Sales

The Company will not, and the Company will not permit any Restricted Subsidiary to, consummate any Asset Sale, unless:

(1) no Default shall have occurred and be continuing or would occur as a result of such Asset Sale;

(2) the consideration received by the Company or such Restricted Subsidiary, as the case may be, is at least equal to the Fair Market Value of the assets sold or disposed of; and

(3) at least 75% of the consideration received consists of cash, Temporary Cash Investments or Replacement Assets; *provided* that in the case of an Asset Sale in which the Company or such Restricted Subsidiary receives Replacement Assets involving aggregate consideration in excess of US$10.0 million (or the Dollar Equivalent thereof), the Company shall deliver to the Trustee an opinion as to the fairness to the Company or such Restricted Subsidiary of such Asset Sale from a financial point of view issued by an accounting, appraisal or investment banking firm of recognized international standing. For purposes of this provision, each of the following will be deemed to be cash:

    (a) any liabilities, as shown on the Company's most recent consolidated statement of financial position, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes) that are assumed by the transferee of any such assets pursuant to a

customary assumption, assignment, novation or similar agreement that releases the Company or such Restricted Subsidiary from further liability; and

(b) any securities, notes or other obligations received by the Company or any Restricted Subsidiary from such transferee that are promptly, but in any event within 30 days of closing, converted by the Company or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion;

Within 360 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Company (or any Restricted Subsidiary) may apply such Net Cash Proceeds to:

(1) permanently repay Senior Indebtedness of the Company or any Indebtedness of a Restricted Subsidiary (and, if such Senior Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto) in each case owing to a Person other than the Company or a Restricted Subsidiary;

(2) acquire properties and assets that replace the properties and assets that were the subject of such Asset Sale or in properties or assets that will be used in the Permitted Businesses ("**Replacement Assets**"); or

(3) facilitate property delivery or ensure social stability as required by PRC government bodies and/or under applicable PRC laws, rules, regulations, government policies or measures.

Any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in clauses (1) and (2) in the immediately preceding paragraph will constitute "Excess Proceeds." Excess Proceeds of less than US$10.0 million (or the Dollar Equivalent thereof) will be carried forward and accumulated. When accumulated Excess Proceeds exceeds US$10.0 million (or the Dollar Equivalent thereof), within 10 days thereof, the Company must make an Offer to Purchase Notes having a principal amount equal to:

(1) accumulated Excess Proceeds, multiplied by

(2) a fraction (x) the numerator of which is equal to the outstanding principal amount of the Notes and (y) the denominator of which is equal to the outstanding principal amount of the Notes and all *pari passu* Indebtedness similarly required to be repaid, redeemed or tendered for in connection with the Asset Sale,

rounded down to the nearest US$1,000.

The offer price in any Offer to Purchase will be equal to 100% of the principal amount plus accrued and unpaid interest to the date of purchase, and will be payable in cash.

If any Excess Proceeds remain after consummation of an Offer to Purchase, the Company may use such Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes (and any other *pari passu* Indebtedness) tendered in (or required to be prepaid or redeemed in connection with) such Offer to Purchase exceeds the amount of Excess Proceeds, the Trustee will select the Notes (and such other *pari passu* Indebtedness) to be purchased on a pro rata basis based on the principal amount of Notes and such other *pari passu* Indebtedness tendered (or required to be prepaid or redeemed). Upon completion of each Offer to Purchase, the amount of Excess Proceeds will be reset at zero.

Limitation on the Company's Business Activities

The Company will not, and the Company will not permit any Restricted Subsidiary to, directly or indirectly, engage in any business other than Permitted Businesses; *provided, however*, that the Company or any Restricted Subsidiary may own Capital Stock of an Unrestricted Subsidiary or joint venture or other entity that is engaged in a business other than Permitted Businesses as long as any Investment therein was not prohibited when made by the covenant described under the caption "– Limitation on Restricted Payments."

Use of Proceeds

The Company will not, and the Company will not permit any Restricted Subsidiary to, use the net proceeds from the sale of the Notes, in any amount, for any purpose other than (1) in the

approximate amounts and for the purposes specified, including any adjustment in response to changes in acquisition or development plans as contemplated, under the caption "Use of Proceeds" in this offering memorandum (or in the case of Additional Notes, the offering document relating to the sale of such Additional Notes, if any) and (2) pending the application of all of such net proceeds in such manner, to invest the portion of such net proceeds not yet so applied in Temporary Cash Investments.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary; *provided* that (1) no Default shall have occurred and be continuing at the time of or after giving effect to such designation; (2) neither the Company nor any Restricted Subsidiary provides credit support for the Indebtedness of such Restricted Subsidiary (other than any Restricted Subsidiary in the Restructuring Group), if such credit support, at the time of or after giving effect to such designation, would not be permitted to be made under the covenant described under "– Limitation on Indebtedness and Preferred Stock" and the covenant described under "– Limitation on Restricted Payments"; (3) such Restricted Subsidiary does not own any Disqualified Stock of the Company or Disqualified or Preferred Stock of another Restricted Subsidiary or hold any Indebtedness of, or any Lien on any property of the Company or any Restricted Subsidiary, if such Disqualified or Preferred Stock or Indebtedness could not be Incurred under the covenant described under the caption "– Limitation on Indebtedness and Preferred Stock" or such Lien would violate the covenant described under the caption "– Limitation on Liens"; (4) such Restricted Subsidiary does not own any Voting Stock of another Restricted Subsidiary, and all of its Subsidiaries are Unrestricted Subsidiaries or are being concurrently designated to be Unrestricted Subsidiaries in accordance with this paragraph; and (5) the Investment deemed to have been made thereby in such newly-designated Unrestricted Subsidiary and each other newly-designated Unrestricted Subsidiary being concurrently redesignated would be permitted to be made by the covenant described under the caption "– Limitation on Restricted Payments" other than any Investment deemed to have been made by the Company or any Restricted Subsidiary in the Restructuring Group upon the designation of the Subsidiaries in the Restructuring Group as Unrestricted Subsidiaries in connection with the Restructuring, *provided* that (A) the Board of Directors has determined in good faith that the designation of such Subsidiaries as Unrestricted Subsidiaries is necessary to obtain approval from a Qualified Exchange for the Restructuring and (B) immediately prior to the designation of the Restructuring Group as Unrestricted Subsidiaries, the Consolidated Assets of the Restructuring Group shall be no more than 10% of the Total Assets of the Company.

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that (1) no Default shall have occurred and be continuing at the time of or after giving effect to such designation; (2) any Indebtedness of such Unrestricted Subsidiary outstanding at the time of such designation which will be deemed to have been Incurred by such newly-designated Restricted Subsidiary as a result of such designation would be permitted to be Incurred by the covenant described under the caption "– Limitation on Indebtedness and Preferred Stock"; (3) any Lien on the property of such Unrestricted Subsidiary at the time of such designation which will be deemed to have been incurred by such newly-designated Restricted Subsidiary as a result of such designation would be permitted to be incurred by the covenant described under the caption "– Limitation on Liens"; and (4) such Unrestricted Subsidiary is not a Subsidiary of another Unrestricted Subsidiary (that is not concurrently being designated as a Restricted Subsidiary).

Government Approvals and Licenses; Compliance with Law

The Company will, and will cause each Restricted Subsidiary to, (1) obtain and maintain in full force and effect all governmental approvals, authorizations, consents, permits, concessions and licenses as are necessary to engage in the Permitted Businesses; (2) preserve and maintain good and valid title to its properties and assets (including land-use rights) free and clear of any Liens other than Permitted Liens; and (3) comply with all laws, regulations, orders, judgments and decrees of any governmental body, except to the extent that failure so to obtain, maintain, preserve and comply would not reasonably be expected to have a material adverse effect on (a) the business, results of operations or prospects of the Company and its Restricted Subsidiaries, taken as a whole, or (b) the ability of the Company to perform its obligations under the Notes or the Indenture.

Anti-Layering

The Company will not Incur, any Indebtedness if such Indebtedness is contractually subordinated in right of payment to any other Indebtedness of the Company, unless such Indebtedness is also contractually subordinated in right of payment to the Notes, on substantially identical terms. This does not apply to distinctions between categories of Indebtedness that exist by reason of any Liens or Guarantees securing or in favor of some but not all of such Indebtedness.

Suspension of Certain Covenants

If, on any date following the date of the Indenture, the Notes have a rating of Investment Grade from both of the Rating Agencies and no Default has occurred and is continuing (a "**Suspension Event**"), then, beginning on that day and continuing until such time, if any, at which the Notes cease to have a rating of Investment Grade from either Rating Agency, the provisions of the Indenture summarized under the following captions will be suspended:

(1) "– Certain Covenants – Limitation on Indebtedness and Preferred Stock";

(2) "– Certain Covenants – Limitation on Restricted Payments";

(3) "– Certain Covenants – Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries";

(4) "– Certain Covenants – Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries";

(5) "– Certain Covenants – Limitation on Issuances of Guarantees by Restricted Subsidiaries";

(6) "– Certain Covenants – Limitation on the Company's Business Activities;

(7) "– Certain Covenants – Limitation on Sale and Leaseback Transactions";

(8) "– Certain Covenants – Limitation on Asset Sales";

(9) "– Certain Covenants – Limitation on Transactions with Shareholder and Affiliates";

(10) the covenants described in clauses (3), (4) and 5(x) under the first paragraph, and clauses (3), (4) and 5(x) under the second paragraph, under the caption "– Consolidation, Merger and Sale of Assets"; and

(11) the covenant described in clause (2)(a) under the caption "– Provision of Financial Statements and Reports".

During any period that the foregoing covenants have been suspended, the Board of Directors may not designate any Restricted Subsidiary as an Unrestricted Subsidiary pursuant to the covenant described under the caption "– Certain Covenants – Designation of Restricted and Unrestricted Subsidiaries" or the definition of "Unrestricted Subsidiary."

Such covenants will be reinstituted and apply according to their terms as of and from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Company or any Restricted Subsidiary properly taken in compliance with the provisions of the Indenture during the continuance of the Suspension Event, and following reinstatement the calculations under the covenant described under the caption "– Certain Covenants – Limitation on Restricted Payments" will be made as if such covenant had been in effect since the date of the Indenture except that no Default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended. There can be no assurance that the Notes will ever achieve a rating of Investment Grade or that any such rating will be maintained.

Provision of Financial Statements and Reports

(1) So long as any of the Notes remain outstanding, the Company will file with the Trustee and furnish to the Holders upon request, as soon as they are available but in

any event not more than 60 calendar days after they are filed with any recognized securities exchange on which the Company's ordinary shares are at any time listed for trading, true and correct copies in the English language of any financial or other report filed with such exchange; *provided* that if at any time the Common Stock of the Company ceases to be listed for trading on a recognized securities exchange, the Company will file with the Trustee and furnish to the Holders:

(a) as soon as they are available, but in any event within 90 calendar days after the end of the fiscal year of the Company, copies of its financial statements (on a consolidated basis and in the English language) in respect of such financial year (including a statement of income, statement of financial position and cash flow statement) audited by a member firm of an internationally-recognized firm of independent accountants;

(b) as soon as they are available, but in any event within 45 calendar days after the end of the second fiscal quarter of the Company, copies of its financial statements (on a consolidated basis and in the English language) in respect of such half-year period (including a statement of income, statement of financial position and cash flow statement) reviewed by a member firm of an internationally-recognized firm of independent accountants; and

(c) as soon as they are available, but in any event within 45 calendar days after the end of each of the first and third fiscal quarters of the Company, copies of its unaudited interim consolidated financial statements (on a consolidated basis and in the English language), including a statement of income, statement of financial position and cash flow statement, prepared on a basis consistent with the audited financial statements of the Company together with a certificate signed by the person then authorized to sign financial statements on behalf of the Company to the effect that such financial statements are true in all material respects and present fairly the financial position of the Company as at the end of, and the results of its operations for, the relevant quarterly period.

(2) In addition, so long as any of the Notes remain outstanding, the Company will provide to the Trustee (a) within 120 days after the close of each fiscal year ending after the Original Issue Date, an Officers' Certificate stating the Fixed Charge Coverage Ratio with respect to the four most recent fiscal quarter periods and showing in reasonable detail the calculation of the Fixed Charge Coverage Ratio, including the arithmetic computations of each component of the Fixed Charge Coverage Ratio, with a certificate from the Company's external auditors verifying the accuracy and correctness of the calculation and arithmetic computation; *provided*, that, the Company shall not be required to provide such auditor certificate if its external auditors refuse to provide such certificate as a result of a policy of such external auditors; and (b) as soon as possible and in any event within 10 days after the Company becomes aware or should reasonably become aware of the occurrence of a Default or an Event of Default, an Officers' Certificate setting forth the details of the Default or the Event of Default, and the action which the Company proposes to take with respect thereto.

Events of Default

The following events will be defined as "Events of Default" in the Indenture:

(1) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;

(2) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days;

(3) default in the performance or breach of the provisions of the covenants described under the caption "– Consolidation, Merger and Sale of Assets," the failure by the Company to consummate the repurchase in the manner described under the caption

"– Repurchase of Notes at the Option of the Holders," the failure by the Company to make or consummate an Offer to Purchase in the manner described under the captions "– Repurchase of Notes upon a Change of Control Triggering Event" or "– Certain Covenants – Limitation on Asset Sales";

(4) the Company or any Restricted Subsidiary defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the Notes (other than a default specified in clause (1), (2) or (3) above) and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee or the Holders of 25% or more in aggregate principal amount of the Notes;

(5) there occurs with respect to any Indebtedness of the Company or any Restricted Subsidiary having an outstanding principal amount of US$20.0 million (or the Dollar Equivalent thereof) or more in the aggregate for all such Indebtedness of all such Persons, whether such Indebtedness now exists or shall hereafter be created, (a) an event of default that has caused the holder thereof to declare such Indebtedness to be due and payable prior to its Stated Maturity and/or (b) the failure to make a principal payment when due;

(6) one or more final judgments or orders for the payment of money are rendered against the Company or any Restricted Subsidiary and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such Persons to exceed US$20.0 million (or the Dollar Equivalent thereof) (in excess of amounts which the Company's insurance carriers have agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;

(7) an involuntary case or other proceeding is commenced against the Company or any Significant Restricted Subsidiary with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Significant Restricted Subsidiary or for any substantial part of the property and assets of the Company or any Significant Restricted Subsidiary and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Company or any Significant Restricted Subsidiary under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect; or

(8) the Company or any Significant Restricted Subsidiary (a) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (b) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Significant Restricted Subsidiary or for all or substantially all of the property and assets of the Company or any Significant Restricted Subsidiary or (c) effects any general assignment for the benefit of creditors.

If an Event of Default (other than an Event of Default specified in clause (7) or (8) above) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the request of such Holders (subject to being indemnified and/or secured to its satisfaction) shall, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable or to enforce the performance of any provision of the Notes or the Indenture. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest on the Notes shall be immediately due and payable. If an Event of Default specified in clause (7) or (8) above occurs with respect to the Company or any Restricted Subsidiary, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

The Holders of at least a majority in aggregate principal amount of the outstanding Notes by written notice to the Company and to the Trustee may on behalf of the Holders of Notes waive all past defaults and rescind and annul a declaration of acceleration and its consequences if:

(1) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived, and

(2) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Upon such waiver, the Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, but no such waiver will extend to any subsequent or other Default or impair any right consequent thereon.

If an Event of Default occurs and is continuing, the Trustee may (subject to being indemnified and/or secured to its satisfaction) pursue, in its own name or as trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal of and interest on the Notes or enforce the performance of any provision of the Notes or the Indenture. The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding.

The Holders of at least a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that is unclear, conflicting or equivocal, conflicts with law or the Indenture, that may involve the Trustee in personal liability, or that the Trustee determines in good faith may be unduly prejudicial to the rights of Holders not joining in the giving of such direction and may take any other action it deems proper that is not inconsistent with any such direction received from Holders.

A Holder of Notes may not institute any proceeding, judicial or otherwise, with respect to the Indenture or the Notes, or for the appointment of a receiver or trustee, or for any other remedy under the Indenture or the Notes, unless:

(1) the Holder has previously given the Trustee written notice of a continuing Event of Default;

(2) the Holders of at least 25% in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy;

(3) such Holder or Holders offer the Trustee indemnity and/or security satisfactory to the Trustee against any costs, liability or expense to be incurred in compliance with such written request;

(4) the Trustee does not comply with the request within 60 days after receipt of the written request and the offer of indemnity and/or security; and

(5) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a written direction that is inconsistent with the request.

However, such limitations do not apply to the right of any Holder to receive payment of the principal of, premium, if any, or interest on, such Note, or to bring suit for the enforcement of any such payment, on or after the due date expressed in the Notes, which right shall not be impaired or affected without the consent of the Holder.

Officers of the Company must certify, on or before a date not more than 120 days after the end of each fiscal year, that a review has been conducted of the activities of the Company and its Restricted Subsidiaries and the Company's and its Restricted Subsidiaries' performance under the Indenture that the Company and its Restricted Subsidiaries have fulfilled all obligations thereunder, or, if there has been a default in the fulfillment of any such obligation, specifying each such default and the nature and status thereof. The Company will also be obligated to notify the Trustee in writing of any default or defaults in the performance of any covenants or agreements under the Indenture. See "– Provision of Financial Statements and Reports."

The Trustee and the Agents need not do anything to ascertain whether any Default or Event of Default has occurred or is continuing and may assume that no such Default or Event of Default has occurred and that the Company are performing all of their respective obligations under the Indenture and the Notes unless a Responsible Officer of the Trustee has received written notice of the occurrence of such Default or Event of Default.

Consolidation, Merger and Sale of Assets

The Company will not consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and its Restricted Subsidiaries' properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions) to another Person, unless:

(1) the Company shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets (the "Surviving Person") shall be a corporation organized and validly existing under the laws of the Cayman Islands, the British Virgin Islands or Hong Kong and shall expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of the Company under the Indenture and the Notes, as the case may be, including the obligation to pay Additional Amounts with respect to any jurisdiction in which it is organized or resident for tax purposes or through which it makes payments, and the Indenture and the Notes, as the case may be, shall remain in full force and effect;

(2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction on a pro forma basis, the Company or the Surviving Person, as the case may be, shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction;

(4) immediately after giving effect to such transaction on a pro forma basis the Company or the Surviving Person, as the case may be, could Incur at least US$1.00 of Indebtedness under paragraph (1) of the covenant described under the caption "– Limitation on Indebtedness and Preferred Stock";

(5) the Company delivers to the Trustee (x) an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (3) and (4)) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with; and

(6) no Rating Decline shall have occurred.

The Company will not consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and its Restricted Subsidiaries' properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions) to another Person, unless:

(1) the Company shall be the continuing Person, or the Surviving Person shall be a corporation organized and validly existing under the laws of the Cayman Islands, the British Virgin Islands or Hong Kong; and shall expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of the Company under the Indenture and the Notes, as the case may be, including the obligation to pay Additional Amounts with respect to any jurisdiction in which it is organized or resident for tax purposes or through which it makes payments, and the Indenture, and the Notes, as the case may be, shall remain in full force and effect;

(2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction on a pro forma basis, the Company or the Surviving Person of the Company, as the case may be, shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction;

(4) immediately after giving effect to such transaction on a pro forma basis, the Company or the Surviving Person of the Company, as the case may be, could Incur at least US$1.00 of Indebtedness under paragraph (1) of the covenant described under the caption "– Limitation on Indebtedness and Preferred Stock";

(5) the Company delivers to the Trustee (x) an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (3) and (4)) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with; and

(6) no Rating Decline shall have occurred;

provided that this paragraph shall not apply to any sale or other disposition that complies with the "– Limitation on Asset Sales" covenant.

Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

For the avoidance of doubt, for purposes of the covenants described under this caption "Consolidation, Merger and Sale of Assets," a sale of shares of Capital Stock of a Restricted Subsidiary which holds all or substantially all properties and assets of the Company to Independent Third Parties in an initial public offering and listing on a stock exchange of the shares of Capital Stock of such Restricted Subsidiary where such Restricted Subsidiary (i) remains a Restricted Subsidiary immediately after such sale and (ii) the Company, immediately after such sale, owns at least 30.0% of the Voting Stock of such Restricted Subsidiary shall not constitute a sale of substantially all properties and assets of the Company. The foregoing requirements shall not apply to a consolidation or merger of any Subsidiary Guarantor or JV Subsidiary Guarantor with and into the Company or any other Subsidiary Guarantor or JV Subsidiary Guarantor, so long as the Company or such Subsidiary Guarantor or JV Subsidiary Guarantor survives such consolidation or merger.

The foregoing provisions would not necessarily afford Holders protection in the event of highly-leveraged or other transactions involving the Company that may adversely affect Holders.

No Payments for Consents

The Company will not, and the Company shall not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid or is paid to all Holders that consent, waive or agree to amend such term or provision within the time period set forth in the solicitation documents relating to such consent, waiver or amendment. Notwithstanding the foregoing, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes in connection with an exchange or tender offer, the Company and any Restricted Subsidiary may exclude (i) Holders or beneficial owners of the Notes that are not institutional "accredited investors" as defined in Rule 501 under the Securities Act, and (ii) Holders or beneficial owners of the Notes in any jurisdiction where the inclusion of such Holders or beneficial owners would require the Company or any Restricted Subsidiary to comply with the registration requirements or other similar requirements under any securities laws of such jurisdiction, or the solicitation of such consent, waiver or amendment from, or the granting of

such consent or waiver, or the approval of such amendment by, Holders or beneficial owners in such jurisdiction would be unlawful, in each case as determined by the Company in its sole discretion.

Defeasance

Defeasance and Discharge

The Indenture will provide that the Company will be deemed to have paid and will be discharged from any and all obligations in respect of the Notes on the 183rd day after the deposit referred to below, and the provisions of the Indenture will no longer be in effect with respect to the Notes (except for, among other matters, certain obligations to register the transfer or exchange of the Notes, to replace stolen, lost or mutilated Notes, to maintain paying agencies, to pay Additional Amounts and to hold monies for payment in trust) if, among other things:

(1) the Company (a) has deposited with the Trustee (or its agent), in trust, money and/or U.S. Government Obligations that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity for such payments in accordance with the terms of the Indenture and the Notes and (b) has delivered to the Trustee an Opinion of Counsel or a certificate of an internationally-recognized firm of independent accountants to the effect that the amount deposited by the Company is sufficient to provide payment for the principal of, premium, if any, and accrued interest on, the Notes on the Stated Maturity for such payment in accordance with the terms of the Indenture;

(2) the Company has delivered to the Trustee an Opinion of Counsel of recognized international standing to the effect that the creation of the defeasance trust does not violate the U.S. Investment Company Act of 1940, as amended, and after the passage of 123 days following the deposit, the trust fund will not be subject to the effect of Section 547 of the United States Bankruptcy Code or Section 15 of the New York Debtor and Creditor Law; and

(3) immediately after giving effect to such deposit on a pro forma basis, no Event of Default, or event that after the giving of notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing on the date of such deposit or during the period ending on the 183rd day after the date of such deposit, and such defeasance shall not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Company or any Restricted Subsidiary is a party or by which the Company or any Restricted Subsidiary is bound.

Defeasance of Certain Covenants

The Indenture will further provide that the provisions of the Indenture applicable to the Notes will no longer be in effect with respect to clauses (3), (4), (5)(x) and (7) under the first paragraph, and clauses (3), (4), (5)(x) and (6) under the second paragraph under "– Consolidation, Merger and Sale of Assets" and all the covenants described herein under "– Certain Covenants," other than as described under "– Certain Covenants-Government Approvals and Licenses; Compliance with Law" and "– Certain Covenants-Anti-Layering," clause (3) under "Events of Default" with respect to clauses (3), (4), (5)(x) and (7) under the first paragraph, and clauses (3), (4), (5)(x) and (6) under the second paragraph under "Consolidation, Merger and Sale of Assets" and with respect to the other events set forth in such clause, clause (4) under "Events of Default" with respect to such other covenants and clauses (5) and (6) under "Events of Default" shall be deemed not to be Events of Default upon, among other things, the deposit with the Trustee (or its agent), in trust, of money, U.S. Government Obligations or a combination thereof that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the Notes and the satisfaction of the provisions described in clause (2) of the preceding paragraph.

Defeasance and Certain Other Events of Default

In the event that the Company exercises its option to omit compliance with certain covenants and provisions of the Indenture as described in the immediately preceding paragraph

and the Notes are declared due and payable because of the occurrence of an Event of Default that remains applicable, the amount of money and/or U.S. Government Obligations on deposit with the Trustee (or its agent) will be sufficient to pay amounts due on the Notes at the time of their Stated Maturity but may not be sufficient to pay amounts due on the Notes at the time of the acceleration resulting from such Event of Default. However, the Company will remain liable for such payments.

Amendments and Waiver

Amendments Without Consent of Holders

The Indenture and the Notes may be amended, without the consent of any Holder, to:

(1) cure any ambiguity, defect, omission or inconsistency in the Indenture or the Notes;

(2) comply with the provisions described under "– Consolidation, Merger and Sale of Assets";

(3) evidence and provide for the acceptance of appointment by a successor Trustee;

(4) add any guarantee with respect to the Notes;

(5) provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture;

(6) add security to secure the Notes

(7) in any other case where a supplemental indenture to the Indenture is required or permitted to be entered into pursuant to the provisions of the Indenture without the consent of any Holder;

(8) effect any changes to the Indenture in a manner necessary to comply with the procedures of Euroclear or Clearstream or any applicable clearing system;

(9) make any other change that does not materially and adversely affect the rights of any Holder;

(9) permit Permitted Pari Passu Secured Indebtedness and any action to permit the creation and registration of Liens on assets of the Company or the Existing Notes Guarantors to secure Permitted Pari Passu Secured Indebtedness in accordance with the Existing Notes; or

(10) conform the text of the Indenture or the Notes to any provision of this "Description of the Notes" to the extent that such provision in this "Description of the Notes" was intended to be a verbatim recitation of a provision in the Indenture or the Notes.

Amendments With Consent of Holders

The Indenture and the Notes may be amended with the consent of the Holders of not less than a majority in aggregate principal amount of the outstanding Notes and the Holders of not less than a majority in aggregate principal amount of the outstanding Notes may amend or waive future compliance by the Company or any Restricted Subsidiary with any provision thereof; *provided*, *however*, that no such amendment or waiver may, without the consent of each Holder affected thereby:

(1) change the Stated Maturity of the principal of, or any installment of interest on, any Note;

(2) reduce the principal amount of, or premium, if any, or interest on, any Note;

(3) change the currency, time or place of payment of principal of, or premium, if any, or interest on, any Note;

(4) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity (or, in the case of a redemption, on or after the redemption date) of any Note;

(5) reduce the above-stated percentage of outstanding Notes the consent of whose Holders is necessary to modify or amend the Indenture;

(6) waive a default in the payment of principal of, premium, if any, or interest on the Notes;

(7) reduce the percentage or aggregate principal amount of outstanding Notes the consent of whose Holders is necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults;

(8) amend, change or modify any provision of the Indenture in a manner that adversely affects the Holders, except in accordance with the other provisions of the Indenture;

(9) reduce the amount payable upon a Change of Control Offer or an Offer to Purchase with the Excess Proceeds from any Asset Sale or change the time or manner by which a Change of Control Offer or an Offer to Purchase with the Excess Proceeds or other proceeds from any Asset Sale may be made or by which the Notes must be repurchased pursuant to a Change of Control Offer or an Offer to Purchase with the Excess Proceeds or other proceeds from any Asset Sale, whether through an amendment, waiver or modification of provisions in the covenants, definitions or otherwise, unless such amendment, waiver or modification shall be in effect prior to the occurrence of a Change of Control Triggering Event or an event giving rise to the repurchase of the Notes under "– Certain Covenants – Limitation on Asset Sales";

(10) reduce the amount payable upon repurchase of the Notes or change the time or manner by which repurchase of the Notes may be made as described under the caption "– Repurchase of Notes at the Option of the Holders";

(11) change the redemption date or the redemption price of the Notes from that stated under the caption "– Optional Redemption" or "– Redemption for Taxation Reasons";

(12) amend, change or modify the obligation of the Company to pay Additional Amounts; or

(13) amend, change or modify any provision of the Indenture or the related definition affecting the ranking of the Notes in a manner which adversely affects the Holders.

Unclaimed Money

Claims against the Company for the payment of principal of, premium, if any, or interest, on the Notes will become void unless presentation for payment is made as required in the Indenture within a period of six years.

No Personal Liability of Incorporators, Stockholders, Officers, Directors or Employees

No recourse for the payment of the principal of, premium, if any, or interest on any of the Notes or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company in the Indenture, or in any of the Notes, or because of the creation of any Indebtedness represented thereby, shall be had against any incorporator, stockholder, officer, director, employee or controlling person of the Company, or of any successor Person thereof. Each Holder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws.

Concerning the Trustee and the Agents

The Bank of New York Mellon, London Branch, a banking corporation organized and existing under the laws of the State of New York with limited liability and operating through its branch in London at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom, is to be appointed as Trustee under the Indenture and as paying agent (the "**Paying Agent**", including any

successor paying agent) with regard to the Notes. The Bank of New York Mellon SA/NV, Dublin Branch, a banking corporation organized and existing under the laws of the State of New York with limited liability and operating through its branch in Dublin, Ireland at Riverside II, Sir John Rogerson's Quay, Grand Canal Dock, Dublin 2, Ireland, is to be appointed as note registrar (the "**Registrar**", including any successor registrar) and transfer agent (the "**Transfer Agent**", including any successor transfer agent, and together with the Paying Agent and Registrar, the "**Agents**", including any successor agent appointed from time to time under the Agent Appointment Letter (as defined in the Indenture)) with regard to the Notes. Except during the continuance of an Event of Default, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Indenture, and no implied covenant or obligation shall be read into the Indenture against the Trustee. If an Event of Default has occurred and is continuing, the Trustee will use the same degree of care and skill in its exercise of the rights and powers vested in it under the Indenture as a prudent person would exercise under the circumstances in the conduct of such person's own affairs.

The Indenture contains limitations on the rights of the Trustee, should it become a creditor of the Company, to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. The Trustee is permitted to engage in other transactions, including normal banking and trustee relationships, with the Company and its Affiliates; *provided*, *however*, that if it acquires any conflicting interest, it must eliminate such conflict or resign.

The Trustee will not be under any obligation to exercise any rights or powers conferred under the Indenture for the benefit of the Holders unless the requisite number of Holders have instructed the Trustee in writing and offered to the Trustee indemnity and/or security satisfactory to it against any loss, liability or expense. Furthermore, each Holder, by accepting the Notes will agree, for the benefit of the Trustee and the Agents that it is solely responsible for its own independent appraisal of and investigation into all risks arising under or in connection with the Indenture and the Notes and has not relied on and will not at any time rely on the Trustee and the Agents in respect of such risks.

Book-Entry; Delivery and Form

The Notes will be represented by one or more global notes in registered form without interest coupons attached (each a "**Global Note**"). On the Original Issue Date, the Global Note will be deposited with a common depositary and registered in the name of the common depositary or its nominee for the accounts of Euroclear and Clearstream.

Global Note

Ownership of beneficial interests in the Global Note (the "**book-entry interests**") will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that may hold interests through such participants. Book-entry interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream and their participants.

Except as set forth below under "– Individual Definitive Notes," the book-entry interests will not be held in definitive form. Instead, Euroclear and/or Clearstream will credit on their respective book-entry registration and transfer systems a participant's account with the interest beneficially owned by such participant. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair the ability to own, transfer or pledge book-entry interests.

So long as the Notes are held in global form, the common depositary for Euroclear and/or Clearstream (or its nominee) will be considered the sole holder of the Global Note for all purposes under the Indenture and "holders" of book-entry interests will not be considered the owners or "Holders" of Notes for any purpose. As such, participants must rely on the procedures of Euroclear and Clearstream and indirect participants must rely on the procedures of the participants through which they own book-entry interests in order to transfer their interests in the Notes or to exercise any rights of Holders under the Indenture.

None of the Company, the Trustee or any of their respective agents will have any responsibility or be liable for any aspect of the records relating to the book-entry interests. The Notes are not issuable in bearer form.

Payments on the Global Note

Payments of any amounts owing in respect of the Global Note (including principal, premium, interest and additional amounts) will be made to the Paying Agent. The Paying Agent will, in turn, make such payments to the common depositary for Euroclear and Clearstream, which will distribute such payments to participants in accordance with their procedures. The Company will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under "– Additional Amounts."

Under the terms of the Indenture, the Company, the Agents and the Trustee will treat the registered holder of the Global Note (i.e., the common depositary or its nominee) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Company, the Trustee or any of their respective agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a book-entry interest, for any such payments made by Euroclear, Clearstream or any participant or indirect participants, or for maintaining, supervising or reviewing any of the records of Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a book-entry interest; or

- any action or failure to take any action by Euroclear, Clearstream or any participant or indirect participant.

Payments by participants to owners of book-entry interests held through participants are the responsibility of such participants.

Redemption of Global Note

In the event the Global Note, or any portion thereof, is redeemed, the common depositary will distribute the amount received by it in respect of the Global Note so redeemed to Euroclear and/or Clearstream, as applicable, who will distribute such amount to the holders of the book-entry interests in such Global Note. The redemption price payable in connection with the redemption of such book-entry interests will be equal to the amount received by the common depositary, Euroclear or Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). The Company understands that under existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate; *provided*, *however*, that no book-entry interest of US$200,000 principal amount, or less, as the case may be, will be redeemed in part.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised that they will take any action permitted to be taken by a Holder only at the direction of one or more participants to whose account the book-entry interests in the Global Note are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Note.

Transfers

Transfers between participants in Euroclear and Clearstream will be effected in accordance with Euroclear and Clearstream's rules and will be settled in immediately available funds. If a Holder requires physical delivery of individual definitive notes for any reason, including to sell the Notes to persons in jurisdictions which require physical delivery of such securities or to pledge such securities, such Holder must transfer its interest in the Global Note in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the provisions of the Indenture.

Book-entry interests in the Global Note will be subject to the restrictions on transfer discussed under "Transfer Restrictions."

Any book-entry interest in a Global Note that is transferred to a person who takes delivery in the form of a book-entry interest in another Global Note will, upon transfer, cease to be a book-entry interest in the first-mentioned Global Note and become a book-entry interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to book-entry interests in such other Global Note for as long as it retains such a book-entry interest.

Global Clearance and Settlement Under the Book-Entry System

Book-entry interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable. Book-entry interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value on the settlement date.

The book-entry interests will trade through participants of Euroclear or Clearstream, and will settle in immediately available funds. Since the purchaser determines the place of delivery, it is important to establish at the time of trading of any book-entry interests where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Information Concerning Euroclear and Clearstream

The Company understands as follows with respect to Euroclear and Clearstream:

Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions, such as underwriters, securities brokers and dealers, banks and trust companies, and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Although the foregoing sets out the procedures of Euroclear and Clearstream in order to facilitate the original issue and subsequent transfers of interests in the Notes among participants of Euroclear and Clearstream, neither Euroclear nor Clearstream is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

None of the Company, the Trustee or any of their respective agents will have responsibility for the performance of Euroclear or Clearstream or their respective participants of their respective obligations under the rules and procedures governing their operations, including, without limitation, rules and procedures relating to book-entry interests.

Individual Definitive Notes

If (1) the common depositary or any successor to the common depositary is at any time unwilling or unable to continue as a depositary for the reasons described in the Indenture and a successor depositary is not appointed within 90 days (2) either Euroclear or Clearstream, or a successor clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so, or (3) any of the Notes has become immediately due and payable in accordance with "– Events of Default" and the Company has received a written request from a Holder, the Company will issue individual definitive notes in registered form in exchange for the Global Note. Upon receipt of such notice from the common depositary or the Trustee, as the case may be, the Company will use its best efforts to make arrangements with the common depositary for the exchange of interests in the Global Note for individual definitive notes and cause the

requested individual definitive notes to be executed and delivered to the Registrar in sufficient quantities and authenticated by the Trustee or the Registrar for delivery to Holders. Persons exchanging interests in the Global Note for individual definitive notes will be required to provide the Registrar, through the relevant clearing system, with written instruction and other information required by the Company and the Registrar to complete, execute and deliver such individual definitive notes. In all cases, individual definitive notes delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by the relevant clearing system.

Individual definitive notes will not be eligible for clearing and settlement through Euroclear or Clearstream.

Notices

All notices or demands required or permitted by the terms of the Notes or the Indenture to be given to or by the Holders are required to be in writing and may be given or served by being sent by prepaid courier or first-class mail (if intended for the Company) addressed to the Company at the registered office of the Company; if intended for the Trustee, at the corporate trust office of the Trustee; and (if intended for any Holder) addressed to such Holder at such Holder's last address as it appears in the Note register. Any such notice, demand or other communications may also be sent via electronic means in accordance with the terms of the Indenture.

Any such notice or demand will be deemed to have been sufficiently given or served when so sent or deposited and, if to the Holders, when delivered in accordance with the applicable rules and procedures of Euroclear or Clearstream, as the case may be. Any such notice shall be deemed to have been delivered on the day such notice is delivered to Euroclear or Clearstream, as the case may be, or if by mail, when so sent or deposited.

Consent to Jurisdiction; Service of Process

The Company will irrevocably (1) submit to the non-exclusive jurisdiction of any U.S. federal or New York state court located in the Borough of Manhattan, The City of New York in connection with any suit, action or proceeding arising out of, or relating to, the Notes, the Indenture or any transaction contemplated thereby and (2) designate and appoint Cogency Global Inc. for receipt of service of process in any such suit, action or proceeding.

Governing Law

Each of the Notes and the Indenture provides that such instrument will be governed by, and construed in accordance with, the laws of the State of New York.

Definitions

Set forth below are defined terms used in the covenants and other provisions of the Indenture. Reference is made to the Indenture for other capitalized terms used in this "Description of the Notes" for which no definition is provided.

"Acquired Indebtedness" means Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary or Indebtedness of a Restricted Subsidiary assumed in connection with an Asset Acquisition by such Restricted Subsidiary whether or not Incurred in connection with, or in contemplation of, the Person merging with or into or becoming a Restricted Subsidiary.

"Adjusted Treasury Rate" means, with respect to any redemption date, (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three (3) months before or after June 26, 2027, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or

any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date, in each case calculated on the third Business Day immediately preceding the redemption date.

"Affiliate" means, with respect to any Person, any other Person (1) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person; (2) who is a director or officer of such Person or any Subsidiary of such Person or of any Person referred to in clause (1) of this definition; or (3) who is a spouse or any person cohabiting as a spouse, child or step-child, parent or step-parent, brother, sister, step-brother or step-sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew and niece of a Person described in clause (1) or (2). For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Applicable Premium" means with respect to any Note at any redemption date, the greater of (1) 1.00% of the principal amount of such Note and (2) the excess of (A) the present value at such redemption date of (x) the principal amount of such Note at such redemption date of the redemption price of such Note on June 26, 2027 (such redemption price being set forth in the first paragraph under the caption "– Optional Redemption" exclusive of any accrued interest), plus (y) all required remaining scheduled interest payments due on such Note through June 26, 2027 (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Adjusted Treasury Rate plus 100 basis points, over (B) the principal amount of such Note on such redemption date.

"Asset Acquisition" means (1) an investment by the Company or any Restricted Subsidiary in any other Person pursuant to which such Person shall become a Restricted Subsidiary or shall be merged into or consolidated with the Company or any Restricted Subsidiary; or (2) an acquisition by the Company or any Restricted Subsidiary of the property and assets of any Person other than the Company or any Restricted Subsidiary that constitute substantially all of a division or line of business of such Person.

"Asset Disposition" means the sale or other disposition by the Company or any Restricted Subsidiary (other than to the Company or another Restricted Subsidiary) of (1) all or substantially all of the Capital Stock of any Restricted Subsidiary; or (2) all or substantially all of the assets that constitute a division or line of business of the Company or any Restricted Subsidiary.

"Asset Sale" means any sale, transfer or other disposition (including by way of merger, consolidation or Sale and Leaseback Transaction) of any of its property or assets (including any sale of Capital Stock of a Subsidiary or issuance of Capital Stock by a Restricted Subsidiary) in one transaction or a series of related transactions by the Company or any Restricted Subsidiary to any Person; *provided* that "Asset Sale" shall not include:

(1) sales, transfers or other dispositions of inventory, receivables and other current assets (including properties under development for sale and completed properties for sale) in the ordinary course of business;

(2) sales, transfers or other dispositions of assets constituting a Permitted Investment or Restricted Payment permitted to be made under the "– Limitation on Restricted Payments" covenant;

(3) sales, transfers or other dispositions of assets with a Fair Market Value not in excess of US$1.0 million (or the Dollar Equivalent thereof) in any transaction or series of related transactions;

(4) any sale, transfer, assignment or other disposition of any property, or equipment that has become damaged, worn out, obsolete or otherwise unsuitable for use in connection with the business of the Company and its Restricted Subsidiaries;

(5) any transfer, assignment or other disposition deemed to occur in connection with creating or granting any Permitted Lien;

(6) a transaction covered by the "– Consolidation, Merger and Sale of Assets" covenant;

(7) any sale, transfer or other disposition by the Company or any Restricted Subsidiary, including the sale or issuance by the Company or any Restricted Subsidiary of any Capital Stock of any Restricted Subsidiary, to the Company or any Restricted Subsidiary; and

(8) any sale, transfer or other disposal for the purposes of, in connection with or to facilitate property delivery or to ensure social stability, where such sale, transfer or other disposal is required or requested by PRC government bodies and/or under applicable PRC law, rules, regulations, government policies or measures.

"Attributable Indebtedness" means, in respect of a Sale and Leaseback Transaction, at the time of determination, the present value, discounted at the interest rate implicit in the Sale and Leaseback Transaction, of the total obligations of the lessee for rental payments during the remaining term of the lease in the Sale and Leaseback Transaction, including any period for which such lease has been extended or may, at the option of the lessor, be extended.

"Average Life" means, at any date of determination with respect to any Indebtedness, the quotient obtained by dividing (1) the sum of the products of (a) the number of years from such date of determination to the dates of each successive scheduled principal payment of such Indebtedness and (b) the amount of such principal payment by (2) the sum of all such principal payments.

"Bank Deposit Secured Indebtedness" means Indebtedness of the Company or any Restricted Subsidiary that is (i) secured by cash deposits, bank accounts or other assets of the Company or a Restricted Subsidiary and/or (ii) Guaranteed by a Guarantee or a letter of credit (or similar instruments) from or arranged by the Company or a Restricted Subsidiary and is used by the Company and its Restricted Subsidiaries to in effect exchange foreign currencies or remit money onshore or offshore.

"Board of Directors" means the board of directors elected or appointed by the stockholders of the Company to manage the business of the Company or any committee of such board duly authorized to take the action purported to be taken by such committee.

"Board Resolution" means any resolution of the Board of Directors taking an action which it is authorized to take and adopted at a meeting duly called and held at which a quorum of disinterested members (if so required) was present and acting throughout or adopted by written resolution executed by every member of the Board of Directors.

"Business Day" means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in The City of New York, London or Hong Kong (or in any other place in which payments on the Notes are to be made) are authorized by law or governmental regulation to close.

"Capital Stock" means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Original Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock, but excluding debt securities convertible into such equity.

"Capitalized Lease" means, with respect to any Person, any lease of any property (whether real, personal or mixed) which, in conformity with GAAP, is required to be capitalized on the balance sheet or statement of financial position of such Person.

"Capitalized Lease Obligations" means the discounted present value of the rental obligations under a Capitalized Lease.

"Change of Control" means the occurrence of one or more of the following events:

(1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries, taken as a whole, to any "person" (within the meaning of Section 13(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), other than one or more Permitted Holders;

(2) the Company consolidates with, or merges with or into, any Person (other than one or more Permitted Holders), or any Person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Stock of the Company outstanding immediately prior to such transaction is converted into or exchanged for (or continues as) Voting Stock (other than Disqualified Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance) and in substantially the same proportion as before the transaction;

(3) (a) the Permitted Holders are the beneficial owners of less than 35.0% of the total voting power of the Voting Stock of the Company and (b) Mr. Wang Xiaosong ceases to be the chairman of the board of directors of the Company;

(4) individuals who on the Original Issue Date constituted the board of directors of the Company, together with any new directors whose election was approved by a vote of at least a majority of the directors then still in office who were either directors or whose election was previously so approved, cease for any reason to constitute a majority of the board of directors of the Company then in office;

(5) the adoption of a plan relating to the liquidation or dissolution of the Company.

"Change of Control Triggering Event" means the occurrence of both a Change of Control and a Rating Decline.

"Clearstream" means Clearstream Banking S.A.

"Commodity Agreement" means any spot, forward or option commodity price protection agreements or other similar agreement or arrangement designed to protect against fluctuations in commodity prices.

"Common Stock" means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock or ordinary shares, whether or not outstanding on the Original Issue Date, and include, without limitation, all series and classes of such common stock or ordinary shares.

"Comparable Treasury Issue" means the U.S. Treasury security having a maturity comparable to June 26, 2027 that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to June 26, 2027.

"Comparable Treasury Price" means, with respect to any redemption date if clause (ii) of the Adjusted Treasury Rate is applicable, the average of three (or such lesser number as is obtained by the Company) Reference Treasury Dealer Quotations for such redemption date.

"Consolidated Assets" means, with respect to any Restricted Subsidiary at any date of determination, the Company and its Restricted Subsidiaries' proportionate interest in the total consolidated assets of such Restricted Subsidiary and its Restricted Subsidiaries measured in accordance with GAAP as of the last day of the most recent fiscal quarter period for which consolidated financial statements of the Company and its Restricted Subsidiaries (which the

Company shall use its reasonable best efforts to compile in a timely manner) are available (which may include internal consolidated financial statements).

"Consolidated EBITDA" means, for any period, Consolidated Net Income for such period plus, to the extent such amount was deducted in calculating such Consolidated Net Income:

(1) Consolidated Interest Expense,

(2) income taxes (other than income taxes attributable to extraordinary and non-recurring gains (or losses) or sales of assets), and

(3) depreciation expense, amortization expense and all other non-cash items reducing Consolidated Net Income (other than non-cash items in a period which reflect cash expenses paid or to be paid in another period), less all non-cash items increasing Consolidated Net Income (other than gains on Investment Properties arising from fair value adjustments made in conformity with GAAP),

all as determined on a consolidated basis for the Company and its Restricted Subsidiaries in conformity with GAAP; *provided* that (1) if any Restricted Subsidiary is not a Wholly Owned Restricted Subsidiary (other than any Restricted Subsidiary that is a Listed Subsidiary) and its directly and indirectly held Subsidiaries), Consolidated EBITDA shall be reduced (to the extent not otherwise reduced in accordance with GAAP) by an amount equal to (A) the amount of the Consolidated Net Income attributable to such Restricted Subsidiary multiplied by (B) the percentage ownership interest in the income of such Restricted Subsidiary not owned on the last day of such period by the Company or any Restricted Subsidiary; (2) in the case of any Restricted Subsidiary that is a Listed Subsidiary (consolidated in accordance with GAAP), Consolidated EBITDA shall be reduced (to the extent not already reduced in accordance with GAAP) by any payments, distributions or amounts (including the Fair Market Value of any non-cash payments, distributions or amounts) declared or paid by such Restricted Subsidiary that is a Listed Subsidiary to its shareholders other than the Company or any other Restricted Subsidiary; and (3) in the case of any PRC CJV (consolidated in accordance with GAAP), Consolidated EBITDA shall be reduced (to the extent not already reduced in accordance with GAAP) by any payments, distributions or amounts (including the Fair Market Value of any non-cash payments, distributions or amounts) required to be made or paid by such PRC CJV to the PRC CJV Partner, or to which the PRC CJV Partner otherwise has a right or is entitled, pursuant to the joint venture agreement governing such PRC CJV.

"Consolidated Fixed Charges" means, for any period, the sum (without duplication) of (1) Consolidated Interest Expense for such period and (2) all cash and non-cash dividends paid, declared, accrued or accumulated during such period on any Disqualified Stock or Preferred Stock of the Company or any Restricted Subsidiary held by Persons other than the Company or any Wholly Owned Restricted Subsidiary, except for dividends payable in the Company's Capital Stock (other than Disqualified Stock) or paid to the Company or a Wholly Owned Restricted Subsidiary.

"Consolidated Interest Expense" means, for any period, the amount that would be included in gross interest expense on a consolidated income statement prepared in accordance with GAAP for such period of the Company and its Restricted Subsidiaries, plus, to the extent not included in such gross interest expense, and to the extent incurred, accrued or payable during such period by the Company and its Restricted Subsidiaries, without duplication, (1) interest expense attributable to Capitalized Lease Obligations and imputed interest with respect to Attributable Indebtedness, (2) amortization of debt issuance costs and original issue discount expense and non-cash interest payments in respect of any Indebtedness, (3) the interest portion of any deferred payment obligation, (4) all commissions, discounts and other fees and charges with respect to letters of credit or similar instruments issued for financing purposes or in respect of any Indebtedness, (5) the net costs associated with Hedging Obligations (including the amortization of fees), (6) interest accruing on Indebtedness of any other Person that is Guaranteed by the Company or any Restricted Subsidiary (other than Pre-Registration Mortgage Guarantees), only to the extent such interest has become payable by the Company or any Restricted Subsidiary, and (7) any capitalized interest, *provided* that Consolidated Interest Expense shall not include interest expense accruing on pre-sale receipts in advance from customers; and *provided further* that, (x) interest expense attributable to interest on any Indebtedness bearing a floating interest rate will be computed on a pro forma basis as if the rate in effect on the date of determination had been the applicable rate for

the entire relevant period, and (y) for the avoidance of doubt, distributions (incurred or accrued) or payments on any Perpetual Bond Obligation shall not be included in the calculation of Consolidated Interest Expense.

"Consolidated Net Income" means, with respect to any specified Person for any period, the aggregate of the net income (or loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in conformity with GAAP; *provided* that the following items shall be excluded in computing Consolidated Net Income (without duplication):

(1) the net income (or loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting except that:

  (a) subject to the exclusion contained in clause (5) below, the Company's equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Company or a Restricted Subsidiary as (i) a dividend or other distribution (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary, to the limitations contained in clause (3) below) or (ii) as a distribution in the form of intercompany loans or that is otherwise treated as a dividend in advance prior to any recognition of income on the consolidated financial statements of such Person; *provided* that, in the case of such distribution in the form of intercompany loans, advances or otherwise, (A) such amount shall not be included again in the Consolidated Net Income in the same period or another period when it is later recognized as income and (B) to the extent that the amounts actually received in dividends in a future period are less than such intercompany loans, advances or otherwise, a deduction in the amount equal to such difference shall be made in such future period (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary, to the limitations contained in clause (3) below); and

  (b) the Company's equity in a net loss of any such Person for such period shall be included in determining such Consolidated Net Income to the extent funded with cash or other assets of the Company or Restricted Subsidiaries;

(2) the net income (or loss) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with the Company or any Restricted Subsidiary or all or substantially all of the property and assets of such Person are acquired by the Company or any Restricted Subsidiary;

(3) the net income (but not loss) of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of such net income is not at the time permitted by the operation of the terms of its charter, articles of association or other similar constitutive documents, or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary;

(4) the cumulative effect of a change in accounting principles;

(5) any net after tax gains realized on the sale or other disposition of (a) any property or assets of the Company or any Restricted Subsidiary which is not sold in the ordinary course of its business or (b) any Capital Stock of any Person (including any gains by the Company realized on sales of Capital Stock of the Company or other Restricted Subsidiaries);

(6) any translation gains and losses due solely to fluctuations in currency values and related tax effects; and

(7) any net after-tax extraordinary or non-recurring gains.

provided that (A) solely for purposes of calculating Consolidated EBITDA and the Fixed Charge Coverage Ratio, any net after tax gains derived from direct or indirect sales by the Company or any

Restricted Subsidiary of (i) Capital Stock of a Restricted Subsidiary primarily engaged in the holding of Investment Property or (ii) an interest in any Investment Property arising from the difference between the current book value and the cash sale price shall not be excluded from Consolidated Net Income; (B) for purposes of the Consolidated Net Income calculation (but not for purposes of calculating Consolidated EBITDA and the Fixed Charge Coverage Ratio) any net after tax gains derived from direct or indirect sale by the Company or any Restricted Subsidiary of (i) Capital Stock of a Restricted Subsidiary primarily engaged in the holding of Investment Property or (ii) an interest in any Investment Property arising from the difference between the original cost basis and the cash sale price shall be added to Consolidated Net Income to the extent not already included in the net income for such period as determined in conformity with GAAP and Consolidated Net Income; and (C) solely for the purposes of calculating Consolidated EBITDA and the Fixed Charge Coverage Ratio, any net after tax gains on Investment Properties arising from fair value adjustments made in conformity with GAAP shall not be excluded from Consolidated Net Income.

"Consolidated Net Worth" means, at any date of determination, stockholders' equity as set forth on the most recently available semiannual or annual consolidated statement of financial position of the Company and its Restricted Subsidiaries, plus, to the extent not included, any Preferred Stock of the Company, less any amounts attributable to Disqualified Stock or any equity security convertible into or exchangeable for Indebtedness, the cost of treasury stock and the principal amount of any promissory notes receivable from the sale of the Capital Stock of the Company or any Restricted Subsidiary, each item to be determined in conformity with GAAP.

"Contractor Guarantees" means any Guarantee by the Company or any Restricted Subsidiary of Indebtedness of any contractor, builder or other similar Person engaged by the Company or such Restricted Subsidiary in connection with the development, construction or improvement of real or personal property or equipment to be used in a Permitted Business by the Company or any Restricted Subsidiary in the ordinary course of business, which Indebtedness was Incurred by such contractor, builder or other similar Person to finance the cost of such development, construction or improvement.

"Currency Agreement" means any foreign exchange forward contract, currency swap agreement or other similar agreement or arrangement designed to protect against fluctuations in foreign exchange rates.

"Default" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"Disqualified Stock" means any class or series of Capital Stock of any Person that by its terms or otherwise is (1) required to be redeemed prior to the date that is 183 days after the Stated Maturity of the Notes, (2) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the date that is 183 days after the Stated Maturity of the Notes or (3) convertible into or exchangeable for Capital Stock referred to in clause (1) or (2) above or Indebtedness having a scheduled maturity prior to the Stated Maturity of the Notes; *provided* that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the Stated Maturity of the Notes shall not constitute Disqualified Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in the "– Limitation on Asset Sales" and "– Repurchase of Notes upon a Change of Control Triggering Event" covenants and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Company's repurchase of such Notes as are required to be repurchased pursuant to the "– Limitation on Asset Sales" and "– Repurchase of Notes upon a Change of Control Triggering Event" covenants.

"Dollar Equivalent" means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the base rate for the purchase of U.S. dollars with the applicable foreign currency as quoted by the Federal Reserve Bank of New York on the date of determination.

"Entrusted Loans" means borrowings by a PRC Restricted Subsidiary from a bank that are secured by a pledge of deposits made by another PRC Restricted Subsidiary to the lending bank as

security for such borrowings, *provided* that such borrowings are not reflected on the consolidated statement of financial position of the Company.

"Equity Offering" means (i) any underwritten primary public offering or private placement of Common Stock of the Company after the Original Issue Date or (ii) any underwritten secondary public offering or secondary private placement of Common Stock of the Company beneficially owned by a Permitted Holder, after the Original Issue Date, to the extent that a Permitted Holder or a company controlled by a Permitted Holder concurrently with such public offering or private placement purchases in cash an equal amount of Common Stock from the Company at the same price as the public offering or private placement price; *provided* that any offering or placement referred to in (A) clause (i), (B) clause (ii), or (C) a combination of clauses (i) and (ii) result in the aggregate gross cash proceeds received by the Company being no less than US$20.0 million (or the Dollar Equivalent thereof).

"Euroclear" means Euroclear Bank SA/NV.

"Existing Notes" means (i) the July 2025 Notes and the May 2026 Guaranteed Senior Notes and (ii) any other outstanding debt securities (other than the Notes) issued or Guaranteed by the Company similar to those described in clause (i) hereof.

"Existing Notes Guarantors" means the Existing Notes Subsidiary Guarantors and the Existing Notes JV Subsidiary Guarantors, if any.

"Existing Notes JV Subsidiary Guarantor" means any Subsidiary of the Company that provides a "JV Subsidiary Guarantee" (as such term is defined in the Existing Notes) under the Existing Notes, which Guarantee is limited to an amount as provided for under the terms of the Existing Notes.

"Existing Notes Subsidiary Guarantor" means any Subsidiary of the Company that provides a "Subsidiary Guarantee" (as such term is defined in the Existing Notes) under the Existing Notes.

"Fair Market Value" means the price that would be paid in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors, whose determination shall be conclusive if evidenced by a Board Resolution.

"Finance Subsidiary" means a Subsidiary of the Company or another Finance Subsidiary (i) whose operations are comprised of Incurring Indebtedness to Persons other than the Company, any Restricted Subsidiary or their respective Affiliates from time to time to finance the operations of the Company and/or its Subsidiaries and (ii) which conducts no business and owns no material assets other than any equity interests in a Finance Subsidiary or intercompany Indebtedness incurred in connection with the Indebtedness described in clause (i). For the avoidance of doubt, "Finance Subsidiary" shall include Future Diamond Limited and any of their respective successors.

"Fitch" means Fitch Ratings Ltd., a subsidiary of the Fitch Group, a jointly owned subsidiary of Fimalae, S.A. and Hearst Corporation, and its successors.

"Fixed Charge Coverage Ratio" means, on any Transaction Date, the ratio of (1) the aggregate amount of Consolidated EBITDA for the then most recent four fiscal quarters prior to such Transaction Date for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile in a timely manner) are available (the "**Four Quarter Period**") (which may include internal consolidated financial statements) to (2) the aggregate Consolidated Fixed Charges during such Four Quarter Period. In making the foregoing calculation:

(a) pro forma effect shall be given to any Indebtedness or Preferred Stock Incurred, repaid or redeemed during the period (the "**Reference Period**") commencing on and including the first day of the Four Quarter Period and ending on and including the Transaction Date (other than Indebtedness Incurred or repaid under a revolving credit or similar arrangement (or under any predecessor revolving credit or similar

arrangement) in effect on the last day of such Four Quarter Period), in each case as if such Indebtedness or Preferred Stock had been Incurred, repaid or redeemed on the first day of such Reference Period; *provided* that, in the event of any such repayment or redemption, Consolidated EBITDA for such period shall be calculated as if the Company or such Restricted Subsidiary had not earned any interest income actually earned during such period in respect of the funds used to repay or redeem such Indebtedness or Preferred Stock;

(b) Consolidated Interest Expense attributable to interest on any Indebtedness (whether existing or being Incurred) computed on a pro forma basis and bearing a floating interest rate shall be computed as if the rate in effect on the Transaction Date (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period;

(c) pro forma effect shall be given to the creation, designation or redesignation of Restricted and Unrestricted Subsidiaries as if such creation, designation or redesignation had occurred on the first day of such Reference Period;

(d) pro forma effect shall be given to Asset Dispositions and Asset Acquisitions (including giving pro forma effect to the application of proceeds of any Asset Disposition) that occur during such Reference Period as if they had occurred and such proceeds had been applied on the first day of such Reference Period; and

(e) pro forma effect shall be given to asset dispositions and asset acquisitions (including giving pro forma effect to the application of proceeds of any asset disposition) that have been made by any Person that has become a Restricted Subsidiary or has been merged with or into the Company or any Restricted Subsidiary during such Reference Period and that would have constituted Asset Dispositions or Asset Acquisitions had such transactions occurred when such Person was a Restricted Subsidiary as if such asset dispositions or asset acquisitions were Asset Dispositions or Asset Acquisitions that occurred on the first day of such Reference Period;

provided that to the extent that clause (d) or (e) of this paragraph requires that pro forma effect be given to an Asset Acquisition or Asset Disposition (or asset acquisition or asset disposition), such pro forma calculation shall be based upon the four full fiscal quarters immediately preceding the Transaction Date of the Person, or division or line of business of the Person, that is acquired or disposed for which financial information is available.

"GAAP" means Hong Kong Financial Reporting Standards as in effect from time to time. All ratios and computations contained or referred to in the Indenture shall be computed in conformity with GAAP applied on a consistent basis.

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), *provided* that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Hedging Obligation" of any Person means the obligations of such Person pursuant to any Commodity Agreement, Currency Agreement or Interest Rate Agreement.

"Holder" means the Person in whose name a Note is registered in the Note register.

"Incur" means, with respect to any Indebtedness or Capital Stock, to incur, create, issue, assume, Guarantee or otherwise become liable for or with respect to, or become responsible for, the

payment of, contingently or otherwise, such Indebtedness or Capital Stock; *provided* that (1) any Indebtedness and Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (or fails to meet the qualifications necessary to remain an Unrestricted Subsidiary) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and (2) the accretion of original issue discount shall not be considered an Incurrence of Indebtedness. The terms "Incurrence," "Incurred" and "Incurring" have meanings correlative with the foregoing.

"Indebtedness" means, with respect to any Person at any date of determination (without duplication):

(1) all indebtedness of such Person for borrowed money;

(2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments;

(4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, except Trade Payables;

(5) all Capitalized Lease Obligations and Attributable Indebtedness;

(6) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided* that the amount of such Indebtedness shall be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness;

(7) all Indebtedness of other Persons Guaranteed by such Person to the extent such Indebtedness is Guaranteed by such Person;

(8) to the extent not otherwise included in this definition, Hedging Obligations; and

(9) all Disqualified Stock issued by such Person valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price plus accrued dividends.

For the avoidance of doubt, a mandatory put option granted to a Person that obligates the Company or any Restricted Subsidiary to repurchase the Capital Stock of any Restricted Subsidiary or any other Person shall be deemed to be "Indebtedness."

Notwithstanding the foregoing, Indebtedness shall not include any (1) capital commitments, pre-sale receipts in advance from customers, deferred payment obligations, or similar obligations Incurred in the ordinary course of business in connection with the acquisition, development, construction or improvement of real or personal property (including land use rights) to be used in a Permitted Business, (2) Entrusted Loans, or (3) Perpetual Bond Obligations; *provided* that such Indebtedness is not reflected as borrowings on the consolidated statement of financial position of the Company (contingent obligations and commitments referred to in a footnote to financial statements and not otherwise reflected on the statement of financial position will not be deemed to be reflected on such statement of financial position).

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; *provided* that:

(1) the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP,

(2) money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness shall not be deemed to be "Indebtedness" so long as such money is held to secure the payment of such interest, and

(3) the amount of Indebtedness with respect to any Hedging Obligation shall be: (i) zero if Incurred pursuant to clause 2(f) of the covenant under "– Limitation on Indebtedness and Preferred Stock", and (ii) equal to the net amount payable by such Person if such Hedging Obligation terminated at or prior to that time if not Incurred pursuant to such clause.

"Independent Third Party" means any Person that is not an Affiliate of the Company.

"Interest Rate Agreement" means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement designed to protect against fluctuations in interest rates.

"Investment" means:

(1) any direct or indirect advance, loan or other extension of credit to another Person;

(2) any capital contribution to another Person (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others);

(3) any purchase or acquisition of Capital Stock, Indebtedness, bonds, notes, debentures or other similar instruments or securities issued by another Person; or

(4) any Guarantee of any obligation of another Person to the extent such obligation is outstanding and to the extent Guaranteed by such Person.

For the purposes of the provisions of the "Designation of Restricted and Unrestricted Subsidiaries" and "Limitation on Restricted Payments" covenants: (1) the Company will be deemed to have made an Investment in an Unrestricted Subsidiary in an amount equal to the Company's proportional interest in the Fair Market Value of the assets (net of the Company's proportionate interest in the liabilities owed to any Person other than the Company or a Restricted Subsidiary and that are not Guaranteed by the Company or a Restricted Subsidiary) of a Restricted Subsidiary that is designated an Unrestricted Subsidiary at the time of such designation and (2) any property transferred to or from any Person shall be valued at its Fair Market Value at the time of such transfer, as determined in good faith by the Board of Directors.

"Investment Grade" means a rating of "Aaa," "Aa," "A" or "Baa," as modified by a "1," "2" or "3" indication, or an equivalent rating representing one of the four highest rating categories, by Moody's or any of its successors or assigns, or a rating of "AAA," "AA," "A," or "BBB," as modified by a "+" or "-" indication, or an equivalent rating representing one of the four highest rating categories, by Fitch or any of its successors or assigns, or the equivalent ratings of any internationally recognized rating agency or agencies, as the case may be, which shall have been designated by the Company as having been substituted for Moody's or Fitch or both, as the case may be.

"Investment Property" means any property that is owned and held by any PRC Restricted Subsidiary for long-term rental yield or for capital appreciation or both, or any hotel owned by the Company or any Restricted Subsidiary from which the Company or any Restricted Subsidiary derives or expects to derive operating income.

"July 2025 Notes" means the 4.45% senior notes due 2025 issued by the Company.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease

in the nature thereof or any agreement to create any mortgage, pledge, security interest, lien, charge, easement or encumbrance of any kind).

"Listed Subsidiary" means any Subsidiary of the Company, the shares of which are at the relevant time listed on any nationally recognized securities exchange, including but not limited to, The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange.

"May 2026 Guaranteed Senior Notes" means the 4.50% senior notes due 2026 issued by New Metro Global Limited and guaranteed by the Company.

"Measurement Date" means January 31, 2013.

"Minority Interest Staged Acquisition Agreement" means an agreement between the Company and/or any Restricted Subsidiary on the one hand and an Independent Third Party on the other (x) pursuant to which the Company and/or such Restricted Subsidiary agrees to acquire less than a majority of the Capital Stock of a Person for a consideration that is not more than the Fair Market Value of such Capital Stock at the time the Company and/or such Restricted Subsidiary enters into such agreement and (y) which provides that the payment of the purchase price for such Capital Stock is made in more than one installment over a period of time.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Net Cash Proceeds" means:

(1) with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of:

    (a) brokerage commissions and other fees and expenses (including fees and expenses of counsel and investment banks) related to such Asset Sale;

    (b) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Asset Sale without regard to the consolidated results of operations of the Company and its Restricted Subsidiaries, taken as a whole;

    (c) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either (x) is secured by a Lien on the property or assets sold or (y) is required to be paid as a result of such sale;

    (d) appropriate amounts to be provided by the Company or any Restricted Subsidiary as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in conformity with GAAP; and

(2) with respect to any issuance or sale of Capital Stock, the proceeds of such issuance or sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"Offer to Purchase" means an offer to purchase the Notes by the Company from the Holders commenced by mailing a notice by first class mail, postage prepaid, to the Trustee, the Paying Agent and each Holder at its last address appearing in the Note register stating:

(1) the covenant pursuant to which the offer is being made and that all Notes validly tendered will be accepted for payment on a pro rata basis;

(2) the purchase price and the date of purchase (which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "**Offer to Purchase Payment Date**");

(3) that any Note not tendered will continue to accrue interest pursuant to its terms;

(4) that, unless the Company defaults in the payment of the purchase price, any Note accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Offer to Purchase Payment Date;

(5) that Holders electing to have a Note purchased pursuant to the Offer to Purchase will be required to surrender the Note, together with the form entitled "Option of the Holder to Elect Purchase" on the reverse side of the Note completed, to the Paying Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Offer to Purchase Payment Date;

(6) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date, a letter or other types of transmission by electronic means in accordance with the terms of the Indenture setting forth the name of such Holder, the principal amount of Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such Notes purchased; and

(7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; *provided* that each Note purchased and each new Note issued shall be in a principal amount of US$200,000 or integral multiples of US$1,000 in excess thereof.

On one Business Day prior to Offer to Purchase Payment Date, the Company shall deposit with the Paying Agent money sufficient to pay the purchase price of all Notes or portions thereof so accepted. On the Offer to Purchase Payment Date, the Company shall (a) accept for payment on a pro rata basis Notes or portions thereof tendered pursuant to an Offer to Purchase; and (b) deliver, or cause to be delivered, to the Trustee all Notes or portions thereof so accepted together with an Officers' Certificate specifying the Notes or portions thereof accepted for payment by the Company. The Paying Agent shall promptly mail to the Holders of Notes so accepted payment in an amount equal to the purchase price, and the Registrar shall promptly authenticate and mail to such Holders a new Note equal in principal amount to any unpurchased portion of the Note surrendered; *provided* that each Note purchased and each new Note issued shall be in a principal amount of US$200,000 or integral multiples of US$1,000 in excess thereof. The Company will publicly announce the results of an Offer to Purchase as soon as practicable after the Offer to Purchase Payment Date. The Company will comply with all applicable securities laws and regulations, in the event that the Company is required to repurchase Notes pursuant to an Offer to Purchase.

The materials used in connection with an Offer to Purchase are required to contain or incorporate by reference information concerning the business of the Company and its Subsidiaries which the Company in good faith believes will assist such Holders to make an informed decision with respect to the Offer to Purchase, including a brief description of the events requiring the Company to make the Offer to Purchase, and any other information required by applicable law to be included therein. The offer is required to contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Offer to Purchase.

"Officer" means one of the executive officers of the Company.

"Officers' Certificate" means a certificate signed by two Officers.

"Opinion of Counsel" means a written opinion from legal counsel who is acceptable to the Trustee.

"Original Issue Date" means the date on which the Notes are originally issued under the Indenture.

"Pari Passu Guarantee" means a guarantee by the Company, any other Finance Subsidiary, Seazen Holdings, Seazen Resources or any Existing Notes Guarantor of Indebtedness of the Company (including Additional Notes), any other Finance Subsidiary, the Company, Seazen Holdings or Seazen Resources or any Existing Notes Guarantor; provided that (1) the Company, such Finance Subsidiary, Seazen Holdings or Seazen Resources or such Existing Notes Guarantor was permitted to Incur such Indebtedness under the covenant described under the caption "– Limitation on Indebtedness and Preferred Stock" and (2) such guarantee ranks pari passu with the Notes or any outstanding guarantee of the Existing Notes by such Existing Notes Guarantor, as the case may be.

"Permitted Businesses" means any business which is the same as or related, ancillary or complementary to, or which has the aim or effect of enhancing the value or flexibility of or adding value or services to the customers in, any of the businesses of the Company and its Restricted Subsidiaries on the Original Issue Date, including, without limitation, real estate acquisition, development, leasing, operation and management (including residential and commercial properties, hotels, leisure facilities and other infrastructure), financing, securities or futures brokerage, asset management, money lending, microfinance and cultural-, entertainment- or marketing-related businesses.

"Permitted Holders" means any or all of the following:

(1) Mr. Wang Zhenhua;

(2) any Affiliate (other than an Affiliate as defined in clause (2) or (3) of the definition of Affiliate) of the Person specified in clause (1);

(3) the estate, trust and any immediate family member of the Person specified in clause (1) or the legal representative thereof; and

(4) any Person both the Capital Stock and the Voting Stock of which (or in the case of a trust, the beneficial interests in which) are owned 80% or more by Persons specified in clauses (1) or (2).

"Permitted Investment" means:

(1) any Investment in the Company or a Restricted Subsidiary that is primarily engaged in a Permitted Business or a Person which will, upon the making of such Investment, become a Restricted Subsidiary that is primarily engaged in a Permitted Business or be merged or consolidated with or into or transfer or convey all or substantially all its assets to, the Company or a Restricted Subsidiary that is primarily engaged in a Permitted Business;

(2) Temporary Cash Investments;

(3) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with GAAP;

(4) stock, obligations or securities received in satisfaction of judgments;

(5) an Investment in an Unrestricted Subsidiary consisting solely of an Investment in another Unrestricted Subsidiary;

(6) any Investment pursuant to a Hedging Obligation designed solely to protect the Company or any Restricted Subsidiary against fluctuations in commodity prices, interest rates or foreign currency exchange rates and not for speculation;

(7) receivables owing to the Company or any Restricted Subsidiary, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(8) Investments made by the Company or any Restricted Subsidiary consisting of consideration received in connection with an Asset Sale made in compliance with the covenant described under the caption "– Limitation on Asset Sales";

(9) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under the caption "– Limitation on Liens";

(10) any Investment pursuant to Pre-Registration Mortgage Guarantees or Contractor Guarantees by the Company or any Restricted Subsidiary otherwise permitted to be Incurred under the Indenture;

(11) Investments in securities of trade creditors, trade debtors or customers received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such trade creditor, trade debtor or customer;

(12) advances to contractors and suppliers for the acquisition of assets or consumables or services in the ordinary course of business that are recorded as deposits or prepaid expenses on the Company's consolidated statement of financial position;

(13) deposits of pre-sale proceeds made in order to secure the completion and delivery of pre-sold properties and issuance of the related land use title in the ordinary course of business;

(14) deposits made in order to comply with statutory or regulatory obligations to maintain deposits for workers compensation claims and other purposes specified by statute or regulation from time to time in the ordinary course of business;

(15) deposits made in order to secure the performance of the Company or any Restricted Subsidiary and prepayments made in connection with the direct or indirect acquisition of real property or land use rights by the Company or any Restricted Subsidiary, in each case in the ordinary course of business;

(16) an acquisition of assets, Capital Stock or other securities by the Company or a Subsidiary for consideration to the extent such consideration consists solely of Common Stock of the Company;

(17) Guarantees permitted under the covenant under "– Limitation on Indebtedness and Preferred Stock";

(18) any Investment (including any deemed Investment upon the redesignation of a Restricted Subsidiary as an Unrestricted Subsidiary or upon the sale of Capital Stock of a Restricted Subsidiary) by the Company or any Restricted Subsidiary in any Person (other than a Restricted Subsidiary), *provided* that:

(i) the aggregate of all Investments made under this clause (18) since the Original Issue Date shall not exceed in aggregate an amount equal to 30% of Total Assets. Such aggregate amount of Investments shall be calculated after deducting an amount equal to the net reduction in all Investments made under this clause (18) since the Original Issue Date resulting from:

(A) payments of interest on Indebtedness, dividends or repayments of loans or advances made under this clause (18), in each case to the Company or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income),

(B) the unconditional release of a Guarantee provided by the Company or a Restricted Subsidiary after the Original Issue Date under this clause (18) of an obligation of any such Person, or

(C) to the extent that an Investment made after the Original Issue Date under this clause (18) is sold or otherwise liquidated or repaid for cash, the lesser of (x) cash return of capital with respect to such Investment (less the cost of disposition, if any) and (y) the initial amount of such Investment, not to exceed, in each case, the amount of Investments made by the Company or a Restricted Subsidiary after the Original Issue Date in any such Person pursuant to this clause (18);

(ii) the Person into which such Investment is made is primarily engaged in the Permitted Businesses; *provided however* that this paragraph (ii) shall not apply if such Investment would otherwise have been permitted under this clause (18) and such Investment, together with the aggregate amount of all other Investments made in reliance on this proviso since the Original Issue Date, shall not exceed in aggregate an amount equal to 5.0% of Total Assets (such aggregate amount of Investments shall be calculated after deducting an amount equal to the net reduction in all Investments made in reliance on this proviso since the Original Issue Date resulting from the events set forth in paragraphs (i)(A) through (i)(C) above, where references in such paragraphs to "under this clause (18)" shall be substituted with "in reliance on the proviso in paragraph (ii)"); and

(iii) no Default has occurred and is continuing or would occur as a result of such Investment.

For the avoidance of doubt, the value of each Investment made pursuant to this clause (18) shall be valued at the time such Investment is made;

(19) any Investment deemed to have been made by the Company or any Restricted Subsidiary in connection with a proposed Restructuring upon designation of the Subsidiaries in the Restructuring Group as Unrestricted Subsidiaries, *provided* that (A) (i) the Board of Directors of the Company has determined in good faith that the designation of the Subsidiaries in the Restructuring Group as Unrestricted Subsidiaries is necessary to obtain approval from a Qualified Exchange for the proposed Restructuring, (ii) at the time of such designation, the members of the Restructuring Group remain Subsidiaries of the Company, and (iii) at the time of such designation, the members of the Restructuring Group remain primarily engaged in the Permitted Businesses; and (B) the aggregate of all Investments made under this clause (19) since the Original Issue Date shall not exceed an amount equal to 10.0% of Total Assets (for the avoidance of doubt, any portion of such Investments exceeding 10.0% of Total Assets shall not constitute a Permitted Investment pursuant to this item but may be made, characterized and accounted for in accordance with the other provisions of the Indenture); and *provided further* that, at the time when (x) the Company ceases to hold, directly or indirectly, at least 30.0% of the Voting Stock of any entity so designated as an Unrestricted Subsidiary or (y) any Person or group of Persons other than the Company and its Subsidiaries acquires a higher percentage of the Voting Stock of such entity than the percentage held directly or indirectly by the Company, the Company will be deemed to make an Investment in such entity equal to the Fair Market Value of any Investment that the Company retains, directly or indirectly, in such entity immediately following such event; and

(20) any Investment by the Company or any Restricted Subsidiary for the purposes of, in connection with or to facilitate property delivery or to ensure social stability required or requested by PRC government bodies and/or under applicable PRC laws, rules, regulations, policies or measures.

"Permitted Liens" means:

(1) Liens for taxes, assessments, governmental charges or claims that are being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;

(2) statutory and common law Liens of landlords and carriers, warehousemen, mechanics, suppliers, repairmen or other similar Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;

(3) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligations, bankers' acceptances, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of a similar nature incurred in the ordinary course of business (exclusive of obligations for the payment of borrowed money);

(4) leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Company and its Restricted Subsidiaries, taken as a whole;

(5) Liens encumbering property or assets under construction arising from progress or partial payments by a customer of the Company or its Restricted Subsidiaries relating to such property or assets;

(6) Liens on property of, or on shares of Capital Stock or Indebtedness of, any Person existing at the time such Person becomes, or becomes a part of, any Restricted Subsidiary; *provided* that such Liens do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets acquired; *provided further* that such Liens were not created in contemplation of or in connection with the transactions or series of transactions pursuant to which such Person became a Restricted Subsidiary;

(7) Liens in favor of the Company or any Restricted Subsidiary;

(8) Liens arising from the rendering of a final judgment or order against the Company or any Restricted Subsidiary that does not give rise to an Event of Default;

(9) Liens securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the products and proceeds thereof;

(10) Liens encumbering customary initial deposits and margin deposits, and other Liens that are within the general parameters customary in the industry, in each case, securing Indebtedness under Hedging Obligations permitted by clause (2)(f) of the covenant described under the caption "– Limitation on Indebtedness and Preferred Stock";

(11) Liens existing on the Original Issue Date;

(12) Liens securing Indebtedness which is Incurred to refinance secured Indebtedness which is permitted to be Incurred under clause (2)(e) of the covenant described under the caption "– Limitation on Indebtedness and Preferred Stock"; *provided* that such Liens do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets securing the Indebtedness being refinanced;

(13) any interest or title of a lessor in the property subject to any operating lease;

(14) Liens securing any Permitted Pari Passu Secured Indebtedness that complies with each of the requirements set forth under the Existing Notes;

(15) Liens securing Indebtedness of the Company or any Restricted Subsidiary under any Pre-Registration Mortgage Guarantee which is permitted to be Incurred under clause (2)(g) of the covenant described under the caption "– Limitation on Indebtedness and Preferred Stock";

(16) easements, rights-of-way, municipal and zoning ordinances or other restrictions as to the use of properties in favor of governmental agencies or utility companies that do not materially adversely affect the value of such properties or materially impair the use for the purposes of which such properties are held by the Company or any Restricted Subsidiary;

(17) Liens (including extensions and renewals thereof) upon real or personal property; *provided* that, (a) such Lien is created solely for the purpose of securing Indebtedness of the type described under clause (2)(h) of the covenant described under the caption "– Limitation on Indebtedness and Preferred Stock" and such Lien is created prior to, at the time of or within 180 days after the later of the acquisition or the completion of development, construction or improvement of such property, (b) the principal amount of the Indebtedness secured by such Lien does not exceed 100% of the cost of such property, development, construction or improvement and (c) such Lien shall not extend to or cover any property or assets other than such item of property and any improvements on such item; *provided* that, in the case of clauses (b) and (c), such Lien may cover other property or assets (instead of or in addition to such item of property or improvements) and the principal amount of Indebtedness secured by such Lien may exceed 100% of such cost if (x) such Lien is incurred in the ordinary course of business and (y) the aggregate book value of property or assets as of the last day of the most recent fiscal quarter period for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile in a timely manner) are available (which may be internal consolidated financial statements), if any such property or assets have been acquired since the date of such financial statements, the cost of such property or assets, subject to Liens incurred pursuant to this clause (17) does not exceed 130% of the aggregate principal amount of Indebtedness secured by such Liens;

(18) Liens on deposits of pre-sale proceeds made in order to secure the completion and delivery of pre-sold properties and issuance of the related land use title made in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary;

(19) Liens on deposits made in order to comply with statutory obligations to maintain deposits for workers compensation claims and other purposes specified by statute made in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary;

(20) Liens on deposits made in order to secure the performance of the Company or any Restricted Subsidiary in connection with the acquisition of real property or land use rights by the Company or any Restricted Subsidiary in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary;

(21) Liens on the Acquired Indebtedness of any Restricted Subsidiarity Incurred and outstanding on the date on which such Restricted Subsidiary became a Restricted Subsidiary permitted to be Incurred under clause (2)(p) of the "– Limitation on Indebtedness and Preferred Stock" covenant;

(22) Liens on the Capital Stock of a PRC Project Company granted by the Company or any PRC Restricted Subsidiary in favor of any Trust Company Investor (including the sale or transfer of such Capital Stock to such Trust Company Investor) in respect of, and to secure, the Indebtedness permitted to be Incurred under clause (2)(q) of the "– Limitation on Indebtedness and Preferred Stock" covenant;

(23) Liens on cash deposits, bank accounts or other assets to secure Bank Deposit Secured Indebtedness of the type described under clause 2(s) of the covenant described under "– Limitation on Indebtedness and Preferred Stock";

(24) Liens on Investment Properties securing Indebtedness of the Company or any Restricted Subsidiary permitted under clause (2)(r) of the covenant described under "– Limitation on Indebtedness and Preferred Stock";

(25) Liens incurred or deposits made to secure Entrusted Loans;

(26) Liens securing Indebtedness which is permitted to be Incurred under clause (2)(n) of the covenant described under "– Limitation on Indebtedness and Preferred Stock";

(27) Liens on the Capital Stock of the Person that is to be acquired under the relevant Staged Acquisition Agreement securing Indebtedness which is permitted to be Incurred under clause (2)(o) of the covenant described under "– Limitation on Indebtedness and Preferred Stock";

(28) Liens securing Indebtedness which is permitted to be Incurred under clause (2)(t) of the covenant described under "– Certain Covenants – Limitation on Indebtedness and Preferred Stock"Liens securing Indebtedness of Restricted Subsidiaries Incurred pursuant to clause (2)(u) of the covenant described under "– Certain Covenants – Limitation on Indebtedness and Preferred Stock";

(29) Liens securing Indebtedness of Restricted Subsidiaries Incurred pursuant to clause (2)(u) of the covenant described under "– Certain Covenants – Limitation on Indebtedness and Preferred Stock";

(30) Liens securing Indebtedness which is permitted to be Incurred under clause (2)(v) of the covenant described under "– Certain Covenants – Limitation on Indebtedness and Preferred Stock";

(31) Liens securing Indebtedness which is permitted to be Incurred under clause (2)(w) of the covenant described under "– Certain Covenants – Limitation on Indebtedness and Preferred Stock";

(32) bankers' Liens, rights of setoff and other similar Liens existing with respect to cash and Temporary Cash Investments on deposit in one or more accounts in favor of the bank or banks with which such accounts are maintained, securing (a) amounts owing to such bank with respect to cash management and operating account arrangements, including those involving pooled accounts, netting arrangements or sweep accounts and (b) Indebtedness owing to such bank; *provided* that, in the case of clause (b), such Indebtedness is permitted to be Incurred under the covenant described under "– Limitation on Indebtedness and Preferred Stock" and on the date of the Incurrence of such Lien and after giving effect thereto, the aggregate amount of cash and Temporary Cash Investments then used to secure Indebtedness in reliance on this proviso, shall not exceed an amount equal to 1.0% of Total Assets;

(33) Liens on assets of a Restricted Subsidiary securing Indebtedness of any Restricted Subsidiary permitted to be Incurred under the covenant described under "– Certain Covenants – Limitation on Indebtedness and Preferred Stock";

(34) Liens on the Capital Stock of a Finance Subsidiary and any intercompany loans or advances from such Finance Subsidiary to the Company or any Restricted Subsidiary, in each case, securing Indebtedness of such Finance Subsidiary (and Guarantees by the Company or Restricted Subsidiaries of such Indebtedness) permitted under the covenants under "– Certain Covenants – Limitation on Indebtedness and Preferred Stock";

(35) other Liens on property or assets the aggregate book value of which (as reflected in the most recent available consolidated financial statements of the Company (which may be internal consolidated statements), or, if acquired subsequent to the date of such consolidated financial statements, as reflected in the Company's accounting system) does not exceed US$50.0 million (or the Dollar Equivalent thereof); and

(36) Liens incurred for the purposes of, in connection with or to facilitate property delivery or to ensure social stability, where such incurrence of Liens is as required by PRC government bodies and/or under applicable PRC laws, rules, regulations, government policies or measures securing any Indebtedness of the Company or any

Restricted Subsidiary which is permitted to be Incurred under clause (2)(x) of the covenant described under "– Limitation on Indebtedness and Preferred Stock";

provided that, with respect to the Capital Stock of the Company, "Permitted Liens" shall only refer to the Liens descried in clauses (1) and (6) of this definition.

"Permitted Pari Passu Secured Indebtedness" has the meaning assigned thereto in the July 2025 Notes.

"Permitted Subsidiary Indebtedness" means Indebtedness of, and all Preferred Stock issued by, the Restricted Subsidiaries (other than Seazen Holdings, Seazen Resources, any Existing Notes Guarantor or any other Finance Subsidiary), taken as a whole; *provided* that, on the date of the Incurrence of such Indebtedness and after giving effect thereto and the application of the proceeds thereof, the aggregate principal amount outstanding of all such Indebtedness (excluding Public Indebtedness and any Indebtedness of any Restricted Subsidiary (other than Seazen Holdings, Seazen Resources, any Existing Notes Guarantor or any other Finance Subsidiary) permitted under clauses 2(a), (b), (d), (f) and (g) of the covenant described under the caption "– Limitation on Indebtedness and Preferred Stock") does not exceed an amount equal to 20% of Total Assets.

"Perpetual Bond Obligation" means any security or other obligation (howsoever described) incurred by the Company or any Restricted Subsidiary under any "perpetual bond," "perpetual loan" or similar instrument which is treated as equity under GAAP at the time of issuance of such security or obligation.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

"PRC" means the People's Republic of China, excluding Hong Kong Special Administrative Region, Macau and Taiwan.

"PRC Project Company" means any corporation, association or other business entity organized under the laws of the PRC primarily engaged in a Permitted Business which, at any time, is treated as a "subsidiary" of the Company under GAAP, other than an Unrestricted Subsidiary.

"Pre-Registration Mortgage Guarantee" means any Indebtedness of the Company or any Restricted Subsidiary consisting of a guarantee in favor of any bank or other similar financial institutions in the ordinary course of business of secured loans of purchasers of individual units of properties from the Company or any Restricted Subsidiary; *provided* that, any such guarantee shall be released in full on or before the perfection of a security interest in such properties under applicable law in favor of the relevant lender.

"Preferred Stock" as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over any other class of Capital Stock of such Person.

"PRC CJV" means any Subsidiary that is a Sino-foreign cooperative joint venture enterprise with limited liability, established in the PRC pursuant to the Foreign Investment Law of the People's Republic of China adopted on January 1, 2020 and the Detailed Rules for the Regulation of Implementing the Foreign Investment Law of the People's Republic of China adopted on January 1, 2020, as such laws and rules may be amended.

"PRC CJV Partner" means with respect to a PRC CJV, the other party to the joint venture agreement relating to such PRC CJV with the Company or any Restricted Subsidiary.

"PRC Restricted Subsidiary" means a Restricted Subsidiary organized under the laws of the PRC.

"Public Indebtedness" means any bonds, debentures, notes or similar debt securities issued in a public offering or a private placement (other than the Notes) to institutional investors.

"Qualified Exchange" means either (1) The New York Stock Exchange, the London Stock Exchange, The Stock Exchange of Hong Kong Limited, the Nasdaq Stock Market, Singapore

Exchange Securities Trading Limited, Shanghai Stock Exchange or Shenzhen Stock Exchange or (2) a national securities exchange (as such term is defined in Section 6 of the Exchange Act) or a designated offshore securities market (as such term is defined in Rule 902(b) under the Securities Act).

"Qualified IPO" means an initial public offering, and a listing, of Common Stock of a company on a Qualified Exchange; *provided* that in the case that such listing is on a national securities exchange (as such term is defined in Section 6 of the Exchange Act) or a designated offshore securities market (as such term is defined in Rule 902(b) under the Securities Act), such listing shall result in a public float of no less than the percentage required by the applicable listing rules.

"Rating Agencies" means (1) Moody's, (2) Fitch and (3) if Moody's or Fitch or both shall not make a rating of the Notes publicly available, a nationally recognized securities rating agency or agencies, as the case may be, selected by the Company, which shall be substituted for Moody's or Fitch or both, as the case may be.

"Rating Category" means (1) with respect to Moody's, any of the following categories: "Ba," "B," "Caa," "Ca," "C" and "D" (or equivalent successor categories); (2) with respect to Fitch, any of the following categories: "BB," "B," "CCC," "CC," "C" and "D" (or equivalent successor categories); and (3) the equivalent of any such category of Moody's or Fitch used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories ("1," "2" and "3" for Moody's and "+" and "-" for Fitch; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to Moody's, a decline in a rating from "Ba1" to "Ba2," as well as from "Ba3" to "B1," will constitute a decrease of one gradation; with respect to Fitch, a decline in a rating from "BB+" to "BB," as well as from "BB-" to "B+," will constitute a decrease of one gradation).

"Rating Date" means (1) in connection with a Change of Control Triggering Event, that date which is 90 days prior to the earlier of (x) a Change of Control and (y) a public notice of the occurrence of a Change of Control or of the intention by the Company or any other Person or Persons to effect a Change of Control or (2) in connection with actions contemplated under the caption "– Consolidation, Merger and Sale of Assets", that date which is 90 days prior to the earlier of (x) the occurrence of any such actions as set forth therein and (y) a public notice of the occurrence of any such actions.

"Rating Decline" means (1) in connection with a Change of Control Triggering Event, the occurrence on, or within six months after the date of public notice of the occurrence of a Change of Control or the intention by the Company or any other Person or Persons to effect a Change of Control (which period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by either Rating Agency) of any of the events listed below, or (2) in connection with actions contemplated under the caption "– Consolidation, Merger and Sale of Assets", the notification by either Rating Agency that such proposed actions will result in any of the events listed below:

(a) in the event the Notes are rated by both Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by either Rating Agency shall be below Investment Grade;

(b) in the event the Notes are rated by either, but not both, of the Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by such Rating Agency shall be below Investment Grade; or

(c) in the event the Notes are rated by two or less than two Rating Agencies and are rated below Investment Grade by all such Rating Agencies on the Rating Date, the rating of the Notes by any such Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

"Reference Treasury Dealer" means each of any three investment banks of recognized standing that is a primary U.S. Government securities dealer in The City of New York, selected by the Company in good faith.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average as determined by the Company in good faith, of the

bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Company by such Reference Treasury Dealer at 5:00 p.m. on the third Business Day preceding such redemption date.

"Replacement Assets" means, on any date, property or assets (other than current assets) of a nature or type or that are used in a Permitted Business.

"Responsible Officer" means, when used with respect to the Trustee, any managing director, vice president, trust associate, relationship manager, transaction manager, client service manager, any trust officer or any other officer located at the Specified Corporate Trust Office who customarily performs functions similar to those performed by any persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and in each such case, who shall have direct responsibility for the day to day administration of the Indenture.

"Restricted Subsidiary" means any Subsidiary of the Company other than an Unrestricted Subsidiary.

"Restructuring" means the restructuring and Qualified IPO of the Common Stock of a Subsidiary of the Company in a Restructuring Group.

"Restructuring Group" means a group of Subsidiaries of the Company that the Company may spin off and separately list on a Qualified Exchange pursuant to a Qualified IPO.

"S&P" means Standard & Poor's Rating Services and its affiliates.

"Sale and Leaseback Transaction" means any direct or indirect arrangement relating to property (whether real, personal or mixed), now owned or hereafter acquired whereby the Company or any Restricted Subsidiary transfers such property to another Person and the Company or any Restricted Subsidiary leases it from such Person.

"Seazen Holdings" means Seazen Holdings Co., Ltd. (新城控股集團股份有限公司).

"Seazen Resources" means Seazen Resources Capital Group Limited (新城晉峰金融集團有限公司).

"Senior Indebtedness" of the Company or a Restricted Subsidiary, as the case may be, means all Indebtedness of the Company or the Restricted Subsidiary, as relevant, whether outstanding on the Original Issue Date or thereafter created, except for Indebtedness which, in the instrument creating or evidencing the same, is expressly stated to be subordinated in right of payment to, in respect of the Company, the Notes and the Existing Notes; *provided* that Senior Indebtedness does not include (1) any obligation to the Company or any Restricted Subsidiary, (2) trade payables or (3) Indebtedness Incurred in violation of the Indenture.

"Significant Restricted Subsidiary" means a Restricted Subsidiary, or group of Restricted Subsidiaries, that would, when taken together, be a "significant subsidiary" within the meaning of the definition of "significant subsidiary" in Article 1, Rule 1-02(w) of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the Original Issue Date; *provided* that in each instance in such definition in which the term "10 percent" is used, the term "5 percent" shall be substituted therefor.

"Specified Corporate Trust Office" means The Bank of New York Mellon, Hong Kong Branch located at Level 26, Three Pacific Place, 1 Queen's Road East, Hong Kong; Attention: Corporate Trust – New Metro Global Limited.

"Staged Acquisition Agreement" means an agreement between the Company or a Restricted Subsidiary and an Independent Third Party (x) pursuant to which the Company or such Restricted Subsidiary agrees to acquire not less than a majority of the Capital Stock of a Person for consideration that is not more than the Fair Market Value of such Capital Stock of such Person at the time the Company or such Restricted Subsidiary enters into such agreement and (y) which provides that the payment of the purchase price for such Capital Stock is made in more than one installment over a period of time.

"Stated Maturity" means, (1) with respect to any Indebtedness, the date specified in such debt security as the fixed date on which the final installment of principal of such Indebtedness is due and payable as set forth in the documentation governing such Indebtedness and (2) with respect to any scheduled installment of principal of or interest on any Indebtedness, the date specified as the fixed date on which such installment is due and payable as set forth in the documentation governing such Indebtedness.

"Subordinated Indebtedness" means any Indebtedness of the Company which is contractually subordinated or junior in right of payment to the Notes or the Existing Notes, as applicable, pursuant to a written agreement to such effect.

"Subordinated Shareholder Loan" means unsecured Indebtedness for borrowed money Incurred by the Company or any Restricted Subsidiary from but only for long as such Indebtedness is owed to, any Permitted Holder (other than the Company or any Restricted Subsidiary) as to which (a) the payment of principal of (and premium, if any) and interest and other payment obligations in respect of such Indebtedness is, by its terms or by the terms of any agreement or instrument pursuant to which such Indebtedness is issued or remains outstanding and an agreement (the "**Subordination Agreement**") to be entered into among the holders of such Indebtedness (or trustees or agents therefor) and the Trustee, is expressly made subordinate to the prior payment in full of the Notes, to at least the following extent: (i) no payments of principal of (or premium, if any) or interest on or otherwise due in respect of such Indebtedness may be permitted for so long as any Default exists; (ii) such Indebtedness may not (x) provide for payments of principal of such Indebtedness at the Stated Maturity thereof or by way of a sinking fund applicable thereto or by way of any mandatory redemption, defeasance, retirement or repurchase thereof by the Company (including any redemption, retirement or repurchase which is contingent upon events or circumstances), in each case prior to the final Stated Maturity of the Notes or (y) permit redemption or other retirement (including pursuant to an offer to purchase made by the Company or any Restricted Subsidiary) of such other Indebtedness at the option of the holder thereof prior to the final Stated Maturity of the Notes, except that to the extent such redemption or other retirement is permitted under the covenant described under the caption "– Certain Covenants – Limitation on Restricted Payments" on the date of such redemption or other retirement, (iii) the Subordination Agreement will prevent the holders of such Indebtedness (or trustees or agents therefor) from pursuing remedies against the Company or any of the Restricted Subsidiaries or their respective assets or properties in an insolvency proceeding or in respect of a default under such Indebtedness and (iv) the Subordination Agreement will provide in the event that any payment is received by the holders of such Indebtedness (or any trustee or agent therefor) in respect of such Indebtedness where such payment is prohibited by one or more of the subordination provisions described in this definition, such payment shall be held in trust for the benefit of, and shall be paid over or delivered to, the Trustee on behalf of the Holders of the Notes, and (b) the terms thereof provide that interest (and premium, if any) thereon is paid solely in the form of pay-in-kind, or PIK, payments constituting additional Subordinated Shareholder Loans.

"Subsidiary" means, with respect to any Person, any corporation, association or other business entity of which (i) more than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person or (ii) 50% or less of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person and in each case of (i) or (ii), which is "controlled" and consolidated by such Person in accordance with GAAP; *provided*, *however*, that with respect to clause (ii), the occurrence of any event (other than the issuance or sale of Capital Stock) as a result of which such corporation, association or other business entity ceases to be "controlled" by such Person under the GAAP and to constitute a Subsidiary of such Person shall be deemed to be a designation of such corporation, association or other business entity as an Unrestricted Subsidiary by such Person and be subject to the requirements under the first paragraph of "Designation of Restricted and Unrestricted Subsidiaries" covenant.

"Temporary Cash Investment" means any of the following:

(1) direct obligations of the United States of America, any state of the European Economic Area, the People's Republic of China and Hong Kong or any agency of any of the foregoing or obligations fully and unconditionally Guaranteed by the United States of America, any state of the European Economic Area, the People's Republic of China and Hong Kong or any agency of any of the foregoing, in each case

maturing within one year, which in the case of obligations of, or obligations Guaranteed by, any state of the European Economic Area, shall be rated at least "A" by S&P or Moody's;

(2) time deposit accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by a bank or trust company which is organized under the laws of the United States of America, any state thereof, any state of the European Economic Area or Hong Kong, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of US$100 million (or the Dollar Equivalent thereof) and has outstanding debt which is rated "A" (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Section 3(a)(62) of the Exchange Act) or any money market fund sponsored by a registered broker dealer or mutual fund distributor;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) above entered into with a bank or trust company meeting the qualifications described in clause (2) above;

(4) commercial paper, maturing not more than 180 days after the date of acquisition thereof, issued by a corporation (other than an Affiliate of the Company) organized and in existence under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P;

(5) securities, maturing within one year of the date of acquisition thereof, issued or fully and unconditionally Guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least "A" by S&P or Moody's;

(6) any money market fund that has at least 95% of its assets continuously invested in investments of the types described in clauses (1) through (5) above;

(7) demand or time deposit accounts, certificates of deposit, overnight or call deposits, money market deposits and principal protected structured deposit products (that if held to maturity (which shall not be more than one year) and can be withdrawn at any time with no more than six months' notice) with any bank, trust company or other financial institution organized under the laws of the PRC, Hong Kong or anywhere the Company or any Restricted Subsidiary conducts business operations; and

(8) structured deposit products that are principal protected with any bank or financial institution organized under the laws of the PRC, Hong Kong or anywhere the Company or any Restricted Subsidiary conducts business operations if held to maturity (which shall not be more than one year) and can be withdrawn at any time with no more than six months' notice.

"Total Assets" means, as of any date, the total consolidated assets of the Company and its Restricted Subsidiaries measured in accordance with GAAP as of the last day of the most recent fiscal quarter for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile in a timely manner) are available (which may be internal consolidated financial statements); *provided* that only with respect to clause (2)(h) of "– Certain Covenants – Limitation on Indebtedness and Preferred Stock" covenant and the definition of "Permitted Subsidiary Indebtedness," Total Assets shall be calculated after giving pro forma effect to include the cumulative value of all of the real or personal property or equipment the acquisition, development, construction or improvement of which requires or required the Incurrence of Indebtedness and calculation of Total Assets thereunder, as measured by the purchase price or cost therefor or budgeted cost provided in good faith by the Company or any Restricted Subsidiary to the bank or other similar financial institutional lender providing such Indebtedness.

"Trade Payables" means, with respect to any Person, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or Guaranteed by such Person or any of its Subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services.

"Transaction Date" means, with respect to the Incurrence of any Indebtedness, the date such Indebtedness is to be Incurred and, with respect to any Restricted Payment, the date such Restricted Payment is to be made.

"Trust Company Investor" means an Independent Third Party that is a financial institution, including but not limited to a bank, a trust company, a securities management company, an asset management company or an insurance company organized under the laws of the PRC, or an Affiliate thereof, that Invests in any Capital Stock of a PRC Project Company.

"Unrestricted Subsidiary" means (1) any Subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided in the Indenture; and (2) any Subsidiary of an Unrestricted Subsidiary.

"U.S. Government Obligations" means securities that are (1) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally Guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof at any time prior to the Stated Maturity of the Notes, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

"Voting Stock" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

"Wholly Owned" means, with respect to any Subsidiary of any Person, the ownership of all of the outstanding Capital Stock of such Subsidiary (other than any director's qualifying shares or Investments by foreign nationals mandated by applicable law) by such Person or one or more Wholly Owned Subsidiaries of such Person; *provided* that Subsidiaries that are PRC CJVs shall not be considered Wholly Owned Subsidiaries unless such Person or one or more Wholly Owned Subsidiaries of such Person is entitled to 95% or more of the economic benefits distributable by such Subsidiary.

TAXATION

The following summary of certain Cayman Islands, Hong Kong and PRC tax consequences of the purchase, ownership and disposition of the Notes is based upon applicable laws, regulations, rulings and decisions as of the date of this offering memorandum, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or depose of the Notes and does not purport to deal with consequences applicable to all categories or investors, some of which may be subject to special rules. Persons considering the purchase of Notes should consult their own tax advisers concerning the tax consequences of the purchase, ownership and disposition of Notes, including such possible consequences under the laws of their country of citizenship, residence or domicile.

Cayman Islands Taxation

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Notes. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor 's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under the laws of the Cayman Islands, payments of interest, premium and principal on the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal or premium to any holder of the Notes, as the case may be, nor will gains derived from the disposal of the Notes be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax. The Cayman Islands are not party to any double taxation treaties that are applicable to any payments made by or to the Company.

No stamp duty is payable in respect of the issue of the Notes. An instrument of transfer in respect of a Note is stampable if executed in or brought into the Cayman Islands.

The Company has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has obtained an undertaking from the Governor in Cabinet of the Cayman Islands as to tax concessions under the Tax Concessions Law (2011 Revision). In accordance with the provision of section 6 of the Tax Concessions Law (2011 Revision), the Governor in Cabinet undertakes with Seazen Group Limited (新城發展控股有限公司):

- That no law which is hereafter enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations.

- In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable, on or in respect of the shares, debentures or other obligations of the Company, or by way of the withholding, in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (2011 Revision).

- These concessions shall be for a period of 20 years from November 6, 2012.

Hong Kong Taxation

Withholding Tax. No withholding tax in Hong Kong is payable on payments of principal (including any premium payable on redemption of the Notes) or interest in respect of the Notes.

Profits Tax. Hong Kong profits tax is charged on every person carrying on a trade, profession or business in Hong Kong in respect of assessable profits arising in or derived from Hong Kong from such trade, profession or business. Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong), or the Inland Revenue Ordinance, as it is currently applied, Hong Kong profits tax may be charged on revenue profits arising on the sale, disposal or redemption of the Notes where such sale, disposal or redemption is or forms part of a trade, profession or business carried on in Hong Kong.

Interest on the Notes will be subject to Hong Kong profits tax where such interest has a Hong Kong source, and is received by or accrues to:

- a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong;
- a corporation carrying on a trade, profession or business in Hong Kong; or
- a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and such interest is in respect of the funds of the trade, profession or business.

Although no tax is imposed in Hong Kong in respect of capital gains, Hong Kong profits tax may be chargeable on trading gains arising on the sale or disposal of the Notes where such transactions are or form part of a trade, profession or business carried on in Hong Kong.

Stamp Duty. No Hong Kong stamp duty will be chargeable upon the issue or transfer (for so long as the register of holders of the Notes is maintained outside Hong Kong) of a Note.

PRC Taxation

As described under "Risks Relating to Doing Business in the PRC – We may be deemed a PRC resident enterprise under the PRC EIT Law and be subject to PRC taxation on our worldwide income," we may be deemed a PRC resident enterprise.

Taxation on Interest. The PRC EIT Law and its implementation regulations, effective January 1, 2008, impose a withholding tax at the rate of 10% on interest paid to holders of the Notes that are "non-resident enterprises", so long as such "non-resident enterprise" holder does not have an establishment or place of business in China or, if there is an establishment or place of business in China, the relevant income is not effectively connected with such establishment or place of business in China, to the extent such interest is sourced within China. Pursuant to these provisions of the PRC tax law, despite many uncertainties with respect to their application, if we are considered a PRC resident enterprise, interest paid to the non-resident enterprise holders on the Notes may be treated as income derived from sources within China and be subject to the PRC withholding tax.

Taxation on Capital Gains. The PRC EIT Law and its implementation regulations impose a tax at the rate of 10% on capital gains realized by holders of the Notes that are "non-resident enterprises", so long as any such "non-resident enterprise" holder does not have an establishment or place of business in China or, if there is an establishment or place of business in China, the relevant gain is not effectively connected with such establishment or place of business in China, to the extent such capital gains are sourced within China. Pursuant to these provisions of the PRC EIT law, despite many uncertainties with respect to their application, if we are considered a PRC resident enterprise, capital gains realized by holders of the Notes may be treated as income derived from sources within China and be subject to the PRC tax.

Tax at a rate of 20% may be imposed on the interest or capital gains received by investors that are "non-resident individuals" (which in the case of interest may be withheld at source) if such interest or capital gains is deemed to be sourced within the PRC. A "non-resident individual" is an individual who neither is domiciled in China nor stays in China or who is not domiciled in China but has stayed in China for an aggregate of less than 183 days of a tax year.

Any PRC tax liability may be reduced under applicable tax treaties. However, it is unclear whether, if we are considered a PRC "resident enterprise," holders of our Notes might be able to claim the benefit of income tax treaties or agreements entered into between China and other countries or areas.

Stamp Duty. No PRC stamp tax will be chargeable upon the issue or transfer (for so long as the register of holders of the Notes is maintained outside Mainland China) of a Note.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in a purchase agreement among the Company and the Initial Purchasers, we have agreed to sell to the Initial Purchasers, and the Initial Purchasers have agreed, severally and not jointly, to purchase from us, the principal amount of the Notes set forth opposite their names below.

Initial Purchasers	Principal Amount of Notes
Guotai Junan Securities (Hong Kong) Limited	US$67,500,000
Haitong International Securities Company Limited	US$67,500,000
Citigroup Global Markets Limited	US$67,500,000
CLSA Limited	US$67,500,000
CMB International Capital Limited	US$6,000,000
China CITIC Bank International Limited	US$6,000,000
SunRiver International Securities Group Limited	US$6,000,000
DBS Bank Ltd.	US$6,000,000
Dragonstone Capital Management Limited	US$6,000,000
Total	US$**300,000,000**

Subject to the terms and conditions set forth in the purchase agreement, the Initial Purchasers have agreed, severally and not jointly, to purchase all of the Notes sold under the purchase agreement if any of the Notes are purchased. If an Initial Purchaser defaults, the purchase agreement provides that the purchase commitments of the non-defaulting Initial Purchasers may be increased or the purchase agreement may be terminated. The purchase agreement provides that the obligations of the Initial Purchasers to purchase the Notes are subject to approval of legal matters by counsel and to other conditions. The purchase agreement may be terminated by the Initial Purchasers in certain circumstances prior to the delivery and payment of the Notes. The Initial Purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

The purchase agreement also provides that during a period of 14 days from the date of this offering memorandum, the Company will not, without the prior written consent of the Initial Purchasers, directly or indirectly, issue, sell, offer or agree to sell, pledge, grant any option to purchase, make a short sale or otherwise dispose of, any debt securities of the Company or debt securities guaranteed by the Company or securities of the Company that are convertible into, or exchangeable for, the Notes or such other debt securities of the Company (other than the Notes and any debt securities to be offered within the PRC).

The Company has agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the Initial Purchasers may be required to make in respect of those liabilities.

In connection with the offering of the Notes, the Initial Purchasers are not acting for anyone other than the Company and will not be responsible to anyone other than the Company for providing the protections afforded to their clients nor for providing advice in relation to the offering.

Certain rebate will be paid to private bank purchasers of the Notes. Certain investors, including our affiliates, have purchased a majority of the Notes being offered under this offering memorandum.

The Initial Purchasers or their affiliates may purchase the Notes for their own account and be allocated the Notes for asset management and/or proprietary purposes but not with a view to distribution and/or enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of ours or our subsidiaries or associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this offering memorandum relates (notwithstanding that such selected counterparties may also be purchasers of the Notes).

The Initial Purchasers propose initially to offer the Notes at the offering price set forth on the cover page of this offering memorandum. After the initial offering, the offering price or any other term of the offering may be changed from time to time without notice by the Initial Purchasers.

Notes Are Not Being Registered

The Notes have not been and will not be registered under the Securities Act or any state securities laws, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities law. Accordingly, the Notes are being offered and sold by the Initial Purchasers only outside the United States in compliance with Regulation S. Each purchaser of the Notes will be deemed to have made acknowledgements, representations and agreements as described under "Transfer Restrictions."

New Issue of Notes

The Notes are a new issue of securities with no established trading market. Approval-in-principle has been received for the listing and quotation of the Notes on the SGX-ST. The Initial Purchasers have advised us that they presently intend to make a market in the Notes after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities in their sole discretion at any time without any notice. We cannot assure the liquidity of the trading market for the Notes. If an active trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

Short Positions and Stabilizing Transactions

In connection with the issue of the Notes, the Stabilizing Manager may, subject to applicable laws and regulations, purchase and sell the Notes, over-allot the Notes or effect transactions in the open market with a view to supporting the market price of the Notes during the stabilization period at a level higher than that which might otherwise prevail for a limited period after the time of delivery. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing purchases. Short sales involve the sale by the Stabilizing Manager, or any person acting for it, of a greater principal amount of the Notes than the Initial Purchasers are required to purchase in the offering. The Stabilizing Manager, or any person acting for it, must close out any short position by purchasing the Notes in the open market. A short position is more likely to be created if the Stabilizing Manager is concerned that there may be downward pressure on the price of the Notes in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions involve bids to purchase the Notes so long as the stabilizing bids do not exceed a specified maximum.

Similar to other purchase transactions, the purchases to cover the syndicate short sales and stabilizing purchases may have the effect of raising or maintaining the market price of the Notes or preventing or retarding a decline in the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market. However, there is no obligation on the Stabilizing Manager to undertake stabilization action and stabilization action may not necessarily occur. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than 30 days after the date on which the Company received the proceeds of the issue, or no later than 60 days after the date of allotment of the Notes, whichever is the earlier. Any stabilization action or over-allotment must be conducted by the relevant stabilizing manager (or its affiliates) in accordance with all applicable laws and rules and will be undertaken at the offices of the stabilizing manager (or its affiliates). These activities will be undertaken solely for the account of the Stabilizing Manager and not for us or on our behalf.

Neither we nor the Initial Purchasers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, neither we nor the Initial Purchasers make any representation that the Initial Purchasers will engage in these transactions or that these transactions, once commenced,

will not be discontinued without notice at any time. No assurance can be given as to the liquidity of, or the trading market for, the Notes.

Other Relationships

The Initial Purchasers and/or their affiliates have in the past engaged, and may in the future engage, in transactions with and perform services, including financial advisory, commercial banking, private wealth management and investment banking services, for us and our affiliates in the ordinary course of business, for which they received or will receive customary fees and commissions and reimbursement of expenses.

In addition, in the ordinary course of their various business activities, the Initial Purchasers and/or their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The Initial Purchasers and/or their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. We and our affiliates may enter into hedging or other derivative transactions as part of our risk management strategy with one or more of the Initial Purchasers, which may include transactions relating to our obligations under the Notes. Our obligations under these transactions may be secured by cash or other collateral.

Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code. Prospective investors who are the directors, employees or major shareholders of the Company, a CMI or its group companies would be considered under the SFC Code as having an Association with the Company, such CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Company or any CMI (including its group companies) and inform the Joint Lead Managers accordingly.

CMIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this offering memorandum. CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book. CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Company. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Notes. CMIs are informed that a private bank rebate maybe payable as stated above, or otherwise notified to prospective investors. The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Joint Lead Managers in control of the order book should consider disclosing order book updates to all CMIs. When placing an order for the Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own

balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Joint Lead Manager(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in the private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code); and
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus orders should be sent to: dcm.camel@gtjas.com.hk, project.camel@htisec.com, DCM.Omnibus@citi.com, ProjectCamel@clsa.com, ficcsyndicate@citicclsa.com, DCMs@cmbi.com.hk.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Company, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Joint Lead Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Joint Lead Manager with such evidence within the timeline requested.

By placing an order, prospective investors (including any underlying investors in relation to omnibus orders) are deemed to represent to the Joint Lead Managers that it is not a Sanctions Restricted Person. A "Sanctions Restricted Person" means an individual or entity (a "Person"): (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current "Specially Designated Nationals and Blocked Persons" list (which as at the date hereof can be found at: http://www.treasury.gov/ofac/downloads/sdnlist.pdf) or (ii) the Foreign Sanctions Evaders List (which as at the date hereof can be found at: http://www.treasury.gov/ofac/downloads/fse/fselist.pdf) or (iii) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as at the date hereof can be found at: https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en); or (b) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of the following (i) – (vi) to the extent that it will not result in violation of any sanctions by the CMIs: (i) their inclusion in the most current "Sectoral Sanctions Identifications" list (which as at the date hereof can be found at: https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf) (the "**SSI List**"), (ii) their inclusion in

Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the "**EU Annexes**"), (iii) their inclusion in any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes, (iv) them being the subject of restrictions imposed by the U.S. Department of Commerce's Bureau of Industry and Security ("**BIS**") under which BIS has restricted exports, re-exports or transfers of certain controlled goods, technology or software to such individuals or entities; (v) them being an entity listed in the Annex to the new Executive Order of 3 June 2021 entitled "Addressing the Threat from Securities Investments that Finance Certain Companies of the People's Republic of China" (known as the Non-SDN Chinese Military-Industrial Complex Companies List), which amends the Executive Order 13959 of 12 November 2020 entitled "Addressing the threat from Securities Investments that Finance Chinese Military Companies"; or (vi) them being subject to restrictions imposed on the operation of an online service, Internet application or other information or communication services in the United States directed at preventing a foreign government from accessing the data of U.S. persons; or (c) that is located, organized or a resident in a comprehensively sanctioned country or territory, including Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, the Donetsk's People's Republic or Luhansk People's Republic. "Sanctions Authority" means: (a) the United Nations; (b) the United States; (c) the European Union (or any of its member states); (d) the United Kingdom; (e) the People's Republic of China; (f) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (g) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty's Treasury.

Selling Restrictions

No action is being taken or is contemplated by us or the Initial Purchasers that would permit a public offering of the Notes or possession or distribution of this offering memorandum or any amendment thereof, any supplement thereto or any other offering material relating to the Notes in any jurisdiction where, or in any other circumstance in which, action for those purposes is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this offering memorandum nor such other material may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction.

Notice to Prospective Investors in the United Kingdom

This offering memorandum is for distribution only to persons who (i) fall within Article 43(2)(b) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Financial Promotion Order**"), (ii) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Promotion Order, (iii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc") of the Financial Promotion Order, (iv) are outside the United Kingdom, or (v) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

Each of the Initial Purchasers has represented, warranted and agreed that:

(1) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Company; and

(2) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Notice to Prospective Investors in the EEA

This offering Memorandum has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area ("**EEA**") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (as amended or superseded).

Each of the Initial Purchasers have represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision: (a) the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Each person in a Member State of the EEA who receives any communication in respect of, or who acquires any Notes under, the offers to the public contemplated in this offering memorandum, or to whom the Notes are otherwise made available, will be deemed to have represented, warranted, acknowledged and agreed to and with each Joint Lead Manager and the Company that it and any person on whose behalf it acquires Notes is not a "retail investor" (as defined above).

Notes to Prospective Investors in the UK

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Notice to Prospective Investors in Hong Kong

The Notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the SFO (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made thereunder.

Notice to Prospective Investors in Japan

The Notes offered in this offering memorandum have not been and will not be registered under the Financial Instruments and Exchange Act of Japan. The Notes may not and will not,

directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act of Japan and other relevant laws and regulations of Japan.

Notice to Prospective Investors in the PRC

This offering memorandum does not constitute a public offer of the Notes, whether by way of sale or subscription, in the PRC. Other than to qualified domestic institutional investors in the PRC, the Notes are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC. According to the laws and regulatory requirements of the PRC, with the exception of qualified domestic institutional investors in the PRC, the Notes may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any country other than the PRC.

Notice to Prospective Investors in Singapore

Each Initial Purchaser has acknowledged that this offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Initial Purchaser has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

This offering memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes may not be circulated or distributed, nor may such Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Notice to Prospective Investors in the British Virgin Islands

No invitation will be made directly or indirectly to any person resident in the British Virgin Islands to subscribe for any of the Notes but the Notes may be acquired by British Virgin Islands persons who receive the offer outside of the British Virgin Islands and in a manner which does not contravene the laws of the jurisdictions in which such offer is received.

Notice to Prospective Investors in the Cayman Islands

No Notes will be offered or sold to the public in the Cayman Islands.

Notice to Prospective Investors in Taiwan

The Notes have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Notes in Taiwan.

Notice to Prospective Investors in Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this offering memorandum or of any other document relating to the Notes be distributed in Italy, except:

(i) to qualified investors (*investitori qualificati*), pursuant to Article 100 of Legislative Decree No. 58 of February 24, 1998, as amended (the "**Financial Services Act**") and as defined in Article 34-ter, first paragraph, letter b) of *Commissione Nazionale per le Sociétá e la Borsa* ("**CONSOB**") Regulation No. 11971 of May 14, 1999, as amended from time to time ("**Regulation No. 11971**"); or

(ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of this offering memorandum or any other document relating to the Notes in the Italy under (i) or (ii) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Legislative Decree No. 385 (the "**Banking Act**"), the Financial Services Act of September 1, 1933, as amended, CONSOB Regulation No. 16190 of October 29, 2007 (as amended from time to time) and any other applicable law and regulations; and

(b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in Italy; and

(c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy or any other Italian authority.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult their legal counsel prior to making any offer, sale, resale, pledge or other transfer of the Notes.

The Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

By its purchase of the Notes, each purchaser will be deemed to have:

1. represented that it is purchasing the Notes, for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a purchaser that is outside the United States;

2. acknowledged that the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, in each case in accordance with any applicable laws of any state or territory of the Unites States and any foreign jurisdiction;

3. agreed that it will inform each person to whom it transfers the Notes of any restrictions on transfer of such Notes;

4. understood and agreed that the Notes will be represented by the Global Notes and that transfers thereto are restricted as described under "Description of the Notes Book-Entry Delivery and Form";

5. understood and agreed that if in the future it decides to resell, pledge or otherwise transfer any Notes represented by the Global Notes or any beneficial interest in any Notes represented by the Global Notes, such Notes may be resold, pledged or transferred only in accordance with the requirements of the legends set forth in paragraph 6 below;

6. understood that the Notes represented by the Global Notes will bear a legend to the following effect unless otherwise agreed to by the Company and the holder thereof:

   THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY JURISDICTION AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED OR DELIVERED IN THE UNITED STATES UNLESS SUCH SECURITIES AND GUARANTEE ARE REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS THEREOF IS AVAILABLE; and

7. acknowledged that the Company, the Transfer Agent, the Initial Purchasers, the Trustee and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements; and agreed that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Notes is no longer accurate, it shall promptly notify the Company, the Transfer Agent, the Trustee and the Initial Purchasers; and represented that if it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Each person in a Member State of the EEA who receives any communication in respect of the offering, or who acquires any Notes under the offering, or to whom the Notes are otherwise made available, will be deemed to have represented, warranted, acknowledged and agreed to and with each Initial Purchaser and the Company that it and any person on whose behalf it acquires Notes as a financial intermediary, as that term is defined in Article 3(2) of the Prospectus Directive, is: (1) a "qualified investor" within the meaning of the law in that Member State implementing Article 2(1)(e) of the Prospectus Directive; and (2) not a "retail investor" as defined in section headed "Plan of Distribution — Notice to Prospective Investors in the EEA".

RATINGS

The Notes are expected to be rated B- by S&P. The rating reflects the rating agency's assessment of the likelihood of timely payment of the principal of and interest on the Notes. The rating does not address the payment of any Additional Amounts and do not constitute recommendations to purchase, hold or sell the Notes inasmuch as such ratings do not comment as to market price or suitability for a particular investor. The rating should be evaluated independently, on other securities of ours, or on us. In addition, we have been assigned a corporate rating of B with a negative outlook by S&P and a corporate rating of Caa1 with a negative outlook by Moody's. We cannot assure you that the ratings will remain in effect for any given period or that the ratings will not be revised by such rating agencies in the future if in their judgment circumstances so warrant.

LEGAL MATTERS

Certain legal matters with respect to the Notes will be passed upon for us by Sidley Austin as to matters of United States federal and New York law, Maples and Calder (Hong Kong) LLP as to matters of Cayman Islands law and Sundial Law Firm as to matters of PRC law. Certain legal matters will be passed upon for the Initial Purchasers by Davis Polk & Wardwell as to matters of United States federal and New York law and Commerce & Finance Law Offices as to matters of PRC law.

INDEPENDENT AUDITOR

Our audited consolidated financial statements as of and for each of the years ended December 31, 2022, 2023 and 2024 included in this offering memorandum, have been audited by Grant Thornton Hong Kong Limited, Certified Public Accountants, Hong Kong, as stated in their reports appearing herein[1].

Note:

1. The audited consolidated financial statements for the years ended December 31, 2022 and 2023 as disclosed in our annual reports for such years were audited by PricewaterhouseCoopers ("**PwC**"), who was our auditor until November 2024. PwC resigned as our auditor with effect from November 25, 2024, and Grant Thornton Hong Kong Limited ("**Grant Thornton**") was appointed as our new auditor with effect from November 26, 2024. For the purpose of this offering, Grant Thornton also performed an audit of our consolidated financial statements for the years ended December 31, 2022 and 2023, which are included in this offering memorandum.

GENERAL INFORMATION

Consents

We have obtained all necessary consents, approvals and authorizations in the Cayman Islands in connection with the issue and performance of the Notes. The entering into of the Indenture and the issue of the Notes have been authorized by a resolution of our board of directors dated June 11, 2025.

Documents Available

For so long as any of the Notes is outstanding, copies of the Indenture may be inspected free of charge during normal business hours on any weekday (except public holidays) at the corporate trust office of the Trustee following prior written request and satisfactory proof of holding.

For so long as any of the Notes is outstanding, copies of our audited financial statements for the last two financial years, if any, may be obtained during normal business hours on any weekday (except public holidays) at the principal office of the Company following prior written request and satisfactory proof of holding.

No Material Adverse Change

There has been no adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise) of our general affairs since December 31, 2024 that is material in the context of the issue of the Notes.

Clearing Systems and Settlement

The Notes have been accepted for clearance through the facilities of Euroclear and Clearstream with a Common Code of 309901240 for the Notes. The International Securities Identification Number is XS3099012406 for the Notes. Only securities evidenced by a Global Note have been accepted for clearance through Euroclear and Clearstream.

Listing of the Notes

Approval-in-principle has been received for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this offering memorandum. Approval in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Company or the Notes. For so long as any of the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Notes will be traded on the SGX-ST in a minimum board lot size of US$200,000.

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, we will appoint and maintain a paying agent in Singapore where the Notes may be presented or surrendered for payment or redemption in the event that a Global Note is exchanged for individual definitive notes. In addition, in the event that a Global Note is exchanged for individual definitive notes, an announcement of such exchange shall be made by or on behalf of us through the SGX-ST and such announcement will include all material information with respect to the delivery of the individual definitive notes, including details of the paying agent in Singapore.

LEI

The Company's Legal Entity Identifier (LEI) is 5493006M8GRAQRCSCD67.

INDEX TO FINANCIAL INFORMATION

Audited Consolidated Financial Statements of Seazen Group Limited (新城發展控股有限公司) as of and for the Years Ended December 31, 2022, 2023 and 2024, with Independent Auditor's Report

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Note: The audited consolidated financial information of the Company as of and for the years ended December 31, 2022, 2023 and 2024 set out herein has been reproduced from the Company's audited consolidated financial statements for such years and as of such dates, as audited by Grant Thornton Hong Kong Limited, our independent certified public accountants.

Report and Consolidated Financial Statements

Seazen Group Limited

For the years ended

31 December 2022, 2023 and 2024

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Expressed in Renminbi ("RMB'000")

Grant Thornton
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Independent auditor's report

To the board of directors of Seazen Group Limited
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Seazen Group Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages F-8 to F-155, which comprise the consolidated statements of financial position as at 31 December 2022, 2023 and 2024, and the consolidated statements of profit or loss, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the years ended 31 December 2022, 2023 and 2024 (the "Relevant Periods"), and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, 2023 and 2024, and of its consolidated financial performance and its consolidated cash flows for the Relevant Periods in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to note 2.1 to the consolidated financial statements, which indicates that as at 31 December 2024, the Group's current liabilities exceeded its current assets by approximately RMB17,743,103,000. As at the same date, the Group had current borrowings amounted to approximately RMB16,071,392,000 in aggregate, while its cash and cash equivalents amounted to approximately RMB6,914,613,000 and restricted cash amounted to approximately RMB3,703,679,000. These events and conditions, along with other matters as set forth in note 2.1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Fair Value of Investment Properties

Key audit matter	**How our audit addressed the Key Audit Matter**
Refer to note 2.2.4, note 4.5 and note 7 to the consolidated financial statements. As at 31 December 2022, 2023 and 2024, carrying amount of investment properties of the Group amounted to approximately RMB113,263 million, RMB121,088 million and RMB122,852 million respectively. During the Relevant Periods, the Group recognised fair value changes on investment properties of approximately RMB1,455 million, RMB23 million and RMB39 million respectively. The Group determined fair value of the investment properties based on the results of valuations done by independent professional qualified valuers. The determination of fair value involved significant accounting judgements and estimates, including selection of valuation method, and usage of key inputs, such as current rental, estimated future rental, term yield, reversionary yield, estimated construction costs to completion, and estimated profit margin required to hold and develop property to completion. We consider fair value of investment properties as a Key Audit Matter because the valuation of the investment properties has a significant impact on the Group's consolidated financial position and financial performance. The inherent risk in relation to the fair value of investment properties is considered significant due to the significant judgement and estimates involved.	We performed the following audit procedures: (1) Understood and evaluated the internal controls over the management's estimation of fair value of investment properties and tested the effectiveness of key controls over the fair value estimation of investment properties. (2) Obtained list of investment properties with detailed information and performed site-visit in person to verify the current lease situation of investment properties under lease arrangement, on a sampling basis. (3) Assessed the independence, professional qualification and competence of the management expert. (4) Understood and assessed the appropriateness of the valuation method adopted and engaged our internal expert to review the reasonableness of valuation methodologies, assumptions and parameters applied in the valuation, where applicable. (5) Compared the actual rents applied in the valuation assessment against the lease register and lease agreements, on a sampling basis. Based on our audit procedures performed, we consider management's estimates and judgements on fair value of investment properties were supported by the evidence we gathered

Classification of Subsidiary, Joint Venture and Associate

Key audit matter (continued)	**How our audit addressed the Key Audit Matter (continued)**
Refer to note 2.2.1, note 4.6, note 9, note 10 and note 39 to the consolidated financial statements. The Group co-operated with other entities in property development business. As of 31 December 2022, 2023 and 2024, carrying amounts of investments in associates and joint ventures amounted to approximately RMB12,833 million, RMB12,854 million and RMB10,460 million and approximately RMB12,958 million, RMB11,715 million and RMB10,648 million respectively. At the same time, the Group had a large number of non-wholly owned subsidiaries with total non-controlling interests of approximately RMB48,261 million, RMB44,637 million and RMB40,436 million as at 31 December 2022, 2023 and 2024, respectively. The Group classified the investments into subsidiaries, joint ventures and associates based on the power and return terms specified in the investment contracts, articles of association of the investee companies and other legal documents. Subsidiaries are consolidated, which means each asset, liability and transaction are shown in the Group's financial statements, whereas investments in associates and joint ventures are shown as a single line item in the consolidated statements of financial position with a single item of income/loss for their net results. We consider classification of subsidiaries, joint ventures and associates as a Key Audit Matter because the classification of an investment as a subsidiary, joint venture or associate involves significant accounting judgements and the classification determines consolidation scope which further significantly affects the Group's total assets, total liabilities, revenue, costs and expenses.	We performed the following audit procedures: (1) Understood and evaluated the internal controls over the Group's classification of subsidiary, joint venture and associate and tested the effectiveness of the corresponding key control execution. (2) Examined, on a sampling basis, the legal documents associated with investments, including investment contracts, investee company's articles of association and other relevant legal documents, to assess the key terms, with a particular focus on governance structure, rights of the investors, decision making mechanism, profit-sharing arrangements, exit and termination, etc. (3) Assessed the reasonableness of the consideration paid or received in acquisition or disposal of investment. (4) When there have been subsequent changes to the existing legal documents or transaction arrangements, assessed whether these changes would lead to a change of classification. (5) Sought for confirmations or phone calls on a sampling basis from the Group's co-operating parties to confirm key terms, including governance structure, rights of the investors, decision making mechanism, etc, where applicable. (6) Assessed the Group's presentation and disclosures in respect of the classification and carrying values of subsidiaries, joint ventures, and associates. Based on our audit procedures performed, we consider management's judgements on classification of subsidiaries, associates, and joint ventures were supported by the evidence we gathered.

Provision for Impairment Loss of Properties Held or Under Development for Sale	
Key audit matter (continued)	**How our audit addressed the Key Audit Matter (continued)**
Refer to 2.2.6, note 4.2 and note 15 to the consolidated financial statements. As at 31 December 2022, 2023 and 2024, the Group's properties held or under development for sale amounted to approximately RMB204,413 million, RMB142,531 million and RMB97,030 million, representing approximately 44.1%, 37.8% and 31.4% of the Group's total assets, respectively. The Group made provision for impairment loss when the net realisable value of the properties held or under development for sale is lower than their respective carrying amounts. The determination of net realisable value of properties held or under development for sale involves significant accounting estimate, including the estimated selling price, selling expenses to be incurred and costs to completion. We consider provision for impairment loss of properties held or under development for sale as a Key Audit Matter because of the significance of the amount and the accounting estimate involved are subject to high degree of estimation uncertainty. The inherent risk in relation to the provision for impairment loss of properties held or under development for sale is considered.	We performed the following audit procedures: (1) Understood and evaluated the internal controls over the management's estimation of net realisable values of properties held or under development for sale and making provisions for impairment loss and tested the effectiveness of key controls. (2) Compared the estimated selling price to the Group's pre-sale price/actual selling price or the prevailing market price of the project's units on a sampling basis. (3) For estimated costs to completion of properties under development, compared the estimated costs to completion to the budgets approved by management after netting actual costs incurred on a sampling basis. (4) Compared the estimated selling expenses to be incurred to revenue ratio with the actual selling expenses to revenue ratio of the Group. (5) Compared, on a sample basis, the actual realisation of properties held or under development for sale with management's estimate made in last year to evaluate the accuracy of management's net realisable value assessment. (6) Obtained the net realisable value calculation prepared by the management and tested the accuracy by recalculate the provision for impairment loss of properties held or under development for sale, on a sampling basis. Based on the procedures performed, we consider management's estimates on provision for impairment loss of properties held or under development for sale were supported by the evidence we gathered.

Other Matter

The Company has prepared a separate set of consolidated financial statements available for public use for each of the years ended 31 December 2022, 2023 and 2024 in accordance with HKFRS Accounting Standards as issued by the HKICPA on which another audit firm and us issued a separate auditor's report to the shareholders of the Company dated 31 March 2023, 28 March 2024 and 28 March 2025 respectively.

Responsibilities of Directors for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors assisted by the Audit Committee are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton Hong Kong Limited
Certified Public Accountants
11th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong SAR

9 June 2025

Lam Yau Hing
Practising Certificate No.: P06622

Consolidated statements of financial position as at 31 December 2022, 2023 and 2024

	Notes	2022 RMB'000	2023 RMB'000	2024 RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	6(a)	7,987,902	3,861,304	3,739,661
Right-of-use assets	6(b)	1,475,120	1,060,960	1,032,060
Investment properties	7	113,262,575	121,088,100	122,852,249
Intangible assets	8	366,147	284,016	40,702
Investments in associates	9	12,832,996	12,854,475	10,460,200
Investments in joint ventures	10	12,958,270	11,714,732	10,648,135
Deferred income tax assets	22	7,640,630	6,607,576	6,125,095
Financial assets at fair value through profit or loss	12	359,942	366,989	304,684
Financial assets at amortised costs	13	219,687	267,411	-
Goodwill		777	777	-
Trade and other receivables and prepayments	16	630	639	653
Total non-current assets		157,104,676	158,106,979	155,203,439
Current assets				
Prepayments for leasehold land	14	2,498,583	2,095,610	1,875,460
Properties held or under development for sale	15	204,412,729	142,531,410	97,029,850
Trade and other receivables and prepayments	16	61,516,856	50,928,943	42,366,724
Contract costs	23	3,789,212	3,336,978	1,475,183
Financial assets at fair value through other comprehensive income	12	641,455	148,608	93,805
Financial assets at fair value through profit or loss	12	545,199	270,704	366,874
Financial assets at amortised costs	13	511,917	169,410	95,310
Restricted cash	18	10,017,870	6,274,884	3,703,679
Cash and cash equivalents	18	22,435,399	13,225,030	6,914,613
Total current assets		306,369,220	218,981,577	153,921,498
Total assets		463,473,896	377,088,556	309,124,937

Consolidated statements of financial position as at 31 December 2022, 2023 and 2024 (Continued)

	Notes	2022 RMB'000	2023 RMB'000	2024 RMB'000
EQUITY				
Equity attributable to owners of the Company				
Share capital: nominal value	19	5,822	5,822	5,822
Reserves		44,747,790	45,866,173	46,348,002
		44,753,612	45,871,995	46,353,824
Non-controlling interests		48,260,729	44,637,346	40,435,935
Total equity		93,014,341	90,509,341	86,789,759
LIABILITIES				
Non-current liabilities				
Trade and other payables	21	-	-	193,970
Borrowings	20	43,874,405	38,413,872	41,661,723
Lease liabilities	6(b)	599,709	1,303,788	1,230,236
Deferred income tax liabilities	22	7,712,480	8,188,259	7,584,648
Total non-current liabilities		52,186,594	47,905,919	50,670,577
Current liabilities				
Trade and other payables	21	106,949,413	97,215,279	88,801,722
Advances from lessees		861,548	1,012,257	1,002,453
Contract liabilities	23	164,832,371	106,091,241	55,308,646
Current income tax liabilities		9,886,047	9,523,320	10,385,529
Borrowings	20	35,663,149	24,755,728	16,071,392
Lease liabilities	6(b)	80,433	75,471	94,859
Total current liabilities		318,272,961	238,673,296	171,664,601
Total liabilities		370,459,555	286,579,215	222,335,178
Total equity and liabilities		463,473,896	377,088,556	309,124,937

The above consolidated statements of financial position should be read in conjunction with the accompanying notes to the consolidated financial statements.

The financial statements on pages F-8 to F-155 were approved by the Board of Directors on 9 June 2025 and were signed on its behalf.

Wang Xiaosong
Director

Lu Zhongming
Director

Consolidated statements of profit or loss for the years ended 31 December 2022, 2023 and 2024

	Notes	2022 RMB'000	2023 RMB'000	2024 RMB'000
Continuing operations				
Revenue	23	116,540,630	119,463,530	89,226,520
Cost of sales and services	25	(100,601,822)	(103,295,543)	(74,242,114)
Gross profit		15,938,808	16,167,987	14,984,406
Fair value changes on investment properties	7	1,455,337	23,353	(39,030)
Selling and marketing costs	25	(5,558,769)	(5,209,342)	(4,032,137)
Administrative expenses	25	(5,194,244)	(4,149,847)	(3,193,640)
Net impairment losses on financial assets		(424,109)	(1,197,403)	(908,136)
Other income	24	336,826	160,918	81,305
Other expenses	24	(18,702)	(10,037)	(3,688)
Other (losses)/gains - net	24	(454,935)	439,325	(125,823)
Operating profit		6,080,212	6,224,954	6,763,257
Finance income	26	388,005	297,430	78,269
Finance costs	26	(3,777,877)	(3,035,696)	(2,982,154)
Finance costs - net		(3,389,872)	(2,738,266)	(2,903,885)
Share of results of associates	9	383,508	692,825	636,575
Share of results of joint ventures	10	620,658	840,158	(302,001)
Profit before income tax		3,694,506	5,019,671	4,193,946
Income tax expense	28	(2,951,802)	(5,486,705)	(3,511,848)
Profit/(Loss) from continuing operations		742,704	(467,034)	682,098
Profit from discontinued operation	35	-	1,251,606	-
Profit for the year		742,704	784,572	682,098
Profit/(Loss) for the year attributable to:				
- Equity holders of the Company		280,673	879,296	491,312
- Non-controlling interests		462,031	(94,724)	190,786
		742,704	784,572	682,098

Consolidated statements of profit or loss for the years ended 31 December 2022, 2023 and 2024(Continued)

	Notes	2022 RMB'000	2023 RMB'000	2024 RMB'000
Earnings/(Loss) per share for profit/(loss) from continuing operations attributable to equity holders of the Company				
- Basic earnings per share	29	RMB0.04	RMB(0.05)	RMB0.07
- Diluted earnings per share	29	RMB0.04	RMB(0.05)	RMB0.07
Earnings per share for profit attributable to equity holders of the Company				
- Basic earnings per share	29	RMB0.04	RMB0.12	RMB0.07
- Diluted earnings per share	29	RMB0.04	RMB0.12	RMB0.07

The above consolidated statements of profit or loss should be read in conjunction with the accompanying notes to the consolidated financial statements.

Consolidated statements of comprehensive income for the years ended 31 December 2022, 2023 and 2024

	Note	2022 RMB'000	2023 RMB'000	2024 RMB'000
Profit for the year		742,704	784,572	682,098
Other comprehensive (loss)/income				
Items that may be reclassified subsequently to profit or loss				
- Currency translation differences		(594,136)	(62,646)	(11,434)
- Changes in fair value of debt instruments at fair value through other comprehensive income	12	(29,066)	(134,501)	6,377
Items that will not be reclassified subsequently to profit or loss				
- Currency translation differences attributable to non-controlling interests		(287,391)	(30,119)	(4,948)
- Share of other comprehensive (loss)/income of an associate accounted for using the equity method	9	(3,688)	(5,668)	455
- Changes in fair value of equity investments at fair value through other comprehensive income	12	90,821	(10,533)	(764)
- Revaluation gain on transfer from property, plant and equipment to investment properties	7	-	482,592	-
- Others	12	(12,457)	(57,643)	2,403
Other comprehensive (loss)/income for the year, net of tax		(835,917)	181,482	(7,911)
Total comprehensive (loss)/income for the year		(93,213)	966,054	674,187

Consolidated statements of comprehensive income for the years ended 31 December 2022, 2023 and 2024 (Continued)

	2022 RMB'000	2023 RMB'000	2024 RMB'000
Total comprehensive (loss)/income for the year attributable to:			
- Equity holders of the Company	(278,181)	1,151,700	485,945
- Non-controlling interests	184,968	(185,646)	188,242
	(93,213)	966,054	674,187
Total comprehensive (loss)/income for the year attributable to equity holders of the Company arises from:			
- Continuing operations	(278,181)	(94,381)	485,945
- Discontinued operation	-	1,246,081	-
	(278,181)	1,151,700	485,945

The above consolidated statements of comprehensive income should be read in conjunction with the accompanying notes to the consolidated financial statements.

Consolidated statements of changes in equity for the years ended 31 December 2022, 2023 and 2024

		Attributable to equity holders of the Company							
	Note	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Treasury stock RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2022		5,081	62,666	(39,048)	(113,816)	42,244,454	42,159,337	55,259,999	97,419,336
Profit for the year		-	-	-	-	280,673	280,673	462,031	742,704
Other comprehensive (loss)/income		-	-	(558,854)	-	-	(558,854)	(277,063)	(835,917)
Total comprehensive (loss)/income for the year		-	-	(558,854)	-	280,673	(278,181)	184,968	(93,213)
Transactions with equity holders, recognised directly in equity					-				
Rights issue and share placing	19	741	3,012,236	-	-	-	3,012,977	-	3,012,977
Capital contributions from non-controlling shareholders		-	-	-	-	-	-	1,186,948	1,186,948
Capital reductions from non-controlling shareholders		-	-	-	-	-	-	(3,444,476)	(3,444,476)
Disposal of subsidiaries	38	-	-	-	-	14	14	(646,641)	(646,627)
Share based payments - compensation costs	27	-	-	8,680	-	-	8,680	-	8,680
Dividends of subsidiaries		-	-	-	-	-	-	(626,414)	(626,414)
Share repurchase		-	-	-	-	-	-	(101,007)	(101,007)
Transaction with non-controlling interests	37	-	-	(149,215)	-	-	(149,215)	(3,552,648)	(3,701,863)
		741	3,012,236	(140,535)	-	14	2,872,456	(7,184,238)	(4,311,782)
Balance at 31 December 2022		5,822	3,074,902	(738,437)	(113,816)	42,525,141	44,753,612	48,260,729	93,014,341

Consolidated statements of changes in equity for the years ended 31 December 2022, 2023 and 2024 (Continued)

		Attributable to equity holders of the Company							
	Note	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Treasury stock RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2023		5,822	3,074,902	(738,437)	(113,816)	42,525,141	44,753,612	48,260,729	93,014,341
Profit/(Loss) for the year		-	-	-	-	879,296	879,296	(94,724)	784,572
Other comprehensive income/(loss)		-	-	272,404	-	-	272,404	(90,922)	181,482
Total comprehensive income/(loss) for the year		-	-	272,404	-	879,296	1,151,700	(185,646)	966,054
Transactions with equity holders, recognised directly in equity									
Capital contributions from non-controlling shareholders		-	-	-	-	-	-	80,245	80,245
Capital reduction from non-controlling shareholders		-	-	-	-	-	-	(199,660)	(199,660)
Disposal of subsidiaries	35, 38	-	-	(2,073)	-	-	(2,073)	(57,917)	(59,990)
Dividends of subsidiaries		-	-	-	-	-	-	(1,601,542)	(1,601,542)
Transactions with non-controlling interests	37	-	-	(52,698)	-	-	(52,698)	(1,658,863)	(1,711,561)
Others		-	-	21,454	-	-	21,454	-	21,454
		-	-	(33,317)	-	-	(33,317)	(3,437,737)	(3,471,054)
Balance at 31 December 2023		5,822	3,074,902	(499,350)	(113,816)	43,404,437	45,871,995	44,637,346	90,509,341

Consolidated statements of changes in equity for the years ended 31 December 2022, 2023 and 2024 (Continued)

		Attributable to equity holders of the Company							
	Note	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Treasury stock RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024		5,822	3,074,902	(499,350)	(113,816)	43,404,437	45,871,995	44,637,346	90,509,341
Profit for the year		-	-	-	-	491,312	491,312	190,786	682,098
Other comprehensive loss		-	-	(5,367)	-	-	(5,367)	(2,544)	(7,911)
Total comprehensive (loss)/income for the year		-	-	(5,367)	-	491,312	485,945	188,242	674,187
Transactions with equity holders, recognised directly in equity									
Capital reduction from non-controlling shareholders		-	-	-	-	-	-	(1,997,471)	(1,997,471)
Acquisition of subsidiaries	31	-	-	-	-	-	-	125,194	125,194
Disposal of subsidiaries	38	-	-	-	-	-	-	(759,250)	(759,250)
Dividends of subsidiaries		-	-	-	-	-	-	(654,371)	(654,371)
Transactions with non-controlling interests	37	-	-	26,856	-	-	26,856	(1,103,755)	(1,076,899)
Others		-	-	16,428	-	(47,400)	(30,972)	-	(30,972)
		-	-	43,284	-	(47,400)	(4,116)	(4,389,653)	(4,393,769)
Balance at 31 December 2024		5,822	3,074,902	(461,433)	(113,816)	43,848,349	46,353,824	40,435,935	86,789,759

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes to the consolidated financial statements.

Consolidated statements of cash flows for the years ended 31 December 2022, 2023 and 2024

	Notes	2022 RMB'000	2023 RMB'000	2024 RMB'000
Cash flows from operating activities				
Cash generated from operations	32	17,667,145	12,427,954	3,874,767
Interest paid		(6,127,921)	(4,377,586)	(3,734,415)
PRC income tax paid		(1,919,614)	(1,244,443)	(629,384)
PRC land appreciation tax paid		(2,154,774)	(809,017)	(2,148,050)
Net cash flows generated from/(used in) operating activities		7,464,836	5,996,908	(2,637,082)
Cash flows from investing activities				
Business combination, net of cash	31	823,258	(41,092)	84,282
Additions of investment properties		(6,839,316)	(2,200,285)	(1,889,566)
Additions of property, plant and equipment and prepayments for non-current assets		(1,154,638)	(278,535)	(48,689)
Proceeds from disposal of property, plant and equipment and intangible assets		371,996	871,512	999
Proceeds from disposal of an associate		(21,280)	(23,258)	-
Additions of intangible assets	8	(28,118)	(2,655)	(665)
Additions of right-of-use assets		(492,543)	-	-
Investments in associates		(401,642)	(210,687)	(7,501)
Investments in joint ventures	10	(75,438)	(15,209)	(48,800)
Disposal of subsidiaries and business, net of cash disposed	35, 38	297,106	1,402,758	247,626
Dividends received		1,118,265	1,321,747	1,176,313
Interest received		301,433	319,883	70,831
Fundings to related parties and joint venture partners		(19,196,335)	(7,984,020)	(6,538,342)
Repayment of fundings to related parties and joint venture partners		22,916,106	8,621,778	7,106,437
Acquisition of financial assets at fair value through other comprehensive income		(33,353)	-	-
Proceeds from disposal of financial assets at fair value through other comprehensive income		184,942	93,625	28,439
Acquisition of financial assets at fair value through profit or loss		(53,428)	(12,150)	(200,000)
Proceeds from disposal of financial assets at fair value through profit or loss		559,943	419,675	13,385
Acquisition of financial assets at amortised costs		(26,254)	(79,766)	(165,721)
Proceeds from disposal of financial assets at amortised costs		36,612	15,335	700,444

Consolidated statements of cash flows for the years ended 31 December 2022, 2023 and 2024 (Continued)

	Notes	2022 RMB'000	2023 RMB'000	2024 RMB'000
Cash flows from investing activities (Continued)				
Capital reduction and disposal of joint ventures	10	447,951	1,025,690	363,632
Capital reduction and disposal of associates	9	1,046,263	413,422	1,617,071
Net cash flows (used in)/generated from investing activities		(218,470)	3,657,768	2,510,175
Cash flows from financing activities				
Proceeds from borrowings	32(b)	26,609,248	20,110,870	22,867,912
Repayments of borrowings	32(b)	(54,472,549)	(36,636,833)	(28,365,675)
Interest bearing funds from related parties	32(b)	-	-	193,970
Dividends paid to non-controlling interests		(626,414)	(1,601,542)	(654,371)
Rights issue and share placing		3,012,977	-	-
Capital contribution from non-controlling interests		1,186,948	80,245	-
Capital reduction by non-controlling interests		(3,444,476)	(199,660)	(1,997,471)
Fundings from non-controlling interests of subsidiaries		9,829,158	3,867,735	2,980,631
Payment for fundings from non-controlling interests of subsidiaries		(9,675,233)	(2,660,965)	-
Buy-back of the A share company's shares		(100,981)	-	-
Transaction with non-controlling interests	37	(3,701,863)	(1,711,561)	(1,076,899)
Principal elements of lease payments	6	(86,012)	(127,782)	(77,968)
Net cash flows used in financing activities		(31,469,197)	(18,879,493)	(6,129,871)
Net decrease in cash and cash equivalents		(24,222,831)	(9,224,817)	(6,256,778)
Cash and cash equivalents at the beginning of the year		46,604,698	22,435,399	13,225,030
Exchange gains/(losses)		53,532	14,448	(53,639)
Cash and cash equivalents at the end of the year	18	22,435,399	13,225,030	6,914,613

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes to the consolidated financial statements.

Notes to the consolidated financial statements for the years ended 31 December 2022, 2023 and 2024

1. GENERAL INFORMATION

Seazen Group Limited was incorporated in the Cayman Islands on 23 April 2010 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of its registered office is Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, Grand Cayman KY1-1205, Cayman Islands.

The principal activities of the Company and its subsidiaries (together, the "Group") are property development and property investment in the People's Republic of China (the "PRC"). The Company's parent company is Wealth Zone Hong Kong Investments Limited ("Wealth Zone Hong Kong") and the Company's ultimate holding company is First Priority Group Limited, both of which are incorporated in the British Virgin Islands. The ultimate controlling party of the Group is Mr. Wang Zhenhua ("Mr. Wang" or the "Controlling Shareholder").

The Company's shares began to list on the Main Board of The Stock Exchange of Hong Kong Limited ("The Stock Exchange") on 29 November 2012 (the "Listing").

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

These consolidated financial statements set out on pages F-8 to F-155 have been approved and authorised for issue by the board of directors (the "Board") of the Company on 9 June 2025.

2. SUMMARY OF ACCOUNTING POLICIES

2.1 Basis of preparation

(i) Purpose

These consolidated financial statements are prepared for the purpose of preparation of financial information for inclusion in the offering memorandum of the Company in connection with the debt offering of the Group. The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards. All HKFRS Accounting Standards effective for the accounting period commencing from 1 January 2024, together with the relevant transitional provisions, have been early adopted by the Group throughout the years ended 31 December 2022, 2023 and 2024 ("Relevant Periods").

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(ii) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss ("FVPL") and financial assets at fair value through other comprehensive income ("FVOCI") and investment properties, which are carried at fair value.

(iii) Going concern basis

As at 31 December 2024, the Group's current liabilities exceeded its current assets by approximately RMB17,743,103,000. As at the same date, the Group had current borrowings amounted to approximately RMB16,071,392,000 in aggregate, while its cash and cash equivalents amounted to approximately RMB6,914,613,000 and restricted cash amounted to approximately RMB3,703,679,000.

The above events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the directors have given careful consideration to the future liquidity and performance of the Group, its available sources of financing, past performance of management and policy trend in assessing whether the Group will have sufficient financial sources to continue as a going concern. With the efforts made in the past year, the Group fully capitalised on the policy support to optimise facility line and structure and reduce financing costs, ensuring the full payment in the open market when maturity. The following measures are formulated to mitigate the liquidity pressure and to improve the financial position of the Group:

1) further enhancing the Group's advantages in commercial operation management and increasing the commercial operation revenue as a major source of funds for repayments of principals and interests of interests-bearing liabilities;

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(iii) Going concern basis (Continued)

2) continuing to leverage financial policy support to increase operating property loan financing, increase open market bond financing, actively promote the registration and issuance of consumer infrastructure REITS, actively participate in real estate related innovative financing, and at the same time actively promote equity financing to increase capital and funding, adjust the gearing structure and reduce the gearing ratio. Seizing the opportunity of market stabilisation to restore and enhance principal credit financing to complement asset credit financing;

3) seizing the opportunities of implementing resumption policy and adopting various methods to revitalise existing assets to increase cash sources;

4) continuing to enhance communications with major constructors and supplier, amicably negotiating the proper arrangements of payment schedules and methods to smooth out the payments for project costs and materials and keep the constructions of projects proceeding as scheduled.

The directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from the reporting date of the consolidated financial statements. In view of the recovery of industry and market confidence, comprehensive policy support, extensive experience in liquidity management, continuous availability of financing resources, the Boards are of the opinion that, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2024. Accordingly, the Board are satisfied that it is appropriate to prepare the consolidated financial statements of the Group on a going concern basis.

Nevertheless, the Group's ability to continue as a going concern is subject to its ability to consolidate its dominant position in business operations and management, secure new financing or reach necessary arrangements with financial institutions by leveraging financial policy support, capitalize on land acquisition and land bank policies to revitalize existing assets, meet the terms/financial covenants of various loans, and communicate with construction and suppliers to properly arrange payment schedules and methods. Should the Group be unable to achieve the above mentioned measures and operate as a going concern, adjustments would have to be made to the financial statements and write down the carrying values of the Group's assets to their recoverable amounts, to recognise for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(v) New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group:

New standards, amendments, interpretation and improvements		Effective for accounting periods beginning on or after
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not yet determined
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027

These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2.2 Summary of material accounting policies

2.2.1 Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 2.2.2).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.1 Principles of consolidation and equity accounting (continued)

(i) Subsidiaries (Continued)

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of financial position, consolidated statements of profit or loss, consolidated statements of comprehensive income and consolidated statements of changes in equity respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

(iii) Joint arrangements

Under HKFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated statements of financial position.

(iv) Equity accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.1 Principles of consolidation and equity accounting (continued)

(iv) Equity accounting (continued)

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.2.5.

(v) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.2 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any noncontrolling interest in the acquired entity on an acquisition by-acquisition basis either at fair value or at the noncontrolling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity.

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.3 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses. The initial cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Various costs incurred for qualifying assets and borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to the consolidated statements of profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

-	Buildings	20 - 30 years
-	Transport equipment	3 - 20 years
-	Furniture, fitting and equipment	3 - 12 years
-	Decoration	3 -5 years

The assets' residual value and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.4 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

The Group is the lessor of certain leased properties. For leased right-of-use assets together with leasehold improvements leased out, the Group classifies them as investment properties and measured them at fair value.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at fair value. Changes in fair value are recognised and presented separately in the consolidated statements of profit or loss.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are performed at balance sheet date by external valuers.

Property under construction is measured at fair value if the fair value is considered to be reliably measurable. If the fair value cannot be reliably determined, the investment property under construction will be measured at cost until such time as fair value can be determined or construction is completed, whichever is earlier. Any difference between the fair value of the property at that date and its then carrying amount shall be recognised in the consolidated statements of profit or loss. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

When an operating lease contract is entered into with another party on a property originally held for owner-occupation and upon the inception of the lease, the property is transferred from property, plant and equipment to investment property. The property, plant and equipment is fair valued at the date of transfer, and any revaluation gain is credited to other comprehensive income. The revaluation gain included in equity will be transferred directly to retained earnings when the revaluation gain is realised, when the asset is derecognised.

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.5 Impairment of non-financial assets

The following items are subject to impairment testing:

- Goodwill;
- Other intangible assets;
- Property, plant and equipment (including right-of-use assets); and
- The Company's interests in subsidiaries.

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.2.6 Properties held or under development for sale

Properties held or under development for sale are included in current assets at the lower of cost and net realisable value. The costs of properties held or under development consist of costs of leasehold land, construction expenditure, capitalised borrowing costs and other direct costs incurred during the development period. The costs of properties held are determined by apportionment of the total development costs for that development project attributable to the unsold properties. Net realisable value is based on estimated selling price in the ordinary course of business as determined by management with reference to the prevailing market conditions, less further costs expected to be incurred to completion and selling and marketing costs.

2.2.7 Borrowings and borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statements of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless as at the end of the reporting period, the Group has a right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangement with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification.

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.7 Borrowings and borrowing costs (continued)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facilities to which it relates.

Borrowings are removed from the statements of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period when they are incurred.

2.2.8 Current and deferred income tax

The income tax expense for the year is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.8 Current and deferred income tax (Continued)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies the requirements in HKAS 12 to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to the lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.8 Current and deferred income tax (Continued)

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure. The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

2.2.9 Provisions and contingent liabilities

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.10 Revenue recognition

(a) The following is a description of the accounting policy for the principal revenue streams of the Group:

(i) Sales of properties

Control of the property under all the property development and sales contract is transferred at a point in time, revenue is recognised when the property is accepted by the customer, or deemed as accepted according to the contract, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property, and the Group has present right to payment and the collection of the consideration is probable.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component.

(ii) Commercial property management service

The Group provides commercial property management services. Revenue from providing services is recognised in the accounting period in which the services are rendered.

For commercial property management services, the Group billed a fixed amount each month for services provided and recognised as revenue in the amount to which the Group has a right to invoice and corresponds directly with value of performance completed.

If contracts involve the sale of multiple services, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. If the standard-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.10 Revenue recognition (Continued)

(a) The following is a description of the accounting policy for the principal revenue streams of the Group: (Continued)

(iii) Other services

The Group provides various services to its customers at fixed or variable amounts. If the consideration is variable, the Group estimates the amount of consideration to which it will be entitled in exchange for the promised goods or services. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The Group recognises revenue associated with fixed fees over time where the customer simultaneously receives and consumes the benefits provided by the Group or when the Group's performance do not create an asset with alternative use and the Group has an enforceable right to perform completed to date, by reference to completion of the specific transaction assessed on the basis of the actual costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.

(b) Contract cost – cost to obtain a contract

The Group recognises the incremental costs of obtaining a contract with a customer as an asset if the entity expects to recover those costs. The incremental costs of obtaining a contract are the costs that the Group incurs in its efforts to obtain a contract that would not have been incurred if the contract had not been obtained.

(c) Presentation of contract liabilities

Advanced proceeds received from customers are presented as contract liabilities.

(d) Accounting for significant financing component

Following the adoption of HKFRS 15, the amount of revenue recognised exceeds the amount of cash received from the customers when an arrangement contains a significant financing component.

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.11 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments),less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.11 Leases (Continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is amortised over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of material accounting policies (Continued)

2.2.11 Leases (Continued)

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statements of financial position based on their nature.

2.3 Summary of other accounting policies

2.3.1 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The board of the Company has appointed a strategic steering committee which assesses the financial performance and position of the Group, and makes strategic decisions. The steering committee, which has been identified as being the chief operating decision maker, consists of the chief executive officer, the chief financial officer and the manager for corporate planning.

2.3.3 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Since the majority of the assets and operations of the Group are located in the PRC, the financial statements are presented in RMB, which is the functional currency of the Company and the presentation currency of the Group.

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of other accounting policies (Continued)

2.3.3 Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statements of profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in the consolidated statements of profit or loss within 'other gains or losses – net'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as financial assets at fair value through other comprehensive income are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each statement of financial position of the Group entities are translated at the closing date of that statements of financial position;

(b) income and expenses for each statement of profit or loss and statement of comprehensive income of the Group entities are translated at average exchange rate; and

(c) all resulting exchange differences are recognised in other comprehensive income and accumulated as a separate component of equity.

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of other accounting policies (Continued)

2.3.3 Foreign currency translation (Continued)

(iii) Group companies (continued)

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.3.4 Discontinued Operation

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operation are presented separately in the consolidated statements of profit or loss.

2.3.5 Intangible assets

(i) Trademarks, patent and client resources

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licences and client resources acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

(ii) Computer software

Computer software of the Group comprises acquired computer software which is capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

(iii) Amortisation methods and periods

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

Trademarks	10 years
Computer software	5 years
Patent	10 years
Client resources	10 years

The assets' amortisation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Intangible assets, with finite and indefinite useful lives, are tested for impairment as described below in note 2.2.5.

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of other accounting policies (Continued)

2.3.6 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value either at FVOCI or FVTPL and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in consolidated statements of profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statements of profit or loss.

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of other accounting policies (Continued)

2.3.6 Investments and other financial assets (Continued)

(b) Measurement (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment loss are presented as separate line item in the consolidated statements of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Dividend income from these financial assets is included in other income.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes of financial assets at FVPL are recognised in other gains/(losses) in the consolidated statements of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(c) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt instrument carried at amortised cost and financial assets at fair value through OCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3.1.2 details how the Group determines whether there has been a significant increase in credit risk.

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of other accounting policies (Continued)

2.3.6 Investments and other financial assets (Continued)

(c) Impairment of financial assets (continued)

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other receivables, financial assets at amortised cost and financial assets at fair value through other comprehensive income, the Group applies the general model for expected credit loss prescribed by HKFRS 9, since credit risk has not significantly increased after initial recognition, the loss allowance recognised was therefore limited to 12 months expected losses.

(d) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2.3.7 Trade and other receivables

When a trade and other receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited to the consolidated statements of profit or loss.

Trade and other receivables are included in current assets, except for those maturing more than twelve months after the reporting period (or out of the normal operating cycle of the business if longer) which are classified as non-current assets.

See note 16 for further information about the Group's aging for trade and other receivables and note 3.1.2 for a description of the Group's impairment policies.

2.3.8 Cash and cash equivalents

For the purpose of presentation in the statements of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Restricted cash is excluded from cash and cash equivalents.

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of other accounting policies (Continued)

2.3.9 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period (or out of the normal operating cycle of the business if longer).

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Debt restructuring is a transaction in which, without changing the counterparty, a new agreement is reached between the creditor and debtor, or ruled by a court, regarding the time, amount, or method of debt repayment.

As a debtor, if the Group repay the debts by transferring assets, the relevant assets and debts should be derecognised when meeting the conditions of derecognition. The difference between the book value of settled debts and transferred assets shall be recognised in the profit and loss.

In addition, if debt restructuring is carried out by modifying other terms which resulting in the derecognition of the original debt, the Group shall initially measure the restructured debt at fair value according to the modified terms. The difference between the initially measurement amount of the restructured debt and the book value of the original debt on the date of derecognition shall be recognised in the profit and loss. If the modification of other terms does not result in the derecognition of the original debt, the original debt shall continue to be measured according to its original classification, and the gains or losses arising from the modification shall be recognised in the profit and loss.

2.3.10 Employee benefits

In accordance with the rules and regulations of mainland China, the mainland China based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the mainland China under which the Group and the mainland China based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to a certain ceiling.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired mainland China based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the municipal and provincial governments.

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of other accounting policies (Continued)

2.3.10 Employee benefits (Continued)

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

2.3.11 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of

- the amount determined in accordance with the expected credit loss model under HKFRS 9 Financial Instruments and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of other accounting policies (Continued)

2.3.12 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by
- the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding.

2.3.13 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.3.14 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets, see note 12 below.

Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in the statements of profit or loss as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see note 11 below. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

3. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cashflow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3.1.1 Market risk

(i) Foreign exchange risk

The Group is engaged in the development, sale and management of properties solely in the PRC with almost all the transactions denominated in RMB, except for certain financing activities, including the placing, certain borrowings from banks and issuance of senior notes which are denominated in Hong Kong Dollar ("HKD") or United States Dollar ("USD"). As of 31 December 2022, 2023 and 2024, majority of the Group's assets and liabilities are denominated in RMB except that certain cash and borrowings are denominated in HKD or USD.

Cash and borrowings not denominated in functional currency is subject to foreign exchange risk. Fluctuations in the exchange rates of HKD and USD against RMB will affect the Group's result of operations. The Group currently does not have a foreign currency hedging policy. However, management closely monitors the foreign exchange exposure and will take actions when necessary.

As at 31 December 2022, 2023 and 2024, if RMB had strengthened/ weakened by 5%, against HKD and USD with all other variables held constant, post-tax profit for the year would have been RMB225,119,000, RMB190,916,000 and RMB362,847,000 higher/lower, respectively, mainly as a result of net foreign exchange gains/losses on translation of HKD and USD denominated bank deposits and borrowings.

3. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

3.1 Financial risk factors (Continued)

3.1.1 Market risk

(ii) Price risk

The Group is exposed to price risk because of investments held by the Group and classified on the consolidated statements of financial position either as FVPL (note 12) or FVOCI (note 12). In the opinion of the directors, the Group's exposure to price risk with regard to its investments is not significant since it is the Group's policy not to invest significant amounts that might have a detrimental impact to the Group's financial results. All investments must be approved by the Chairman of the Board before they may be entered into.

The following table summarises the impact of increase/(decrease) of fair value of the financial assets with all other variable held constant on net profit and other comprehensive income.

	Net profit			OCI		
	Year ended 31 December					
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
- 5 percent higher	45,257	31,885	33,578	32,073	7,430	4,690
- 5 percent lower	(45,257)	(31,885)	(33,578)	(32,073)	(7,430)	(4,690)

(iii) Cash flow and fair value interest rate risk

Except for cash deposits in the bank and certain balances in trade and other receivables and financial assets at amortised cost, the Group has no other significant interest-generating assets.

The Group's exposure to changes in interest rates is mainly attributable to its borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. The Group has not hedged its cash flow or fair value interest rate risk. The interest rate and terms of repayments of borrowings are disclosed in note 20.

Management does not anticipate significant impact to interest-bearing assets resulted from the changes in interest rates, because the interest rates of bank deposits and certain balances in trade and other receivables are not expected to change significantly.

3. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

3.1 Financial risk factors (Continued)

3.1.1 Market risk (Continued)

(iii) Cash flow and fair value interest rate risk (continued)

As at 31 December 2022, 2023 and 2024, if interest rates on borrowings with floating rates had been 50 basis points higher/lower with all other variables held constant, the post-tax profit and capitalised interest of the Group for the years ended 31 December 2022, 2023 and 2024 would have changed as follows:

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Post-tax profit increase/ (decrease)			
- 50 basis points higher	(33,925)	(34,595)	(56,572)
- 50 basis points lower	33,925	34,595	56,572
Capitalised interest increase/ (decrease)			
- 50 basis points higher	109,387	56,180	23,938
- 50 basis points lower	(109,387)	(56,180)	(23,938)

3.1.2 Credit risk

The Group is exposed to credit risk in relation to its trade and other receivables, cash deposits with bank, financial assets at amortised cost, financial assets at FVOCI and financial guarantee.

The carrying amounts of trade and other receivables, restricted cash and cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets.

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge the obligation under the terms of financial instrument and cause a financial loss to the Group. The Group considered the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there's a significant increase in credit risk, the Group compares the risk of a default occurring on the asset at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating

3. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increases in credit risk on other financial instruments of the same borrower
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower

(a) Risk management

The Group has no significant concentrations of credit risk, with exposure spread over a large number of counterparties and buyers. The maximum extent of the Group's credit exposure in relation to financial assets is represented by the aggregate balance of cash and cash equivalents, restricted cash, trade and other receivable and derivative financial instruments included in the consolidated statements of financial position and financial guarantees provided to related companies and guarantees on mortgage facilities.

Cash transactions are limited to high-credit-quality banks. The Group has policies in place to ensure that sales of properties are made to customers with an appropriate financial strength and appropriate percentage of down payment. Credit is granted to customers with sufficient financial strength. It also has continuous monitoring procedures to ensure the collection of the receivables as scheduled and follow up action is taken to recover overdue debts, if any.

Certain customers of the Group have arranged bank financing for their purchases of the properties. The Group typically provides guarantees to secure obligations of such customers for repayments, normally up to the time when the customers obtain the legal certificates of the property ownership. Detailed disclosure of these guarantees is made in note 34.

(b) Cash in banks

The Group expects that there is no significant credit risk associated with cash deposits at banks since they are substantially deposited with state-owned banks and other medium or large size listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

3. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

(c) Trade receivables

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9,which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss also incorporate forward looking information.

As at 31 December 2022, 2023 and 2024,the loss allowance was determined as follows for trade receivables:

	Current RMB'000
As at 31 December 2022	
Individual basis	
Gross carrying amount of trade receivables for individual items	11,335
Expected loss rate	24.09%
Loss allowance	(2,731)
Trade receivables - net for individual items	8,604
Collective basis	
Gross carrying amount of trade receivables except individual items	642,917
Expected loss rate	1.92%
Loss allowance	(12,344)
Trade receivables- net except individual items	630,573
As at 31 December 2023	
Collective basis	
Gross carrying amount of trade receivables except individual items	710,778
Expected loss rate	2.25%
Loss allowance	(16,021)
Trade receivables	694,757
As at 31 December 2024	
Individual basis	
Gross carrying amount of trade receivables for individual items	1,826
Expected loss rate	100%
Loss allowance	(1,826)
Trade receivables	-
Collective basis	
Gross carrying amount of trade receivables except individual items	606,607
Expected loss rate	2.28%
Loss allowance	(13,809)
Trade receivables	592,798

3. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

(c) Trade receivables (continued)

The loss allowances for trade receivables as at 31 December reconcile to the opening loss allowances as follows:

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
At 1 January	14,047	15,075	16,021
Increase in loss allowance recognised in profit or loss during the year	1,028	946	77,801
Amount written off during the year	-	-	(78,187)
At 31 December	15,075	16,021	15,635

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group. The Group made no written off for trade receivables during the years ended 31 December 2022, 2023 and 2024.

(d) Other receivables

The Group uses three categories for other receivables which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings.

A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Group definition of category	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
Stage one	Customers have a low risk of default and a strong capacity to meet contractual cash flow	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime	Gross carrying amount
Stage two	Receivables for which there is a significant increase in credit risk since initial recognition	Lifetime expected losses	Gross carrying amount
Stage three	Receivables for which there is a credit risk since initial recognition	Lifetime expected losses	Amortised cost carrying amount (net of credit allowance)

The Group accounts for its credit risk by appropriately providing for expected losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

3. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

(d) Other receivables (Continued)

As at 31 December 2022, 2023 and 2024, the loss allowance was determined as follows for other receivables:

	Category	Expected credit loss rate	Gross carrying amount of other receivables RMB'000	Loss allowance RMB'000	Other receivables - net RMB'000
As at 31 December 2022					
Receivables from government related bodies	Stage one	0.11%	4,919,080	(5,411)	4,913,669
Due from related parties	Stage one	1.92%	8,949,337	(171,827)	8,777,510
Others	Stage one	1.92%	26,930,797	(517,072)	26,413,725
Due from related parties	Stage three	18.86%	3,628,888	(684,459)	2,944,429
Others	Stage three	100.00%	3,000	(3,000)	-
			44,431,102	(1,381,769)	43,049,333
As at 31 December 2023					
Receivables from government related bodies	Stage one	0.54%	3,656,110	(19,706)	3,636,404
Due from related parties	Stage one	2.25%	4,863,846	(109,640)	4,754,206
Others	Stage one	2.25%	24,907,272	(561,410)	24,345,862
Due from related parties	Stage three	24.47%	5,701,966	(1,395,175)	4,306,791
Others	Stage three	100.00%	400	(400)	-
			39,129,594	(2,086,331)	37,043,263
As at 31 December 2024					
Receivables from government related bodies	Stage one	0.43%	2,246,962	(9,701)	2,237,261
Due from related parties	Stage one	2.28%	4,696,963	(106,919)	4,590,044
Others	Stage one	2.28%	22,777,993	(518,422)	22,259,571
Due from related parties	Stage three	31.62%	5,793,260	(1,831,802)	3,961,458
Others	Stage three	100.00%	206,250	(206,250)	-
			35,721,428	(2,673,094)	33,048,334

The loss allowances for other receivables as at 31 December reconcile to the opening loss allowances as follows:

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
At 1 January	1,196,545	1,381,769	2,086,331
Increase in loss allowance recognised in profit or loss during the year	307,446	772,329	936,236
Amount written off during the year	-	-	(9,093)
Unused amount reversed	(122,222)	(67,767)	(340,380)
At 31 December	1,381,769	2,086,331	2,673,094

Other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group. The Group made no written off for other receivables during the years ended 31 December 2022, 2023 and 2024.

3. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

(e) Financial assets at amortised cost

Debt investment at amortised cost mainly include listed debt securities. The Group calculates the expected credit loss based on the default risk exposure and the expected credit loss rate within the next 12 months or the entire duration according to the nature of the investment and the various types of counterparties and risk exposures.

(f) Financial assets at FVOCI

Debt investments at FVOCI mainly include listed debt securities. The loss allowance for debt investments at FVOCI is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI.

(g) Financial guarantee

The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments. The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. If a purchaser defaults on the payment of its mortgage loan during the guarantee period, the bank holding the guarantee may demand the Group to repay the outstanding principal of the loan and any interest accrued thereon. Under such circumstances, the Group is able to forfeit the customer's deposit and resell the property to recover any amounts paid by the Group to the bank. In this regard, the directors consider that the Group's credit risk is significantly reduced.

The Group also provides guarantees to certain related parties of the Group to obtain borrowings after assessing the credit history and pledge information of these related parties. The Group closely monitors the repayment progress of the relevant borrowings by these related parties. In the opinion of the directors of the Group, the related party transactions were carried out in the normal course of business and at terms mutually negotiated between the Group and the respective related parties. The directors consider that the likelihood of default in payments is not material, as all the related parties are engaged in property development with solid financial position.

3. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

3.1 Financial risk factors (Continued)

3.1.3 Liquidity risk

Management of the Group aims to maintain sufficient cash through internally generated sales proceeds and an adequate amount of committed credit facilities to meet its operation needs and commitments in respect of property projects.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period as at 31 December 2022, 2023 and 2024 to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 31 December 2022					
Borrowings	38,840,788	21,272,227	19,123,543	10,018,821	89,255,379
Trade and other payables (excluding tax payable and accrued payroll)	90,613,366	-	-	-	90,613,366
Lease liabilities	81,432	68,907	197,733	722,918	1,070,990
Guarantees in respect of mortgaged facilities granted to purchasers of the Group's properties (note 34)	62,295,853	-	-	-	62,295,853
	191,831,439	21,341,134	19,321,276	10,741,739	243,235,588
Guarantees for joint ventures and associates in respect of borrowings (note 36(d))					4,924,428
As at 31 December 2023					
Borrowings	27,805,595	14,695,409	15,672,358	15,461,781	73,635,143
Trade and other payables (excluding tax payable and accrued payroll)	86,187,949	-	-	-	86,187,949
Lease liabilities	77,890	98,724	397,489	1,669,144	2,243,247
Guarantees in respect of mortgaged facilities granted to purchasers of the Group's properties (note 34)	33,026,298	-	-	-	33,026,298
	147,097,732	14,794,133	16,069,847	17,130,925	195,092,637
Guarantees for joint ventures and associates in respect of borrowings (note 36(d))					3,141,975
As at 31 December 2024					
Borrowings	18,747,685	11,917,625	16,400,585	24,835,459	71,901,354
Trade and other payables (excluding tax payable and accrued payroll)	82,120,302	11,735	202,715	-	82,334,752
Lease liabilities	99,002	122,999	402,364	1,487,650	2,112,015
Guarantees in respect of mortgaged facilities granted to purchasers of the Group's properties (note 34)	21,775,253	-	-	-	21,775,253
	122,742,242	12,052,359	17,005,664	26,323,109	178,123,374
Guarantees for joint ventures and associates in respect of borrowings (note 36(d))					2,751,584

Note: The interest on borrowings is calculated based on borrowings held as at 31 December 2022, 2023 and 2024, respectively, without taking into account future borrowings. Floating-rate interests are estimated using the current interest rate as at 31 December 2022, 2023 and 2024, respectively.

3. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

3.1 Financial risk factors (Continued)

3.1.3 Liquidity risk (Continued)

Due to dynamic nature of the underlying business, the management of the Group is closely monitoring the risk of the liquidity and takes the following actions to manage the liquidity risk:

(i) prepares annual cash flow forecast and updates such forecast on a monthly basis to reflect the latest changes and monitor the liquidity risk closely;

(ii) maintains strategic cooperation with major banks and other financial institutions to secure credit facilities where appropriate;

(iii) continues to obtain longer term financing facilities, mainly issuance of senior notes, project bank loans with pledge of the Group's properties or other resources of funding which the Group considers appropriate;

(iv) proactively promotes the sales of the Group's completed properties and pre-sales of properties under development. The Group also considers the flexibility of adjusting the price and volume on sale of properties for management of liquidity risk.

3.1.4 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings and lease liabilities less cash and cash equivalents. Total capital is calculated as total equity, as shown in the consolidated statements of financial position, plus net debt.

The gearing ratios of the Group at 31 December 2022, 2023 and 2024 were as follows:

	As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Total borrowings	79,537,554	63,169,600	57,733,115
Lease liabilities	680,142	1,379,259	1,325,095
Less: Cash and cash equivalents	(22,435,399)	(13,225,030)	(6,914,613)
Net debt	57,782,297	51,323,829	52,143,597
Total equity	93,014,341	90,509,341	86,789,759
Total capital	150,796,638	141,833,170	138,933,356
Gearing ratio	38%	36%	38%

The Group has no significant change in gearing ratio as at 31 December 2024 as compared with that of 31 December 2022 and 2023.

3. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

3.2 Fair value estimation

(a) Financial assets and liabilities

(i) Valuation techniques used to determine fair value

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

(ii) Fair value hierarchy

The following table presents the Group's financial assets that are measured at fair value at 31 December 2022, 2023 and 2024, respectively. See note 7 for disclosures of the investment properties that are measured at fair value.

Recurring fair value measurements	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At 31 December 2022				
Financial assets				
Financial assets at FVOCI	13,240	-	628,215	641,455
Financial assets at FVPL	171,951	30,266	702,924	905,141
Total financial assets	185,191	30,266	1,331,139	1,546,596
At 31 December 2023				
Financial assets				
Financial assets at FVOCI	2,823	-	145,785	148,608
Financial assets at FVPL	64,828	11,481	561,384	637,693
Total financial assets	67,651	11,481	707,169	786,301
At 31 December 2024				
Financial assets				
Financial assets at FVOCI	2,112	-	91,693	93,805
Financial assets at FVPL	2,209	237,827	431,522	671,558
Total financial assets	4,321	237,827	523,215	765,363

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the beginning of the reporting period.

3. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

3.2 Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

(ii) Fair value hierarchy (continued)

Level 1: The fair value of financial instruments traded in active markets (such as listed bond etc.) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (such as restricted listed equity securities etc.) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case mainly for unlisted equity securities.

(iii) Fair value measurement using significant unobservable inputs

The following table presents the changes in level 3 items for the years ended 31 December 2022, 2023 and 2024:

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Financial assets at FVPL			
At 1 January	595,945	702,924	561,384
Fair value loss recognised in profit or loss	(55,065)	(34,500)	(76,321)
Addition	45,520	12,150	-
Disposal	(14,420)	(230,030)	(37,901)
Transferred from Level 1	130,944	110,840	-
Transferred to Level 2	-	-	(15,640)
At 31 December	702,924	561,384	431,522
Financial assets at FVOCI			
At 1 January	638,663	628,215	145,785
Fair value gain recognised in other comprehensive income	125,196	(186,571)	8,780
Provision for/(Reversal of) expected credit loss	48,548	(202,234)	(13,879)
Disposal	(184,192)	(93,625)	(48,993)
At 31 December	628,215	145,785	91,693

3. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

3.2 Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

(iv) Fair value hierarchy

Valuation inputs and relationships to fair value (level 3)

Description	Fair value at 31 December 2022	2023	2024	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Financial assets at FVPL	702,924	561,384	431,522	Market approach	Multiple of forward enterprise value to sale	2022: 560% 2023: 268% 2024: 268%	The higher the Enterprise Multiple, the higher the fair value
					P/B	2022: 0.7370-1.4635 2023: 0.7370 - 1.4635 2024: 0.7370 - 1.4635	The higher the P/B, the higher the fair value
				Discount cash flow	Risk adjusted discount rate	2022: N/A 2023: 19% 2024: 19%	The higher the rate, the lower the fair value
					Option-Adjusted Spread (OAS)	2022: N/A 2023: 9.4% - 45.8% 2024: 45.8%	The higher the OAS, the lower the fair value
				Binomial model	Bond yield of the synthetic bond in the model simulation	2022: 41% 2023: N/A 2024: N/A	The higher the yield, the higher the fair value.
				Price reference	Bank quoted price	2022: RMB7.01-RMB7.10 per unit 2023: N/A 2024: N/A	The higher the price, the higher the fair value
Financial assets at FVOCI	628,215	145,785	91,693	Discount cash flow	OAS	2022: 9.9% - 14.6% 2023: 10.5% - 123.0% 2024: 10.5% - 123%	The higher the price, the higher the fair value

(v) Valuation processes

The finance department of the Group includes a team that performs the valuation of non-property items required for financial reporting purposes, including level 3 fair value. This team reports directly to the chief financial officer (CFO) and the audit committee (AC). Discussion of valuation processes and results are held between the CFO, AC and the valuation team at least once every six months, in line with the Group's half-yearly reporting periods.

Changes in level 2 and 3 fair value are analysed at the end of each reporting period during the half-yearly valuation discussion between the CFO, AC and the valuation team. As part of this discussion, the team presents a report that explains the reason for the fair value movements.

(b) Non-financial assets and liabilities

The Group's investment property is measured at fair value and under level 3 of the fair value hierarchy. Please see note 7 for details of valuation.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

4.1 Development costs directly attributable to property development activities

The Group allocates portions of land and development costs to properties held and under development for sale. As certain of the Group's property development projects are developed and completed by phases, the budgeted development costs of the whole project are dependent on the estimate on the outcome of total development. Based on the experience and the nature of the development undertaken, the management makes estimates and assumptions concerning the future events that are believed to be reasonable under the circumstances. Given the uncertainties involved in the property development activities, the related actual results may be higher or lower than the amount estimated at the end of the reporting period. Any change in estimates and assumptions would affect the Group's operating performance in future years.

4.2 Provision for impairment of properties held or under development for sale

The management makes provision for impairment of properties held or under development for sale based on the estimate of the recoverable amount of the properties. Given the volatility of the property market in the PRC, the actual recoverable amount may be higher or lower than the estimate made as at the end of the reporting period. Any increase or decrease in the provision would affect the Group's operating performance in future years.

4.3 Land appreciation tax of the PRC

The Group is subject to land appreciation tax in the PRC. However, since the implementation and settlement of the tax varies among various tax jurisdictions in cities of the PRC, significant estimate is required in determining the amount of the land appreciation tax. The Group recognises the land appreciation tax based on management's best estimates according to its understanding of the interpretation of tax rules by various tax authorities. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense in the periods in which such taxes have been finalised with local tax authorities.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.4 Current and deferred income tax

The Group is subject to corporate income tax in the PRC. Significant judgement is required in determining the provision for corporate income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that we initially recorded, such difference will impact the income tax expense in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

4.5 Fair value of investment properties

The fair value of investment properties is determined by using valuation techniques. Details of the judgement and assumptions have been disclosed in note 7.

4.6 Classification of subsidiary, joint venture and associate

In the normal course of business, the Group develops properties together with other developers or institutions, through entering into co-operation agreements with these parties. The rights and obligations of the Group and the other parties are stipulated by respective co-operation agreements, articles of associations of the project companies, etc. Because of the complexity of the arrangements, significant judgement is needed in determining whether the project company is subsidiary, joint venture or associate of the Group.

The Group makes judgement based on the substance of the arrangements and the definition of subsidiary, joint venture and associate as disclosed in note 2.2.1.

4.7 Impairment of financial assets at amortised cost and financial assets at fair value through other comprehensive income

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables in note 3.2.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.8 Revenue recognition

Determining whether revenue should be recognised at a point in time or over time involves judgment. The Group makes judgements based on the specification in contracts with customers, as well as relevant laws and regulations.

For contracts with variable amount, the Group estimates the amount that is highly probable that significant reversal will not occur for determining transition price.

Details of revenue recognition is disclosed in note 2.2.10.

5. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker (the "CODM") that are used to make strategic decisions. The board of directors has been identified as the CODM.

The Group manages its business by two operating segments, which is consistent with the way in which information is reported internally to the Group's CODM for the purpose of resources allocation and performance assessment. No operating segments have been aggregated to form the following reportable segments.

- Seazen Holdings Co., Ltd., a company listed on the Shanghai Stock Exchange (the "A share company" or "Seazen Holdings")

- Other service companies not within the A share company (the "Non-A share companies")

The A share company is mainly engaged in development of residential properties and mixed-use complexes for sale and investment, while the Non-A share companies are mainly engaged in services. All the property development projects are in the PRC, and accordingly majority of the revenue of the Group are derived from the PRC and most of the assets are located in the PRC.

The CODM assesses the performance of the operating segments based on a measure of revenue and profit before income tax. The measurement basis excludes the effects of income tax expense.

5. SEGMENT INFORMATION (CONTINUED)

	Year ended 31 December 2022				
	A share company RMB'000	Non-A share companies RMB'000	Total segment RMB'000	Elimination RMB'000	Total Group RMB'000
Segment revenue	115,456,683	1,307,941	116,764,624	(223,994)	116,540,630
- At a point in time	105,354,676	876,844	106,231,520	(3,355)	106,228,165
- Over time	4,919,774	426,175	5,345,949	(121,061)	5,224,888
- Rental income	5,182,233	4,922	5,187,155	(99,578)	5,087,577
Segment profit before income tax expense	4,494,245	(905,785)	3,588,460	106,046	3,694,506
Fair value gains on investment properties	1,062,584	949	1,063,533	391,804	1,455,337
Finance income	355,840	605,913	961,753	(573,748)	388,005
Finance costs	(3,228,718)	(1,122,907)	(4,351,625)	573,748	(3,777,877)
Depreciation and amortisation	(328,346)	(326,688)	(655,034)	-	(655,034)
Share of results of associates	370,691	149,532	520,223	(136,715)	383,508
Share of results of joint ventures	619,761	897	620,658	-	620,658

A reconciliation to profit for the year is as follows:	
Total segment profits before income tax expense after elimination	3,694,506
Income tax expense	(2,951,802)
Profit for the year	742,704

	As at 31 December 2022				
	A share company RMB'000	Non-A share companies RMB'000	Total segment RMB'000	Elimination RMB'000	Total Group RMB'000
Segment assets	457,907,015	15,027,137	472,934,152	(9,460,256)	463,473,896
Segment assets include:					
Investments in associates	12,213,995	1,909,687	14,123,682	(1,290,686)*	12,832,996
Investments in joint ventures	12,934,682	23,588	12,958,270	-	12,958,270
Additions to non-current assets (other than financial instruments and deferred tax assets)	9,101,588	481,701	9,583,289	-	9,583,289
Segment liabilities	368,446,104	8,551,546	376,997,650	(6,538,095)	370,459,555

5. SEGMENT INFORMATION (CONTINUED)

	Year ended 31 December 2023						
	Continuing operations						
	A share company RMB'000	Non-A share companies RMB'000	Elimination RMB'000	Sub-total RMB'000	Discontinued operation RMB'000	Elimination RMB'000	Total Group RMB'000
Segment revenue	119,174,278	375,975	(86,723)	119,463,530	1,347,353	(147,163)	120,663,720
- At a point in time	107,798,845	181,111	(4,831)	107,975,125	1,347,353	(147,163)	109,175,315
- Over time	5,641,989	189,368	(40,411)	5,790,946	-	-	5,790,946
- Rental income	5,733,444	5,496	(41,481)	5,697,459	-	-	5,697,459
Segment profit/(loss) before income tax expense	6,015,843	(910,401)	(85,771)	5,019,671	1,415,095	-	6,434,766
Fair value (losses)/gains on investment properties	(13,087)	(35,990)	72,430	23,353	-	-	23,353
Finance income	280,974	467,370	(450,914)	297,430	648	-	298,078
Finance costs	(3,060,661)	(425,949)	450,914	(3,035,696)	(1,338)	-	(3,037,034)
Depreciation and amortisation	(296,194)	(189,938)	-	(486,132)	(151,966)	-	(638,098)
Share of results of associates	757,539	(87,969)	23,255	692,825	-	-	692,825
Share of results of joint ventures	842,939	(2,781)	-	840,158	-	-	840,158

A reconciliation to loss for the year from continuing operations is as follows:	
Total segment profits from continuing operations before income tax expense after elimination	5,019,671
Income tax expense	(5,486,705)
Loss for the year from continuing operations	(467,034)

A reconciliation to profit for the year from discontinued operation is as follows:	
Total segment profits from discontinued operation before income tax expense after elimination	1,415,095
Income tax expense	(163,489)
Profit for the year from discontinued operation	1,251,606
Total profit	784,572

	As at 31 December 2023				
	A share company RMB'000	Non-A share companies RMB'000	Total segment RMB'000	Elimination RMB'000	Total Group RMB'000
Segment assets	374,108,790	12,665,187	386,773,977	(9,685,421)	377,088,556
Segment assets include:					
Investments in associates	12,443,958	1,623,228	14,067,186	(1,212,711)*	12,854,475
Investments in joint ventures	11,693,926	20,806	11,714,732	-	11,714,732
Additions to non-current assets (other than financial instruments and deferred tax assets)	4,578,057	80,942	4,658,999	-	4,658,999
Segment liabilities	287,705,381	6,126,579	293,831,960	(7,252,745)	286,579,215

5. SEGMENT INFORMATION (CONTINUED)

	Year ended 31 December 2024				
	A share company RMB'000	Non-A share companies RMB'000	Total Segment RMB'000	Elimination RMB'000	Total Group RMB'000
Segment revenue	88,998,583	259,504	89,258,087	(31,567)	89,226,520
- At a point in time	76,522,035	171,170	76,693,205	(15,070)	76,678,135
- Over time	5,924,385	81,606	6,005,991	(13,756)	5,992,235
- Rental income	6,552,163	6,728	6,558,891	(2,741)	6,556,150
Segment profit before income tax expense	4,134,389	71,511	4,205,900	(11,954)	4,193,946
Fair value losses on investment properties	(11,547)	(27,483)	(39,030)	-	(39,030)
Finance income	70,831	531,400	602,231	(523,962)	78,269
Finance costs	(3,207,709)	(298,407)	(3,506,116)	523,962	(2,982,154)
Depreciation and amortisation	(238,366)	(20,673)	(259,039)	-	(259,039)
Share of results of associates	663,875	(15,346)	648,529	(11,954)	636,575
Share of results of joint ventures	(307,930)	5,929	(302,001)	-	(302,001)

A reconciliation to profit for the year is as follows:	
Total segment profits before income tax expense after elimination	4,193,946
Income tax expense	(3,511,848)
Profit for the year	682,098

	As at 31 December 2024				
	A share company RMB'000	Non-A share companies RMB'000	Total segment RMB'000	Elimination RMB'000	Total Group RMB'000
Segment assets	307,192,788	10,826,877	318,019,665	(8,894,728)	309,124,937
Segment assets include:					
Investments in associates	10,369,733	1,233,842	11,603,575	(1,143,375)*	10,460,200
Investments in joint ventures	10,621,400	26,735	10,648,135	-	10,648,135
Additions to non-current assets (other than financial instruments and deferred tax assets)	2,024,790	15,836	2,040,626	-	2,040,626
Segment liabilities	224,520,068	4,346,498	228,866,566	(6,531,388)	222,335,178

* The elimination represents mainly the Non-A share companies' associate interests in companies controlled by the A share company.

6. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

(a) Property, plant and equipment

	Buildings RMB'000	Transport equipment RMB'000	Furniture, fittings and equipment RMB'000	Construction in progress RMB'000	Decoration RMB'000	Total RMB'000
At 1 January 2022						
Cost	5,226,878	444,550	2,115,424	1,255,144	1,069,873	10,111,869
Accumulated depreciation	(608,026)	(167,959)	(903,704)	-	(671,893)	(2,351,582)
Net book amount	4,618,852	276,591	1,211,720	1,255,144	397,980	7,760,287
Year ended 31 December 2022						
Opening net book amount	4,618,852	276,591	1,211,720	1,255,144	397,980	7,760,287
Acquisition of subsidiaries	56	-	25	-	-	81
Additions	404,196	7,606	72,061	317,445	388,440	1,189,748
Transfer from investment properties (note 7)	148,175	-	-	-	-	148,175
Completion of construction in progress	-	-	72,207	(79,970)	7,763	-
Disposals	(197,904)	(2,917)	(360,984)	-	(4,398)	(566,203)
Disposal of subsidiaries	(2)	(1)	(2,506)	-	(887)	(3,396)
Depreciation charge (note 25)	(196,637)	(36,739)	(178,769)	-	(128,645)	(540,790)
Closing net book amount	4,776,736	244,540	813,754	1,492,619	660,253	7,987,902
At 31 December 2022 and 1 January 2023						
Cost	5,610,972	431,215	1,860,544	1,492,619	1,459,405	10,854,755
Accumulated depreciation	(834,236)	(186,675)	(1,046,790)	-	(799,152)	(2,866,853)
Net book amount	4,776,736	244,540	813,754	1,492,619	660,253	7,987,902
Year ended 31 December 2023						
Opening net book amount	4,776,736	244,540	813,754	1,492,619	660,253	7,987,902
Additions	373	4,447	12,750	226,724	64,061	308,355
Transfer to investment properties (note 7, 35)	(2,853,022)	-	-	-	-	(2,853,022)
Completion of construction in progress	410,129	-	31,168	(481,143)	39,846	-
Disposals	-	(1,151)	(51,574)	-	(22,966)	(75,691)
Disposal of subsidiaries	-	-	(462,103)	(2,594)	(522,336)	(987,033)
Depreciation charge (note 25)	(219,217)	(35,337)	(149,139)	-	(115,514)	(519,207)
Closing net book amount	2,114,999	212,499	194,856	1,235,606	103,344	3,861,304
At 31 December 2023 and 1 January 2024						
Cost	2,489,404	414,612	890,226	1,235,606	1,014,081	6,043,929
Accumulated depreciation	(374,405)	(202,113)	(695,370)	-	(910,737)	(2,182,625)
Net book amount	2,114,999	212,499	194,856	1,235,606	103,344	3,861,304
Year ended 31 December 2024						
Opening net book amount	2,114,999	212,499	194,856	1,235,606	103,344	3,861,304
Additions	-	2,582	11,742	26,495	93,142	133,961
Acquisition of subsidiaries	-	14,956	2,560	-	-	17,516
Completion of construction in progress	-	-	75	(75)	-	-
Disposals	(5,119)	(2,840)	(6,261)	-	(62)	(14,282)
Disposal of subsidiaries	(63,402)	(1,061)	(736)	-	-	(65,199)
Depreciation charge (note 25)	(82,657)	(18,502)	(10,487)	-	(81,993)	(193,639)
Closing net book amount	1,963,821	207,634	191,749	1,262,026	114,431	3,739,661
At 31 December 2024						
Cost	2,363,383	388,454	819,249	1,262,026	1,044,124	5,877,236
Accumulated depreciation	(399,562)	(180,820)	(627,500)	-	(929,693)	(2,137,575)
Net book amount	1,963,821	207,634	191,749	1,262,026	114,431	3,739,661

6. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

(a) Property, plant and equipment (Continued)

The Group's depreciation charges for the years ended 31 December 2022, 2023 and 2024 of RMB338,073,000, RMB313,866,000 and RMB105,242,000 have been included in cost of sales and services, RMB1,545,000, RMB1,258,000 and RMB1,199,000 in selling and marketing expenses and RMB201,172,000, RMB204,083,000 and RMB87,198,000 in administrative expenses, respectively.

Property, plant and equipment with a total carrying amount of RMB1,134,586,000, RMB1,198,155,000 and RMB1,537,573,000 as at 31 December 2022, 2023 and 2024, respectively were pledged as collateral for the Group's borrowings (note 20).

Borrowing costs capitalised in construction in progress for the years ended 31 December 2022, 2023 and 2024 were approximately RMB22,210,000, RMB27,551,000 and RMB11,613,000 with capitalisation rate of 6.63%, 6.34% and 6.13%, respectively.

During the year ended 31 December 2023, Certain properties held by Seazen Holdings rent to the "Non-A share companies" were transferred from property, plant and equipment amounting RMB2,853,022,000 to investment properties at the date of the transaction (note 35(i)) completed. The revaluation gain amounting RMB643,456,000 after netting off the relevant deferred income tax amounting RMB160,864,000 were recognised in other comprehensive income.

(b) Leases

This note provides information for leases where the Group is a lessee.

(i) Amounts recognised in the consolidated statements of financial position

The consolidated statements of financial position shows the following amounts relating to leases:

	As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Right-of-use assets			
Property, plant and equipment	29,520	12,686	16,110
Land use rights	1,445,600	1,048,274	1,015,950
	1,475,120	1,060,960	1,032,060
Lease classified as investment property	587,762	1,286,647	1,159,339
Lease liabilities			
Current			
- Related to property, plant and equipment	21,106	7,917	8,686
- Related to investment property	59,327	67,554	86,173
	80,433	75,471	94,859
Non-current			
- Related to property, plant and equipment	9,331	6,190	7,922
- Related to investment property	590,378	1,297,598	1,222,314
	599,709	1,303,788	1,230,236
	680,142	1,379,259	1,325,095

6. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (CONTINUED)

(b) Leases (Continued)

(i) Amounts recognised in the consolidated statements of financial position (Continued)

Right-of-use assets with a total carrying amount of RMB314,841,000, RMB517,149,000 and RMB838,406,000 as at 31 December 2022, 2023 and 2024, were respectively pledged as collateral for the Group's borrowings (note 20).

(ii) Amounts recognised in the consolidated statements of profit or loss

The consolidated statements of profit or loss shows the following amounts relating to leases:

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Depreciation charge of right-of-use assets			
Property, plant and equipment	(22,798)	(17,605)	(13,006)
Land use rights	(22,343)	(30,077)	(32,325)
	(45,141)	(47,682)	(45,331)
Interest expense (included in finance cost) (note 26)	(44,950)	(50,177)	(60,172)
Expense relating to short-term and low-value leases (included in cost of sales and services and administrative expenses) (note 25)	(3,784)	(3,608)	(1,823)

The Group's depreciation charges of RMB4,240,000, RMB7,055,000 and RMB24,216,000 have been included in cost of sales and services, RMB28,002,000, RMB27,728,000 and RMB9,636,000 have been included in administrative expenses and RMB12,899,000, RMB12,899,000 and RMB11,479,000 in construction in progress, respectively.

As at 31 December 2022, 2023 and 2024, the Group has property leases with 13, 17 and 23 Wuyue Plazas with variable payment terms that are linked to sales generated from a Wuyue Plaza respectively. For individual Wuyue Plaza, up to 5.67%, 5.84% and 9.37% of lease payments are on the basis of variable payment terms with percentages ranging from 1% to 50% of sales, respectively. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

A 10% increase in sales across all stores in the Group with such variable lease contracts would increase total lease payments by approximately RMB21,996,000, RMB23,454,000 and RMB42,986,000 in 2022, 2023 and 2024, respectively.

The total cash outflow for leases in 2022, 2023 and 2024 was RMB86,012,000, RMB131,390,000 and RMB139,963,000, respectively.

7. INVESTMENT PROPERTIES

	Completed RMB'000	Under development RMB'000	Total RMB'000
At 1 January 2022	91,838,922	12,109,500	103,948,422
Additions	-	7,853,153	7,853,153
Transfer from property, plant and equipment	197,904	-	197,904
Transfer to property, plant and equipment	(148,175)	-	(148,175)
Completion of projects	7,587,095	(7,587,095)	-
Cost adjustment	(44,066)	-	(44,066)
Net gains from fair value adjustments included in profit or loss for assets held at the end of the year, under 'Fair value gains on investment properties'	1,251,895	203,442	1,455,337
At 31 December 2022	100,683,575	12,579,000	113,262,575
At 1 January 2023	100,683,575	12,579,000	113,262,575
Additions	775,952	3,571,136	4,347,088
Transfer from property, plant and equipment	2,853,022	-	2,853,022
Revaluation gain on transfer from property, plant and equipment (note 6)	643,456	-	643,456
Completion of projects	9,870,220	(9,870,220)	-
Cost adjustment	(45,715)	-	(45,715)
Net (losses)/gains from fair value adjustments included in profit or loss for assets held at the end of the year, under 'Fair value gains on investment properties'	(165,731)	189,084	23,353
Currency translation differences	4,321	-	4,321
At 31 December 2023	114,619,100	6,469,000	121,088,100
At 1 January 2024	114,619,100	6,469,000	121,088,100
Additions	838,113	1,051,453	1,889,566
Disposals	(45,038)	-	(45,038)
Completion of projects	4,343,263	(4,343,263)	-
Cost adjustment	(47,289)	-	(47,289)
Net gains/(losses) from fair value adjustments included in profit or loss for assets held at the end of the year, under 'Fair value losses on investment properties'	22,160	(61,190)	(39,030)
Currency translation differences	5,940	-	5,940
At 31 December 2024	119,736,249	3,116,000	122,852,249

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Rental income (note 23)	5,087,577	5,697,459	6,556,150
Direct operating expenses from property that generated rental income	300,058	409,834	555,068
Fair value gains/(losses) recognised in profit or loss	1,455,337	23,353	(39,030)

Investment properties held by the Group are all commercial properties located in the PRC.

Borrowing costs capitalised in investment properties for the years ended 31 December 2022, 2023 and 2024 were approximately RMB168,742,000, RMB408,551,000 and RMB64,859,000, respectively.

The capitalisation rate of borrowings was 6.63%, 6.34% and 6.13% for the years ended 31 December 2022, 2023 and 2024, respectively.

7. INVESTMENT PROPERTIES (CONTINUED)

As at 31 December 2022, 2023 and 2024, investment properties with a total carrying amount of RMB74,775,722,000, RMB78,614,504,000 and RMB102,756,910,000 were respectively pledged as collateral for the Group's borrowings and payables to related parties (note 20 and 21).

Fair value of all of the Group's investment properties are measured at Level 3, with significant unobservable inputs.

There were no transfers between Level 1, 2 and 3 during the years.

(i) Valuation processes of the Group

All investment properties were revalued as at 31 December 2022, 2023 and 2024 by Cushman & Wakefield International Property Advisers, the independent professional qualified valuer.

The Group's finance team will review the valuation performed by the independent valuers, including:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation report;
- holds discussions with independent valuers.

(ii) Valuation techniques

For investment properties to be developed and under development, the Group adopted direct comparison approach and investment approach, respectively. Direct comparison approach assumes sale of each of these properties in its existing status with the benefit of vacant possession. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as locations and property size.

Investment approach has taken into account the construction costs incurred and the costs that will be incurred to complete the development to reflect the quality of the completed development on the basis that the properties will be developed and completed in accordance with the Group's latest development plan. For completed investment properties, valuations were based on investment approach by capitalisation of the net rental income derived from the existing tenancy agreements with due allowance for reversionary income potential of the properties and by reference to comparable price in an active market.

There were no changes to the valuation techniques during the years.

7. INVESTMENT PROPERTIES (CONTINUED)

(ii) Valuation techniques (Continued)

Information about fair value measurements using significant unobservable inputs (Level 3):

	Fair value at 31 December						
Description	2022 RMB'000	2023 RMB'000	2024 RMB'000	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Completed commercial property	100,683,575	114,619,100	119,736,249	Investment approach	Term yield	2022, 2023 and 2024: Term yield of 4%-6.5%, taking into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received.	The higher the term yield, the lower the fair value
					Reversionary yield	2022, 2023 and 2024: Reversionary yield of 4.5%-7%, taking into account annual unit market rental income and unit market value of the comparable properties.	The higher the reversionary yield, the lower the fair value
Commercial property under development	10,837,000	5,883,000	2,886,000	Investment approach with estimated costs to complete	Reversionary yield	2022, 2023 and 2024: Reversionary yield of 5%-7%, taking into account annual unit market rental income and unit market value of the comparable properties.	The higher the estimated construction costs, the lower the fair value
					Estimated profit margin required to hold and develop property to completion	2022: RMB33,851,357 – RMB479,979,802 2023: RMB28,041,274- RMB414,640,534 and 2024: RMB85,274,400 - RMB479,789,293	The higher the profit margin required, the lower the fair value
					Estimated profit margin required to hold and develop property to completion	2022 and 2023: 5%-25% of property value 2024: 2%-15% of property value	The higher the profit margin required, the lower the fair value
	1,742,000	586,000	230,000	Sales comparison	Sales price	2022: RMB815- RMB3,168 per square metre 2023: RMB2,134 - RMB3,145 and 2024: RMB1,146 - RMB1,340	The higher the adjusted market price, the higher the fair value

The Group considers the market data when estimating the yield rate. Construction costs incurred are based on the actual costs incurred as reflected in the accounting records, while the construction costs to incur are based on the most updated budget for the construction of the properties.

For completed properties, valuations were based on either capitalisation of net rental income derived from the existing tenancies with allowance for the reversionary income potential of the properties or on direct comparison approach assuming sale of each of these properties in its existing state with the benefit of vacant possession by making reference to comparable sales transactions as available in the relevant market.

There’s no contractual obligation for purchase, construct or develop investment property as for repairs, maintenance or enhancement.

8. INTANGIBLE ASSETS

	Trademarks RMB'000	Computer software RMB'000	Patent RMB'000	Client resources RMB'000	Others RMB'000	Total RMB'000
Non-current assets						
At 1 January 2022						
Cost	270,800	222,091	180,000	39,619	32,127	744,637
Accumulated depreciation	(95,300)	(140,864)	(63,000)	(13,867)	(3,385)	(316,416)
Net book amount	175,500	81,227	117,000	25,752	28,742	428,221
Year ended 31 December 2022						
Opening net book amount	175,500	81,227	117,000	25,752	28,742	428,221
Additions	-	28,118	-	-	-	28,118
Disposal of subsidiaries	-	(8,190)	-	-	-	(8,190)
Amortisation charges	(27,000)	(29,827)	(18,000)	(3,962)	(3,213)	(82,002)
Closing net book amount	148,500	71,328	99,000	21,790	25,529	366,147
At 31 December 2022 and 1 January 2023						
Cost	270,800	242,019	180,000	39,619	32,127	764,565
Accumulated depreciation	(122,300)	(170,691)	(81,000)	(17,829)	(6,598)	(398,418)
Net book amount	148,500	71,328	99,000	21,790	25,529	366,147
Year ended 31 December 2023						
Opening net book amount	148,500	71,328	99,000	21,790	25,529	366,147
Additions	-	2,655	-	-	-	2,655
Disposal of subsidiaries	-	(678)	-	-	-	(678)
Amortisation charges	(27,000)	(31,933)	(18,000)	(3,962)	(3,213)	(84,108)
Closing net book amount	121,500	41,372	81,000	17,828	22,316	284,016
At 31 December 2023 and 1 January 2024						
Cost	270,000	240,099	180,000	39,619	32,127	761,845
Accumulated depreciation	(148,500)	(198,727)	(99,000)	(21,791)	(9,811)	(477,829)
Net book amount	121,500	41,372	81,000	17,828	22,316	284,016
Year ended 31 December 2024						
Opening net book amount	121,500	41,372	81,000	17,828	22,316	284,016
Additions	-	665	-	-	-	665
Disposal of subsidiaries	-	(1,373)	-	-	(533)	(1,906)
Amortisation charges	(6,750)	(16,140)	(4,500)	(990)	(3,168)	(31,548)
Impairment	(114,750)	(2,437)	(76,500)	(16,838)	-	(210,525)
Closing net book amount	-	22,087	-	-	18,615	40,702
At 31 December 2024						
Cost	-	220,142	-	-	31,238	251,380
Accumulated depreciation	-	(195,618)	-	-	(12,623)	(208,241)
Accumulated impairment	-	(2,437)	-	-	-	(2,437)
Net book amount	-	22,087	-	-	18,615	40,702

For the years ended 31 December 2022, 2023 and 2024, part of the Group's amortisation charges have been included in cost of sales and services, amounting to RMB2,665,000, RMB2,825,000 and RMB14,181,000, respectively. Certain amortisation charges of RMB79,337,000, RMB81,283,000 and RMB17,367,000 for the years have been recognised in administrative expenses, respectively.

9. INVESTMENTS IN ASSOCIATES

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Opening balance	13,978,986	12,832,996	12,854,475
Additions	401,642	232,141	7,501
Change from associates to subsidiaries	(47,162)	-	(121,377)
Capital reduction and disposal of associates	(1,046,263)	(413,422)	(1,617,071)
Reclassification	-	-	(268,399)
Change from subsidiaries to associates	-	-	54,214
Share of results	383,508	692,825	636,575
Change of other comprehensive income	(3,688)	(5,668)	455
Impairment	-	(148,596)	(175,222)
Dividend	(834,027)	(335,801)	(910,951)
Ending balance	12,832,996	12,854,475	10,460,200

All of the Group's associates are private companies and there are no quoted market prices available for such equity interests.

The Group's commitments to its investments in associates are presented in note 33 and the Group provided guarantees for certain associates on their borrowings (note 36).

For the years ended 31 December 2022, 2023 and 2024, no associate is considered to be material to the Group individually.

The following table summarises financial information of the Group's associates:

	Year ended / As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Aggregate carrying amount of individually immaterial associates	12,832,996	12,854,475	10,460,200
Aggregate amounts of the Group's share of:			
Profit from continuing operations	383,508	692,825	636,575
Change of other comprehensive income	(3,688)	(5,668)	455
Total comprehensive income	379,820	687,157	637,030

10. INVESTMENTS IN JOINT VENTURES

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Opening balance	13,144,774	12,958,270	11,714,732
Additions	75,438	15,209	48,800
Capital reduction and disposal of joint ventures	(447,951)	(1,025,690)	(363,632)
Share of results	620,658	840,158	(302,001)
Change from joint ventures to subsidiaries (note 31)	(150,411)	(87,269)	(452,801)
Reclassification	-	-	268,399
Dividend	(284,238)	(985,946)	(265,362)
Ending balance	12,958,270	11,714,732	10,648,135

All of the Group's joint ventures are private companies and here are no quoted market prices available for such equity interests.

The commitments relating to the Group's interests in joint ventures are presented in note 33 and the Group provided guarantees for certain joint ventures on their borrowings (note 36).

For the years ended 31 December 2022, 2023 and 2024, no joint ventures is considered to be material to the Group individually.

The following table summarises financial information of the Group's individually immaterial joint ventures:

	Year ended / As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Aggregate carrying amount of individually immaterial joint ventures	12,958,270	11,714,732	10,648,135
Aggregate amounts of the Group's share of:			
Profit/(Loss) from continuing operations	620,658	840,158	(302,001)
Total comprehensive income/(loss)	620,658	840,158	(302,001)

11. FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

	As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Financial assets			
Financial assets at amortised cost			
Trade and other receivables (note 16)	43,853,608	37,791,767	33,641,382
Financial assets at amortised cost (note 13)	731,604	436,821	95,310
Cash and cash equivalents (note 18)	22,435,399	13,225,030	6,914,613
Restricted cash (note 18)	10,017,870	6,274,884	3,703,679
	77,038,481	57,728,502	44,354,984
Financial assets at fair value through other comprehensive income (note 12)	641,455	148,608	93,805
Financial assets at fair value through profit or loss (note 12)	905,141	637,693	671,558
	78,585,077	58,514,803	45,120,347
Financial liabilities			
Financial liabilities at amortised cost			
Trade and other payables (note 21)	90,613,366	86,187,949	82,302,536
Borrowings (note 20)	79,537,554	63,169,600	57,733,115
Lease liabilities (note 6)	680,142	1,379,259	1,325,095
	170,831,062	150,736,808	141,360,746

The Group's exposure to various risks associated with the financial instruments is discussed in note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/OTHER COMPREHENSIVE INCOME

(a) Financial assets at fair value through profit or loss

	As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Non-current assets	359,942	366,989	304,684
Current assets	545,199	270,704	366,874
	905,141	637,693	671,558

(b) Financial assets at fair value through other comprehensive income

(i) Classification of financial assets at fair value through other comprehensive income

	As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Current assets	641,455	148,608	93,805

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/OTHER COMPREHENSIVE INCOME (CONTINUED)

(b) Financial assets at fair value through other comprehensive income (Continued)

(ii) Amounts recognised in other comprehensive income

During the reporting periods, the following (losses)/gains were recognised in other comprehensive income:

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Fair value gains/(losses) on equity investments at fair value through other comprehensive income	90,821	(10,533)	(764)
Fair value (losses)/gains on debt instruments at fair value through other comprehensive income	(41,523)	(192,144)	8,780

(iii) Impairment and risk exposure and fair value measurement

Information about the Group's exposure to price risk is provided in note 3.1.1. For information about the methods and assumptions used in determining fair value please refer to note 3.2. For information about the impairment of financial assets at fair value through other comprehensive income please refer to note 3.1.2.

13. FINANCIAL ASSETS AT AMORTISED COSTS

(i) Classification of financial assets at amortised costs

	As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Non-current assets	219,687	267,411	-
Current assets	511,917	169,410	95,310
	731,604	436,821	95,310

(ii) Impairment and risk exposure

Note 3.1.2 sets out information about the impairment of financial assets and the Group's exposure to credit risk.

(iii) Fair value of financial assets at amortised costs

As at 31 December 2022, 2023 and 2024, the fair value of financial assets at amortised costs approximate their carrying amounts.

14. PREPAYMENTS FOR LEASEHOLD LAND

The Group made prepayments of RMB2,498,583,000, RMB2,095,610,000 and RMB1,875,460,000 for the acquisition of leasehold land as at 31 December 2022, 2023 and 2024, respectively.

15. PROPERTIES HELD OR UNDER DEVELOPMENT FOR SALE

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Leasehold land to be developed	2,628,632	3,156,338	2,823,484
Properties under development for sale	192,611,167	120,349,513	74,844,884
Properties held for sale	18,730,351	31,881,905	30,919,249
	213,970,150	155,387,756	108,587,617
Less: Provision for impairment loss	(9,557,421)	(12,856,346)	(11,557,767)
	204,412,729	142,531,410	97,029,850

The properties held or under development for sale are all located in the PRC.

Financing costs capitalised in properties under development for sale and held for sale for the years ended 31 December 2022, 2023 and 2024 were approximately RMB5,448,543,000, RMB1,807,903,000 and RMB803,541,000, respectively, including interest on borrowings of RMB2,540,056,000, RMB1,379,029,000 and RMB803,541,000 and financing component of contract liabilities of 2,908,487,000, RMB428,874,000 and RMB Nil, respectively.

The capitalisation rate of borrowings was 6.63%, 6.34% and 6.13% for the years ended 31 December 2022, 2023 and 2024, respectively.

Properties held or under development for sale with a total carrying amount of RMB75,529,999,000, RMB56,213,153,000 and RMB37,837,692,000 as at 31 December 2022, 2023 and 2024 were pledged as collateral for the Group's borrowing (note 20), respectively.

For the years ended 31 December 2022, 2023 and 2024, the cost of properties held for sale recognised as expense and included in cost of property sales amounted to RMB88,709,261,000, RMB92,401,039,000 and RMB67,126,986,000, accompanying by reversal of provision for impairment of RMB2,392,884,000, RMB2,049,261,000 and RMB2,933,599,000 credited to cost of property sales, respectively.

As at 31 December 2022, 2023 and 2024, properties under development for sale with a total carrying amount of RMB88,175,949,000, RMB40,119,328,000 and RMB11,734,512,000, respectively, were related to property projects which were not scheduled to complete within one year although pre-sales of some of these properties may occur. All the leasehold land to be developed were not scheduled to complete within one year. The other balances in properties held or under development for sale were expected to be recovered within one year.

16. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Trade receivables	654,252	710,778	608,433
Notes receivables	164,468	53,108	250
	818,720	763,886	608,683
Less: Impairment losses	(15,075)	(16,021)	(15,635)
	803,645	747,865	593,048
Prepayments			
- Prepaid income tax and land appreciate tax (a)	7,051,447	4,547,409	2,403,215
- Prepaid value-added tax and input VAT to be deducted (b)	8,945,059	7,153,663	5,208,941
- Prepaid surcharges and other taxes	430,727	344,547	195,162
- Prepayments for construction costs	191,690	308,034	196,998
- Others	1,044,955	784,162	721,679
	17,663,878	13,137,815	8,725,995
Other receivables			
- Receivables from government related bodies	4,919,080	3,656,110	2,246,962
- Due from related parties (note 36)	12,578,225	10,565,812	10,490,223
- Receivables from joint ventures partners (c)	1,608,945	1,172,837	808,781
- Receivables from non-controlling shareholders of subsidiaries (c)	21,567,016	20,082,123	17,649,073
- Receivables from other deposits	1,087,771	1,021,935	1,589,277
- Others	2,670,695	2,631,416	2,937,112
	44,431,732	39,130,233	35,721,428
Less: Impairment losses	(1,381,769)	(2,086,331)	(2,673,094)
	43,049,963	37,043,902	33,048,334
Trade and other receivables and prepayments - net	61,517,486	50,929,582	42,367,377
Less: Non-current portion	(630)	(639)	(653)
Current portion	61,516,856	50,928,943	42,366,724

Trade receivables are mainly arisen from sales of properties, leases of investment properties and other services businesses. Proceeds in respect of properties sold are normally received within three months after signing of related sales and purchase agreements, and rentals in respect of leased properties are generally received in advance. Customers of other services businesses are generally granted a credit term of 30 days to 90 days.

(a) Land appreciation tax is provisionally levied based on rates required by the local tax bureaus when the Group receives advances from customers, which are recorded as prepayments before the relevant revenue is recognised. In addition, a deemed profit of 5% to 15% of advances received from the customers is added to the accounting income when calculating taxable income and the prepaid income tax is similarly recorded as prepayments.

16. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

(b) Effective from 1 May 2016, the Group's sale of properties are subject to value-added tax ("VAT"). Under general VAT method, the Group is subject to 9% (10% from 1 May 2018 to 31 March 2019) VAT on value added amount. Qualified old construction projects, which are those with construction commenced on or before 30 April 2016, however, has an alternative to elect a simplified VAT method, which is 5% on sales with no deduction of input VAT. The Group prepays VAT at 3% or 5% when receiving advances from customers and such payment is recorded as prepaid VAT before the relevant revenue is recognised. Input VAT arises mainly from development costs and can be offset against the output VAT under general VAT method.

(c) Such receivables are unsecured, non-interest bearing and have no fixed repayment terms.

The ageing of trade account receivables and notes receivables based on the date of invoice or demand note as at 31 December 2022, 2023 and 2024 are as follows:

	As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Less than 1 year	741,073	714,098	419,962
Between 1 and 2 years	71,520	43,623	179,674
Between 2 and 3 years	6,127	6,165	3,223
Over 3 years	-	-	5,824
	818,720	763,886	608,683

The maximum exposure to credit risk at 31 December 2022, 2023 and 2024 is the carrying value of each class of receivables mentioned above.

As at 31 December 2022, 2023 and 2024, the fair value of trade and other receivables approximate their carrying amounts.

As at 31 December 2022, 2023 and 2024, the carrying amounts of trade and other receivables and prepayments are primarily denominated in RMB.

Please refer to note 3.1.2 for the impairment of trade and other receivables and the Group's exposure to credit risk.

17. SUBSIDIARIES

Particulars of the subsidiaries of the Group as at 31 December 2022, 2023 and 2024 and shares of subsidiaries pledged for the Group's borrowings are set out in note 39.

(a) Significant restrictions

As at 31 December 2022, 2023 and 2024, cash and short-term deposits of RMB31,323,021,000, RMB18,953,297,000 and RMB10,265,700,000 are held by subsidiaries in Mainland China and are subject to local exchange control regulations respectively. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

(b) Material non-controlling interests

The total non-controlling interests as at 31 December 2022, 2023 and 2024 was RMB48,260,729,000, RMB44,637,346,000 and RMB40,435,935,000, among which RMB48,102,341,000, RMB44,752,046,000 and RMB40,548,690,000 was for Seazen Holdings, the A share company, respectively.

Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for Seazen Holdings, which has non-controlling interests that are material to the Group.

Summarised statements of financial position

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Current			
Assets	303,082,776	217,456,545	152,678,327
Liabilities	(314,466,697)	(235,249,231)	(167,745,263)
Total current net liabilities	(11,383,921)	(17,792,686)	(15,066,936)
Non-current			
Assets	154,824,239	156,652,245	154,514,460
Liabilities	(53,979,407)	(52,456,150)	(56,774,804)
Total non-current net assets	100,844,832	104,196,095	97,739,656
Net assets	89,460,911	86,403,409	82,672,720
Net assets attributable to			
Equity holders of Seazen Holdings	59,481,286	60,077,890	60,868,608
Non-controlling interests*	29,979,625	26,325,519	21,804,112
	89,460,911	86,403,409	82,672,720

* Non-controlling interests of Seazen Holdings included RMB1,290,686,000, RMB1,212,711,000 and RMB1,143,375,000 from fellow subsidiaries of Seazen Holdings controlled by the Group as at 31 December 2022, 2023 and 2024 respectively.

17. SUBSIDIARIES (CONTINUED)

(b) Material non-controlling interests (Continued)

Summarised statements of comprehensive income

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Revenue	115,456,683	119,174,278	88,998,583
Profit before fair value gains on investment properties and income tax expense	3,431,661	6,028,930	4,145,936
Fair value (loss)/ gains on investment properties	1,062,584	(13,087)	(11,547)
Income tax expense	(2,908,792)	(5,456,240)	(3,414,347)
Post-tax profit	1,585,453	559,603	720,042
Other comprehensive loss	(920,869)	(87,442)	(1,639)
Total comprehensive income	664,584	472,161	718,403
Profit/(loss) allocated to non-controlling interests	191,619	(177,500)	(32,350)
Total comprehensive income/ (loss) allocated to non-controlling interests	191,619	(177,500)	(32,350)
Dividends paid to non-controlling interests	852,756	1,642,202	654,371

The above financial information was prepared for the same reporting period as the Company, using consistent accounting policies.

Summarised statements of cash flows

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Net cash generated from/(used in) operating activities	8,294,977	5,464,674	(2,427,879)
Net cash (used in)/generated from investing activities	(419,227)	1,447,742	1,827,446
Net cash used in financing activities	(32,557,047)	(15,672,547)	(5,625,245)
Net decrease in cash and cash equivalents	(24,681,297)	(8,760,131)	(6,225,678)
Cash and cash equivalents at beginning of the year	46,208,463	21,574,514	12,821,639
Net exchange gains on cash and cash equivalents	47,348	7,256	147
Cash and cash equivalents at end of the year	21,574,514	12,821,639	6,596,108

The information above is the amount before intra-group transactions elimination.

18. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Cash and cash equivalents and restricted cash			
Denominated in RMB	31,400,170	19,385,340	10,316,937
Denominated in USD	33,369	97,652	207,224
Denominated in HKD	1,019,695	16,922	94,131
Denominated in GBP	35	-	-
	32,453,269	19,499,914	10,618,292

Cash and cash equivalents of the Group were determined as follows:

	As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Cash at bank and on hand	32,453,269	19,499,914	10,618,292
Less: Restricted cash	(10,017,870)	(6,274,884)	(3,703,679)
	22,435,399	13,225,030	6,914,613

Restricted cash of the Group comprised of the following:

	As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Restricted cash from property pre-sale proceeds(a), deposits as security for property purchasers' mortgage loans and deposits for letters of guarantee issued for project construction, etc.	9,495,642	6,274,884	3,703,679
Margin deposits for notes issued	522,228	-	-
	10,017,870	6,274,884	3,703,679

The balance mainly represented unreleased guarantee deposits for construction of pre-sale properties denominated in RMB placed in designated bank accounts as at 31 December 2022, 2023 and 2024, and will be released in accordance with certain construction progress milestones.

19. SHARE CAPITAL

(a) Authorised capital

	Number of authorised shares HK$ share
As at 1 January 2022, 31 December 2022, 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024 (par at HKD0.001)	10,000,000,000

(b) Issued and fully paid shares

	Number of issued shares HK$0.01 each	Ordinary shares RMB'000
Opening balance as at 1 January 2022	6,210,026,000	5,081
Issuance of shares (i)	855,715,521	741
As at 31 December 2022, 31 December 2023 and 31 December 2024	7,065,741,521	5,822

The Company allotted and issued 295,715,521 shares on 27 January 2022, details of which are set out in the announcement of the Company dated 26 January 2022.

The Company allotted and issued 560,000,000 shares on 14 December 2022, details of which are set out in the Placing of Existing Shares in the announcement of the Company dated 19 December 2022.

20. BORROWINGS

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Non-current, secured:			
- Loans from banks and non-bank financial institutions	43,652,041	35,947,092	36,443,227
- Middle term notes	3,000,000	3,000,000	7,620,000
- Senior notes	5,206,964	3,887,205	2,154,205
- Financing under securitisation arrangements (Note)	5,637,000	2,045,822	2,021,751
	57,496,005	44,880,119	48,239,183
Non-current, unsecured:			
- Loans from banks and non-bank financial institutions	2,483,800	2,208,817	1,056,546
- Middle term notes	1,800,000	2,940,000	-
- Private placement notes	170,000	-	-
- Corporate bonds	1,971,172	1,100,000	1,100,000
- Senior notes	10,398,787	8,139,829	5,046,126
	16,823,759	14,388,646	7,202,672
Less: Current portion of long-term borrowings	(30,445,359)	(20,854,893)	(13,780,132)
	43,874,405	38,413,872	41,661,723
Current, secured:			
- Loans from banks and non-bank financial institutions	3,797,224	2,299,755	1,852,050
Current, unsecured:			
- Loans from banks and non-bank financial institutions	10,000	352,875	30,000
- Senior notes	696,460	708,270	-
	706,460	1,061,145	30,000
Interest payable of short-term borrowings	98,523	45,711	48,683
Current portion of long-term borrowings	30,445,359	20,854,893	13,780,132
Interest payable of long-term borrowings	615,583	494,224	360,527
	35,663,149	24,755,728	16,071,392

The Group's borrowings were secured by assets with the following net book values;

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Property, plant and equipment	1,134,586	1,198,155	1,537,573
Investment properties	74,775,722	78,614,504	101,649,948
Property held or under development for sale	75,529,999	56,213,153	37,837,692
Right-of-use assets	314,841	517,149	838,406

20. BORROWINGS (CONTINUED)

In addition, the Group's borrowings as at 31 December 2022, 2023 and 2024 of RMB24,985,131,000, RMB17,922,535,000 and RMB26,398,070,000 were guaranteed by the Company and secured by the Group's equity interests in certain subsidiaries (note 39), respectively. The Group's borrowings as at 31 December 2022, 2023 and 2024 of RMB3,000,000,000, RMB4,700,000,000 and RMB7,620,000,000, respectively, which are guaranteed by a government owned entity "China Bond Insurance Co., Ltd". The Group's borrowings as at 31 December 2022, 2023 and 2024 of RMB Nil, RMB400,000,000 and RMB400,000,000, respectively, are guaranteed by a government owned entity "Jiangsu Credit Re-guarantee Group Co., Ltd".

Note: The Group entered into financing under securitisation arrangements with third-party financing institutions in the form of asset securitisation. As at 31 December 2022, 2023 and 2024, these include the commercial mortgage backed securities amounted to RMB4,632,000,000, RMB2,045,822,000 and RMB2,021,751,000, respectively, which are secured by the rights of the Group's certain investment properties' rental income. These securities are guaranteed by Seazen Holdings.

The aggregate principal of the current borrowings as at 31 December 2022, 2023 and 2024 are RMB34,949,043,000, RMB24,215,793,000 and RMB15,662,182,000, respectively.

The maturity of the borrowings as at 31 December 2022, 2023 and 2024 are as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Within 1 year or on demand	35,663,149	24,755,728	16,071,392
Between 1 and 2 years	19,072,001	14,199,399	9,911,088
Between 2 and 5 years	16,532,020	13,985,194	12,272,702
Over 5 years	8,270,384	10,229,279	19,477,933
	79,537,554	63,169,600	57,733,115

The weighted average effective rates for the Group's total borrowings was 6.45%, 6.15% and 5.88% as at 31 December 2022, 2023 and 2024, respectively.

The carrying amounts of non-current borrowings as at 31 December 2022, 2023 and 2024 are as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Loans from banks and non-bank financial institutions	28,068,754	23,490,729	31,757,257
Senior notes	11,805,651	7,077,321	2,894,715
Financing under securitisation arrangements	-	2,045,822	1,989,751
Middle term notes	4,000,000	4,700,000	4,620,000
Corporate bonds	-	1,100,000	400,000
	43,874,405	38,413,872	41,661,723

20. BORROWINGS (CONTINUED)

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates or maturity whichever is the earlier date is as follows:

	6 months or less RMB'000	6 - 12 months RMB'000	1 - 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Borrowings included in non-current liabilities					
As at 31 December 2022	3,923,598	12,558,674	22,648,515	4,743,618	43,874,405
As at 31 December 2023	1,402,440	9,521,310	21,435,953	6,054,169	38,413,872
As at 31 December 2024	8,521,601	6,926,946	15,628,085	10,585,091	41,661,723
Borrowings included in current liabilities					
As at 31 December 2022	18,655,410	17,007,739	-	-	35,663,149
As at 31 December 2023	10,677,163	14,078,565	-	-	24,755,728
As at 31 December 2024	5,741,226	10,330,166	-	-	16,071,392

As at 31 December 2022, 2023 and 2024, the aggregate principal of borrowings amounted to RMB47,899,471,000, RMB42,168,359,000 and RMB37,475,295,000 are at fixed interest rates, respectively.

The carrying values of the Group's borrowings are denominated in the following currencies:

	As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
RMB	62,080,614	50,039,894	50,174,820
US$	17,209,473	12,907,043	7,358,137
HK$	247,467	222,663	200,158
	79,537,554	63,169,600	57,733,115

21. TRADE AND OTHER PAYABLES

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Notes payable	6,104,692	1,758,865	422,023
Trade payables	44,471,953	46,702,494	45,291,326
Payables to related parties (note 36) (c)	25,361,592	23,804,082	22,607,088
Output VAT on contract liabilities to be transferred	14,429,422	9,280,293	4,712,076
Deposits for construction biddings and rental deposits	4,042,821	4,231,985	2,784,656
Advances from non-controlling shareholders of subsidiaries (a)	3,111,370	2,831,358	3,625,608
Accrued expenses	2,816,927	2,493,627	2,806,240
Amounts received for potential investments in property projects (b)	1,215,164	935,453	980,699
Value-added tax and other taxes payable	1,084,495	870,343	1,439,060
Accrued payroll	822,130	876,694	542,020
Payables for acquisition of subsidiaries, joint ventures and associates	137,451	125,969	104,670
Others	3,351,396	3,304,116	3,680,226
	106,949,413	97,215,279	88,995,692
Less: Non-current portion	-	-	(193,970)
Current portion	106,949,413	97,215,279	88,801,722

(a) As at 31 December 2022, 2023 and 2024, included in the balance is non-controlling shareholders' loans to the Group's subsidiaries for payment of land use rights. The shareholders' loans are non-interest bearing, unsecured and have no fixed repayment terms.

(b) These amounts will either be returned upon unsuccessful land biddings or be treated as the other parties' contribution to new subsidiaries or joint venture of the Group for successful land biddings. They are unsecured, non-interest bearing and have no fixed repayment terms.

(c) As at 31 December 2024, included in the balance is an amount of RMB193,970,000 which represents interest-bearing loans from a related party. Investment properties with a total carrying amount of RMB1,106,962,000 as at 31 December 2024 were pledged as collateral for the loan.

21. TRADE AND OTHER PAYABLES (CONTINUED)

The ageing analysis of trade payables and notes payable based on the date of invoice or demand note as at 31 December 2022, 2023 and 2024 are as follows:

	As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Less than 1 year	45,025,778	42,901,330	40,011,136
Between 1 and 2 years	5,550,867	5,560,029	5,702,213
	50,576,645	48,461,359	45,713,349

As at 31 December 2022, 2023 and 2024, the fair value of trade and other payables approximate their carrying amounts.

As at 31 December 2022, 2023 and 2024, the carrying amounts of trade and other payables are primarily denominated in RMB.

22. DEFERRED INCOME TAX

	As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Deferred income tax assets			
To be recovered within 12 months	4,471,106	3,431,194	2,467,086
To be recovered after more than 12 months	6,004,226	6,072,542	6,284,583
	10,475,332	9,503,736	8,751,669
Set-off deferred tax assets pursuant to set-off provisions	(2,834,702)	(2,896,160)	(2,626,574)
Net deferred tax assets	7,640,630	6,607,576	6,125,095
Deferred income tax liabilities			
To be recovered within 12 months	214,706	161,828	25,120
To be recovered after more than 12 months	10,332,476	10,922,591	10,186,102
	10,547,182	11,084,419	10,211,222
Set-off deferred tax liabilities pursuant to set-off provisions	(2,834,702)	(2,896,160)	(2,626,574)
Net deferred tax liabilities	7,712,480	8,188,259	7,584,648

The net movement on the deferred income tax account is as follows:

	Years ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
At the beginning of the year	(350,018)	(71,850)	(1,580,683)
Credited/(Charged) to the consolidated statements of profit or loss (note 28)	92,239	(1,298,823)	127,794
Disposal of subsidiaries	52,415	(218,352)	(47,296)
Acquisition of subsidiaries (note 31)	133,514	8,342	40,632
At the end of the year	(71,850)	(1,580,683)	(1,459,553)

22. DEFERRED INCOME TAX (CONTINUED)

As at 31 December 2022, 2023 and 2024, deferred income tax assets and deferred income tax liabilities amounted to RMB2,834,702,000, RMB2,896,160,000 and RMB2,626,574,000 were offset, respectively.

The gross movement in deferred income tax assets and liabilities for the years ended 31 December 2022, 2023 and 2024, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred income tax assets

	Tax losses RMB'000	Provisions and impairment losses RMB'000	Accruals RMB'000	Lease liabilities RMB'000	Land appreciation tax RMB'000	Total RMB'000
At 1 January 2022	3,933,260	1,764,270	628,088	-	1,937,755	8,263,373
Credited/(Charged) to the consolidated statements of profit or loss	1,252,924	976,667	76,144	-	(207,586)	2,098,149
Disposal of subsidiaries	(39,511)	-	-	-	-	(39,511)
Acquisition of subsidiaries (note 31)	153,321	-	-	-	-	153,321
At 31 December 2022	5,299,994	2,740,937	704,232	-	1,730,169	10,475,332
At 1 January 2023	5,299,994	2,740,937	704,232	-	1,730,169	10,475,332
(Charged)/Credited to the consolidated statements of profit or loss	(258,716)	(517,450)	29,410	344,002	(522,462)	(925,216)
Disposal of subsidiaries	(57,488)	-	-	-	-	(57,488)
Acquisition of subsidiaries (note 31)	11,108	-	-	-	-	11,108
At 31 December 2023	4,994,898	2,223,487	733,642	344,002	1,207,707	9,503,736
At 1 January 2024	4,994,898	2,223,487	733,642	344,002	1,207,707	9,503,736
(Charged)/Credited to the consolidated statements of profit or loss	(351,703)	(218,595)	594,140	(14,824)	(745,513)	(736,495)
Disposal of subsidiaries	(67,843)	-	-	-	-	(67,843)
Acquisition of subsidiaries (note 31)	52,271	-	-	-	-	52,271
At 31 December 2024	4,627,623	2,004,892	1,327,782	329,178	462,194	8,751,669

In accordance with the PRC laws and regulations, tax losses could be carried forward for a period of five years to offset against its future taxable profits. Deferred tax assets relating to unutilised tax losses are recognised to the extent that it is probable that sufficient taxable profit will be available to allow such deferred tax assets to be utilised.

The Group did not recognise deferred income tax assets of RMB1,688,613,000 RMB2,195,237,000 and RMB3,556,707,000 in respect of tax losses amounting to RMB6,754,452,000, RMB11,381,574,000 and RMB17,157,283,000 as at 31 December 2022, 2023 and 2024, respectively.

The deductible loss of the Group's unrecognised deferred income tax assets will mature in the following years:

	As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
2023	151,923	-	-
2024	1,025,913	327,339	-
2025	689,997	422,223	586,768
2026	786,912	962,520	1,491,537
2027	1,225,408	791,012	1,780,765
2028	-	1,229,584	2,835,954
2029	-	-	1,843,272
After 2029 or without expiry date	2,874,299	7,648,896	8,618,987
	6,754,452	11,381,574	17,157,283

22. DEFERRED INCOME TAX (CONTINUED)

Deferred income tax liabilities

	Fair value gains RMB'000	Right of use assets RMB'000	Acquisition of subsidiaries RMB'000	Elimination of inter-company transactions RMB'000	Unsold property cost allocation differences RMB'000	Difference in contract cost RMB'000	Undistributed profits of PRC subsidiaries RMB'000 (note (a))	Depreciation of investment properties RMB'000	Total RMB'000
At 1 January 2022	3,808,379	-	487,339	11,853	2,009,988	769,986	288,432	1,237,414	8,613,391
Charged/(credited) to the consolidated statements of income	321,155	-	(288,084)	(11,853)	1,225,917	(2,771)	274,057	487,489	2,005,910
Disposal of subsidiaries	-	-	-	-	(91,926)	-	-	-	(91,926)
Acquisition of subsidiaries (note 31)	-	-	15,451	-	4,356	-	-	-	19,807
At 31 December 2022	4,129,534	-	214,706	-	3,148,335	767,215	562,489	1,724,903	10,547,182
At 1 January 2023	4,129,534	-	214,706	-	3,148,335	767,215	562,489	1,724,903	10,547,182
Charged/(credited) to the consolidated statements of income	72,052	340,576	(52,878)	-	(332,882)	(113,058)	28,308	431,489	373,607
Disposal of subsidiaries	-	-	-	-	-	-	-	160,864	160,864
Acquisition of subsidiaries (note 31)	-	-	-	-	2,766	-	-	-	2,766
At 31 December 2023	4,201,586	340,576	161,828	-	2,818,219	654,157	590,797	2,317,256	11,084,419
At 1 January 2024	4,201,586	340,576	161,828	-	2,818,219	654,157	590,797	2,317,256	11,084,419
Charged/(credited) to the consolidated statements of income	25,817	(48,819)	(136,708)	-	(800,434)	(637,575)	(384,349)	1,117,779	(864,289)
Disposal of subsidiaries	-	-	-	-	(20,547)	-	-	-	(20,547)
Acquisition of subsidiaries (note 31)	-	-	-	-	-	11,639	-	-	11,639
At 31 December 2024	4,227,403	291,757	25,120	-	1,997,238	28,221	206,448	3,435,035	10,211,222

(a) As at 31 December 2022, 2023 and 2024, deferred income tax liabilities of RMB562,489,000, RMB590,797,000 and RMB206,448,000 have been recognised respectively, for the withholding tax that would be payable upon remittance, in respect of a portion of the unremitted distributable profits of certain PRC subsidiaries attributable to the investors outside PRC respectively.

23. REVENUE

(a) Disaggregation of revenue from contract with customer

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major line:

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Continuing operations			
Revenue from contract with customers recognised at a point in time			
A share company			
- Sales of properties	104,882,656	107,336,376	76,041,007
- Others services	472,020	462,469	481,028
Non-A share companies			
- Others services	873,489	176,280	156,100
	106,228,165	107,975,125	76,678,135
Revenue from contract with customers recognised over time			
A share company			
- Commercial property management services	3,920,751	4,865,086	5,476,774
- Others services Non-A share companies	877,962	744,170	447,430
Non-A share companies			
- Others services	426,175	181,690	68,031
	5,224,888	5,790,946	5,992,235
Rental income			
A share company	5,082,655	5,691,963	6,549,422
Non-A share companies	4,922	5,496	6,728
	5,087,577	5,697,459	6,556,150
	116,540,630	119,463,530	89,226,520

(b) Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

	As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Contract costs	3,789,212	3,336,978	1,475,183
Contract liabilities	164,832,371	106,091,241	55,308,646

(i) Significant changes in contract liabilities

Contract liabilities decreased due to decline of the Group's pre-sale.

23. REVENUE (CONTINUED)

(b) Assets and liabilities related to contracts with customers (Continued)

(ii) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised during the year ended 31 December 2022, 2023 and 2024 relates to carried forward contract liabilities.

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Revenue recognised that was included in the contract liabilities			
Balance at the beginning of the year			
- Sales of properties	95,607,073	107,336,376	76,041,007

(iii) Unsatisfied performance obligation

The following table shows the contracted amounts to be recognised in future resulting from property development and sales.

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Expected to be recognised between year 2023 and 2024 / 2024 and 2025 / 2025 and 2026	214,478,424	110,839,950	58,317,400

(iv) Contract costs

The Group has recognised an asset in relation to costs directly attributable to obtaining a contract such as stamp duty and sales commissions. As of 31 December 2022, 2023 and 2024, contract costs balance is RMB3,789,212,000, RMB3,336,978,000 and RMB1,475,183,000, respectively.

24. OTHER INCOME/OTHER EXPENSES/OTHER GAINS/(LOSSES) - NET

(a) Other income

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Government grants	283,643	134,080	61,170
Interest income from fundings to associates and joint ventures (note 36(b))	52,093	26,460	20,135
Dividend income	1,090	378	-
	336,826	160,918	81,305

(b) Other expenses

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Donations	(18,702)	(10,037)	(3,688)

(c) Other gains/(losses) - net

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Net losses from disposal of subsidiaries (note 38)	(356,163)	(53,222)	(47,488)
Gains/(losses) on disposal of property, plant and equipment and intangible assets and right-of-use assets	(4,785)	428,574	(2,092)
Compensation for cancellation of sales contracts	48,788	31,485	4,711
Remeasurement losses on equity interests in joint ventures converted into subsidiaries (note 31)	(116,642)	(63,960)	9,628
Others	(26,133)	96,448	(90,582)
	(454,935)	439,325	(125,823)

25. EXPENSES BY NATURE

Expenses included in cost of sales and services, selling and marketing expenses and administrative expenses are analysed as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Construction costs	53,324,267	51,716,408	41,175,629
Land use rights costs	30,237,176	35,054,596	23,395,605
Capitalised interest	7,540,702	7,679,296	5,489,351
Provision for impairment of properties held or under development for sale	5,957,007	5,348,186	1,635,020
Staff costs (note 27)	5,747,187	4,670,165	4,390,644
Sales commission	2,260,185	2,448,001	2,224,613
Advertising and publicity costs	1,443,181	1,472,591	995,052
Tax and surcharges	1,432,057	1,267,759	1,088,135
Professional fees	540,485	407,485	331,304
Depreciation of property, plant and equipment	540,790	368,906	193,639
Bank charges	152,015	188,229	161,035
Travelling expenses	163,663	166,298	130,999
Amortisation of right-of-use assets and intangible assets	114,244	117,226	65,400
Entertainment expenses	116,080	97,876	72,535
Auditors' remuneration			
- annual audit of the Group	2,100	2,100	1,200
- annual audit of the A share company charged by its auditor	5,980	6,000	3,180
- non-audit services	2,300	2,270	870
Rental expenses of low-value and short-term leases (note 6(b))	3,784	3,608	1,823
Other expenses	1,771,632	1,637,732	111,857
Total cost of sales and services, selling and marketing expenses and administrative expenses	111,354,835	112,654,732	81,467,891

26. FINANCE INCOME AND COSTS

	Year ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Finance costs			
- Interest on borrowings and significant financing component of pre-sale contracts	(8,551,651)	(4,797,325)	(3,581,526)
- Interest and finance charges paid/payable for lease liabilities (note 6(b))	(44,950)	(50,177)	(60,172)
- Less: Interest capitalised (note 6, note 7 and note 15)	5,639,495	2,244,005	880,013
	(2,957,106)	(2,603,497)	(2,761,685)
- Net foreign exchange losses	(820,771)	(432,199)	(220,469)
Total finance costs	(3,777,877)	(3,035,696)	(2,982,154)
Finance income - Interest income on bank deposits	388,005	297,430	78,269
Net finance costs	(3,389,872)	(2,738,266)	(2,903,885)

27. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Wages and salaries	5,797,849	4,448,422	3,720,951
Pension	496,004	405,032	368,807
Other welfare benefit expenses	801,487	671,925	628,788
Share-based payments	8,680	-	-
	7,104,020	5,525,379	4,718,546
Charged to statements of profit or loss (note 25)	5,747,187	4,670,165	4,390,644
Capitalised to properties held or under development for sale	1,356,833	855,214	327,902
Number of employees	25,941	22,361	20,243

All mainland China employees of the Group participate in defined contribution employee social security plans, including pension, medical, housing and other welfare benefits, organised and administered by the governmental authorities. The Group has no other substantial commitments to employees.

According to the relevant regulations, the premiums and welfare benefit contributions that should be borne by the Group are calculated based on percentages of the total salary of employees, subject to a certain ceiling, and are paid to the labour and social welfare authorities.

(a) Pensions – defined contribution plans

During the years ended 31 December 2022, 2023 and 2024, no forfeited contributions were utilised by the Group to reduce its contributions for the reporting periods.

(b) Share-based payments - Share Option Award Scheme

The Group adopted a number of share option award scheme to provide long-term incentives for its employees and directors of the Group to deliver long-term shareholder returns. Under the plans, participants are granted options which only vest if certain conditions are met.

The Group has the following share option award schemes granted:

Share Option Award Scheme	Number of options granted	Exercise Price per option
Executed by the Company:		
2019 Share Option Award Scheme	15,075,000	HKD 8.597
Executed by the A share Company:		
2019 Subsidiary's First Share Option Award Scheme	14,172,000	RMB 27.59
2019 Subsidiary's Second Share Option Award Scheme	51,000	RMB 31.97

27. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

(b) Share-based payments - Share Option Award Scheme (Continued)

Under the 2019 Share Option Award Scheme, subject to the meeting of the criteria of each employee's performance before the relevant vesting date, 40% of the number of options are expected to be vested 12 months after the grant date, 30% of the number of options are expected to be vested 24 months after the grant date, and the remaining 30% are expected to be vested 36 months after the grant date.

Under the 2019 Subsidiary's First Share Option Award Scheme, subject to the meeting of the criteria of performance appraisal of Company for the year before the relevant vesting date, 40% of the number of options are expected to be vested 12 months after the grant date, 30% of the number of options are expected to be vested 24 months after the grant date, and the remaining 30% are expected to be vested 36 months after the grant date.

Under the 2019 Subsidiary's Second Share Option Award Scheme, subject to the meeting of the criteria of performance appraisal of A share Company for the year before the relevant vesting date, 50% of the number of options are expected to be vested 18 months after the grant date and the remaining 50% are expected to be vested 30 months after the grant date.

For the years ended 31 December 2022, 2023 and 2024, the Group did not adopt new share option award scheme.

The following table summarises the Group's share option award scheme activities during years ended 31 December 2022 and 2023.

Executed by the Company:	Average exercise price per share option	Number of stock options
Outstanding as at 1 January 2022	HKD 8.62	12,819,000
Adjust during the year (Note)	HKD 8.597	34,245
Forfeited during the year	HKD 8.597	(1,122,990)
Outstanding as at 31 December 2022	HKD8.597	11,730,255
Vested and exercisable as at 31 December 2022 and 1 January 2023	HKD8.597	11,730,255
Lapsed during the year	HKD 8.597	(11,730,255)
Outstanding as at 31 December 2023	-	-
Vested and exercisable as at 31 December 2023	-	-

Note: As a result of the rights issue in 2022, the exercise price of the outstanding share option was adjusted to HKD8.597.

27. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

(b) Share-based payments - Share Option Award Scheme (Continued)

Executed by the A share Company:	Average exercise price per share option	Number of stock options
Outstanding as at 1 January 2022	RMB23.97	3,635,100
Exercised during the year	RMB23.98	(3,522,600)
Forfeited during the year	RMB23.65	(112,500)
Outstanding as at 31 December 2022	-	-
Vested and exercisable as at 31 December 2022	-	-

(c) Share-based payments - Restricted Share Incentive Scheme

The Group adopted a number of restricted share incentive schemes to provide long-term incentives for its employees and directors of the Group to deliver long-term shareholder returns. Under the plans, participants are granted restricted share which only vest if certain conditions are met. Participation in the plan is at the Board's discretion.

The Group has the following restricted share incentive scheme granted:

Restricted Share Incentive Scheme	Number of restricted shares granted	Exercise price per share	Grant date	Market price per share	Fair value as at grant date
Executed by the Company:					
2019 Restricted Share Incentive Scheme	7.500,000	HKD4.31	1 November 2019	HKD8.62	HKD32,325,000

Under the 2019 Restricted Share Incentive Scheme, 40% of the number of options are expected to be vested 12 months after the grant date, 30% of the number of options are expected to be vested 24 months after the grant date, and the remaining 30% are expected to be vested 36 months after the grant date.

The following table summarises the Group's restricted share incentive scheme activities during the year ended 31 December 2022.

Executed by the Company:	Average exercise price per restricted share	Number of restricted shares
Outstanding as at beginning	HKD4.31	2,250,000
Vested during the year	HKD4.31	(2,250,000)
Outstanding as at year end	**-**	**-**
Vested but not transferred as at year end	HKD4.31	2,850,000
Weighted average remaining contractual life of the deferred shares outstanding at end of period		6.83 years

27. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

(d) Expense arising from share-based payment transaction

The Group recognised an expense of RMB8,680,000, Nil, and Nil (note 27) for share based payment of the Company to its employees for the years ended 31 December 2022, 2023 and 2024.

No expense is recognised for share based payment of the A share company to its employees for the years ended 31 December 2022, 2023 and 2024.

28. INCOME TAX EXPENSE

(a) Income tax expense

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Current income tax			
- PRC land appreciation tax (Note)	1,378,875	1,443,826	1,227,922
- PRC corporate income tax	1,665,166	2,744,056	2,411,720
	3,044,041	4,187,882	3,639,642
Deferred income tax (note 22)	(92,239)	1,298,823	(127,794)
Total income tax charged for the year	2,951,802	5,486,705	3,511,848

Note: Land appreciation tax for the years ended 31 December 2022, 2023 and 2024 includes the amount of land appreciation tax of RMB2,015,996,000, RMB2,060,813,000 and RMB1,359,487,000 on property sales revenue recognised during the reporting periods, respectively; and a reversal of the previously accrued land appreciation tax of RMB637,221,000, RMB616,987,000 and RMB131,565,000 upon the clearance of 37, 34 and 27 projects with relevant tax bureaus during the reporting periods, respectively.

28. INCOME TAX EXPENSE (CONTINUED)

(a) Income tax expense

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the companies within the Group as follows:

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Profit before income tax	3,694,506	5,019,671	4,193,946
PRC land appreciation tax	(1,378,875)	(1,443,826)	(1,227,922)
	2,315,631	3,575,845	2,966,024
Income tax calculated at statutory rate of 25%	578,908	893,961	741,506
Non-deductible expenses (i)	319,747	236,984	598,297
Non-taxable income (ii)	(269,308)	(395,088)	(103,513)
Utilisation of previously unrecognised tax losses	(13,788)	-	-
Tax losses not recognised as deferred tax assets	515,258	3,137,423	1,361,470
Differences caused by different tax rates	166,173	143,554	88,791
Prior year tax adjustments	1,880	(2,263)	(18,276)
PRC withholding tax	274,057	28,308	(384,349)
PRC land appreciation tax	1,378,875	1,443,826	1,227,922
Total income tax expense	2,951,802	5,486,705	3,511,848

Notes:

(i) Non-taxable income includes mainly share of results of associates and joint ventures, gain on equity interest in joint ventures or associates converted into subsidiaries.

(b) Cayman Island income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

(c) British Virgin Islands income tax

British Virgin Islands ("BVI") income tax under the current laws of BVI, subsidiaries incorporated in BVI and all dividends, interest, rents, royalties, compensation and other amounts paid by such subsidiaries incorporated in the BVI to persons who are not resident in the BVI and any capital gains realised with respect to any shares, debt obligations, or other securities of such subsidiaries incorporated in the BVI by persons who are not resident in the BVI are exempt from all provisions of the Income Tax Ordinance in the BVI. In addition, upon payments of dividends by our BVI subsidiaries to us, no BVI withholding tax is imposed.

28. INCOME TAX EXPENSE (CONTINUED)

(d) Hong Kong profits tax

Hong Kong profits tax has been provided at 16.5% as the Group has assessable profits in Hong Kong during the reporting periods.

(e) PRC corporate income tax

Under the Corporate Income Tax Law of the PRC (the "CIT Law"), the CIT rate applicable to the Group's subsidiaries located in mainland China is 25%.

The CIT Law and its implementation rules impose a withholding tax at 10% for dividends distributed by a PRC-resident enterprise to its immediate holding company outside PRC for earnings generated beginning 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. A lower 5% withholding tax rate may be applied when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. For the years ended 31 December 2022, 2023 and 2024, the Group accrued for PRC withholding tax based on the tax rate of 5% on a portion of the earnings generated by its PRC entities. The Group controls the dividend policies of these subsidiaries and it has been determined that it is probable that a majority of these earnings will not be distributed in the foreseeable future.

(f) 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 lease charges for land use rights and all property development expenditures, and is included in the consolidated statements of profit or loss as income tax expense.

29. EARNINGS/(LOSS) PER SHARE

Basic earnings/loss per share for the respective years is calculated by dividing the profit of the Group attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the reporting periods.

	Year ended 31 December		
	2022	2023	2024
Profit/(Loss) from continuing operations attributable to equity holders of the Company (RMB'000)	280,673	(366,785)	491,312
Profit from discontinued operation attributable to equity holders of the Company (RMB'000)	-	1,246,081	-
	280,673	879,296	491,312
Number/Weight average number of ordinary shares in issue ('000)	6,490,443	7,043,583	7,043,583
Basic and diluted earnings/(loss) per share (RMB)			
From continuing operations	0.04	(0.05)	0.07
From discontinued operation	-	0.17	-
	0.04	0.12	0.07

For the year ended 31 December 2022, the share options and awarded shares granted by the Company have potential dilutive effect on the EPS. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share options granted by the Company (collectively forming the denominator for computing the diluted EPS). In addition, the profit attributable to equity holders (numerator) has been adjusted by the effect of the share options granted by the A share company, excluding those which have anti-dilutive effect to the Groups diluted EPS. Diluted earnings per share were equal to the basic earnings per share as the impact of the share option scheme had an anti-dilutive effect on the basic earnings per share amounts presented.

For the years ended 31 December 2023 and 2024, diluted earnings per share were equal to the basic earnings per share as the Group does not have any dilutive shares.

30. DIVIDENDS

No interim dividend was declared during the reporting periods.

At a Board meeting held on 31 March 2023, 28 March 2024 and 28 March 2025, the Board did not propose to declare the final dividend for the years ended 31 December 2022, 2023 and 2024, respectively.

31. ACQUISITIONS OF SUBSIDIARIES (BUSINESS COMBINATION AND ASSET ACQUISITIONS)

Acquisition of subsidiaries during the reporting periods were all business combinations and mainly include the acquisitions of a number of property development companies. Fair value of net assets arising from the acquisition has been determined by management's assessment. The financial information of these acquired companies on the acquisition dates for the years ended 31 December 2022, 2023 and 2024 are summarised as follows:

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Cash and cash equivalents	995,725	8,888	84,282
Properties held or under development for sale	4,329,680	56,424	193,143
Property, plant and equipment	81	-	17,516
Trade and other receivables and prepayments	1,388,879	1,357,608	2,131,026
Deferred income tax assets	153,321	11,108	52,271
Contract liabilities	(2,557,877)	(13,811)	(186,073)
Trade and other payables	(2,026,104)	(1,344,162)	(1,432,590)
Borrowings	(2,010,500)	-	-
Deferred income tax liabilities	(19,807)	(2,766)	(11,639)
Non-controlling interest	-	-	(125,194)
Total acquired net assets	253,398	73,289	722,742
Equity interest in joint ventures previously held before acquisition	150,411	87,269	452,801
Equity interest in associates previously held before acquisition	47,162	-	121,377
Remeasurement (losses)/gains of equity interest upon conversion from joint ventures and associates to subsidiaries	(116,642)	(63,960)	9,628
Cash paid	172,467	49,980	-
Non-cash consideration for acquisition	-	-	138,936
Total consideration	253,398	73,289	722,742
Cash (inflow)/outflow on acquisitions			
Cash consideration paid	172,467	49,980	-
Less: Cash and cash equivalents of subsidiaries acquired	(995,725)	(8,888)	(84,282)
Net (inflow)/outflow of cash and cash equivalents on acquisitions*	(823,258)	41,092	(84,282)

* Included in investing activities

32. INFORMATION OF CASH FLOWS

(a) Cash generated from operations

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Profit before income tax from			
- Continuing operations	3,694,506	5,019,671	4,193,946
- Discontinued operation	-	1,415,095	-
Profit before income tax including discontinued operation	3,694,506	6,434,766	4,193,946
Adjustments for:			
- Depreciation	540,790	519,207	193,639
- Amortisation	114,244	118,890	65,400
- Losses/(Gains) on disposal of property, plant and equipment and intangible assets (note 24)	4,785	(428,574)	2,092
- Losses/(Gains) from disposal of subsidiaries (note 24, 38)	356,163	(1,173,492)	47,488
- Remeasurement (gains)/losses on equity interest in joint ventures and associates converted into subsidiaries (note 24)	116,642	63,960	(9,628)
- Losses on disposal of associates	21,280	23,258	-
- Share-based payment expenses	8,680	-	-
- Interest income from associates (note 24, 36)	(45,602)	(7,592)	-
- Interest income from joint ventures (note 24, 36)	(6,491)	(18,868)	(20,135)
- Fair value (losses)/gains on investment properties (note 7)	(1,455,337)	(23,353)	39,030
- Fair value gains on financial assets at FVPL	170,718	-	65,917
- Provision for impairment of properties held or under development for sale (note 25)	5,957,007	5,348,186	1,635,020
- Impairment loss on investment in associates	-	148,596	175,222
- Impairment loss on goodwill	-	-	777
- Impairment loss on intangible assets (note 8)	-	-	210,525
- Net impairment losses on financial assets	424,109	1,200,332	908,136
- Reversal of provision for properties held (or under development) for sale	(2,392,884)	(2,049,260)	(2,933,599)
- Share of results of associates (note 9)	(383,508)	(692,825)	(636,575)
- Share of results of joint ventures (note 10)	(620,658)	(840,158)	302,001
- Gains on financial assets at FVPL	(149,923)	(170,482)	24,516
- Losses on disposal of financial assets at fair value through OCI	-	-	20,554
- Gains on disposal of financial assets at fair value at amortized cost	-	-	(269,201)
- Dividend income (note 24)	(1,090)	(378)	-
- Finance costs (note 26)	2,957,106	2,604,835	2,761,685
- Net foreign exchange	563,993	61,889	75,629
- Interest income (note 26)	(388,005)	(298,077)	(78,269)
Changes in working capital			
- Restricted cash relating to operating activities	(969,220)	3,742,985	2,571,205
- Prepayments for leasehold land	1,187,425	402,974	220,150
- Properties held or under development for sale (excluding capitalised interest)	45,722,606	59,167,696	46,475,132
- Trade and other receivables and prepayments	4,846,539	709,132	2,913,615
- Contract cost	11,086	452,233	1,861,795
- Contract liabilities and advances from lessees	(28,744,307)	(57,057,601)	(50,938,253)
- Trade and other payables	(13,873,509)	(5,810,325)	(6,003,047)
Cash generated from operations	17,667,145	12,427,954	3,874,767

32. INFORMATION OF CASH FLOWS (CONTINUED)

(b) Liabilities from financing activities

	Liabilities from financing activities			
	Borrowings RMB'000	Lease liabilities RMB'000	Amount due to related parties RMB'000	Total RMB'000
Net debt as at 1 January 2022	(104,216,099)	(710,007)	-	(104,926,106)
Cash flows	28,405,681	(93,064)	-	28,312,617
Foreign exchange differences	(704,758)	-	-	(704,758)
Currency translation differences	(965,690)	-	-	(965,690)
Other changes (i)	(1,877,500)	-	-	(1,877,500)
Amortisation of discount and premium	(179,188)	122,929	-	(56,259)
Net debt as at 31 December 2022	(79,537,554)	(680,142)	-	(80,217,696)
Net debt as at 1 January 2023	(79,537,554)	(680,142)	-	(80,217,696)
Cash flows	16,525,963	(135,018)	-	16,390,945
Foreign exchange differences	(65,913)	-	-	(65,913)
Currency translation differences	(216,135)	-	-	(216,135)
Other changes (i)	174,171	-	-	174,171
Amortisation of discount and premium and inception of new lease	(50,132)	(564,099)	-	(614,231)
Net debt as at 31 December 2023	(63,169,600)	(1,379,259)	-	(64,548,859)
Net debt as at 1 January 2024	(63,169,600)	(1,379,259)	-	(64,548,859)
Cash flows	5,497,763	77,968	(193,970)	5,381,761
Foreign exchange differences	(114,560)	-	-	(114,560)
Currency translation differences	(52,919)	(413)	-	(53,332)
Other changes (i)	130,725	-	-	130,725
Amortisation of discount and premium and inception of new lease	(24,524)	(23,391)	-	(47,915)
Net debt as at 31 December 2024	(57,733,115)	(1,325,095)	(193,970)	(59,252,180)

(i) Other changes include non-cash movements, including accrued interest expense which will be presented as operating cash flows in the statements of cash flow when paid.

33. COMMITMENTS

(a) Leasehold land commitments

As at 31 December 2022, 2023 and 2024, leasehold land committed but not yet incurred are as follows:

	As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Contracted but not provided for	1,548,687	1,548,687	1,328,534

33. COMMITMENTS (CONTINUED)

(b) Equipment in acquisition commitments

As at 31 December 2022, 2023 and 2024, capital committed but not yet incurred are as follows:

	As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Committed acquisition of equipment	83,542	-	-

(c) Investment commitments

As at 31 December 2022, 2023 and 2024, committed investments are as follows:

	As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Committed investments in associates	1,547,311	1,664,853	1,397,627
Committed investments in joint ventures	1,238,163	816,369	820,799
	2,785,474	2,481,222	2,218,426

(d) Operating lease rentals receivable

As at 31 December 2022, 2023 and 2024, the future aggregate minimum rental receipts under non-cancellable operating leases in respect of land and buildings are receivable in the following periods:

	As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Within 1 year	7,961,305	9,900,493	10,598,702
1 to 5 years	17,082,017	15,495,000	14,746,471
After 5 years	6,178,789	6,755,871	5,892,181
	31,222,111	32,151,364	31,237,354

(e) Operating lease commitments - as lessee

At the end of the reporting date, the lease commitments for short-term lease are as follows:

	As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Within 1 year	1,082	47	1,694
2 to 5 years	126	-	-
	1,208	47	1,694

34. FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES

(a) Guarantees on mortgage facilities

	As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties	62,295,853	33,026,298	21,775,253

The Group has arranged bank financing for certain purchasers of the Group's properties and provided guarantees to secure obligations of such purchaser for repayments. Such guarantees will terminate upon the earlier of (i) the issue of the real estate ownership certificate by government authorities to the purchaser which will generally occur within an average period of two to three years from the completion of the guarantee registration and submitted to the mortgage bank; or (ii) the satisfaction of mortgage loans by the purchasers of the properties.

Pursuant to the terms of the guarantees, upon default of mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the date of grant of mortgage. The directors consider that the likelihood of default of payments by the purchasers is minimal.

(b) Corporate guarantees

There are certain corporate guarantees provided by the Group's subsidiaries for each other in respect of borrowings as at 31 December 2022, 2023 and 2024. The directors consider that the subsidiaries are able to sufficiently financially resourced to settle their obligations.

As at 31 December 2022, 2023 and 2024, the Group provided guarantee with the amount of RMB4,924 million, RMB3,142 million and RMB2,752 million, respectively, for its joint ventures and associates to obtain borrowings after assessing the credit history and pledge information of these related parties. The Group closely monitors the repayment progress of the relevant borrowings by these related parties. After considering the credit history of these related parties and the assets being pledged for the borrowings, the directors consider that the likelihood of default in payments is not material.

As of 31 December 2022, 2023 and 2024, the Group provided pledge guarantee for the borrowings of such joint ventures and associates with equity held by the Group (note 39(i)).

34. FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES (CONTINUED)

(c) Pending litigation

The Group has a number of pending litigations as at 31 December 2022, 2023 and 2024. Among such litigations, a third party initiated litigation against the Group's subsidiary, Suzhou Future Land Chuangjia Property Co., Ltd ("Suzhou Chuangjia") regarding a share transfer dispute of about RMB1,016 million against Suzhou Chuangjia, in which the third party claimed that the share transfer agreements among Suzhou Chuangjia, other five third parties and another third party company were invalid, and the people's court of second-instance judgment for the transfer agreements was rendered invalid. In December 2021, the aforesaid third party instituted litigation against Suzhou Chuangjia, claiming that the relevant equity interests held by each of the above defendants were registered in the name of the aforesaid third party. In December 2022, the court dismissed the claim of the aforesaid third party. The Group received a civil judgment rendered by a court in June 2023. The aforesaid third party withdrew the claim. In December 2023, the aforesaid third party instituted litigation against Suzhou Chuangjia again, claiming to require Suzhou Chuangjia and another third party company to jointly pay an indemnity of RMB200 million. In December 2024, the Group received the first-instance judgment ordering Suzhou Chuangjia and another third-party company to pay compensation of RMB131 million, and the Group has recognised relevant compensation with proper accounting treatment in accordance with the first-instance judgment. At the same time, the Group has appealed to the Jiangsu Provincial High People's Court in accordance with the law. The final result is still uncertain.

35. DISCONTINUED OPERATION

(i) Description

On 26 September 2023, the Group entered into the disposal agreement to dispose of the entire equity interest in a wholly-owned subsidiary named Changzhou Hengxuan Consulting Management Co., Ltd. (one of the Non-A share companies, "Changzhou Hengxuan") for the consideration of RMB1,367,037,000 to a third party. The transaction was completed on 21 November 2023. The sale of the business operated by Changzhou Hengxuan is accounted for as discontinued operation.

(ii) Financial performance and cash flow information

The financial performance and cash flow information presented are for the period ended 21 November 2023 (2023 column).

	2023 RMB'000
Revenue	1,347,353
Cost of sales	(1,125,118)
Other expenses	(33,853)
Profit before income tax	188,382
Income tax expense	(26,885)
Profit after income tax of discontinued operation	161,497
Gain on disposal after income tax	1,090,109
Profit from discontinued operation	1,251,606
Other comprehensive income from discontinued operation	-
Net cash inflow from operating activities	435,108
Net cash inflow from investing activities (includes the inflow of RMB1,158,489,000 from the disposal of the subsidiary)	999,528
Net cash outflow from financing activities	(240,223)
Net increase in cash generated by the subsidiary	1,194,413

The financial impact and related loss from discontinued operation for the years ended 31 December 2022 was not material.

(iii) Details of the disposal of the subsidiary

	2023 RMB'000
Consideration received or receivable:	
Cash - total disposal consideration	1,367,037
Carrying amount of net assets sold attributable to owners of the Company	(118,842)
Transaction cost	(21,482)
Gain on disposal before income tax	1,226,713
Income tax expense on gain	(136,604)
Gain on sale after income tax	1,090,109

35. DISCONTINUED OPERATION (CONTINUED)

(iii) Details of the sale of the subsidiary (Continued)

The carrying amounts of assets and liabilities as at the date of sale (21 November 2023) were:

	21 November 2023 RMB'000
Assets	
Non-current assets	
Property, plant and equipment	986,924
Other non-current assets	29,092
Current assets	
Cash and cash equivalents	50,463
Other current assets	391,607
Total assets	1,458,086
Liabilities	
Other current liabilities	(1,309,504)
Net assets	148,582
Less: Non-controlling interest disposed of	(29,740)
	118,842

36. RELATED PARTY TRANSACTIONS

(a) Ultimate controlling shareholder and subsidiaries

The Company is ultimately controlled by Mr. Wang Zhenhua (the "Ultimate Controlling Shareholder").

Interests in subsidiaries are set in note 17.

(b) Transaction with related parties

During the years ended 31 December 2022, 2023 and 2024, the Group has the following related party transactions:

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Fundings to related parties:			
– Joint ventures	5,733,841	3,501,136	2,269,935
– Associates	7,671,130	2,428,558	3,575,302
– Entities controlled by Mr. Wang	-	1,800,000	5,172,229
	13,404,971	7,729,694	11,017,466
Interest-bearing fundings to related parties:			
– Joint ventures	169,083	20,593	-
– Associates	790,487	2,327	-
	959,570	22,920	-

36. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transaction with related parties (Continued)

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Interest income from related parties:			
– Joint ventures	6,491	18,868	20,135
– Associates	45,602	7,592	-
	52,093	26,460	20,135
Fundings from related parties:			
– Joint ventures	9,159,406	3,080,091	2,867,096
– Associates	10,030,626	4,440,238	3,827,812
– Entities controlled by Mr. Wang	24,773	1,840,161	5,172,229
	19,214,805	9,360,490	11,867,137
Interest-bearing fundings from related parties:			
– Joint ventures	75,173	17,750	-
– Associates	470,158	391,172	-
– Entities controlled by Mr. Wang	-	-	193,970
	545,331	408,922	193,970
Payment made on behalf of related parties:			
– Joint ventures	541,197	191,554	450,183
– Associates	379,341	1,330,180	240,693
– Entities controlled by Mr. Wang	24,773	40,161	-
	945,311	1,561,895	690,876
Services fees incurred for property management services from:			
– Entities controlled by Mr. Wang	917,552	597,638	343,145
Expenses incurred for accepting construction services from:			
– Joint ventures	-	3,720	49,320
– Associates	13,566	120,280	70,017
	13,566	124,000	119,337
Project management service income from:			
– Joint ventures	143,738	35,277	21,033
– Associates	266,493	147,979	84,011
	410,231	183,256	105,044

36. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transaction with related parties (Continued)

	Year ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Consulting service income from:			
– Joint ventures	206,640	70,922	65,907
– Associates	82,941	123,581	102,793
– Entities controlled by Mr. Wang	-	-	26
	289,581	194,503	168,726
Rental income from:			
– Entities controlled by Mr. Wang	4,025	4,035	4,216
Purchases of goods from:			
– Associates	-	-	838,113

(c) Key management compensation

	Year ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Salaries and other short-term employee benefits	30,444	24,332	22,035

(d) Guarantees provided to related parties

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Guarantee to joint ventures	1,463,565	1,109,895	887,389
Guarantee to associates	3,460,863	2,032,080	1,864,195
	4,924,428	3,141,975	2,751,584

(e) Investment pledged for their borrowings of related parties (note 39(i))

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Shares pledged for joint ventures	472,830	509,210	547,168
Shares pledged for associates	632,306	1,235,997	1,013,151
	1,105,136	1,745,207	1,560,319

36. RELATED PARTY TRANSACTIONS (CONTINUED)

(f) Related-party balances

	As at 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Amounts due from related parties (note 16)			
– Joint ventures	5,953,087	5,285,088	5,295,787
– Associates	6,625,138	5,280,724	5,194,436
	12,578,225	10,565,812	10,490,223
Amounts due to related parties (note 21)			
– Joint ventures	14,753,713	13,470,272	11,419,391
– Associates	10,607,879	10,333,810	10,587,360
– Entities controlled by Mr. Wang	485,785	466,084	600,337
	25,847,377	24,270,166	22,607,088
Trade receivables from related parties			
– Joint ventures	30,595	22,462	42,332
– Associates	50,927	88,415	114,631
	81,522	110,877	156,963
Trade payables to related parties			
– Joint ventures	-	-	4,393
– Associates	-	25,203	22,275
– Entities controlled by Mr. Wang	446,217	784,648	831,458
	446,217	809,851	858,126

As at 31 December 2022, 2023 and 2024, except for the amount due to related parties disclosed in note 21(c), all due from and due to related parties are unsecured, non-interested bearing and repayable on demand.

37. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

During the years ended 31 December 2022, 2023 and 2024, the Group has acquired addition interests in certain subsidiaries for total consideration of RMB3,701,863,000, RMB1,711,561,000 and RMB1,076,899,000, respectively. The Group recognised a decrease in total non-controlling interests of RMB3,552,648,000, RMB1,658,863,000 and RMB1,103,755,000 and decrease in other reserves of RMB149,215,000, RMB52,698,000 and RMB26,856,000, respectively.

38. DISPOSAL OF SUBSIDIARIES AND BUSINESS

During the years ended 31 December 2022, 2023 and 2024, the Group disposed certain subsidiaries. Details of the disposals are as follows:

	Year ended 31 December		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Disposal consideration			
- Cash and cash equivalents received from disposal of certain subsidiaries	692,950	257,620	283,900
- Non-cash consideration from disposal of certain subsidiaries	-	-	1,094,981
	692,950	257,620	1,378,881
Total net assets of subsidiaries disposed of	1,695,754	339,019	2,239,833
Less: Non-controlling interest disposed of	(646,641)	(28,177)	(759,250)
Less: Fair value of interests retained in an associate	-	-	(54,214)
	1,049,113	310,842	1,426,369
Losses on disposal	(356,163)	(53,222)	(47,488)
Cash proceeds from disposal	692,950	257,620	283,900
Less: Cash and cash equivalents in the subsidiaries disposed of	(395,844)	(13,351)	(36,274)
Net cash inflow on disposal	297,106	244,269	247,626

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries of the Group as at 31 December 2022, 2023 and 2024 are as follows:

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
新城控股集團股份有限公司 (f) Seazen Holdings Co., Ltd. (f)	14 Jun 1996	2,255,623	2,255,623	67.20%	67.20%	67.20%	Development and sale of properties
香港創拓發展有限公司(b) Hong Kong Achievement Development Limited (b)	30 Aug 2010	301,800	301,800	100.00%	100.00%	100.00%	Investment company
香港宏盛發展有限公司 (b) Hong Kong Prosperity Development Limited (b)	30 Aug 2010	–	–	100.00%	100.00%	100.00%	Investment company
香港恒逸發展有限公司 (b) Hong Kong Hengyi Development Limited (b)	16 Oct 2014	–	–	100.00%	100.00%	100.00%	Investment company
新城發展資本（香港）有限公司 (b) Future Land Development Capital (Hong Kong) Limited (b)	01 Jun 2016	8,547	8,547	100.00%	100.00%	100.00%	Investment company
新城發展投資有限公司 Future Land Development Investment Co., Ltd.	16 Mar 2015	1,160,000	1,160,000	100.00%	100.00%	100.00%	Investment company
常州德潤諮詢管理有限公司 (g) Changzhou Derun Consultancy Co., Ltd. (g)	28 Aug 2013	2,000	2,000	100.00%	100.00%	100.00%	Consulting
常州創域諮詢管理有限公司 (g) Changzhou Chuangyu Consultancy Management Co., Ltd. (g)	25 Sep 2014	2,000	–	100.00%	100.00%	100.00%	Consulting, investment
常州悅盛諮詢管理有限公司 (g) Changzhou Yuesheng Consultancy Management Co., Ltd. (g)	25 May 2015	1,101,000	1,100,000	100.00%	100.00%	100.00%	Consulting, investment
上海新城萬聖企業管理有限公司 Shanghai Future Land Wansheng Business Management Co., Ltd.	12 Jun 2010	10,000	10,000	100.00%	100.00%	100.00%	Investment company
富域發展集團有限公司 (g) Changzhou Wealthzone Development Co., Ltd. (g)	27 Apr 2002	301,800	301,800	100.00%	100.00%	100.00%	Investment company
常州新城多奇妙企業管理諮詢有限公司 Changzhou Duoqimiao Business Management Consultancy Co., Ltd.	31 Jul 2015	1,710,000	1,705,000	100.00%	100.00%	100.00%	Children entertainment
上海海之擎能源發展有限公司 (g) Shanghai Haizhiqing Energy Development Co., Ltd. (g)	14 Sep 2021	1,000,000	500,000	100.00%	100.00%	100.00%	Emerging energy technology development
新城晉峰金融集團有限公司 (b) Seazen Resources Capital Group Limited (b)	24 Mar 2015	817	817	70.00%	70.00%	70.00%	Investment holding company
新城晉峰資本投資管理有限公司 (b) Seazen Resources Capital Investment Management Limited (b)	30 Aug 2012	–	327,536	70.00%	70.00%	70.00%	Investment holding and management service
新城晉峰投資有限公司 (b) Seazen Resources Investment Limited (b)	15 Jun 2017	–	16,718	70.00%	70.00%	70.00%	Investment holding company
常州君德實業投資有限公司 Changzhou Junde Investment Co., Ltd.	26 Oct 2009	444,444	400,000	64.36%	64.36%	64.36%	Development and sale of properties
常州萬方新城房地產開發有限公司 Changzhou Wanfang Future Land Real Estate Development Co., Ltd.	06 Feb 2007	20,000	20,000	64.42%	64.42%	64.42%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
常州新城房產開發有限公司 Changzhou Future Land Real Estate Development Co., Ltd.	26 Apr 1998	1,100,500	1,100,500	64.35%	64.35%	64.35%	Development and sale of properties
昆山鴻駿房地產開發有限公司 (a) (c) Kunshan Hongjun Real Estate Development Co., Ltd. (a) (c)	02 Jun 2020	1,000,000	1,000,000	34.04%	34.04%	66.76%	Development and sale of properties
南通新城創置房地產有限公司 Nantong Future Land Chuangzhi Real Estate Co., Ltd.	26 Jan 2014	850,000	850,000	53.40%	53.40%	53.40%	Development and sale of properties
啟東碧和房地產開發有限公司 (c) (h) Qidong Bihe Real Estate Development Co., Ltd. (c) (h)	27 Oct 2017	160,097	160,097	22.63%	22.63%	22.63%	Development and sale of properties
上海鴻韻房地產開發有限公司 Shanghai Hongyun Real Estate Development Co., Ltd.	26 May 2020	1,345,000	1,345,000	55.57%	55.57%	55.57%	Development and sale of properties
上海嘉定華銳置業有限公司 Shanghai Jiading Huarui Real Estate Co., Ltd.	09 Jan 2014	18,000	18,000	66.76%	66.76%	66.76%	Development and sale of properties
上海嘉牧投資管理有限公司 Shanghai Jiamu Investment Management Co., Ltd.	23 Jun 2015	586,000	586,000	67.20%	67.20%	67.20%	Investment company
上海新城創域房地產有限公司 (a) Shanghai Future Land Chuangyu Real Estate Co., Ltd. (a)	10 May 2011	20,000	20,000	66.76%	66.76%	66.76%	Development and sale of properties
上海新城萬嘉房地產有限公司 Shanghai Future Land Wanjia Real Estate Co., Ltd.	19 Mar 2003	90,000	20,240	66.76%	66.76%	66.76%	Development and sale of properties
泗洪悅彰房地產開發有限公司 Sihong Yuezhang Real Estate Development Co., Ltd.	02 Jan 2020	33,997	4,800	66.53%	66.53%	66.53%	Development and sale of properties
無錫鴻譽房地產開發有限公司 Wuxi Hongyu Real Estate Development Co., Ltd.	06 Jul 2020	1,000,000	900,000	64.35%	64.35%	64.35%	Development and sale of properties
宿遷新城億盛房地產有限公司 (c) Suqian Future Land Yisheng Real Estate Co., Ltd. (c)	30 Jul 2018	600,000	600,000	38.02%	38.02%	38.02%	Development and sale of properties
徐州金宸輝置業有限公司 (c) Xuzhou Jinchenhui Real Estate Co., Ltd. (c)	26 Aug 2020	2,400,000	–	44.36%	44.36%	44.36%	Development and sale of properties
徐州金宸晟置業有限公司 (c) Xuzhou Jinchensheng Real Estate Co., Ltd. (c)	06 Aug 2020	1,400,000	–	32.32%	32.32%	32.32%	Development and sale of properties
重慶吾悅房地產開發有限公司 Chongqin Injoy Real Estate Development Co., Ltd.	26 Oct 2017	50,000	50,000	66.76%	66.76%	66.76%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
鴻昊（南通）教育科技有限公司 (a) (c) Honghao (Nantong) Education Technology Co., Ltd. (a) (c)	03 Dec 2020	2,549,772	360,000	50.51%	33.94%	33.94%	Development and sale of properties
宿遷新城鴻晟房地產開發有限公司 Suqian Future Land Hongsheng Real Estate Development Co., Ltd.	13 Nov 2020	50,000	–	50.70%	50.70%	63.96%	Development and sale of properties
常州鴻新房地產開發有限公司 (c) Changzhou Hongxin Real Estate Management Co., Ltd. (c)	07 Dec 2020	590,000	583,948	38.61%	38.61%	38.61%	Development and sale of properties
上海煜璞貿易有限公司 Shanghai Yupu Trading Co., Ltd.	10 May 2018	110,000	100,000	67.14%	67.14%	67.14%	Retail
東營新城鴻熠房地產開發有限公司 (a) Dongying Future Land Hongyi Real Estate Development Co., Ltd. (a)	24 Nov 2020	859,650	424,804	66.53%	66.53%	66.53%	Development and sale of properties
豐縣新城鴻悅房地產開發有限公司 (a) Fengxian Future Land Hongyue Real Estate Development Co., Ltd. (a)	30 Oct 2020	55,500	–	66.33%	66.33%	66.33%	Development and sale of properties
南京新城創置房地產有限公司 Nanjing Future Land Chuangzhi Real Estate Co., Ltd.	09 Sep 2002	120,000	120,000	64.63%	64.63%	64.63%	Development and sale of properties
合肥新城吾悅房地產開發有限公司 Hefei Future Land Wuyue Real Estate Development Co., Ltd.	25 Jul 2017	44,000	44,000	66.17%	66.17%	66.17%	Development and sale of properties
天長市新城悅興房地產開發有限公司 Tianchang Future Land Yuexin Real Estate Development Co., Ltd.	06 Jun 2019	43,000	43,000	100.00%	66.90%	66.90%	Development and sale of properties
徐州市賈汪區億睿房地產開發有限公司 Xuzhou Jiawang Yirui Real Estate Development Co., Ltd.	30 May 2018	66,860	66,860	53.89%	53.89%	53.89%	Development and sale of properties
徐州新城鴻茂房地產開發有限公司 Xuzhou Future Land Hongmao Real Estate Development Co., Ltd.	16 Mar 2020	44,440	44,440	66.92%	66.92%	64.36%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
揚中市新城悅盛房地產開發有限公司 Yangzhong Future Land Yuesheng Real Estate Development Co., Ltd.	03 Sep 2019	95,000	95,000	66.88%	66.88%	66.88%	Development and sale of properties
揚州新城悅盛房地產發展有限公司 Yangzhou Future Land Yuesheng Real Estate Development Co., Ltd.	25 Jul 2016	367,126	330,414	66.33%	66.33%	66.33%	Development and sale of properties
新泰新城鴻盛房地產開發有限公司 (a) Xintai Future Land Hongsheng Real Estate Development Co., Ltd. (a)	27 Feb 2020	10,000	10,000	66.88%	66.88%	66.88%	Development and sale of properties
日照鴻璟實業有限公司 Rizhao Hongjin Real Estate Development Co., Ltd.	24 Nov 2020	914,300	324,298	66.53%	66.53%	66.53%	Development and sale of properties
泗陽鴻祿房地產開發有限公司 (h) Siyang Honglu Real Estate Development Co., Ltd. (h)	29 May 2020	1,273,469	179,800	66.53%	66.53%	66.53%	Development and sale of properties
漣水新城悅盛房地產開發有限公司 (h) Lianshui Future Land Yuesheng Real Estate Development Co., Ltd. (h)	16 Apr 2019	652,810	92,170	53.89%	53.89%	66.47%	Development and sale of properties
淄博新城鴻拓房地產開發有限公司 (a) Zibo Future Land Hongtuo Real Estate Development Co., Ltd. (a)	30 Jun 2020	487,900	295,428	66.68%	66.68%	66.68%	Development and sale of properties
濱州新城鴻睿房地產開發有限公司 (a) Binzhou Future Land Hongrui Real Estate Development Co., Ltd. (a)	09 Jun 2020	171,097	–	66.67%	66.67%	66.67%	Development and sale of properties
煙台市芝罘區鴻璟房地產開發有限公司 (a) Yantai Zhifu Hongjing Real Estate Development Co., Ltd. (a)	23 Nov 2020	49,579	7,000	–	66.53%	66.53%	Development and sale of properties
盱眙鴻熠房地產開發有限公司 Xuyi Hongyi Real Estate Development Co., Ltd.	02 Jul 2020	722,790	102,050	66.53%	66.53%	66.53%	Development and sale of properties
肥城新城鴻泰房地產開發有限公司 Feicheng Future Land Hongtai Real Estate Development Co., Ltd.	01 Jun 2020	85,000	85,000	66.61%	66.61%	66.61%	Development and sale of properties
阜陽新城億博房地產開發有限公司 Fuyang Yibo Real Estate Development Co., Ltd.	29 Jun 2018	20,000	20,000	64.35%	64.35%	64.35%	Development and sale of properties
上海吾悅投資管理有限公司 Shanghai Injoy Investment Management Co., Ltd.	22 Aug 2014	10,000	10,000	66.53%	66.53%	66.53%	Investment company

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital	Issued and fully paid capital	Percentage of attributable equity interest as at 31 December			Principal activities
		RMB'000	RMB'000	2022	2023	2024	
新城控股集團企業管理有限公司 Future Land Holdings Real Estate Development Co., Ltd.	19 Aug 2016	202,000	200,000	66.53%	66.53%	66.53%	Development and sale of properties
新城環球有限公司 (b) New Metro Global Limited (b)	10 Mar 2017	–	–	66.53%	66.53%	66.53%	Investment company
烏魯木齊新城鴻悅房地產開發有限公司 Urumqi Future Land Hongyue Real Estate Development Co., Ltd.	15 Apr 2020	100,000	100,000	66.76%	66.76%	66.76%	Development and sale of properties
大同新城悅盛房地產開發有限公司 Datong Future Land Yuesheng Real Estate Development Co., Ltd.	15 Jul 2019	35,560	35,560	67.16%	67.16%	67.16%	Development and sale of properties
天津市新城萬博房地產開發有限公司 (a) Tianjin Future Land Wanbo Real Estate Development Co., Ltd. (a)	11 May 2017	20,000	–	99.01%	66.53%	66.54%	Development and sale of properties
太原新城凱拓房地產開發有限公司 (a) Taiyuan Future Land Kaituo Real Estate Development Co., Ltd. (a)	27 Mar 2017	500,000	–	66.64%	66.64%	66.98%	Development and sale of properties
太原新城盛華房地產開發有限公司 Taiyuan Future Land Shenghua Real Estate Development Co., Ltd.	02 Aug 2017	10,000	–	57.89%	57.89%	57.89%	Development and sale of properties
安康鴻璟房地產開發有限公司 Ankang Hongjing Real Estate Development Co., Ltd.	14 May 2020	85,000	85,000	66.76%	66.76%	66.76%	Development and sale of properties
滄州市新城悅盛房地產開發有限公司 Cangzhou Future Land Yuesheng Real Estate Development Co., Ltd.	21 Mar 2019	110,000	110,000	53.89%	53.89%	53.89%	Development and sale of properties
西寧鴻悅房地產開發有限公司 Xining Hongyue Real Estate Development Co., Ltd.	29 Jun 2020	100,000	–	66.53%	66.53%	66.53%	Development and sale of properties
西安新城萬博房地產開發有限公司 Xi'an Future Land Wanbo Real Estate Development Co., Ltd.	19 Jun 2017	264,000	264,000	66.55%	66.55%	66.55%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital	Issued and fully paid capital	Percentage of attributable equity interest as at 31 December			Principal activities
		RMB'000	RMB'000	2022	2023	2024	
運城新城鴻宇房地產開發有限公司 Yuncheng Future Land Hongyu Real Estate Development Co., Ltd.	27 May 2020	85,000	–	66.66%	66.66%	66.66%	Development and sale of properties
義烏吾悅房地產發展有限公司 (c) Yiwu Wuyue Real Estate Development Co., Ltd. (c)	19 Oct 2015	1,000,000	1,000,000	33.94%	33.94%	33.94%	Development and sale of properties
雲浮新城鴻祥房地產開發有限公司 Yunfu Future Land Hongxiang Real Estate Development Co., Ltd.	03 Dec 2020	155,556	–	66.45%	66.45%	66.54%	Development and sale of properties
保山鴻盛房地產開發有限公司 Baoshan Hongsheng Real Estate Development Co., Ltd.	26 Feb 2020	40,000	40,000	66.53%	66.53%	66.53%	Development and sale of properties
南昌鴻宸房地產開發有限公司 Nanchang Hongchen Real Estate Development Co., Ltd.	28 Sep 2020	566,616	80,000	67.03%	67.03%	67.03%	Development and sale of properties
宜昌新城鴻宸房地產開發有限公司 Yichang Future Land Hongchen Real Estate Development Co., Ltd.	21 Sep 2020	55,000	–	66.31%	66.31%	66.31%	Development and sale of properties
嵊州順佳商業經營管理有限公司 (g) Shengzhou Shunjia Commercial Management Co., Ltd (g)	29 Aug 2015	780,000	–	66.53%	66.53%	66.53%	Development and sale of properties
常德新城鴻隆房地產開發有限公司 Changde Future Land Honglong Real Estate Development Co., Ltd.	16 Dec 2020	50,000	–	66.53%	66.53%	66.53%	Development and sale of properties
平潭鴻新房地產開發有限公司 (c) Pingtan Hongxin Real Estate Development Co., Ltd. (c)	04 Dec 2020	1,000,000	–	43.25%	43.25%	43.25%	Development and sale of properties
廣安新城鴻欣房地產開發有限公司 Guang'an Future Land Hongxin Real Estate Development Co., Ltd.	11 Sep 2020	55,556	–	66.28%	66.28%	66.29%	Development and sale of properties
昆明安寧新城鴻晟房地產開發有限公司 (a) Kunming Anning Future Land Hongsheng Real Estate Development Co., Ltd. (a)	31 Aug 2020	150,000	65,451	66.53%	66.53%	66.53%	Development and sale of properties
昆明悅宸房地產開發有限公司 (a) Kunming Yuechen Real Estate Development Co., Ltd. (a)	21 Jun 2019	105,000	105,000	66.88%	66.88%	66.88%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital	Issued and fully paid capital	Percentage of attributable equity interest as at 31 December			Principal activities
		RMB'000	RMB'000	2022	2023	2024	
昆明新城億博房地產開發有限公司 Kunming Future Land Yibo Real Estate Development Co., Ltd.	07 Jan 2019	44,000	44,000	66.31%	66.31%	66.31%	Development and sale of properties
昭通億博房地產開發有限公司 Zhaotong Yibo Real Estate Development Co., Ltd.	04 Sep 2018	585,032	585,032	53.89%	53.89%	53.89%	Development and sale of properties
湖州新城悅安房地產開發有限公司 (c) Huzhou Future Land Yuean Real Estate Development Co., Ltd. (c)	16 Dec 2019	980,000	980,000	40.06%	40.06%	40.06%	Development and sale of properties
肇慶億博房地產開發有限公司 Zhaoqing Yibo Real Estate Development Co., Ltd.	09 Apr 2018	206,400	206,400	53.89%	53.89%	53.89%	Development and sale of properties
襄陽新城億博房地產開發有限公司 Xiangyang Yibo Real Estate Development Co., Ltd.	03 Sep 2018	779,850	779,850	53.89%	53.89%	53.89%	Development and sale of properties
貴州新城鴻嘉房地產開發有限公司 (a) Guizhou Future Land Hongjia Real Estate Co., Ltd. (a)	18 Jun 2020	50,000	50,000	66.53%	66.53%	66.53%	Development and sale of properties
貴州新城鴻裕房地產開發有限公司 (a) (c) Guizhou Future Land Hongyu Real Estate Development Co., Ltd. (a) (c)	04 Sep 2020	1,600,000	–	39.92%	39.92%	39.92%	Development and sale of properties
鄂州新城鴻隆房地產開發有限公司 Ezhou Future Land Honglong Real Estate Development Co., Ltd.	04 Nov 2020	35,556	–	66.28%	66.28%	66.28%	Development and sale of properties
重慶市江津區新城鴻達房地產開發有限公司 Chongqing Jiangjin District Future Land Hongda Real Estate Development Co., Ltd.	14 Sep 2020	504,836	2,176	99.01%	66.53%	66.53%	Development and sale of properties
重慶新城鴻潤房地產開發有限公司 Chongqing Future Land Hongrun Real Estate Development Co., Ltd.	27 Jul 2020	44,000	44,000	66.31%	66.31%	66.31%	Development and sale of properties
重慶鴻素房地產開發有限公司 (a) Chongqing Hongsu Real Estate Development Co., Ltd. (a)	19 Aug 2020	50,000	50,000	67.20%	67.20%	67.17%	Development and sale of properties
太倉鴻富房地產開發有限公司 Taicang Hongfu Real Estate Development Co., Ltd.	16 Dec 2020	1,100,000	–	53.67%	53.67%	53.67%	Development and sale of properties
北京新城萬隆房地產開發有限公司 Beijing Future Land Wanlong Real Estate Development Co., Ltd.	22 Jan 2017	10,000	10,000	67.20%	67.20%	67.20%	Development and sale of properties
河北金郡房地產開發有限公司 Hebei Future Land Jinjun Real Estate Development Co., Ltd.	24 Nov 2016	10,000	10,000	65.56%	65.56%	65.56%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
石家莊新城鴻澤房地產開發有限公司 (a) (c) Shijiazhuang Future Land Hongze Real Estate Development Co., Ltd. (a) (c)	08 May 2020	666,000	393,940	66.20%	44.49%	44.49%	Development and sale of properties
邯鄲億隆房地產開發有限公司 Handan Yilong Real Estate Development Co., Ltd.	09 Mar 2018	55,000	–	67.14%	67.14%	67.14%	Development and sale of properties
南京新城萬嘉房地產有限公司 Nanjing Future Land Wanjia Real Estate Co., Ltd.	13 Jan 2010	311,000	311,000	64.43%	64.43%	64.43%	Development and sale of properties
南京新城鴻拓房地產開發有限公司 Nanjing Future Land Hongtuo Real Estate Development Co., Ltd.	21 Jul 2020	98,039	98,039	64.43%	64.43%	64.43%	Development and sale of properties
南京匯隆房地產有限公司 (c) Nanjing Huilong Real Estate Co., Ltd. (c)	29 Aug 2016	1,500,000	1,500,000	21.91%	21.91%	21.91%	Development and sale of properties
南京鴻旭房地產開發有限公司 (c) Nanjing Hongxu Real Estate Development Co., Ltd. (c)	09 Nov 2020	1,150,000	20,000	26.29%	26.29%	26.29%	Development and sale of properties
鎮江新城億宏房地產開發有限公司 Zhenjiang Future Land Yihong Real Estate Development Co., Ltd.	24 Aug 2018	1,000,000	1,000,000	51.55%	51.55%	51.55%	Development and sale of properties
南昌億拓房地產開發有限公司 Nanchang Yituo Real Estate Development Co., Ltd.	05 Jul 2018	50,500	–	66.53%	66.53%	66.53%	Development and sale of properties
天津新城萬嘉房地產開發有限公司 Tianjin Future Land Wanjia Real Estate Development Co., Ltd.	17 Oct 2016	1,010,000	1,010,000	66.53%	66.53%	66.53%	Development and sale of properties
天津新城悅恒房地產開發有限公司 Tianjin Future Land Yueheng Real Estate Development Co., Ltd.	10 Jan 2019	130,000	130,000	53.89%	53.89%	53.89%	Development and sale of properties
天津新城悅榮房地產開發有限公司 Tianjin Future Land Yuerong Real Estate Development Co., Ltd.	29 Apr 2019	233,820	74,820	64.42%	64.42%	64.42%	Development and sale of properties
天津新城悅隆房地產開發有限公司 Tianjin Future Land Yuelong Real Estate Development Co., Ltd.	28 Apr 2019	477,400	–	64.61%	64.61%	64.61%	Development and sale of properties
天津新城鴻盛房地產開發有限公司 (c) Tianjin Future Land Hongsheng Real Estate Development Co., Ltd. (c)	23 Apr 2020	1,600,000	1,600,000	33.94%	33.94%	33.94%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
天津新城鴻錦房地產開發有限公司 (c) Tianjin Future Land Hongjin Real Estate Development Co., Ltd. (c)	08 Jun 2020	1,300,000	1,300,000	39.92%	39.92%	39.92%	Development and sale of properties
滄州新城鴻泰房地產開發有限公司 (c) Cangzhou Future Land Hongtai Real Estate Development Co., Ltd. (c)	03 Dec 2020	42,857	–	37.26%	37.26%	37.26%	Development and sale of properties
寧波新城億盛房地產開發有限公司 Ningbo Future Land Yisheng Real Estate Development Co., Ltd.	16 Mar 2018	20,500	500	65.56%	65.56%	65.56%	Development and sale of properties
佛山鼎域房地產有限公司 Foshan Dingyu Real Estate Development Co., Ltd.	10 Feb 2017	1,111,111	1,000,000	64.03%	64.03%	64.29%	Development and sale of properties
廣州鼎佳房地產有限公司 Guangzhou Dingjia Real Estate Co., Ltd.	11 Oct 2016	10,500	10,500	64.00%	64.00%	64.00%	Development and sale of properties
惠州俊安實業有限公司 (a) Huizhou Junan Industrial Co., Ltd. (a)	17 May 2011	400,000	400,000	51.20%	51.20%	51.20%	Development and sale of properties
成都市常鑫房地產開發有限公司 Chengdu Changxin Real Estate Development Co., Ltd.	20 Apr 2017	10,500	500	64.00%	64.00%	64.00%	Development and sale of properties
杭州新城創宏房地產開發有限公司 Hangzhou Future Land Chuanghong Real Estate Development Co., Ltd.	27 Sep 2013	61,000	30,000	67.19%	67.19%	67.19%	Development and sale of properties
杭州新城英冠鴻軒房地產開發有限公司 (c) Hangzhou Future Land Yingguan Hongxuan Real Estate Development Co., Ltd. (c)	01 Jul 2020	1,142,730	1,142,730	70.00%	47.03%	47.03%	Development and sale of properties
杭州新城鼎宏房地產開發有限公司 Hangzhou Future Land Dinghong Real Estate Development Co., Ltd.	08 Oct 2013	356,500	356,500	67.11%	67.11%	67.11%	Development and sale of properties
金華新城鴻瀚房地產開發有限公司 (c) Jinhua Future Land Honghan Real Estate Development Co., Ltd. (c)	19 Jun 2020	650,000	650,000	40.31%	40.31%	67.19%	Development and sale of properties
武漢冠信房地產開發有限公司 Wuhan Guanxin Real Estate Development Co., Ltd.	27 Feb 2018	320,000	320,000	51.44%	51.44%	51.44%	Development and sale of properties
武漢新城創置置業有限公司 (a) Wuhan Future Land Chuangzhi Property Co., Ltd. (a)	11 Sep 2014	42,000	10,500	64.00%	64.00%	64.00%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
齊河坤新置業有限公司 Qihe Kunxin Property Co., Ltd.	04 Sep 2017	760,000	460,000	66.76%	66.76%	61.48%	Development and sale of properties
溫嶺新城鴻祥房地產開發有限公司 (c) Wenling Future Land Hongxiang Real Estate Development Co., Ltd. (c)	04 Jun 2020	800,000	800,000	37.02%	37.02%	37.02%	Development and sale of properties
溫州新城鴻悅房地產開發有限公司 Wenzhou Future Land Hongyue Real Estate Development Co., Ltd.	29 Apr 2020	10,000	10,000	61.70%	61.70%	61.70%	Development and sale of properties
東莞市星城際投資有限公司 (c) Dongguan Xingchengji Investment Co., Ltd. (c)	23 Jul 2014	10,000	10,000	48.00%	48.00%	48.00%	Development and sale of properties
海豐縣振業房地產開發有限公司 Haifeng Zhenye Real Estate Development Co., Ltd.	11 Feb 2015	11,111	10,000	66.65%	66.65%	62.28%	Development and sale of properties
吳江恒力地產有限公司 Wujiang Hengli Real Estate Co., Ltd.	16 May 2012	231,290	208,160	67.10%	67.10%	66.53%	Development and sale of properties
昆山新城創宏房地產有限公司 Kunshan Future Land Chuanghong Real Estate Co., Ltd.	20 Jun 2011	177,780	160,000	67.10%	67.10%	67.10%	Development and sale of properties
泰州開泰汽車城發展有限公司 Taizhou Motor City Development Co., Ltd.	11 Mar 2004	222,220	200,000	66.86%	66.86%	66.86%	Development and sale of properties
蘇州升博房地產諮詢有限公司 (c) Suzhou Shengbo Real Estate Consultancy Co., Ltd. (c)	07 Jul 2017	600,000	444,000	34.24%	34.24%	34.24%	Consulting
蘇州新城創佳置業有限公司 Suzhou Future Land Chuangjia Property Co., Ltd.	11 Oct 2007	200,200	200,200	67.13%	67.13%	67.13%	Development and sale of properties
蘇州聿盛房地產開發有限公司 (a) Suzhou Yusheng Real Estate Development Co., Ltd. (a)	20 Oct 2016	600,000	600,000	64.42%	64.42%	64.42%	Development and sale of properties
蘇州鴻璞房地產開發有限公司 (c) Suzhou Hongpu Real Estate Development Co., Ltd. (c)	29 Apr 2020	862,750	737,000	34.24%	34.24%	34.24%	Development and sale of properties
六盤水新城悅嘉房地產開發有限公司 (a) Liupanshui Future Land Yuejia Real Estate Development Co., Ltd. (a)	30 Dec 2017	22,222	20,000	99.34%	66.51%	66.76%	Development and sale of properties
鄭州舜傑新城房地產開發有限公司 (a) Zhengzhou Shunjie Future Land Real Estate Development Co., Ltd. (a)	06 Mar 2019	1,000,000	–	60.74%	60.74%	60.74%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
新城環球有限公司 (b) New Metro Global Limited (b)	10 Mar 2017	–	–	66.53%	66.53%	66.53%	Investment company
鄭州隆城吾悅房地產開發有限公司 (c) Zhengzhou Longcheng Injoy Real Estate Development Co., Ltd. (c)	19 Dec 2016	150,000	150,000	33.94%	33.94%	33.94%	Development and sale of properties
重慶新城萬嘉企業管理有限公司 Chongqing Wanjia Enterprise Management Co., Ltd.	31 Jul 2017	10,500	–	64.00%	64.00%	64.00%	Asset operation and management
長沙新城萬博置業有限公司 Changsha Future Land Wanbo Property Co., Ltd.	28 Mar 2011	420,500	420,000	66.45%	66.45%	66.45%	Development and sale of properties
長沙鴻仁房地產開發有限公司 (c) Changsha Hongren Real Estate Development Co., Ltd. (c)	22 Apr 2020	917,653	527,653	33.89%	33.89%	33.89%	Development and sale of properties
長沙鴻尚房地產開發有限公司 (c) Changsha Hongshang Real Estate Development Co., Ltd. (c)	11 Aug 2020	10,000	10,000	20.33%	20.33%	20.33%	Development and sale of properties
長沙鴻拓房地產開發有限公司 (c) Changsha Hongtuo Real Estate Development Co., Ltd. (c)	08 Jul 2020	250,000	250,000	20.33%	20.33%	20.33%	Development and sale of properties
長沙鴻耀房地產開發有限公司 (a) Changsha Hongyao Real Estate Development Co., Ltd. (a)	10 Aug 2020	710,000	10,000	53.16%	53.16%	53.16%	Development and sale of properties
煙台億騰房地產開發有限公司 (c) Yantai Yiteng Real Estate Development Co., Ltd. (c)	12 Sep 2018	310,000	310,000	–	47.00%	47.00%	Development and sale of properties
青島萬基陽光置業有限公司 Qingdao Wanji Sunshine Property Co., Ltd.	07 Dec 2011	50,000	50,000	53.71%	53.71%	53.71%	Development and sale of properties
青島市麗洲置業有限公司 Qingdao Lizhou Property Co., Ltd.	27 Sep 2010	52,800	50,000	67.15%	67.15%	67.15%	Development and sale of properties
青島新城創置房地產有限公司 Qingdao Future Land Chuangzhi Real Estate Co., Ltd.	15 May 2014	600,500	600,500	67.15%	67.15%	67.15%	Development and sale of properties
青島特成房地產開發有限公司 (a) (c) Qingdao Techeng Real Estate Development Co., Ltd. (a) (c)	17 Aug 2017	700,000	700,000	47.00%	47.00%	47.00%	Development and sale of properties
常州新城宏昊商業管理有限公司 Changzhou Future Land Honghao Commercial Management Co., Ltd.	05 Dec 2014	1,632,000	1,632,000	66.53%	66.53%	66.53%	Asset operation and management

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
常州新城萬盛商業管理有限公司 (a) Changzhou Future Land Wansheng Commercial Management Co., Ltd. (a)	22 Jan 2013	450,000	450,000	66.53%	66.53%	66.53%	Asset operation and management
丹陽萬博商業經營管理有限公司 (a) Danyang Wanbo Commercial Management Co., Ltd. (a)	13 Dec 2016	169,985	10,000	66.53%	66.53%	66.53%	Asset operation and management
常州金壇萬博房產經營管理有限公司 Changzhou Jintan Wanbo Real Estate Management Co., Ltd.	13 Oct 2017	10,000	10,000	99.01%	66.53%	66.53%	Development and sale of properties
常州新城鴻興商業經營管理有限公司 (a) Changzhou Future Land Hongxing Business Management Co., Ltd. (a)	28 May 2020	519,340	93,310	99.01%	66.53%	66.53%	Asset operation and management
溧陽新城鴻悅房產經營管理有限公司 (a) (c) (g) Liyang Future Land Hongyue Real Estate Management Co., Ltd. (a) (c) (g)	11 Jun 2020	10,113	10,113	69.31%	46.58%	66.53%	Development and sale of properties
鎮江萬博吾悅商業經營管理有限公司 (a) Zhenjiang Wanbo Injoy Business Management Co., Ltd. (a)	08 Oct 2018	10,341	1,460	99.01%	66.53%	66.53%	Asset operation and management
揚州新城悅博房地產發展有限公司 Yangzhou Future Land Yuebo Real Estate Development Co., Ltd.	17 Jul 2019	69,586	69,586	66.53%	66.53%	66.53%	Development and sale of properties
淮安新城鴻盛房產經營管理有限公司 Huaian Future Land Hongsheng Real Estate Management Co., Ltd.	20 Apr 2020	5,400	4,800	99.12%	66.61%	66.61%	Development and sale of properties
寶應鴻宸商業經營管理有限公司 Baoying Hongchen Commercial Management Co., Ltd.	18 May 2020	105,000	105,000	53.89%	53.89%	53.89%	Asset operation and management
上海迪裕商業經營管理有限公司 (a) Shanghai Diyu Business Management Co., Ltd. (a)	28 Oct 2015	531,820	360,000	65.87%	65.87%	65.87%	Asset operation and management
蘇州隆盛吾悅商業經營管理有限公司 (g) Suzhou Longsheng Injoy Business Management Co., Ltd. (g)	02 Nov 2016	264,185	10,000	99.01%	66.53%	66.53%	Asset operation and management

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
如皋創雋房地產經營有限公司 (a) Rugao Chuangjun Real Estate Co., Ltd. (a)	01 Nov 2018	10,000	10,000	66.53%	66.53%	66.53%	Asset operation and management
啟東市悅博商業經營管理有限公司 Qidong Yuebo Commercial Management Co., Ltd	15 Nov 2019	50,000	–	64.53%	64.53%	64.73%	Asset operation and management
安慶新城悅盛房產經營管理有限公司 Anqing Future Land Yuesheng Real Estate Management Co., Ltd.	25 Sep 2018	10,000	10,000	99.01%	66.53%	66.53%	Asset operation and management
淮南新城悅欣房地產開發有限公司 Huainan Future Land Yuexin Real Estate Development Co., Ltd.	25 Jul 2019	26,690	24,190	66.60%	66.60%	66.60%	Development and sale of properties
西安新城鴻晟房產經營管理有限公司 Xi'an Future Land Hongsheng Real Estate Management Co., Ltd.	05 Aug 2020	74,000	74,000	99.01%	66.53%	66.53%	Development and sale of properties
成都鴻嘉商業管理有限公司 (a) Chengdu Hongjia Business Management Co., Ltd. (a)	19 Mar 2020	52,000	52,000	66.53%	66.53%	66.53%	Asset operation and management
晉江萬博商業管理有限公司 (a) Jinjiang Wanbo Commercial Management Co., Ltd. (a)	16 Oct 2018	10,000	10,000	66.53%	66.53%	66.53%	Asset operation and management
瑞安市悅博房地產開發有限公司 Ruian Yuebo Real Estate Development Co., Ltd.	28 Oct 2019	343,520	343,520	66.53%	66.53%	66.53%	Development and sale of properties
台州新城鴻悅商業經營管理有限公司 Taizhou Future Land Hongyue Commercial Management Co., Ltd.	20 May 2020	132,000	132,000	99.01%	66.53%	66.53%	Asset operation and management
寧波吾悅商業經營管理有限公司 (a) Ningbo Injoy Business Management Co., Ltd. (a)	15 Oct 2018	187,525	10,000	66.53%	66.53%	66.53%	Asset operation and management
慈溪悅盛房地產開發有限公司 Cixi Yuesheng Real Estate Development Co., Ltd.	09 Oct 2019	74,290	74,290	66.53%	66.53%	66.53%	Development and sale of properties
昆明新城悅安房地產發展有限公司 Kunming Future Land Yuean Real Estate Development Co., Ltd.	20 Sep 2019	5,500	5,500	66.53%	66.53%	66.53%	Development and sale of properties
長春鴻晟商業綜合體經營管理有限公司 Changchun Hongsheng Commercial Complex Management Co., Ltd.	09 Apr 2020	176,359	5,530	99.01%	66.53%	66.53%	Asset operation and management
海口新城萬博房產經營管理有限公司 (a) Haikou Future Land Wanbo Real Estate Management Co., Ltd. (a)	20 Sep 2017	10,000	10,000	99.01%	66.53%	66.53%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
南寧悅澤房地產開發有限公司 Nanning Yueze Real Estate Development Co., Ltd.	09 Sep 2019	7,510	7,510	66.53%	66.53%	66.53%	Development and sale of properties
桂林新城鴻晟商業管理有限公司 (a) Guilin Future Land Hongsheng Business Management Co., Ltd. (a)	22 May 2020	13,000	13,000	66.53%	66.53%	66.53%	Asset operation and management
長沙悅順商業經營管理有限公司 Changsha Yueshun Commercial Management Co., Ltd.	23 Sep 2019	20,340	–	66.53%	66.53%	66.53%	Asset operation and management
長沙鴻拓商業經營管理有限責任公司 Changsha Hongtuo Commercial Management Co., Ltd.	13 May 2020	133,000	133,000	53.89%	53.89%	53.89%	Asset operation and management
臨沂悅鴻商業經營管理有限公司 Linyi Yuehong Business Management Co., Ltd.	25 Sep 2019	5,000	5,000	66.53%	66.53%	66.53%	Asset operation and management
南昌創宏商業經營有限公司 (g) Nanchang Chuanghong Commercial Management Co., Ltd. (g)	21 Sep 2018	148,820	9,284	66.53%	66.53%	66.53%	Asset operation and management
南昌悅隆房地產開發有限公司 (h) Nanchang Yuelong Real Estate Development Co., Ltd. (h)	25 Sep 2019	420,004	59,300	66.58%	66.58%	66.58%	Development and sale of properties
上饒市億軒房產經營管理有限公司 Shangrao Yixuan Management Co., Ltd.	14 Nov 2019	25,000	22,000	66.62%	66.62%	66.62%	Development and sale of properties
鹽城新城鴻博房產經營管理有限公司 Yancheng Future Land Hongbo Real Estate Management Co., Ltd.	20 May 2020	147,880	147,880	80.20%	53.89%	53.89%	Development and sale of properties
潁上新城恒嘉房地產開發有限公司 Yingshang Future Land Hengjia Real Estate Development Co., Ltd.	15 Jan 2021	155,500	–	66.33%	66.33%	65.30%	Development and sale of properties
商丘恒澤房地產開發有限公司 (a) Shangqiu Hengze Real Estate Development Co., Ltd. (a)	27 Jan 2021	50,000	50,000	66.53%	66.53%	66.53%	Development and sale of properties
廣州恒耀企業管理有限公司 (a) (c) Guangzhou Hengyao Enterprise Management Co., Ltd. (a) (c)	16 Mar 2021	1,108,571	1,108,571	32.66%	32.66%	34.06%	Development and sale of properties
唐山恒拓房地產開發有限公司 (a) (c) Tangshan Hengtuo Real Estate Development Co., Ltd. (a) (c)	26 Mar 2021	50,000	–	33.93%	33.93%	66.86%	Development and sale of properties
天津新城恒晟房地產開發有限公司 (a) (c) Tianjin Future Land Hengsheng Real Estate Development Co., Ltd. (a) (c)	30 Mar 2021	50,000	50,000	33.94%	33.94%	33.94%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
杭州新城駿宏恒錦房地產開發有限公司 (c) Hangzhou Future Land Junhong Hengjin Real Estate Development Co., Ltd. (c)	19 Mar 2021	560,000	–	60.00%	40.31%	40.31%	Development and sale of properties
徐州新城恒樾房地產開發有限公司 Xuzhou Future Land Hengyue Real Estate Development Co., Ltd.	31 Mar 2021	1,000	–	63.38%	63.38%	63.38%	Development and sale of properties
大冶新城恒悅房地產開發有限公司 Daye Future Land Hengyue Real Estate Development Co., Ltd.	02 Apr 2021	55,556	–	66.28%	66.28%	66.28%	Development and sale of properties
溫州凱誠置業有限公司 (a) (c) Wenzhou Kaicheng Real Estate Co., Ltd. (a) (c)	20 Apr 2021	100,000	100,000	28.59%	28.59%	28.59%	Development and sale of properties
婁底新城恒燁房地產開發有限公司 Loudi Future Land Hengye Real Estate Development Co., Ltd.	17 May 2021	55,556	55,556	66.28%	66.28%	66.28%	Development and sale of properties
天津新城恒泰房地產開發有限公司 (c) Tianjin Future Land Hengtai Real Estate Development Co., Ltd. (c)	26 May 2021	800,000	800,000	37.92%	37.92%	37.92%	Development and sale of properties
天津新城恒茂房地產開發有限公司 (c) Tianjin Future Land Hengmao Real Estate Development Co., Ltd. (c)	24 May 2021	620,000	620,000	39.92%	39.92%	39.92%	Development and sale of properties
福州新城恒卓置業有限公司 (c) Fuzhou Future Land Hengzhuo Real Estate Co., Ltd. (c)	26 May 2021	814,000	814,000	45.23%	45.23%	45.23%	Development and sale of properties
宜賓恒仁房地產開發有限公司 Yibin Hengren Real Estate Development Co., Ltd.	24 May 2021	200,000	–	64.90%	64.90%	64.90%	Development and sale of properties
漳州恒煜房地產開發有限公司 (a) Zhangzhou Hengyu Real Estate Development Co., Ltd. (a)	02 Jun 2021	50,000	50,000	66.53%	66.53%	66.53%	Development and sale of properties
仙桃恒雋房地產開發有限公司 Xiantao Hengjun Real Estate Development Co., Ltd.	01 Jun 2021	155,556	–	65.22%	65.22%	65.22%	Development and sale of properties
南京新城恒博房地產開發有限公司 (c) Nanjing Future Land Hengbo Real Estate Development Co., Ltd. (c)	25 May 2021	1,220,100	–	26.05%	26.05%	26.05%	Development and sale of properties
南京恒皓房地產開發有限公司 (c) Nanjing Henghao Real Estate Development Co., Ltd. (c)	25 May 2021	900,000	–	38.67%	38.67%	38.67%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
鹽城新城恒鴻房地產開發有限公司 (a) Yancheng Future Land Henghong Real Estate Development Co., Ltd. (a)	10 Jun 2021	250,000	250,000	66.16%	66.16%	66.16%	Development and sale of properties
荊州新城恒勳商業運營管理有限公司 (a) Jingzhou Future Land Hengxun Commercial Operation Management Co., Ltd. (a)	11 Jun 2021	15,000	15,000	99.01%	66.53%	66.53%	Asset operation and management
興平恒澧置業有限公司 (c) (d) Xingping Hengfeng Real Estate Co., Ltd. (c) (d)	27 May 2021	10,000	–	17.44%	17.44%	17.44%	Development and sale of properties
徐州市賈汪區新城恒興商業經營管理有限公司 Xuzhou Jiawang District Future Land Hengxing Commercial Management Co., Ltd.	28 Jun 2021	56,000	56,000	53.89%	53.89%	53.89%	Asset operation and management
漣水新城恒榮房地產開發有限公司 (a) Lianshui Future Land Hengrong Real Estate Development Co., Ltd. (a)	30 Jul 2021	652,759	496,939	66.53%	66.53%	66.53%	Development and sale of properties
唐山恒榮商業管理有限公司 (h) Tangshan Hengrong Business Management Co., Ltd. (h)	06 Aug 2021	8,000	8,000	53.89%	53.89%	53.89%	Asset operation and management
長春鴻承商業綜合體經營管理有限公司 (g) Changchun Hongcheng Commercial Complex Management Co., Ltd. (g)	05 Aug 2021	17,600	17,600	98.20%	65.96%	65.96%	Asset operation and management
東台市新城恒榮房產經營管理有限公司 (h) Dongtai Future Land Hengrong Real Estate Management Co., Ltd. (h)	12 Aug 2021	10,472	1,479	53.89%	53.89%	53.89%	Asset operation and management
南京新城恒盛商業經營管理有限公司 (a) Nanjing Future Land Hengsheng Commercial Management Co., Ltd. (a)	13 Aug 2021	60,000	60,000	80.20%	53.89%	53.89%	Asset operation and management
湖州新城恒佳商業經營管理有限公司 Huzhou Future Land Hengjia Commercial Management Co., Ltd.	12 Aug 2021	80,000	80,000	80.20%	53.89%	53.89%	Asset operation and management
泰安恒泰商業經營管理有限公司 (a) Tai'an Hengtai Commercial Management Co., Ltd. (a)	28 Sep 2021	10,000	10,000	53.89%	53.89%	53.89%	Asset operation and management
瀋陽旭盛經營管理有限公司 (a) Shenyang Xusheng Operation Management Co., Ltd. (a)	15 Mar 2022	10,340	10,340	66.53%	66.53%	66.53%	Asset operation and management

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
銀川新城旭昊商業管理有限公司 Yinchuan Future Land Xuhao Commercial Management Co., Ltd.	18 May 2022	10,000	10,000	67.20%	67.20%	67.20%	Asset operation and management
南京新城旭晟商業經營管理有限公司 Nanjing Future Land Xusheng Commercial Management Co., Ltd.	17 May 2022	120,000	120,000	99.01%	66.53%	66.53%	Asset operation and management
溫州新城恒澤商業房產經營管理有限公司 (a) Wenzhou Future Land Hengze Commercial Real Estate Management Co., Ltd. (a)	19 May 2022	60,000	60,000	99.01%	66.53%	66.53%	Asset operation and management
天津新城旭盛商業管理有限公司 Tianjin Future Land Xusheng Commercial Management Co., Ltd.	29 Nov 2022	30,000	30,000	54.43%	54.43%	54.43%	Asset operation and management
烏魯木齊新城旭泰商業綜合體管理服務有限公司 Urumqi Future Land Xutai Commercial Complex Management Service Co., Ltd	20 Dec 2023	15,000	15,000	66.76%	66.76%	66.76%	Asset operation and management
蘭州新城順弘商業管理有限公司 Lanzhou Future Land Shunhong Commercial Management Co., Ltd	28 Dec 2023	20,000	20,000	66.68%	66.68%	66.68%	Asset operation and management
上海東郡房地產開發有限公司 Shanghai Dongjun Real Estate Development Co., Ltd.	31 May 2007	11,200	10,000	99.94%	99.94%	99.94%	Development and sale of properties
上海億崧能源設備有限公司 Shanghai Yisong Energy Equipment Co., Ltd.	01 Aug 2018	10,000	–	100.00%	100.00%	99.09%	Installation, repair and rental of energy equipment
上海品億置業有限公司 Shanghai Pinyi Real Estate Co., Ltd.	23 Mar 2017	11,000	–	99.01%	99.10%	99.10%	Development and sale of properties
上海拓裕房地產開發有限公司 Shanghai Tuoyu Real Estate Development Co., Ltd.	03 Dec 2015	8,000	8,000	99.08%	99.08%	99.08%	Development and sale of properties
上海新城萬嘉房地產有限公司 Shanghai Future Land Wanjia Real Estate Co., Ltd.	19 Mar 2003	90,000	18,216	66.76%	99.34%	99.34%	Development and sale of properties
上海新城恒燁企業管理有限公司 Shanghai Future Land Hengye Business Management Co., Ltd.	15 Apr 2021	11,000	–	100.00%	100.00%	100.00%	Consulting
上海新城旭嘉企業管理有限公司 Shanghai Future Land Xujia Business Management Co., Ltd.	13 Oct 2022	5,000	–	99.51%	99.51%	99.51%	Asset operation and management
上海煜璞貿易有限公司 Shanghai Yupu Trading Co., Ltd.	10 May 2018	100,000	100,000	67.14%	99.91%	99.91%	Retail

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
上海鈺笛企業管理有限公司 Shanghai Yudi Business Management Co., Ltd.	19 Sep 2024	50,000	–	–	–	99.50%	Business management consulting
上海鈺貽企業管理有限公司 Shanghai Yuyi Business Management Co., Ltd.	19 Sep 2024	50,000	–	–	–	99.50%	Business management consulting
上海鈺鉦企業管理有限公司 Shanghai Yuzheng Business Management Co., Ltd.	20 Sep 2024	50,000	–	–	–	99.48%	Business management consulting
上海鴻熠實業有限公司 Shanghai Hongyi Industry Co., Ltd.	21 May 2020	1,028,880	–	79.87%	79.87%	79.87%	Development and sale of properties
上海鴻祿房地產開發有限公司 Shanghai Honglu Real Estate Development Co., Ltd.	22 Oct 2020	1,000	–	99.35%	99.35%	99.35%	Development and sale of properties
上饒市新城吾悅房地產開發有限公司 Shangrao Future Land Injoy Real Estate Development Co., Ltd.	26 Jun 2017	31,111	–	99.11%	99.11%	99.11%	Development and sale of properties
東台市新城悅盛房地產開發有限公司 Dongtai Future Land Yuesheng Real Estate Development Co., Ltd.	02 Apr 2019	2,395	2,395	80.20%	80.20%	80.20%	Development and sale of properties
東莞市星城際投資有限公司 Dongguan Xingchengji Investment Co., Ltd.	23 Jul 2014	7,500	7,500	48.00%	71.43%	71.43%	Development and sale of properties
丹陽新城宏盛房地產發展有限公司 Danyang Future Land Hongsheng Real Estate Development Co., Ltd.	05 Nov 2013	1,000	900	97.81%	97.81%	97.81%	Development and sale of properties
雲南通澤置業有限公司 Yunnan Tongze Real Estate Co., Ltd.	15 Mar 2018	72,500	60,000	–	98.60%	98.60%	Development and sale of properties
仙居悅盛房地產開發有限公司 Xianju Yuesheng Real Estate Development Co., Ltd.	11 Jul 2017	40,600	36,600	99.11%	99.11%	99.11%	Development and sale of properties
六安億博房地產開發有限公司 Lu'an Yibo Real Estate Development Co., Ltd.	27 Dec 2018	526,850	526,850	99.17%	99.17%	99.17%	Development and sale of properties
蘭州新城鴻潤房地產開發有限公司 Lanzhou Future Land Hongrun Real Estate Development Co., Ltd.	24 Jun 2020	189,680	189,680	99.17%	99.22%	99.22%	Development and sale of properties
興化新城億恒房地產開發有限公司 Xinghua Future Land Yiheng Real Estate Development Co., Ltd.	23 Oct 2018	20,000	20,000	99.01%	99.01%	99.01%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
包頭市新城億卓房地產開發有限公司 Baotou Future Land Yizhuo Real Estate Development Co., Ltd.	25 Jul 2018	40,000	40,000	99.34%	99.34%	99.34%	Development and sale of properties
包頭市新城億博房地產開發有限公司 Baotou Future Land Yibo Real Estate Development Co., Ltd.	16 Mar 2018	30,000	30,000	99.34%	99.34%	99.34%	Development and sale of properties
北京新城創置房地產開發有限公司 Beijing Future Land Chuangzhi Real Estate Development Co., Ltd.	23 Jun 2016	20,000	20,000	97.56%	97.56%	97.56%	Development and sale of properties
北京新城恒樾房地產開發有限公司 Beijing Future Land Hengyue Real Estate Development Co., Ltd.	27 Apr 2021	1,000	–	100.00%	100.00%	100.00%	Development and sale of properties
南京億樾企業管理有限公司 Nanjing Yiyue Business Management Co., Ltd.	26 Jul 2018	300,000	300,000	48.90%	48.90%	48.90%	Business management consulting
句容萬博房地產開發有限公司 Jurong Wanbo Real Estate Development Co., Ltd.	28 Feb 2017	418,270	376,450	99.59%	99.59%	99.59%	Development and sale of properties
南京新城萬博房地產開發有限公司 Nanjing Future Land Wanbo Real Estate Development Co., Ltd.	02 Mar 2017	110,000	110,000	99.01%	98.70%	98.70%	Development and sale of properties
南京新城萬嘉房地產有限公司 Nanjing Future Land Wanjia Real Estate Co., Ltd.	13 Jan 2010	311,000	311,000	64.43%	95.88%	95.88%	Development and sale of properties
南京新城萬隆房地產有限公司 Nanjing Future Land Wanlong Real Estate Co., Ltd.	24 Apr 2014	777,780	700,000	95.88%	95.88%	95.88%	Development and sale of properties
南京新城萬順房地產有限公司 Nanjing Future Land Wanshun Real Estate Co., Ltd.	16 Jan 2015	33,330	30,000	95.88%	95.88%	95.88%	Development and sale of properties
南京新城億博房地產開發有限公司 Nanjing Xincheng Yibo Real Estate Development Co., Ltd.	01 Aug 2018	32,400	32,400	80.20%	80.20%	80.20%	Development and sale of properties
南京新城創錦房地產有限公司 Nanjing Future Land Chuangjin Real Estate Co., Ltd.	25 Nov 2015	744,450	670,000	95.88%	95.88%	95.88%	Development and sale of properties
南京新城創隆房地產有限公司 Nanjing Future Land Chuanglong Real Estate Co., Ltd.	14 Mar 2013	22,200	20,000	95.87%	95.87%	95.87%	Development and sale of properties
南寧億拓房地產開發有限公司 Nanning Yituo Real Estate Development Co., Ltd.	12 Mar 2018	20,000	–	99.52%	99.57%	99.95%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
南寧億文房地產開發有限公司 Nanning Yiwen Real Estate Development Co., Ltd.	19 Nov 2018	555,556	500,000	99.09%	99.18%	99.90%	Development and sale of properties
南昌新城悅盛房地產發展有限公司 Nanchang Future Land Yuesheng Real Estate Development Co., Ltd.	29 Aug 2014	1,680	1,680	98.22%	98.22%	98.22%	Development and sale of properties
博羅信德實業有限公司 Boluo Xinde Real Estate Co., Ltd.	23 Feb 2011	1,200	1,200	76.19%	76.22%	76.53%	Development and sale of properties
句容萬博房地產開發有限公司 Jurong Wanbo Real Estate Development Co., Ltd.	28 Feb 2017	418,270	376,450	99.59%	99.59%	99.59%	Development and sale of properties
合肥新城億瑞房地產有限公司 Hefei Future Land Yirui Real Estate Co., Ltd.	08 May 2018	1,000	1,000	77.67%	77.67%	96.66%	Development and sale of properties
合肥新城億盛房地產有限公司 Hefei Future Land Yisheng Real Estate Co., Ltd.	07 Dec 2018	55,000	50,000	95.78%	95.78%	95.78%	Development and sale of properties
合肥新城億榮房地產有限公司 Hefei Future Land Yirong Real Estate Co., Ltd.	23 May 2018	1,000,000	–	95.77%	95.77%	95.77%	Development and sale of properties
合肥新城創宏房地產有限公司 Hefei Future Land Chuanghong Real Estate Co., Ltd.	11 Nov 2016	50,000	50,000	95.87%	95.87%	95.87%	Development and sale of properties
合肥新城創晟房地產有限公司 Hefei Future Land Chuangsheng Real Estate Co., Ltd.	15 Feb 2017	110,000	100,000	99.56%	99.56%	99.56%	Development and sale of properties
合肥新城悅盛房地產開發有限公司 Hefei Future Land Yuesheng Real Estate Development Co., Ltd.	18 Oct 2017	400,000	400,000	98.72%	98.72%	98.72%	Development and sale of properties
啟東市新城萬博房地產開發有限公司 Qidong Future Land Wanbo Real Estate Development Co., Ltd.	06 Jan 2017	307,778	–	99.05%	99.05%	99.05%	Development and sale of properties
唐山億茂房地產開發有限公司 Tangshan Yimao Real Estate Development Co., Ltd.	29 May 2018	8,100	8,100	80.19%	80.19%	80.19%	Development and sale of properties
唐山新城悅晟房地產開發有限公司 Tangshan Future Land Yuesheng Real Estate Development Co., Ltd.	13 Dec 2019	10,000	–	99.01%	99.01%	99.01%	Development and sale of properties
唐山郡成房地產開發有限公司 Tangshan Juncheng Real Estate Development Co., Ltd.	17 Nov 2017	10,000	–	–	–	97.56%	Development and sale of properties
天津市協連房地產開發有限公司 Tianjin Xielian Real Estate Development Co., Ltd.	11 Jun 2004	121,660	121,660	67.11%	67.11%	67.11%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
天津市津南區新城吾悅房地產開發有限公司 Tianjin Jinnan Future Land Injoy Real Estate Development Co., Ltd.	27 Apr 2016	300,000	300,000	99.01%	99.01%	99.01%	Development and sale of properties
天津市濱海新區新城悅鑫房地產開發有限公司 Tianjin Binhai Future Land Yuexin Real Estate Development Co., Ltd.	27 Feb 2019	81,000	81,000	81.00%	81.00%	81.00%	Development and sale of properties
天津新城億佳房地產開發有限公司 Tianjin Future land Yijia Real Estate Development Co., Ltd.	08 Nov 2018	330,000	330,000	54.45%	54.45%	99.00%	Development and sale of properties
天津新城億宏房地產開發有限公司 Tianjin Future Land Yihong Real Estate Development Co., Ltd.	13 Nov 2018	50,000	–	99.01%	99.01%	99.01%	Development and sale of properties
天津新城億恒房地產開發有限公司 Tianjin Future Land Yiheng Real Estate Development Co., Ltd.	03 Jan 2019	800,000	600,000	54.45%	54.45%	99.00%	Development and sale of properties
天津新城創宏房地產開發有限公司 Tianjin Future Land Chuanghong Real Estate Development Co. Ltd.	24 Mar 2017	50,000	50,000	99.01%	99.01%	99.01%	Development and sale of properties
天津新城創恒房地產開發有限公司 Tianjin Future Land Chuangheng Real Estate Development Co., Ltd.	26 Apr 2017	50,000	–	99.01%	99.01%	99.01%	Development and sale of properties
天津新城創置房地產開發有限公司 Tianjin Future Land Chuangzhi Real Estate Development Co., Ltd.	26 Dec 2016	110,000	–	99.55%	99.55%	99.55%	Development and sale of properties
天津新城宏順置業有限公司 Tianjin Xincheng Hongshun Real Estate Co., Ltd.	22 Apr 2021	456,000	456,000	56.43%	56.43%	56.43%	Development and sale of properties
天津新城恒睿房地產開發有限公司 Tianjin Future Land Hengrui Real Estate Development Co., Ltd.	01 Mar 2021	30,000	30,000	50.50%	50.50%	50.50%	Development and sale of properties
天津新城恒鼎房地產開發有限公司 Tianjin Future Land Hengding Real Estate Development Co., Ltd.	22 Mar 2021	30,000	–	99.01%	99.01%	99.01%	Development and sale of properties
天津新城悅興房地產開發有限公司 Tianjin Future Land Yuexin Real Estate Development Co., Ltd.	09 Apr 2019	50,000	50,000	99.01%	99.01%	99.01%	Development and sale of properties
天津新城悅達房地產開發有限公司 Tianjin Future Land Yueda Real Estate Development Co., Ltd.	27 May 2019	30,000	–	99.01%	99.01%	99.01%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
天津新城悅鼎房地產開發有限公司 Tianjin Future Land Yueding Real Estate Development Co., Ltd.	08 May 2019	66,667	66,667	74.26%	99.01%	99.01%	Development and sale of properties
天津新城金郡房地產開發有限公司 Tianjin Future Land Jinjun Real Estate Development Co., Ltd.	26 Apr 2017	50,000	–	99.01%	99.01%	99.01%	Development and sale of properties
天津新城鴻尚房地產開發有限公司 Tianjin Future Land Hongshang Real Estate Development Co., Ltd.	15 Dec 2020	228,800	228,800	54.46%	54.46%	54.46%	Development and sale of properties
天津新城鴻峻房地產開發有限公司 Tianjin Future Land Hongjun Real Estate Development Co., Ltd.	21 Apr 2020	50,000	50,000	99.01%	99.01%	99.01%	Development and sale of properties
如皋市億晟房地產有限公司 Rugao Yisheng Real Estate Co., Ltd.	14 May 2018	1,500,000	1,500,000	95.76%	95.80%	95.80%	Development and sale of properties
寧鄉市悅宏房地產開發有限公司 Ningxiang Yuehong Real Estate Development Co., Ltd.	30 May 2019	84,000	84,000	–	99.53%	99.53%	Development and sale of properties
寧波凱拓房地產發展有限公司 Ningbo Kaituo Real Estate Development Co., Ltd.	22 Sep 2015	10,000	10,000	98.02%	98.02%	98.02%	Development and sale of properties
寧波新城萬博房地產發展有限公司 Ningbo Future Land Wanbo Real Estate Development Co., Ltd.	03 Aug 2015	280,000	280,000	99.11%	99.11%	99.11%	Development and sale of properties
寧波鴻菘房地產開發有限公司 Ningbo Hongsong Real Estate Development Co., Ltd.	15 Jul 2020	100,000	100,000	97.58%	97.58%	97.58%	Development and sale of properties
寶應億盛房地產開發有限公司 Baoying Yisheng Real Estate Development Co., Ltd.	05 Mar 2018	16,200	16,200	80.20%	80.20%	80.20%	Development and sale of properties
寶雞新城萬博房地產開發有限公司 Baoji Future Land Wanbo Real Estate Development Co., Ltd.	18 Aug 2017	90	90	99.09%	99.05%	99.05%	Development and sale of properties
宿遷力達置業有限公司 Suqian Lida Real Estate Co., Ltd.	27 Apr 2009	5,560	–	94.45%	94.45%	94.45%	Development and sale of properties
宿遷新城恒力房地產有限公司 Suqian Future Land Hengli Real Estate Co., Ltd.	02 Jun 2017	55,560	50,000	95.88%	95.88%	95.88%	Development and sale of properties
宿遷新城悅鴻房地產有限公司 Suqian Future Land Yuehong Real Estate Co., Ltd.	09 Dec 2019	100,000	100,000	66.01%	66.01%	95.62%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
常州萬方新城房地產開發有限公司 Changzhou Wanfang Future Land Real Estate Development Co., Ltd.	06 Feb 2007	20,000	20,000	64.42%	95.87%	95.87%	Development and sale of properties
常州卓盛房地產發展有限公司 Changzhou Zhuosheng Real Estate Development Co., Ltd.	15 May 2013	1,000	1,000	98.52%	98.52%	98.52%	Development and sale of properties
常州新城億瑞房地產開發有限公司 Changzhou Future Land Yirui Real Estate Development Co., Ltd.	21 May 2018	1,000	1,000	79.94%	79.94%	98.75%	Development and sale of properties
常州新城創宏房地產開發有限公司 Changzhou Future Land Chuanghong Real Estate Development Co., Ltd.	07 Sep 2017	22,222	20,000	95.76%	95.76%	95.76%	Development and sale of properties
常州新城房產開發有限公司 Changzhou Future Land Real Estate Development Co., Ltd.	26 Apr 1998	1,054,300	1,054,300	64.35%	95.76%	95.76%	Development and sale of properties
常州新城紫東房地產發展有限公司 Changzhou Future Land Zidong Real Estate Development Co., Ltd.	02 Nov 2017	1,000	1,000	99.01%	99.01%	99.01%	Development and sale of properties
常州新城金郡房地產有限公司 Changzhou Future Land Jinjun Real Estate Co., Ltd.	11 Sep 2009	47,780	47,780	96.18%	96.18%	96.18%	Development and sale of properties
常州新城鴻崧房地產開發有限公司 Changzhou Future Land Hongsong Real Estate Development Co., Ltd.	20 May 2020	500,000	500,000	95.76%	95.76%	95.76%	Development and sale of properties
常州新城鴻軒房地產開發有限公司 Changzhou Future Land Hongxuan Real Estate Development Co., Ltd.	20 May 2020	1,000	–	95.76%	95.76%	95.76%	Development and sale of properties
常州鴻輝房地產開發有限公司 Changzhou Honghui Real Estate Development Co., Ltd.	13 Oct 2020	450,000	450,000	57.46%	57.46%	57.46%	Development and sale of properties
平湖新城萬博商業開發有限公司 Pinghu Future Land Wanbo Commercial Development Co., Ltd.	26 Dec 2016	44,600	44,600	99.01%	99.01%	99.01%	Development and sale of properties
廣州億昌企業管理有限公司 Guangzhou Yichang Business Management Co., Ltd.	24 Aug 2018	22,222	–	95.24%	95.29%	99.41%	Asset operation and management
廣州新城鴻輝房地產開發有限公司 Guangzhou Future Land Honghui Real Estate Development Co., Ltd.	06 Jan 2021	1,000	–	95.24%	95.29%	95.67%	Development and sale of properties
廣州新城鴻辰房地產開發有限公司 Guangzhou Future Land Hongchen Real Estate Development Co., Ltd.	06 Jan 2021	1,000	–	95.24%	95.29%	95.67%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
廣州鼎悅房地產有限公司 Guangzhou Dingyue Real Estate Co., Ltd.	30 Aug 2017	10,000	10,000	95.24%	95.29%	95.67%	Development and sale of properties
延安市寶塔區億博房地產開發有限公司 Yan'an Baota Yibo Real Estate Development Co., Ltd.	23 Jan 2018	91	91	99.01%	99.04%	99.04%	Development and sale of properties
徐州市賈汪區億睿房地產開發有限公司 Xuzhou Jiawang Yirui Real Estate Development Co., Ltd.	30 May 2018	54,157	54,157	53.89%	80.20%	80.20%	Development and sale of properties
徐州新城億恒房地產開發有限公司 Xuzhou Future Land Yiheng Real Estate Development Co., Ltd.	29 Nov 2018	1,338,890	1,205,000	94.46%	94.46%	94.46%	Development and sale of properties
徐州新城創域房地產有限公司 Xuzhou Future Land Chuangyu Real Estate Co., Ltd.	09 Dec 2017	30,500	500	94.31%	94.31%	94.31%	Development and sale of properties
德陽新城億博房地產開發有限公司 Deyang Future Land Yibo Real Estate Development Co., Ltd.	10 Jan 2019	80,000	80,000	99.01%	99.01%	99.01%	Development and sale of properties
慈溪新城吾悅房地產開發有限公司 Cixi Future Land Injoy Real Estate Development Co., Ltd.	16 May 2017	205,710	205,710	99.11%	99.11%	99.11%	Development and sale of properties
成都悅鍇房地產開發有限公司 Chengdu Yuekai Real Estate Development Co., Ltd.	02 Jul 2019	100,000	–	95.24%	95.24%	95.25%	Development and sale of properties
成都新城萬博房地產開發有限公司 Chengdu Future Land Wanbo Real Estate Development Co., Ltd.	08 Apr 2015	48,000	48,000	98.63%	98.63%	98.64%	Development and sale of properties
新城萬博置業有限公司 Future Land Wanbo Real Estate Co., Ltd.	24 Jan 2008	800,000	800,000	99.01%	99.01%	99.01%	Development and sale of properties
新城建管（常州）企業管理有限公司 Future Land Construction Management (Changzhou) Business Management Co., Ltd.	28 Dec 2009	222,222	200,000	–	98.69%	98.69%	Development and sale of properties
新城控股集團企業管理有限公司 Future Land Holdings Real Estate Development Co., Ltd.	19 Aug 2016	200,000	200,000	66.53%	99.01%	99.01%	Development and sale of properties
新城控股集團實業發展有限公司 Future Land Holdings Industrial Development Co., Ltd.	30 Mar 2016	100,000	–	100.00%	100.00%	100.00%	Development and sale of properties
無錫鴻譽房地產開發有限公司 Wuxi Hongyu Real Estate Development Co., Ltd.	06 Jul 2020	1,000,000	900,000	64.35%	95.76%	95.76%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
昆明新城萬博房地產發展有限公司 Kunming Future Land Wanbo Real Estate Development Co., Ltd.	02 Jan 2018	14,000	14,000	99.01%	98.67%	98.67%	Development and sale of properties
昆明新城億晟房地產開發有限公司 Kunming Future Land Yisheng Real Estate Development Co., Ltd.	02 Feb 2018	22,222	–	99.52%	99.52%	99.53%	Development and sale of properties
杭州悅璟房地產諮詢有限公司 Hangzhou Yuejing Real Estate Consultancy Co., Ltd.	10 May 2019	5,556	–	99.99%	99.98%	99.98%	Properties consulting service
杭州新城創佳房地產開發有限公司 Hangzhou Future Land Chuangjia Real Estate Development Co., Ltd.	22 Oct 2015	50,000	50,000	99.86%	99.87%	99.87%	Development and sale of properties
杭州新城創宏房地產開發有限公司 Hangzhou Future Land Chuanghong Real Estate Development Co., Ltd.	29 Aug 2013	30,000	30,000	67.19%	99.99%	99.99%	Development and sale of properties
杭州新城創盛房地產開發有限公司 Hangzhou Future Land Chuangsheng Real Estate Development Co., Ltd.	06 Nov 2013	100,000	100,000	100.00%	99.99%	99.99%	Development and sale of properties
杭州新城德佳房地產開發有限公司 Hangzhou Future Land Dejia Real Estate Development Co., Ltd.	02 Feb 2016	20,000	20,000	93.40%	98.81%	98.81%	Development and sale of properties
杭州新城美佳房地產開發有限公司 Hangzhou Future Land Meijia Real Estate Development Co., Ltd.	26 Sep 2017	1,650,000	1,650,000	100.00%	99.99%	99.99%	Development and sale of properties
桂林新城萬博房地產開發有限公司 Guilin Future Land Wanbo Real Estate Development Co., Ltd.	25 Dec 2017	37,000	37,000	98.63%	98.68%	99.06%	Development and sale of properties
桐鄉卓盛房地產發展有限公司 Tongxiang Zhuosheng Real Estate Development Co., Ltd.	08 Jul 2015	63,500	63,500	98.02%	98.14%	98.14%	Development and sale of properties
武漢新城鴻福房地產開發有限公司 Wuhan Future Land Hongfu Real Estate Development Co., Ltd.	11 Nov 2020	10,000	–	95.24%	95.24%	95.24%	Development and sale of properties
武漢江南印象置業有限公司 Wuhan Jiangnan Yinxiang Real Estate Co., Ltd.	09 May 2016	22,222	22,222	95.24%	95.24%	95.24%	Development and sale of properties
漢中新城萬博房地產開發有限公司 Hanzhong Future Land Wanbo Real Estate Development Co., Ltd.	12 Oct 2017	70,200	20,000	99.09%	99.05%	99.05%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
江蘇蘭華投資開發有限公司 Jiangsu Lanhua Investment Development Co., Ltd.	27 May 2009	33,300	30,000	95.87%	95.87%	95.87%	Development and sale of properties
瀋陽億博房地產開發有限公司 Shenyang Yibo Real Estate Development Co., Ltd.	20 Dec 2018	39,660	–	99.01%	99.04%	99.04%	Development and sale of properties
滄州浩銘創置房地產開發有限公司 Cangzhou Haoming Chuangzhi Real Estate Development Co., Ltd.	17 Aug 2017	10,000	10,000	99.01%	99.01%	99.01%	Development and sale of properties
泰興市乾元房地產開發有限公司 Taixing Qianyuan Real Estate Development Co., Ltd.	01 Aug 2014	20,000	20,000	66.86%	99.49%	99.49%	Development and sale of properties
泰興新城萬博房地產開發有限公司 Taixing Future Land Wanbo Real Estate Development Co., Ltd.	04 Jan 2017	909	909	99.01%	98.71%	98.71%	Development and sale of properties
泰安新城悅盛房地產開發有限公司 Taian Future Land Yuesheng Real Estate Development Co., Ltd.	30 Jan 2019	16,200	16,200	80.20%	80.20%	80.20%	Development and sale of properties
泰州鴻翰房地產開發有限公司 Taizhou Honghan Real Estate Development Co., Ltd.	14 Jul 2020	1,000	–	99.90%	99.90%	99.90%	Development and sale of properties
濟南天鴻永益房地產開發有限公司 Jinan Tianhong Yongyi Real Estate Development Co., Ltd.	25 Jun 2015	20,000	20,000	99.92%	99.92%	99.92%	Development and sale of properties
濟南新城創置房地產開發有限公司 Jinan Future Land Chuangzhi Real Estate Development Co., Ltd.	05 Apr 2016	50,000	50,000	99.01%	99.01%	99.01%	Development and sale of properties
濟寧新城悅盛置業有限公司 Jining Future Land Yuesheng Real Estate Co., Ltd.	22 May 2019	85,000	85,000	–	99.53%	99.53%	Development and sale of properties
海口新城萬博房地產發展有限公司 Haikou Future Land Wanbo Real Estate Development Co., Ltd.	05 Jan 2015	90,000	–	98.63%	98.68%	99.06%	Development and sale of properties
海鹽億博房地產開發有限公司 Haiyan Yibo Real Estate Development Co., Ltd.	18 Dec 2018	65,000	65,000	99.04%	99.04%	99.04%	Development and sale of properties
淮北新城億軒房地產開發有限公司 Huaibei Future Land Yixuan Real Estate Development Co., Ltd.	05 Jan 2018	31,430	31,430	98.69%	98.69%	98.69%	Development and sale of properties
淮安新城億博房地產開發有限公司 Huaian Future Land Yibo Real Estate Development Co., Ltd.	22 Jan 2018	15,200	–	99.01%	98.71%	98.71%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
淮安融僑置業有限公司 Huaian Rongqiao Real Estate Co., Ltd.	02 Jul 2010	20,000	20,000	95.88%	95.86%	95.86%	Development and sale of properties
深圳市新域創佳房地產開發有限公司 Shenzhen Xinyu Chuangjia Real Estate Development Co., Ltd.	29 Jul 2016	82,833	500	99.52%	99.57%	99.40%	Development and sale of properties
溫州億昊企業管理有限公司 Wenzhou Yihao Business Management Co., Ltd.	17 Oct 2018	1,761,111	1,585,000	91.82%	91.82%	91.82%	Asset operation and management
溫州新城億瑞房地產開發有限公司 Wenzhou Future Land Yirui Real Estate Development Co., Ltd.	29 Jan 2018	5,000	–	90.91%	90.91%	90.91%	Development and sale of properties
湖南悅澤房地產開發有限公司 Hunan Yueze Real Estate Development Co., Ltd.	13 Mar 2019	60,000	60,000	30.26%	30.26%	30.26%	Development and sale of properties
湖州新城億拓房地產開發有限公司 Huzhou Future Land Yituo Real Estate Development Co., Ltd.	16 Jul 2018	1,055,556	–	99.94%	99.93%	99.93%	Development and sale of properties
湖州新城億瑞房地產開發有限公司 Huzhou Future Land Yirui Real Estate Development Co., Ltd.	26 Apr 2018	1,111,111	1,000,000	99.94%	99.93%	99.93%	Development and sale of properties
湖州新城億軒房地產開發有限公司 Huzhou Future Land Yixuan Real Estate Development Co., Ltd.	13 Aug 2018	458,385	458,385	80.20%	80.20%	80.20%	Development and sale of properties
湖州新城鼎佳房地產開發有限公司 Huzhou Future Land Dingjia Real Estate Development Co., Ltd.	20 Jul 2017	55,556	50,000	99.81%	99.81%	99.81%	Development and sale of properties
溧陽吾悅創盛房地產開發有限公司 Liyang Injoy Chuangsheng Real Estate Development Co., Ltd.	04 Dec 2017	19,000	19,000	99.01%	99.01%	99.01%	Development and sale of properties
滁州新城悅博房地產開發有限公司 Chuzhou Future Land Yuebo Real Estate Development Co., Ltd.	30 Jan 2019	36,000	36,000	99.53%	99.53%	99.53%	Development and sale of properties
玉環新城吾悅房地產開發有限公司 Yuhuan Future Land Injoy Real Estate Development Co., Ltd.	17 Feb 2017	186,850	186,850	99.01%	99.01%	99.01%	Development and sale of properties
里安市吾悅房地產開發有限公司 Li'an Injoy Real Estate Development Co., Ltd.	05 Aug 2016	676,480	676,480	99.01%	99.01%	99.01%	Development and sale of properties
鹽城市大豐區新城億軒房地產開發有限公司 Yancheng Dafeng Future Land Yixuan Real Estate Development Co., Ltd.	28 Dec 2018	118	118	80.20%	80.20%	80.20%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
鹽城新城億鴻房地產開發有限公司 Yancheng Future Land Yihong Real Estate Development Co., Ltd.	22 Oct 2018	30,000	30,000	99.01%	98.71%	98.71%	Development and sale of properties
蘇州新城創佳置業有限公司 Suzhou Future Land Chuangjia Property Co., Ltd.	11 Oct 2007	200,000	–	67.13%	99.90%	99.90%	Development and sale of properties
蘇州晟天房地產諮詢有限公司 Suzhou Shengtian Real Estate Consulting Co., Ltd.	12 Aug 2015	150,000	150,000	99.49%	99.49%	99.49%	Development and sale of properties
蘇州聿盛房地產開發有限公司 Suzhou Yusheng Real Estate Development Co., Ltd.	20 Oct 2016	600,000	600,000	64.42%	95.87%	95.87%	Development and sale of properties
荊州億軒房地產開發有限公司 Jingzhou Yixuan Real Estate Development Co., Ltd.	09 Jul 2018	35,000	35,000	99.01%	99.01%	99.01%	Development and sale of properties
西寧新城億博房地產開發有限公司 Xining Future Land Yibo Real Estate Development Co., Ltd.	27 Nov 2018	550,000	550,000	99.01%	99.04%	99.04%	Development and sale of properties
西安億淳企業管理有限公司 Xi'an Yichun Business Management Co., Ltd.	31 Aug 2018	90	90	99.76%	99.72%	99.72%	Asset operation and management
西安億超企業管理有限公司 Xi'an Yichao Business Management Co., Ltd.	31 Aug 2018	90	90	99.76%	99.72%	99.72%	Asset operation and management
西安創樾房地產開發有限公司 Xi'an Chuangyue Real Estate Development Co., Ltd.	20 Jul 2017	210,000	210,000	99.76%	99.76%	99.76%	Development and sale of properties
西安新城萬嘉房地產開發有限公司 Xi'an Future Land Wanjia Real Estate Development Co., Ltd.	08 Jun 2017	9,976	9,976	99.76%	99.76%	99.76%	Development and sale of properties
西安新城吾悅房地產開發有限公司 Xi'an Future Land Injoy Real Estate Development Co., Ltd.	25 Apr 2017	26,000	26,000	99.01%	99.04%	99.04%	Development and sale of properties
西安銀澧置業發展有限公司 Xi'an Yinfeng Real Estate Development Co., Ltd.	03 Apr 2019	55,560	–	99.77%	99.69%	99.69%	Development and sale of properties
西安鴻鐸房地產開發有限公司 Xi'an Hongduo Real Estate Development Co., Ltd.	01 Feb 2021	1,000	–	95.24%	95.24%	95.24%	Development and sale of properties
貴州清鎮新城億博房地產開發有限公司 Guizhou Qingzhen Future Land Yibo Real Estate Development Co., Ltd.	28 Nov 2018	45,000	45,000	89.11%	89.11%	89.11%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
貴港億博房地產開發有限公司 Guigang Yibo Real Estate Development Co., Ltd.	22 Oct 2018	38,889	35,000	98.63%	98.68%	99.06%	Development and sale of properties
貴陽新城億晟房地產開發有限公司 Guiyang Future Land Yisheng Real Estate Development Co., Ltd.	17 May 2018	20,000	–	99.52%	99.52%	99.52%	Development and sale of properties
貴陽新城億睿房地產開發有限公司 Guiyang Future Land Yirui Real Estate Development Co., Ltd.	26 Dec 2018	867,530	867,530	99.53%	99.53%	99.53%	Development and sale of properties
連雲港億博房地產開發有限公司 Lianyungang Yibo Real Estate Development Co., Ltd.	08 Feb 2018	2,000	2,000	99.34%	99.34%	99.34%	Development and sale of properties
連雲港新城萬博房地產開發有限公司 Lianyungang Future Land Wanbo Real Estate Development Co., Ltd.	16 Aug 2017	41,300	41,300	99.01%	99.01%	99.01%	Development and sale of properties
遵義新城億博房地產開發有限公司 Zunyi Future Land Yibo Real Estate Development Co., Ltd.	17 Dec 2018	40,000	–	99.01%	99.01%	99.01%	Development and sale of properties
遵義新城恒昇商業經營管理有限公司 Zunyi Future Land Hengsheng Commercial Management Co., Ltd.	28 May 2021	10,000	–	99.01%	99.01%	99.01%	Asset operation and management
鄭州新城創恒房地產開發有限公司 Zhengzhou Future Land Chuangheng Real Estate Development Co., Ltd.	28 Jul 2017	10,000	10,000	95.24%	95.24%	95.24%	Development and sale of properties
重慶東睿房地產開發有限公司 Chongqing Dongrui Real Estate Development Co., Ltd.	22 Dec 2014	30,000	30,000	95.25%	95.25%	99.09%	Development and sale of properties
重慶北麓置業有限公司 Chongqing Beilu Real Estate Co., Ltd.	04 May 2010	50,000	–	95.24%	95.25%	95.25%	Development and sale of properties
重慶吾悅房地產開發有限公司 Chongqing Injoy Real Estate Development Co., Ltd.	26 Oct 2017	50,000	50,000	66.76%	99.34%	99.34%	Development and sale of properties
重慶悅璟房地產開發有限公司 Chongqing Yuejing Real Estate Development Co., Ltd.	24 May 2019	50,000	–	95.24%	95.25%	95.25%	Development and sale of properties
欽州新城萬博房地產開發有限公司 Qinzhou Future Land Wanbo Real Estate Development Co., Ltd.	17 Aug 2017	39,000	39,000	98.63%	98.68%	99.06%	Development and sale of properties
銅陵新城悅盛房地產開發有限公司 Tongling Future Land Yuesheng Real Estate Development Co., Ltd.	25 Jun 2019	648,687	648,687	99.01%	99.01%	99.01%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
銀川新城吾悅房地產開發有限公司 Yinchuan Future Land Injoy Real Estate Development Co., Ltd.	21 Jun 2017	40,000	40,000	100.00%	99.94%	99.94%	Development and sale of properties
長春新城萬博房地產開發有限公司 Changchun Future Land Wanbo Real Estate Development Co., Ltd.	25 Dec 2017	32,400	32,400	98.20%	98.18%	98.18%	Development and sale of properties
長春新城悅盛房地產發展有限公司 Changchun Future Land Yuesheng Real Estate Development Co., Ltd.	29 Sep 2014	–	–	98.20%	98.16%	98.16%	Development and sale of properties
長沙凱拓房地產開發有限公司 Changsha Kaituo Real Estate Development Co., Ltd.	26 Jun 2017	602,270	602,270	80.20%	80.20%	80.20%	Development and sale of properties
長沙悅安廣廈置業有限公司 Changsha Yuean Guangsha Real Estate Co., Ltd.	19 Jan 2017	10,000	–	49.45%	49.45%	49.45%	Development and sale of properties
長沙鴻鼎房地產開發有限公司 Changsha Hongding Real Estate Development Co., Ltd.	16 Apr 2020	80,000	–	79.11%	79.11%	79.11%	Development and sale of properties
阜陽新城億博房地產開發有限公司 Fuyang Future Land Yibo Real Estate Development Co., Ltd.	29 Jun 2018	50,000	50,000	64.35%	95.76%	95.76%	Development and sale of properties
隨州新城悅博房地產開發有限公司 Suizhou Future Land Yuebo Real Estate Development Co., Ltd.	29 Jan 2019	85,050	85,050	80.20%	80.20%	80.20%	Development and sale of properties
青島旭璞房地產開發有限公司 Qingdao Xupu Real Estate Development Co., Ltd.	09 Oct 2022	50,000	–	99.47%	99.47%	99.47%	Development and sale of properties
香港創坤發展有限公司 Hong Kong Chuangkun Development Limited	20 Feb 2017	–	–	99.01%	99.01%	99.01%	Investment company
香港創澤發展有限公司 Hong Kong Chuangze Development Limited	20 Feb 2017	–	–	99.01%	99.01%	99.01%	Investment company
香港卓盛發展有限公司 Hong Kong Excellent Development Limited	10 Jan 2014	–	–	98.02%	98.02%	98.02%	Investment company
香港吾悅發展有限公司 Hong Kong Injoy Development Limited	12 Sep 2014	10,000	10,000	99.01%	99.01%	99.01%	Investment company
香港恆宇發展有限公司 Hong Kong Perpetual Development Limited	16 Jul 2013	–	–	–	98.02%	98.02%	Investment company
香港瑞盛發展有限公司 Hong Kong Ruisheng Development Limited	19 Jun 2015	–	–	99.01%	99.01%	99.01%	Investment company
香港鼎盛發展有限公司 Hong Kong Flourishing Development Limited	16 Jul 2013	–	–	98.02%	98.02%	98.02%	Investment company

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
高郵市新城億博房地產開發有限公司 Gaoyou Future Land Yibo Real Estate Development Co., Ltd.	09 Apr 2018	243,875	243,875	80.20%	80.20%	80.20%	Development and sale of properties
上海錦名投資管理有限公司 Shanghai Jinming Investment Management Co., Ltd.	30 Dec 2015	10,000	10,000	100.00%	100.00%	67.20%	Consulting
上海新城多奇妙企業管理諮詢有限公司 Shanghai Future Land Duoqimiao Business Management Consultancy Co., Ltd.	14 Dec 2014	188,000	188,000	100.00%	100.00%	67.20%	Children entertainment
江蘇雲櫃網路技術有限公司 Jiangsu Yungui Internet Technology Co., Ltd.	13 Mar 2014	5,400,000	5,400,000	100.00%	100.00%	67.20%	Information technology
常州新城億昊企業管理有限公司 Changzhou Future Land YiHao Management Co., Ltd.	26 Jul 2018	20,000	20,000	64.35%	64.35%	64.35%	Asset operation and management
連雲港鴻熙房地產開發有限公司 (c) Lianyungang Hongxi Real Estate Development Co., Ltd. (c)	05 Aug 2020	160,000	160,000	32.32%	32.32%	63.38%	Development and sale of properties
上海龍卿房地產開發有限公司 Shanghai Longqing Real Estate Development Co., Ltd.	02 Nov 2015	11,200	10,000	66.76%	66.76%	66.76%	Development and sale of properties
上海麥鵬置業有限公司 Shanghai Maipeng Property Co., Ltd.	19 Dec 2017	22,222	22,222	65.13%	65.13%	65.13%	Development and sale of properties
鴻昊(南通)教育科技有限公司 (a) (c) Honghao (Nantong) Education Technology Co., Ltd. (a) (c)	03 Dec 2020	2,549,772	360,000	33.94%	33.94%	33.94%	Development and sale of properties
上海新城鴻崧企業管理有限公司 Shanghai Future Land Hongsong Enterprise Management Co., Ltd.	18 Dec 2020	22,000	-	67.18%	67.18%	67.18%	Consulting
江蘇築森建築設計有限公司 Design Of Century Architecture Co., Ltd.	11 May 1990	51,800	46,800	67.19%	67.19%	-	Architecture Design
天長市新城悅興房地產開發有限公司 Tianchang Future Land Yuexin Real Estate Development Co., Ltd.	06 Jun 2019	43,000	43,000	66.90%	66.90%	66.90%	Development and sale of properties
煙臺市芝罘區鴻璟房地產開發有限公司 (a) Yantai Zhifu Hongjing Real Estate Development Co., Ltd. (a)	23 Nov 2020	49,579	7,000	66.53%	66.53%	66.53%	Development and sale of properties
包頭新城鴻博房地產開發有限公司 Baotou Future Land Hongbo Real Estate Development Co., Ltd.	13 May 2020	200,000	-	66.97%	66.97%	66.97%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
天津市新城萬博房地產開發有限公司 (a) Tianjin Future Land Wanbo Real Estate Development Co., Ltd. (a)	11 May 2017	20,000	-	66.53%	66.53%	66.54%	Development and sale of properties
太原新城鴻悅房地產開發有限公司 (a) Taiyuan Future Land Hongyue Real Estate Development Co., Ltd. (a)	07 Jul 2020	50,000	50,000	66.53%	66.53%	66.54%	Development and sale of properties
成都嘉牧置業有限公司 Chengdu Jiamu Real Estate Co., Ltd.	11 Jan 2017	11,000	10,000	66.60%	66.60%	66.60%	Development and sale of properties
滄州市新城悅盛房地產開發有限公司 Cangzhou Future Land Yuesheng Real Estate Development Co., Ltd.	21 Mar 2019	110,000	110,000	53.89%	53.89%	53.89%	Development and sale of properties
北海億博房地產開發有限公司 Beihai Yibo Real Estate Development Co., Ltd.	11 Oct 2018	335,000	50,000	67.05%	67.05%	64.53%	Development and sale of properties
重慶市江津區新城鴻達房地產開發有限公司 Chongqing Jiangjin District Future Land Hongda Real Estate Development Co., Ltd.	14 Sep 2020	504,836	2,176	66.53%	66.53%	66.53%	Development and sale of properties
石家莊新城鴻澤房地產開發有限公司 (a) (c) Shijiazhuang Future Land Hongze Real Estate Development Co., Ltd. (a) (c)	08 May 2020	666,000	393,940	44.49%	44.49%	44.49%	Development and sale of properties
南京新城鴻昱房地產開發有限公司 (a) Nanjing Future Land Hongyu Real Estate Development Co., Ltd. (a)	21 Jul 2020	55,560	50,000	64.43%	64.43%	64.43%	Development and sale of properties
淮安新城鴻瑞房地產開發有限公司 Huaian Future Land Hongrui Real Estate Development Co., Ltd.	14 Dec 2020	353,500	-	65.56%	65.56%	64.45%	Development and sale of properties
南昌縣鴻慈房地產開發有限公司 (a)(c) Nanchang Hongci Real Estate Development Co., Ltd. (a) (c)	21 Aug 2020	200,000	200,000	39.92%	39.92%	39.92%	Development and sale of properties
唐山新城豐榮房地產開發有限公司(a) (c) Tangshan Future Land Fengrong Real Estate Development Co., Ltd. (a) (c)	25 Apr 2019	70,000	70,000	33.93%	33.93%	33.93%	Development and sale of properties
天津新城宏順房地產開發有限公司(a) (c) Tianjin Future Land Hongshun Real Estate Development Co., Ltd. (a) (c)	04 Feb 2020	357,143	350,000	33.93%	33.93%	33.93%	Development and sale of properties
天津鴻昇房地產開發有限公司 (c) Tianjin Hongsheng Real Estate Development Co., Ltd. (c)	28 Oct 2020	333,000	333,000	39.92%	39.92%	66.10%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
江門新城鴻樾房地產開發有限公司 (a) Jiangmen Future Land Hongyue Real Estate Development Co., Ltd. (a)	08 Jun 2020	300,000	300,000	51.22%	51.22%	53.44%	Development and sale of properties
圳市盛訊諮詢管理有限公司 (a) Shenzhen Shengxun Consulting Management Co., Ltd. (a)	03 Nov 2020	10,000	-	64.06%	64.06%	64.54%	Development and sale of properties
中山市嵐彩房地產開發有限公司 (c) Zhongshan Lancai Real Estate Development Co., Ltd. (c)	05 Aug 2014	110,250	110,250	29.40%	29.40%	29.62%	Development and sale of properties
佛山鼎圖房地產有限公司 (c) Foshan Dingtu Real Estate Co., Ltd. (c)	25 Apr 2017	1,100,000	1,100,000	32.00%	32.00%	32.00%	Development and sale of properties
惠州中奕房地產開發有限公司 (a) Huizhou Zhongyi Real Estate Development Co., Ltd. (a)	09 Nov 2010	10,000	10,000	51.20%	51.20%	51.20%	Development and sale of properties
成都萬新置業有限公司 (c) Chengdu Wanxin Property Co., Ltd. (c)	22 Nov 2017	500,000	500,000	32.00%	32.00%	32.00%	Development and sale of properties
杭州新城英冠鴻軒房地產開發有限公司 (c) Hangzhou Future Land Yingguan Hongxuan Real Estate Development Co., Ltd. (c)	01 Jul 2020	1,142,730	1,142,730	47.03%	47.03%	47.03%	Development and sale of properties
武漢新城鴻瑞房地產開發有限公司 Wuhan Future Land Hongrui Real Estate Development Co., Ltd.	24 Jul 2020	110,000	10,000	66.31%	66.31%	66.31%	Development and sale of properties
湖北省粵華房地產開發有限公司 (c) Hubei Yuehua Real Estate Development Co., Ltd. (c)	17 Apr 2014	10,000	10,000	32.64%	32.64%	32.71%	Development and sale of properties
台州新城東泰房地產開發有限公司 (c) Taizhou Future Land Dongtai Real Estate Development Co., Ltd. (c)	01 Jul 2020	411,000	411,000	43.19%	43.19%	43.19%	Development and sale of properties
張家港志成房地產開發有限公司 (c) Zhangjiagang Zhicheng Real Estate Development Co., Ltd. (c)	18 Jul 2017	648,970	648,970	21.05%	21.05%	21.05%	Development and sale of properties
江蘇美露投資有限公司 Jiangsu Meilu Investment Co., Ltd.	01 Jun 2006	156,740	141,060	64.67%	64.67%	64.67%	Development and sale of properties
泰興市乾冠房地產開發有限公司 Taixing Qianguan Real Estate Development Co., Ltd.	01 Aug 2014	22,222	20,000	66.77%	66.77%	66.77%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
蘇州璽茂企業管理有限公司 Suzhou Ximao Enterprise Management Co., Ltd.	17 Aug 2018	56,670	49,000	67.10%	67.10%	45.09%	Asset operation and management
鄭州鴻華置業有限公司 (a) Zhengzhou Honghua Real Estate Co., Ltd. (a)	05 Nov 2020	10,000	-	51.20%	51.20%	51.20%	Development and sale of properties
六盤水新城悅嘉房地產開發有限公司 (a) Liupanshui Future Land Yuejia Real Estate Development Co., Ltd. (a)	30 Dec 2017	22,222	20,000	66.51%	66.51%	66.76%	Development and sale of properties
許昌市昱恒房地產開發有限公司 (c) Xuchang Yuheng Real Estate Development Co., Ltd. (c)	12 Mar 2018	500,000	500,000	21.76%	21.76%	21.76%	Development and sale of properties
株洲欣盛萬博置業有限公司 (c) Zhuzhou Xinsheng Wanbo Property Co., Ltd. (c)	30 May 2018	500,000	500,000	33.23%	33.23%	33.23%	Development and sale of properties
湘潭和宇置業有限公司 Xiangtan Heyu Property Co., Ltd.	02 Dec 2009	50,000	50,000	66.53%	66.53%	66.53%	Development and sale of properties
濰坊億悅房地產開發有限公司 Weifang Yiyue Real Estate Development Co., Ltd.	19 Jun 2018	350,000	350,000	64.82%	64.82%	64.82%	Development and sale of properties
濰坊億拓房地產開發有限公司 Weifang Yituo Real Estate Development Co., Ltd.	07 Jun 2018	550,000	550,000	64.61%	64.61%	64.60%	Development and sale of properties
煙臺億騰房地產開發有限公司 (c) Yantai Yiteng Real Estate Development Co., Ltd. (c)	12 Sep 2018	310,000	310,000	47.00%	47.00%	47.00%	Development and sale of properties
新城商業管理集團有限公司 Future Land Commercial Management Co., Ltd.	02 Dec 2014	50,500	50,000	66.53%	66.53%	-	Asset operation and management
常州金壇萬博房產經營管理有限公司 Changzhou Jintan Wanbo Real Estate Management Co., Ltd.	13 Oct 2017	10,000	10,000	66.53%	66.53%	66.53%	Development and sale of properties
泰興悅盛房地產開發有限公司 Taixing Yuesheng Real Estate Development Co., Ltd.	20 Aug 2019	165,360	165,360	66.53%	66.53%	66.53%	Development and sale of properties
常州新城鴻興商業經營管理有限公司 (a) Changzhou Future Land Hongxing Business Management Co., Ltd. (a)	28 May 2020	519,340	93,310	66.53%	66.53%	66.53%	Asset operation and management
溧陽新城鴻悅房產經營管理有限公司 (a) (c) (g) Liyang Future Land Hongyue Real Estate Management Co., Ltd. (a) (c) (g)	11 Jun 2020	10,113	10,113	46.58%	46.58%	66.53%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
鎮江萬博吾悅商業經營管理有限公司 (a) Zhenjiang Wanbo Injoy Business Management Co., Ltd. (a)	08 Oct 2018	10,341	1,460	66.53%	66.53%	66.53%	Asset operation and management
句容新城悅盛房地產開發有限公司 Jurong Future Land Yuesheng Real Estate Development Co., Ltd.	10 Sep 2019	138,550	123,550	67.20%	67.20%	67.20%	Development and sale of properties
淮安新城鴻盛房產經營管理有限公司 Huaian Future Land Hongsheng Real Estate Management Co., Ltd.	20 Apr 2020	5,400	4,800	66.61%	66.61%	66.61%	Development and sale of properties
高郵市新城鴻博商業經營管理有限公司 Gaoyou Future Land Hongbo Business Management Co., Ltd.	18 Jun 2020	86,000	86,000	53.89%	53.89%	53.89%	Asset operation and management
蘇州隆盛吾悅商業經營管理有限公司 (g) Suzhou Longsheng Injoy Business Management Co., Ltd. (g)	02 Nov 2016	264,185	10,000	66.53%	66.53%	66.53%	Asset operation and management
張家港萬博經營管理有限公司 (g) Zhangjiagang Wanbo Operation and Management Co., Ltd. (g)	16 Nov 2016	115,448	10,000	66.47%	66.47%	66.47%	Asset operation and management
安慶新城悅盛房產經營管理有限公司 Anqing Future Land Yuesheng Real Estate Management Co., Ltd.	25 Sep 2018	10,000	10,000	66.53%	66.53%	66.53%	Asset operation and management
淮北新城鴻軒房產經營管理有限公司 Huaibei Future Land Hongxuan Real Estate Management Co., Ltd.	18 Aug 2020	78,570	68,570	66.62%	66.62%	66.62%	Development and sale of properties
蚌埠新城億鑫房產經營管理有限公司 Bengbu Future Land Yixin Real Estate Management Co., Ltd.	26 May 2020	27,000	24,000	66.61%	66.61%	66.61%	Asset operation and management
宿州新城鴻盛房產經營管理有限公司 Suzhou Future Land Hongsheng Real Estate Management Co., Ltd.	14 Apr 2020	20,000	18,000	66.60%	66.60%	66.60%	Development and sale of properties
西安新城鴻晟房產經營管理有限公司 Xi'an Future Land Hongsheng Real Estate Management Co., Ltd.	05 Aug 2020	74,000	74,000	66.53%	66.53%	66.53%	Development and sale of properties
延安市寶塔區鴻尚商業運營管理有限公司 Yan'an Baota Hongshang commercial operation management Co., Ltd.	15 May 2020	40,000	36,000	66.60%	66.60%	66.60%	Asset operation and management
寶雞鴻端經營管理有限公司 Baoji Hongduan Management Co., Ltd.	20 May 2020	75,000	75,000	66.53%	66.53%	66.53%	Asset operation and management

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
漢中新城鴻泰商業經營管理有限公司 Hanzhong Future Land Hongtai Commercial Management Co., Ltd.	12 May 2020	34,000	11,000	66.62%	66.62%	66.62%	Asset operation and management
衢州萬博商業經營管理有限公司 Quzhou Wanbo Commercial Management Co., Ltd.	20 Sep 2017	10,000	10,000	66.53%	66.53%	66.53%	Development and sale of properties
台州新城鴻悅商業經營管理有限公司 Taizhou Future Land Hongyue Commercial Management Co., Ltd.	20 May 2020	132,000	132,000	66.53%	66.53%	66.53%	Asset operation and management
玉環悅盛房地產開發有限公司 Yuhuan Yuesheng Real Estate Development Co., Ltd.	16 Sep 2019	13,150	13,150	66.53%	66.53%	66.53%	Development and sale of properties
仙居悅弘房地產開發有限公司 Xianju Yuehong Real Estate Development Co., Ltd.	11 Oct 2019	14,900	13,400	66.60%	66.60%	66.60%	Development and sale of properties
桐鄉萬博商業經營管理有限公司 (g) Tongxiang Wanbo Commercial Management Co., Ltd. (g)	09 Oct 2018	111,198	10,000	66.53%	66.53%	66.53%	Asset operation and management
平湖悅盛房地產開發有限公司 (a) (c) Pinghu Yuesheng Real Estate Development Co., Ltd. (a) (c)	31 Jul 2019	120,000	55,400	33.94%	33.94%	-	Development and sale of properties
長春鴻晟商業綜合體經營管理有限公司 Changchun Hongsheng Commercial Complex Management Co., Ltd.	09 Apr 2020	176,359	5,530	66.53%	66.53%	66.53%	Asset operation and management
天津鴻悅商業管理有限公司 (a) Tianjin Hongyue Commercial Management Co., Ltd. (a)	04 Aug 2020	120,000	120,000	66.53%	66.53%	66.53%	Asset operation and management
海口新城萬博房產經營管理有限公司 (a) Haikou Future Land Wanbo Real Estate Management Co., Ltd. (a)	20 Sep 2017	10,000	10,000	66.53%	66.53%	66.53%	Development and sale of properties
欽州鴻悅商業管理有限公司 (a) Qinzhou Hongyue Business Management Co., Ltd. (a)	30 Apr 2020	11,000	11,000	66.53%	66.53%	66.53%	Asset operation and management
連雲港鴻拓房產經營管理有限公司 Lianyungang Hongtuo Real Estate Management Co., Ltd.	21 May 2020	8,700	8,700	66.53%	66.53%	66.53%	Development and sale of properties
連雲港鴻基房產經營管理有限公司 Lianyungang Hongji Real Estate Management Co., Ltd.	29 Jul 2020	18,000	18,000	66.76%	66.76%	66.76%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
鹽城新城鴻博房產經營管理有限公司 Yancheng Future Land Hongbo Real Estate Management Co., Ltd.	20 May 2020	147,880	147,880	53.89%	53.89%	53.89%	Development and sale of properties
永州新城恒悅房地產開發有限公司 Yongzhou Future Land Hengyue Real Estate Development Co., Ltd.	12 Jan 2021	155,556	155,556	66.28%	66.28%	66.28%	Development and sale of properties
杭州新城駿宏恒錦房地產開發有限公司 (c) Hangzhou Future Land Junhong Hengjin Real Estate Development Co., Ltd. (c)	19 Mar 2021	560,000	-	40.31%	40.31%	40.31%	Development and sale of properties
淮安新城開起房地產有限公司 (h) Huaian Future Land Kaiqi Real Estate Co., Ltd. (h)	08 Apr 2021	348,727	49,236	64.46%	64.46%	64.46%	Development and sale of properties
淮安新城開起房地產有限公司 (h) Huaian Future Land Kaiqi Real Estate Co., Ltd. (h)	08 Apr 2021	348,727	49,236	64.46%	64.46%	64.46%	Development and sale of properties
貴港恒悅商業管理有限公司 Guigang Hengyue Business Management Co., Ltd.	13 Apr 2021	100,000	100,000	66.53%	66.53%	66.53%	Asset operation and management
六安恒卓商業經營管理有限公司 Lu'an Hengzhuo Commercial Management Co., Ltd.	25 May 2021	88,150	88,150	66.64%	66.64%	66.64%	Asset operation and management
遵義新城恒昇商業經營管理有限公司 Zunyi Future Land Hengsheng Commercial Management Co., Ltd.	28 May 2021	10,000	10,000	66.53%	66.53%	66.53%	Asset operation and management
昆明新城恒超房地產經營管理有限公司 Kunming Future Land Hengchao Real Estate Management Co., Ltd.	27 May 2021	6,000	6,000	66.53%	66.53%	66.53%	Asset operation and management
滁州新城恒悅商業運營管理有限公司 Chuzhou Future Land Hengyue Commercial Operation Management Co., Ltd.	19 May 2021	69,000	69,000	66.88%	66.88%	66.88%	Asset operation and management
銅陵新城恒博房產經營管理有限公司 (h) Tongling Future Land Hengbo Real Estate Management Co., Ltd. (h)	31 May 2021	12,000	12,000	66.53%	66.53%	66.53%	Asset operation and management
阜陽新城億博房地產經營管理有限公司 Fuyang Future Land Yibo Real Estate Management Co., Ltd.	20 May 2021	30,000	30,000	64.35%	64.35%	43.24%	Asset operation and management
南京新城恒璟房地產開發有限公司 (a) (c) Nanjing Future Land Hengjing Real Estate Development Co., Ltd. (a) (c)	25 May 2021	281,000	490	18.51%	18.51%	18.51%	Development and sale of properties

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
天長市新城恒樾商業運營管理有限公司 Tianchang Future Land Hengyue Commercial Operation Management Co., Ltd.	16 Jun 2021	11,500	11,500	67.20%	67.20%	67.17%	Asset operation and management
昭通新城恒博商業經營管理有限公司 Zhaotong Future Land Hengbo Commercial Management Co., Ltd.	16 Jun 2021	100,000	100,000	53.89%	53.89%	53.89%	Asset operation and management
荊州新城恒勳商業運營管理有限公司 (a) Jingzhou Future Land Hengxun Commercial Operation Management Co., Ltd. (a)	11 Jun 2021	15,000	15,000	66.53%	66.53%	66.53%	Asset operation and management
隨州恒銳房產經營有限公司 Suizhou Hengrui Real Estate Management Co., Ltd.	22 Jun 2021	25,000	25,000	53.89%	53.89%	53.89%	Asset operation and management
興化新城恒昇商業運營管理有限公司 (h) Xinghua Future Land Hengsheng Commercial Operation Management Co., Ltd. (h)	28 Jun 2021	40,000	40,000	66.53%	66.53%	66.53%	Asset operation and management
淮安新城開起房地產有限公司 (h) Huaian Future Land Kaiqi Real Estate Co., Ltd. (h)	08 Apr 2021	348,727	49,236	64.46%	64.46%	64.46%	Development and sale of properties
西安新城恒晟商業經營管理有限公司 Xi'an Future Land Hengsheng Commercial Management Co., Ltd.	22 Jun 2021	60,000	60,000	66.53%	66.53%	66.53%	Asset operation and management
鹽城市大豐區新城恒軒房產經營管理有限公司 (h) Yancheng Dafeng District Future Land Hengxuan Real Estate Management Co., Ltd. (h)	28 Jun 2021	10,310	1,456	53.89%	53.89%	36.21%	Asset operation and management
昆明新城恒博商業管理有限公司 Kunming Future Land Hengbo Commercial Management Co., Ltd.	28 Jun 2021	10,000	10,000	66.53%	66.53%	44.71%	Asset operation and management
海鹽恒弘商業管理有限公司 Haiyan Henghong Business Management Co., Ltd.	14 Jul 2021	35,000	35,000	66.53%	66.53%	44.71%	Asset operation and management
包頭恒晟商業經營管理有限公司 Baotou Hengsheng Commercial Management Co., Ltd.	15 Jul 2021	20,000	20,000	66.76%	66.76%	44.86%	Asset operation and management
鹽城新城恒盛商業經營管理有限公司 Yancheng Future Land Hengsheng Commercial Management Co., Ltd.	13 Jul 2021	20,000	20,000	66.53%	66.53%	44.71%	Asset operation and management

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2022	2023	2024	Principal activities
日照恒鴻房地產開發有限公司 (c) Rizhao Henghong Real Estate Development Co., Ltd. (c)	22 Jul 2021	675,000	675,000	40.05%	40.05%	26.91%	Development and sale of properties
南通恒宇房地產開發有限公司 (a) (c) Nantong Hengyu Real Estate Development Co., Ltd. (a) (c)	28 Jul 2021	20,000	-	33.88%	33.88%	22.77%	Development and sale of properties
南通恒耀房地產開發有限公司 (a) (c) Nantong Hengyao Real Estate Development Co., Ltd. (a) (c)	28 Jul 2021	1,150,000	1,150,000	33.92%	33.92%	-	Development and sale of properties
長春鴻承商業綜合體經營管理有限公司 (g) Changchun Hongcheng Commercial Complex Management Co., Ltd. (g)	05 Aug 2021	17,600	17,600	65.96%	65.96%	44.33%	Asset operation and management
西寧恒樾商業經營管理有限公司 Xining Hengyue Commercial Management Co., Ltd.	12 Aug 2021	50,000	50,000	66.53%	66.53%	66.53%	Asset operation and management
南京新城恒盛商業經營管理有限公司 (a) Nanjing Future Land Hengsheng Commercial Management Co., Ltd. (a)	13 Aug 2021	60,000	60,000	53.89%	53.89%	53.89%	Asset operation and management
湖州新城恒佳商業經營管理有限公司 Huzhou Future Land Hengjia Commercial Management Co., Ltd.	12 Aug 2021	80,000	80,000	53.89%	53.89%	53.89%	Asset operation and management
德陽新城恒昇商業管理有限公司 Deyang Future Land Hengsheng Business Management Co., Ltd.	16 Aug 2021	20,000	20,000	66.53%	66.53%	66.53%	Asset operation and management
漣水新城恒盛房產經營管理有限公司 (h) Lianshui Future Land Hengsheng Real Estate Management Co., Ltd. (h)	16 Aug 2021	60,000	60,000	53.89%	53.89%	66.50%	Asset operation and management
清鎮市新城恒悅商業經營管理有限公司 Qingzhen Future Land Hengyue Business Management Co., Ltd.	15 Sep 2021	10,400	10,400	59.88%	59.88%	59.88%	Asset operation and management
天津新城恒欣房地產開發有限公司 (c) Tianjin Future Land Hengxin Real Estate Development Co., Ltd. (c)	24 Sep 2021	140,000	140,000	34.12%	34.12%	67.05%	Development and sale of properties
北海新城恒悅商業管理有限公司 Beihai Future Land Hengyue Business Management Co., Ltd.	25 Oct 2021	15,000	15,000	66.53%	66.53%	66.53%	Asset operation and management
濟甯新城恒達商業經營管理公司 Jining Future Land Hengda Commercial Management Co., Ltd.	24 Dec 2021	20,000	-	66.88%	66.88%	66.88%	Asset operation and management

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 Decem 2022	2023	2024	Principal activities
徐州新城恒悅商業經營管理有限公司 Xuzhou Future Land Hengyue Commercial Management Co., Ltd.	23 Mar 2022	10,000	10,000	67.20%	67.20%	67.17%	Asset operation and management
內江新城旭順商業管理有限公司 Neijiang Future Land Xushun Commercial Management Co., Ltd.	31 Mar 2022	10,000	10,000	66.88%	66.88%	66.53%	Asset operation and management
寧鄉市恒悅商業經營管理有限公司 Ningxiang Hengyue Commercial Management Co., Ltd.	13 Apr 2022	21,000	21,000	66.88%	66.88%	66.88%	Asset operation and management
南京新城旭晟商業經營管理有限公司 Nanjing Future Land Xusheng Commercial Management Co., Ltd.	17 May 2022	120,000	120,000	66.53%	66.53%	66.53%	Asset operation and management
南京新城旭頤養老產業管理有限公司 Nanjing Future Land Xuyi Pension Industry Management Co., Ltd.	17 May 2022	100,000	100,000	66.53%	66.53%	66.53%	Pension services
溫州新城恒澤商業房產經營管理有限公司 (a) Wenzhou Future Land Hengze Commercial Real Estate Management Co., Ltd. (a)	19 May 2022	60,000	60,000	66.53%	66.53%	66.53%	Asset operation and management
包頭市旭越商業經營管理有限公司 Baotou Xuyue Commercial Management Co., Ltd.	29 Jun 2022	10,000	10,000	66.76%	66.76%	66.76%	Asset operation and management
保山旭隆商業經營管理有限公司 Baoshan Xulong Commercial Management Co., Ltd.	22 Aug 2022	10,000	10,000	66.53%	66.53%	66.53%	Asset operation and management
重慶新城旭昇商業管理有限公司 Chongqing Future Land Xusheng Commercial Management Co., Ltd.	31 Aug 2022	10,000	10,000	66.53%	66.53%	66.53%	Asset operation and management
天津新城旭錦商業管理有限公司 Tianjin Future Land Xujin Commercial Management Co., Ltd	29 Mar 2022	20,000	20,000	66.53%	66.53%	66.53%	Asset operation and management
安康新城旭博商業管理有限公司 Ankang Future Land Xubo Commercial Management Co., Ltd	27 Apr 2022	15,000	15,000	66.76%	66.76%	66.76%	Asset operation and management
大同新城順益商業管理有限公司 Datong Future Land Shunyi Commercial Management Co., Ltd	23 Aug 2022	20,000	20,000	67.16%	67.16%	67.16%	Asset operation and management
運城新城順浩商業管理有限公司 Yuncheng Future Land Shunhao Commercial Management Co., Ltd	25 Oct 2022	20,000	20,000	66.66%	66.66%	66.66%	Asset operation and management

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

(a) Certain equity interests of the subsidiaries were pledged for borrowings as at 31 December 2022, 2023 and 2024, respectively. For details, please refer to the table below:

		As at 31 December		
		2022	2023	2024
濱州新城鴻睿房地產開發有限公司	Binzhou Xincheng Hongrui Real Estate Development Co., Ltd.	100%	100%	100%
常州新城鴻興商業經營管理有限公司	Changzhou Xincheng Hongxing Commercial Management Co., Ltd.	100%	100%	100%
成都鴻嘉商業管理有限公司	Chengdu Hongjia Commercial Management Co.,Ltd.	100%	100%	100%
東營新城鴻熠房地產開發有限公司	Dongying Xincheng Hongyi Real Estate Development Co.,Ltd.	100%	100%	100%
貴州新城鴻裕房地產開發有限公司	Guizhou Xincheng Hongyu Real Estate Development Co., Ltd.	100%	100%	100%
桂林新城鴻晟商業管理有限公司	Guilin Xincheng Hongsheng Commercial Management Co., Ltd.	100%	100%	100%
海口新城萬博房產經營管理有限公司	Haikou Xincheng Wanbo Real Estate Management Co., Ltd.	100%	100%	100%
晉江萬博商業管理有限公司	Jinjiang Wanbo Commercial Management Co., Ltd.	100%	100%	100%
昆明安寧新城鴻晟房地產開發有限公司	Kunming Anning Xincheng Hongsheng Real Estate Development Co., Ltd.	100%	100%	100%
昆明悅宸房地產開發有限公司	Kunming Yuechen Real Estate Development Co., Ltd.	100%	100%	100%
南京新城恒盛商業經營管理有限公司	Nanjing Xincheng Hengsheng Commercial Management Co., Ltd.	100%	100%	100%
南京新城億博房地產開發有限公司	Nanjing Xincheng Yibo Real Estate Development Co., Ltd.	100%	100%	100%
南京悅盛吾悅商業管理有限公司	Nanjing Yuesheng Wuyue Commercial Management Co., Ltd.	100%	100%	100%
寧波吾悅商業經營管理有限公司	Ningbo Wuyue Commercial Management Co., Ltd.	100%	100%	100%
欽州鴻悅商業管理有限公司	Qinzhou Hongyue Commercial Management Co., Ltd.	100%	100%	100%
上海迪裕商業經營管理有限公司	Shanghai Diyu Commercial Management Co., Ltd.	100%	100%	100%
上海新城創域房地產有限公司	Shanghai Xincheng Chuangyu Real Estate Co., Ltd.	100%	100%	100%
瀋陽旭盛經營管理有限公司	Shenyang Xusheng Business Management Co., Ltd.	100%	100%	100%
石家莊新城鴻澤房地產開發有限公司	Shijiazhuang Xincheng Hongze Real Estate Development Co., Ltd.	100%	100%	100%
蘇州聿盛房地產開發有限公司	Suzhou Yusheng Real Estate Development Co., Ltd.	100%	100%	100%
天津鴻悅商業管理有限公司	Tianjin Hongyue Commercial Management Co., Ltd.	100%	100%	100%
天津新城恒晟房地產開發有限公司	Tianjin Xincheng Hengsheng Real Estate Development Co., Ltd.	-	100%	100%
張家港新城恒泰房地產開發有限公司	Zhangjiagang Xincheng Hengtai Real Estate Development Co., Ltd.	100%	100%	100%
漳州恒煜房地產開發有限公司	Zhangzhou Hengyu Real Estate Development Co., Ltd.	100%	100%	100%
重慶鴻素房地產開發有限公司	Chongqing Hongsu Real Estate Development Co., Ltd.	100%	100%	100%
安陽新城鴻麒房地產開發有限公司	Anyang Xincheng Hongqi Real Estate Development Co., Ltd.	-	100%	100%
常州吾悅國際廣場商業管理有限公司	Changzhou Wuyue International Plaza Commercial Management Co., Ltd.	-	100%	100%
常州新城萬盛商業管理有限公司	Changzhou Xincheng Wansheng Commercial Management Co., Ltd.	-	100%	100%
廣州鼎鴻房地產有限公司	Guangzhou Dinghong Real Estate Co., Ltd.	-	100%	100%
江蘇心頤薈健康產業有限公司	Jiangsu Xinyihui Health Industry Co., Ltd.	-	100%	100%

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

(a) (Continued)

		As at 31 December		
		2022	2023	2024
荊州新城恒勳商業運營管理有限公司	Jingzhou Xincheng Hengxun Commercial Operation Management Co., Lt	-	100%	100%
長沙悅順商業經營管理有限公司	Changsha Yueshun Commercial Management Co., Ltd.	-	-	100%
肇慶億博房地產開發有限公司	Zhaoqing Yibo Real Estate Development Co., Ltd.	-	-	100%
東台市新城恒榮房產經營管理有限公司	Dongtai Future Land Hengrong Real Estate Management Co., Ltd	-	-	100%
淮安新城鴻盛房產經營管理有限公司	Huaian Future Land Hongsheng Real Estate Management Co., Ltd.	-	-	100%
南昌創宏商業經營有限公司	Nanchang Chuanghong Commercial Management Co., Ltd.	-	-	100%
興化新城恒昇商業運營管理有限公司	Xinghua Future Land Hengsheng Commercial Operation Management Co., Ltd.	-	-	100%
遵義新城恒昇商業經營管理有限公司	Zunyi Future Land Hengsheng Commercial Management Co., Ltd.	-	-	100%
南昌悅隆房地產開發有限公司	Nanchang Yuelong Real Estate Development Co., Ltd.	-	-	100%
安慶新城悅盛房產經營管理有限公司	Anqing Future Land Yuesheng Real Estate Management Co., Ltd.	-	-	100%
西安新城鴻晟房產經營管理有限公司	Xi’an Future Land Hongsheng Real Estate Management Co., Ltd.	-	-	100%
連雲港鴻基房產經營管理有限公司	Lianyungang Hongji Real Estate Management Co., Ltd.	-	-	100%
昆明新城悅安房地產發展有限公司	Kunming Future Land Yuean Real Estate Development Co., Ltd.	-	-	100%
上饒市億軒房產經營管理有限公司	Shangrao Yixuan Management Co., Ltd.	-	-	99%
南通恒宇房地產開發有限公司	Nantong Hengyu Real Estate Development Co.,Ltd.	81%	81%	81%
泰安恒泰商業經營管理有限公司	Tai’an Hengtai Commercial ManagementCo., Ltd.	81%	81%	81%
惠州俊安實業有限公司	Huizhou Jun’an Industrial Co., Ltd.	-	-	80%
廣州恒耀企業管理有限公司	Guangzhou Hengyao Enterprise ManagementCo., Ltd.	51%	51%	51%
豐縣新城鴻悅房地產開發有限公司	Fengxian Xincheng Hongyue Real Estate Development Co., Ltd.	100%	100%	-
如皋創雋房地產經營有限公司	Rugao Chuangjun Real Estate Management Co., Ltd.	-	100%	100%
如皋新城吾悅商業管理有限公司	Rugao Xincheng Wuyue Commercial Management Co., Ltd.	-	100%	100%
溫州新城恒澤商業房產經營管理有限公司	Wenzhou Xincheng Hengze Commercial Real Estate Management Co., Ltd.	-	100%	100%
淄博新城鴻拓房地產開發有限公司	Zibo Xincheng Hongtuo Real Estate Development Co., Ltd.	-	100%	100%
丹陽萬博商業經營管理有限公司	Danyang Wanbo Commercial Operation Management Co., Ltd.	-	-	100%
常州金壇萬博房產經營管理有限公司	Changzhou Jintan Wanbo Real Estate Management Co., Ltd	-	-	100%
淮南新城吾悅商業管理有限公司	Huainan Future Land Injoy Commercial Management Co., Ltd.	-	-	100%
濟寧新城恒達商業經營管理有限公司	Jining Future Land Hengda Commercial Management Co., Ltd.	-	-	100%
昆山新城創宏房地產有限公司	Kunshan Future Land Chuanghong Real Estate Co., Ltd.	-	-	100%
蘭州新城順弘商業管理有限公司	Lanzhou Future Land Shunhong Commercial Management Co., Ltd.	-	-	100%
南寧悅澤房地產開發有限公司	Nanning Yueze Real Estate Development Co., Ltd.	-	-	100%
平潭鴻新房地產開發有限公司	Pingtan Hongxin Real Estate Development Co., Ltd.	-	-	100%
瑞安市悅博房地產開發有限公司	Ruian Yuebo Real Estate Development Co., Ltd.	-	-	100%
隨州恒銳房產經營有限公司	Suizhou Hengrui Real Estate Management Co., Ltd.	-	-	100%
天津市濱海新區新城悅鑫房地產開發有限公司	Tianjin Binhai Future Land Yuexin Real Estate Development Co., Ltd.	-	-	100%
長春鴻承商業綜合體經營管理有限公司	Changchun Hongcheng Commercial Complex Management Co., Ltd.	-	-	100%
長沙鴻拓商業經營管理有限責任公司	Changsha Hongtuo Commercial Management Co., Ltd.	-	-	100%
鴻昊（南通）教育科技有限公司	Honghao (Nantong) Education Technology Co., Ltd.	100%	100%	-
南昌縣鴻慈房地產開發有限公司	Nanchang Hongci Real Estate Development Co., Ltd.	100%	100%	-
南京新城鴻昱房地產開發有限公司	Nanjing Xincheng Hongyu Real Estate Development Co., Ltd.	100%	100%	-
南通恒耀房地產開發有限公司	Nantong Hengyao Real Estate Development Co., Ltd.	100%	100%	-

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

(a) (Continued)

		As at 31 December		
		2022	2023	2024
商丘恒澤房地產開發有限公司	Shangqiu Hengze Real Estate Development Co., Ltd.	100%	100%	-
太原新城鴻悅房地產開發有限公司	Taiyuan Xincheng Hongyue Real Estate Development Co., Ltd.	100%	100%	-
唐山恒拓房地產開發有限公司	Tangshan Hengtuo Real Estate Development Co., Ltd.	100%	100%	-
唐山新城豐榮房地產開發有限公司	Tangshan Xincheng Fengrong Real Estate Development Co.,Ltd.	100%	100%	-
天津市新城萬博房地產開發有限公司	Tianjin Xincheng Wanbo Real Estate Development Co., Ltd.	100%	100%	-
天津新城宏順房地產開發有限公司	Tianjin Future Land Hongshun Real Estate Development Co., Ltd.	100%	100%	-
溫州凱誠置業有限公司	Wenzhou Kaicheng Real Estate Co., Ltd.	100%	100%	-
鹽城新城恒鴻房地產開發有限公司	Yancheng Xincheng Henghong Real EstateDevelopment Co., Ltd.	100%	100%	-
鹽城新城億盛房地產開發有限公司	Yancheng Xincheng Yisheng Real Estate Development Co., Ltd.	100%	100%	-
長沙鴻耀房地產開發有限公司	Changsha Hongyao Real Estate Development Co., Ltd.	100%	100%	-
鄭州舜傑新城房地產開發有限公司	Zhengzhou Shunjie Xincheng Real Estate Development Co., Ltd.	90%	100%	-
太原新城凱拓房地產開發有限公司	Taiyuan Xincheng Kaituo Real Estate Development Co., Ltd.	100%	100%	-
泰興市乾元房地產開發有限公司	Taixing Qianyuan Real Estate Development Co., Ltd.	100%	100%	-
溧陽新城鴻悅房產經營管理有限公司	Liyang Xincheng Hongyue Real Estate Management Co., Ltd.	70%	70%	-
青島特成房地產開發有限公司	Qingdao Techeng Real Estate Development Co., Ltd.	70%	70%	-
海口新城萬博房地產發展有限公司	Haikou Xincheng Wanbo Real Estate Management Co., Ltd.	100%	100%	-
天津新城恒盛房地產開發有限公司	Tianjin Xincheng Hengsheng Real Estate Development Co., Ltd.	100%	100%	-
天津新城宏順置業有限公司	Tianjin Xincheng Hongshun Real Estate Development Co., Ltd.	100%	100%	-
如皋創雋房地產經營有限公司	Rugao Chuangjun Real Estate Management Co., Ltd.	100%	100%	100%
貴州新城鴻嘉房地產開發有限公司	Guizhou Xincheng Hongjia Real Estate Development Co., Ltd	-	-	-
惠州中奕房地產開發有限公司	Huizhou Zhongyi Real Estate Development Co., Ltd	-	-	-
江門新城鴻樾房地產開發有限公司	Jiangmen Xincheng Hongyue Real Estate Development Co., Ltd.	-	-	-
漣水新城恒榮房地產開發有限公司	Lianshui Xincheng Hengrong Real Estate Development Co., Ltd.	-	-	-
六盤水新城悅嘉房地產開發有限公司	Liupanshui Xincheng Yuejia Real Estate Development Co., Ltd.	-	-	-
深圳市盛訊諮詢管理有限公司	Shenzhen Shengxun Consulting Management Co., Ltd.	-	-	-
新泰新城鴻盛房地產開發有限公司	Xintai Xincheng Hongsheng Real Estate Development Co., Ltd.	-	-	-
煙臺市芝罘區鴻璟房地產開發有限公司	Yantai Zhifu District Hongjing Real Estate Development Co., Ltd.	-	-	-
鎮江萬博吾悅商業經營管理有限公司	Zhenjiang Wanbo Wuyue Commercial Operation Management Co., Ltd.	-	-	-
鄭州鴻華置業有限公司	Zhengzhou Honghua Real Estate Co., Ltd.	-	-	-
重慶悅璟房地產開發有限公司	Chongqing Yuejing Real Estate Development Co., Ltd.	-	-	-
南京新城恒瀚房地產開發有限公司	Nanjing Xincheng Henghan Real Estate Development Co., Ltd.	-	-	-
銅陵星城悅盛商業管理有限公司	Tongling Xincheng Yuesheng Real Estate Development Co., Ltd.	-	-	-
南京新城萬隆房地產有限公司	Nanjing Xincheng Wanlong Real Estate Co., Ltd.	-	-	-
鞏義市鴻鼎辰合置業有限公司	Gongyi Hongding Chenhe Real Estate Co., Ltd.	-	-	-
鞏義市鴻璞辰合置業有限公司	Gongyi Hongpu Chenhe Real Estate Co., Ltd.	-	-	-
昆山鴻駿房地產開發有限公司	Kunshan Hongjun Real Estate Development Co., Ltd.	-	-	-
平湖恒梁貿易有限公司	Pinghu Hengliang Trading Co., Ltd.	-	-	-
平湖悅盛房地產開發有限公司	Pinghu Yuesheng Real Estate Development Co., Ltd.	-	-	-
漣水新城恒愷房地產開發有限公司	Lianshui Xincheng Hengkai Real Estate Development Co., Ltd.	-	-	-
南京新城恒璟房地產開發有限公司	Nanjing Xincheng Hengjing Real Estate Development Co., Ltd.	-	-	-
武漢新城創置置業有限公司	Wuhan Xincheng Chuangzhi Real Estate Co., Ltd.	-	-	-

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

(b) The Company has direct or indirect equity interests in these subsidiaries which have direct or indirect equity interests in the other subsidiaries. These subsidiaries were incorporated in Hong Kong, British Virgin Islands or the United States of America and all the other subsidiaries were established in mainland China. All the subsidiaries are limited liability companies.

(c) Although the Group's shareholding in these entities is lower than or equal to 50%, the Group can still control these entities, because the A Share Company, which is a subsidiary of the Group, directly control these entities and thus the Group has direct control over these entities.

(d) The Group's shareholding in the three entities is less than 20%. Nevertheless, the Group has majority of seats in their board of directors and according to the relevant article of association, the Group can control the three entities according to the terms in their articles of association.

(e) All the subsidiaries are operating principally in their place of incorporation/establishment.

(f) The subsidiaries had issued debt securities at the end of the year.

(g) The subsidiaries are registered as wholly foreign owned enterprises under PRC law.

(h) The subsidiaries are registered as sino-foreign equity joint venture under PRC law.

(i) Certain equity interests of the joint ventures and associates were pledged for borrowings as at 31 December 2022, 2023 and 2024, respectively. For details, please refer to the table of shares pledged below:

		As at 31 December		
		2022 RMB'000	2023 RMB'000	2024 RMB'000
佛山錦宏置業有限公司	Foshan Jinhong Real Estate Co., Ltd	235,200	420,000	341,247
烏魯木齊新城鴻祺房地產開發有限公司	Urumqi Future Land Hongqi Real Estate Development Co., Ltd	-	341,660	290,521
惠州市方圓明鴻房地產開發有限公司	Huizhou Fangyuan Minghong Real Estate Development Co., Ltd	159,666	256,000	124,891
鹽城濮東房地產開發有限公司	Yancheng Pudong Real Estate Development Co., Ltd	136,500	339,997	104,989
正鵬（广州）置业发展有限公司	Zhengpeng (Guangzhou) Real Estate Development Co., Ltd.	-	-	442,024
温州新城恒裕房地产开发有限公司	Wenzhou New City Hengyu Real Estate Development Co., Ltd.	-	-	256,647
南京新振城房地產開發有限公司	Nanjing Xinzhencheng Real Estate Development Co., Ltd	336,140	220,000	-
煙台恒睿房地產開發有限公司	Yantai Hengrui Real Estate Development Co., Ltd	85,000	130,000	-
成都興青房地產開發有限公司	Chengdu Xingqing Real Estate Development Co., Ltd	152,630	37,550	-
		1,105,136	1,745,207	1,560,319

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