

## IMPORTANT NOTICE

**THIS OFFERING IS AVAILABLE ONLY TO NON-U.S. PERSONS WHO ARE OUTSIDE OF THE U.S.**

**IMPORTANT: You must read the following before continuing.** The following applies to this preliminary offering memorandum following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of this preliminary offering memorandum. In accessing the preliminary offering memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS SUCH TERMS ARE DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING PRELIMINARY OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT 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. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED HEREIN.

The following preliminary offering memorandum is not a prospectus for the purposes of the European Union's Directive 2003/71/EC (as amended or superseded) as implemented in member states of the European Economic Area (the "EU Prospectus Directive"). The following preliminary offering memorandum has been prepared on the basis that all offers of the Notes made to persons in the European Economic Area will be made pursuant to an exemption under the EU Prospectus Directive from the requirement to produce a prospectus in connection with offers of the Notes.

The communication of the attached preliminary offering memorandum and any other document or materials relating to the issue of the securities described therein is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended ("FSMA"). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom who have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order")), or within Article 49(2)(a) to (d) of the Financial Promotion Order, or who are any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, the securities described in the attached preliminary offering memorandum are only available to, and any investment or investment activity to which the attached preliminary offering memorandum relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on the attached preliminary offering memorandum or any of its contents.

**MiFID II product governance/Professional investors and ECPs only target market** — Solely for the purposes of manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

**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 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 (EU) 2016/97 (the Insurance Distribution Directive), as amended or superseded, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive"). Consequently no key information document required by Regulation (EU) No 1286/2014 (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.

**Notification under Section 309B(1)(c) of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA")** — the issuer of the Notes has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**CONFIRMATION AND YOUR REPRESENTATION:** IN ORDER TO BE ELIGIBLE TO VIEW THIS PRELIMINARY OFFERING MEMORANDUM OR MAKE AN INVESTMENT DECISION WITH RESPECT TO THE SECURITIES, INVESTORS MUST BE NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) OUTSIDE THE UNITED STATES. BY ACCEPTING THE E-MAIL AND ACCESSING THIS PRELIMINARY OFFERING MEMORANDUM, YOU SHALL BE DEEMED TO HAVE REPRESENTED TO STANDARD CHARTERED BANK (THE "INITIAL PURCHASER") THAT (1) YOU AND ANY CUSTOMERS YOU REPRESENT ARE NON-U.S. PERSONS OUTSIDE THE UNITED STATES AND THAT THE E-MAIL ADDRESS THAT YOU GAVE US AND TO WHICH THIS E-MAIL HAS BEEN DELIVERED IS NOT LOCATED IN THE UNITED STATES AND (2) THAT YOU CONSENT TO DELIVERY OF SUCH PRELIMINARY OFFERING MEMORANDUM BY ELECTRONIC TRANSMISSION.

You are reminded that this preliminary offering memorandum has been delivered to you on the basis that you are a person into whose possession this preliminary offering memorandum may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorized to, deliver or disclose the contents of this preliminary offering memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchaser or any affiliate of the Initial Purchaser is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Initial Purchaser or such affiliate on behalf of the issuer in such jurisdiction.

This preliminary offering memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently, none of the Initial Purchaser, or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the preliminary offering memorandum distributed to you in electronic format and the hard copy version available to you on request from the Initial Purchaser.

**You are responsible for protecting against viruses and other destructive items.** 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.



# CIFI Holdings (Group) Co. Ltd.

(incorporated in the Cayman Islands with limited liability)

USS\$

### **% Senior Notes Due 20**

**Issue Price:** %

Our US\$ % senior notes due 20 (the "Notes") will bear interest from , 2019 at per annum, payable semi-annually in arrear on and of each year, beginning , 2019. The Notes will mature on , 20 .

The Notes are senior obligations of CIFI Holdings (Group) Co. Ltd. (the "Company"), guaranteed by certain of our existing subsidiaries (the "Subsidiary Guarantors"), other than (i) those organized under the laws of the PRC and (ii) certain other subsidiaries specified in the section entitled "Description of the Notes." We refer to the guarantees by the Subsidiary Guarantors as Subsidiary Guarantees. Under certain circumstances and subject to certain conditions, a Subsidiary Guarantee required to be provided by a subsidiary of us may be replaced by a limited-recourse guarantee (a "JV Subsidiary Guarantee"). We refer to the subsidiaries providing a JV Subsidiary Guarantee as JV Subsidiary Guarantors.

We may at our option redeem the Notes, in whole or in part, at any time and from time to time on or after , 20 , at the redemption prices set forth in this offering memorandum plus accrued and unpaid interest, if any, to the redemption date. At any time and from time to time prior to , 20 , we may redeem up to 35% of the Notes, at a redemption price of % of the principal amount, plus accrued and unpaid interest, if any, in each case, using the net cash proceeds from sales of certain kinds of capital stock. In addition, we may redeem the Notes at any time prior to , 20 in whole but not in part, at a price equal to 100% of the principal amount of such Notes plus (i) accrued and unpaid interest (if any) to the redemption date and (ii) a premium as set forth in this offering memorandum. Upon the occurrence of a Change of Control Triggering Event (as defined in the indenture governing the Notes (the "Indenture")), 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 the date of repurchase.

The Notes are (i) senior in right of payment to any of our existing and future obligations expressly subordinated in right of payment to the Notes, (ii) at least *pari passu* in right of payment against us with respect to all our unsecured and unsubordinated indebtedness (subject to any priority rights of such unsecured and unsubordinated indebtedness pursuant to applicable law), (iii) effectively subordinated to the secured obligations of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any), to the extent of the value of the assets serving as security therefor, and (iv) effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries (as defined below). In addition, applicable law may limit the enforceability of the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any). See “Risk Factors — Risks Relating to the Subsidiary Guarantees and the JV Subsidiary Guarantees.”

For a more detailed description of the Notes, see the section entitled "Description of the Notes" beginning on page 254.

**Investing in the Notes involves risks. See the section entitled “Risk Factors” beginning on page 14.**

Application will be made to The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") for the listing of the Notes by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (together, "Professional Investors") only. This offering memorandum is for distribution to Professional Investors only. **Investors should not purchase the Notes in the primary or secondary markets unless they are Professional Investors and understand the risks involved.** The Notes are only suitable for Professional Investors.

The Hong Kong Stock Exchange has not reviewed the contents of this offering memorandum other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this offering memorandum to Professional Investors only, have been reproduced in this offering memorandum. Listing of the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Notes or the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) or quality of disclosure in this offering memorandum. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this offering memorandum, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this offering memorandum.

This offering memorandum includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any). The Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) accept full responsibility for the accuracy of the information contained in this offering memorandum and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The expected date of listing of the Notes on the Hong Kong Stock Exchange is on or around 2019

The Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such terms are defined in Regulation S under the U.S. Securities Act ("Regulation S")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The Notes are being offered and sold by the Initial Purchaser (as defined in this offering memorandum) only to non-U.S. persons outside the United States in offshore transactions in reliance on Regulation S. For a description of certain restrictions on resale or transfer, see the section entitled "Transfer Restrictions."

With reference to the Notice on Promoting the Reform of the Filing and Registration System for Issuance of Foreign Debt by Enterprises (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知) (the “NDRC Notice”) promulgated by National Development and Reform Commission (the “NDRC”) of the PRC on September 14, 2015 which came into effect on the same day, we have registered the issuance of the Notes with the NDRC and obtained a certificate from the NDRC dated May 16, 2018 and an extension letter dated December 19, 2018 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 ten working days after the issue date of the Notes.

It is expected that the delivery of the Notes will be made on or about , 2019 through the book-entry facilities of Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream"), against payment therefor in immediately available funds.

*Sole Global Coordinator, Sole Bookrunner and Sole Lead Manager*

Standard Chartered Bank

The date of this offering memorandum is                   , 2019.

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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.

This offering memorandum is not a prospectus for the purposes of the European Union's Directive 2003/71/EC (as amended or superseded) as implemented in member states of the European Economic Area (the "EU Prospectus Directive"). This offering memorandum has been prepared on the basis that all offers of the Notes made to persons in the European Economic Area will be made pursuant to an exemption under the EU Prospectus Directive from the requirement to produce a prospectus in connection with offers of the Notes.

The communication of the attached offering memorandum and any other document or materials relating to the issue of the Notes offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended ("FSMA"). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom who have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order")), or who fall within Article 49(2)(a) to (d) of the Financial Promotion Order, or to any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, the Notes offered hereby are only available to, and any investment or investment activity to which the attached offering memorandum relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on the attached offering memorandum or any of its contents.

**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 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 (EU) 2016/97, as amended or superseded, (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 (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.

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, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) 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 Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) 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 entitled "Transfer Restrictions" below.

No representation or warranty, express or implied, is made by Standard Chartered Bank (the "Initial Purchaser"), China Construction Bank (Asia) Corporation Limited (the "Trustee"), China Construction Bank (Asia) Corporation Limited as principal paying and transfer agent and registrar (the "Principal Paying and Transfer Agent" and the "Registrar," respectively, and collectively, the "Agents") or any of their respective affiliates or advisors 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. To the fullest extent permitted by law, the Initial Purchaser has not accepted any responsibility for the contents of this offering memorandum or for any statement made or purported to be made by the Initial Purchaser or on its behalf in connection with the Company, the Group, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any), the Subsidiary Guarantees, the JV Subsidiary Guarantees (if any) or the issue and offering of the Notes. The Initial Purchaser accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this offering memorandum or any such statement. None of the Initial Purchaser, the Trustee or the Agents or any of their respective affiliates, directors or advisors has independently verified the information contained in this 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 Purchaser, the Trustee, the Agents or any person affiliated with the Initial Purchaser 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, the Subsidiary Guarantees or the JV Subsidiary Guarantees (other than as contained herein and information given by our duly authorized officers and employees in connection with investors' examination of our company

and the terms of the offering of the Notes) and, if given or made, any such other information or representation should not be relied upon as having been authorized by us, the Initial Purchaser, the Trustee or the Agents.

The Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) have not been approved or disapproved by the United States Securities and Exchange Commission (the “SEC”), 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.

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

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 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 advisors for legal, business, tax and other advice regarding an investment in the Notes.

We reserve the right to withdraw the offering of the Notes at any time, and the Initial Purchaser reserves the right to reject any commitment to subscribe for or purchase of the Notes in whole or in part and to allot to any prospective purchaser less than the full amount of the Notes sought by such purchaser. The Initial Purchaser and certain related entities may acquire for their own account a portion of the Notes.

**Notification under Section 309B(1)(c) of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”)** — the issuer of the Notes has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

We have prepared this offering memorandum using a number of conventions, which you should consider when reading the information contained herein. When we use the terms “we,” “us,” “our,” the “Company,” the “Group” and words of similar import, we are referring to CIFI Holdings (Group) Co. Ltd. itself or CIFI Holdings (Group) Co. Ltd. and its consolidated subsidiaries, as the context requires.

Market data, industry forecasts and the PRC and property industry statistics in this offering memorandum have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although we believe this information to be reliable, it has not been independently verified by us or the Initial Purchaser or our or its respective directors and advisors, and neither we, the Initial Purchaser nor our or its directors and advisors make 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. You should not unduly rely on such market data, industry forecast and the PRC and property industry statistics.

In this offering memorandum, all references to “HK\$” and “H.K. dollars” are to Hong Kong dollars, the official currency of the Hong Kong Special Administrative Region of the PRC (“Hong Kong” or “HK”); all references to “CNY”, “RMB” or “Renminbi” are to the Renminbi, the official currency of the People’s Republic of China (“China” or the “PRC”); and all references to “US\$” and “U.S. dollars” are to United States dollars, the official currency of the United States of America (the “United States” or “U.S.”).

We record and publish our financial statements in Renminbi. Unless otherwise stated in this offering memorandum, all translations from Renminbi amounts to U.S. dollars were made at the rate of RMB6.6171 to US\$1.00, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on June 29, 2018, and all translations from H.K. dollars into U.S. dollars were made at the rate of HK\$7.8463 to US\$1.00, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on June 29, 2018. All such translations in this offering memorandum are provided solely for your convenience and no representation is made that the Renminbi amounts referred to herein have been, could have been or could be converted into U.S. dollars or H.K. dollars, or vice versa, at any particular rate or at all. For further information relating to the exchange rates, see the section entitled “Exchange Rate Information.”

References to “PRC” and “China,” in the context of statistical information and description of laws and regulations in this offering memorandum, except where the context otherwise requires, do not include Hong Kong, Macau Special Administrative Region of the PRC (“Macau”) or Taiwan. “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.

Our financial statements are prepared in accordance with International Financial Reporting Standards (the “IFRS”) which differ in certain respects from generally accepted accounting principles in certain other countries.

Unless the context otherwise requires, references to “2015,” “2016” and “2017” in this offering memorandum are to our financial years ended December 31, 2015, 2016 and 2017, respectively. Unless the context otherwise requires, reference to “the first half of 2017” and to “the first half of 2018” in this offering memorandum are to our interim financial period for the six months ended June 30, 2017 and June 30, 2018, respectively.

References to “2015 Notes” are to our 7.75% senior notes due 2020 issued on June 5, 2015 in the aggregate principal amount of US\$400,000,000.

References to “2017 Notes” are to our 5.5% senior notes due 2022 issued on January 23, 2017 and on October 5, 2018 in the aggregate principal amount of US\$585,000,000.

References to “August 2017 Perpetual Securities” are to our 5.375% senior perpetual capital securities issued on August 24, 2017 in the aggregate principal amount of US\$300,000,000.

References to “December 2017 Perpetual Securities” are to our 5.375% senior perpetual capital securities issued on December 19, 2017 in the aggregate principal amount of US\$300,000,000.

References to “January 2018 Notes” are to our 5.5% senior notes due 2023 issued on January 23, 2018 in the aggregate amount of US\$300,000,000.

References to “April 2018 Notes” are to our 6.875% senior notes due 2021 issued on April 23, 2018 in the aggregate principal amount of US\$500,000,000.

References to “May 2018 Notes” are to our 6.375% senior notes due 2020 issued on May 2, 2018 in the aggregate principal amount of US\$300,000,000.

Reference to “September 2018 Notes” are to our 7.75% senior notes due 2020 issued on September 20, 2018 in the aggregate amount of RMB1,000,000,000.

References to “February 2018 Convertible Bonds” are to our zero coupon convertible bonds issued on February 14, 2018 in the aggregate amount of HK\$2,790,000,000.

References to “January 2019 Notes” are to our 7.625% senior notes due 2021 issued on January 2, 2019 in the aggregate amount of US\$400,000,000.

References to “February 2019 Notes” are to our 7.625% senior notes due 2023 issued on February 28, 2019 in the aggregate amount of US\$300,000,000.

References to “First Tranche of 2015 Onshore Bonds” are to our 4.95% public domestic corporate bonds due 2020 issued on October 15, 2015 in the aggregate principal amount of RMB3,495,000,000.

References to “Second Tranche of 2015 Onshore Bonds” are to our 5.96% public domestic corporate bonds due 2020 issued on November 12, 2015 in the aggregate principal amount of RMB500,000,000.

References to “First Tranche of 2016 Onshore Bonds” are to our 4.99% non-public domestic corporate bonds due 2018 issued on January 22, 2016 in the aggregate principal amount of RMB2,000,000,000. We have fully redeemed the First Tranche of 2016 Onshore Bonds as of the date of this offering memorandum.

References to “Second Tranche of 2016 Onshore Bonds” are to our non-public domestic corporate bonds in the aggregate principal amount of RMB4,000,000,000 due 2021 issued on September 26, 2016 comprising (i) RMB3,500,000,000 bonds with interest rate of 4.30% per annum and (ii) RMB500,000,000 bonds with interest rate of 5.50% per annum.

References to “2018 Onshore Bonds” are to our non-public domestic corporate bonds in the aggregate amount of RMB3,500,000,000 issued on March 22, 2018 comprising (i) RMB800,000,000 bonds with interest rate of 6.50% per annum due 2022 and (ii) RMB2,700,000,000 bonds with interest rate of 6.80% per annum due 2023.

References to “First Tranche of 2018 Onshore Corporate Bonds” are to our 5.46% public domestic corporate bonds due 2021 issued on August 8, 2018 in the aggregate principal amount of RMB2,500,000,000.

References to “Second Tranche of 2018 Onshore Corporate Bonds” are to our 6.39% public domestic corporate bonds due 2022 issued on September 19, 2018 in the aggregate principal amount of RMB875,000,000.

References to “2016 Club Loan Facilities” are to certain multi-currency term loan facilities, including a US\$340,000,000 facility and a HK\$624,000,000 facility under a facility agreement with a greenshoe option that we entered into with a syndicate of lenders on March 11, 2016, together with Additional Lender Accession Letters for a total of US\$155,000,000 and HK\$195,000,000 signed by various additional lenders dated March 15, 2016 and March 18, 2016. See “Description of Other Material Indebtedness and Obligations — 2016 Club Loan Facilities” for details.

References to “2017 Club Loan Facilities” are to certain multi-currency term loan facilities, including a RMB1,980,000,000 facility and a HK\$1,916,250,000 facility under a facility agreement we entered into with a syndicate of lenders on December 30, 2016, together with Additional Accession Letters for a total of HK\$1,004,000,000 signed by various additional lenders dated February 8, 2017 and March 22, 2017, respectively. RMB1,180,000,000 of the RMB facility has been cancelled on January 25, 2017. See “Description of Other Material Indebtedness and Obligation — 2017 Club Loan Facilities” for details.

References to “September 2017 Club Loan Facilities” are to our US\$135,000,000 loan facilities under a facility agreement we entered into with a syndicate of lenders on September 4, 2017. See “Description of Other Material Indebtedness and Obligation — September 2017 Club Loan Facilities” for details.

References to “March 2018 Club Loan Facilities” are to our transferable US dollar and HK dollar term loan facilities with an initial amount of HK\$500 million and an accession option of additional US\$440 million under a facility agreement we entered into with a syndicate of lenders on March 28, 2018. See “Description of Other Material Indebtedness and Obligation — March 2018 Club Loan Facilities” for details.

References to “Existing Notes” are to the 2015 Notes, the 2017 Notes, the January 2018 Notes, the April 2018 Notes, the May 2018 Notes, the September 2018 Notes, the January 2019 Notes and the February 2019 Notes.

References to “ASP” are to average selling price.

References to “CIFI Group Co., Ltd.” are to 旭輝集團股份有限公司, a joint stock company established in the PRC with limited liability on August 15, 2000 and our indirect wholly owned subsidiary.

References to “share” are to, unless the context indicates otherwise, an ordinary share, with a nominal value of HK\$0.01, in our share capital.

References to “sq.m.” are to square meters.

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 (“GFA”) information presented in this offering memorandum represents the site area and GFA of entire projects, including areas attributable to the minority shareholders of our non-wholly owned project companies.

In this offering memorandum, unless the context otherwise requires, all references to “affiliate” are to a person or entity directly or indirectly controlled by, or under the direct or indirect common control of, another person or entity; all references to “subsidiary” are used with the meaning ascribed to it in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended (the “Listing Rules”), which includes: (i) a “subsidiary undertaking” as defined in the twenty-third schedule to the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) (the “Companies Ordinance”), (ii) any entity which is accounted for and consolidated in the audited consolidated

accounts of another entity as a subsidiary pursuant to IFRS or Hong Kong Financial Reporting Standards, as applicable, and (iii) any entity which will, as a result of acquisition of its equity interest by another entity, be accounted for and consolidated in the next audited consolidated accounts of such other entity as a subsidiary pursuant to IFRS or Hong Kong Financial Reporting Standards, as applicable; all references to “associate” are used with the meaning ascribed thereto under the Listing Rules, which includes: (i) in relation to an individual, his spouse and children under the age of 18, certain trustees, his or his family holding companies, as well as companies over which he, his family, trustee interests and holding companies exercise at least 30% voting power, (ii) in relation to a company, its subsidiaries, its holding companies, subsidiaries of such holding companies, certain trustees, as well as companies over which such company and its subsidiaries, trustee interests, holding companies and subsidiaries of such holding companies together exercise at least 30% voting power and (iii) in the context of connected transactions, certain connected persons and enlarged family members of a director, chief executive or substantial shareholder of a listed issuer; and all references to “controlling shareholder” are used with the meaning ascribed thereto under the Listing Rules, including any person or group of persons who are entitled to exercise 30% or more of the voting power at our general meetings or are in a position to control the composition of a majority of our board of directors, and “controlling interest” will be construed accordingly.

In this offering memorandum, a land grant contract refers to a state-owned land use rights grant contract (國有土地使用權出讓合同) between a developer and the relevant PRC governmental land administrative authorities, typically the local state-owned land bureaus.

In this offering memorandum, a land use rights certificate refers to a state-owned land use rights certificate (國有土地使用權證) issued by a local real estate and land resources bureau with respect to the land use rights; a construction land planning permit refers to a construction land planning permit (建設用地規劃許可證) issued by local urban zoning and planning bureaus or equivalent authorities in China; a construction work planning permit refers to a construction work planning permit (建設工程規劃許可證) issued by local urban zoning and planning bureaus or equivalent authorities in China; a construction permit refers to a construction work commencement permit (建築工程施工許可證) issued by local construction committees or equivalent authorities in China; a pre-sale permit refers to a commodity property pre-sale permit (商品房預售許可證) issued by local housing and building administrative bureaus or equivalent authorities with respect to the pre-sale of relevant properties; a certificate of completion refers to a construction project clearance certificate (建設工程竣工驗收備案登記證) issued by local urban zoning and planning bureaus or equivalent authorities or equivalent certificate issued by relevant authorities in China with respect to the completion of property projects subsequent to their on-site examination and inspection; and a land use rights ownership certificate refers to a property ownership and land use rights certificate (國有土地使用權證) issued by a local real estate and land resources bureau with respect to the land use rights and the ownership rights of the buildings on the relevant land.

References to our “land bank,” “development projects,” “property projects” or “projects” refer to our property projects with land for which we have obtained land-use rights and property projects for which we have not obtained land-use rights but have entered into the land grant contracts or received successful tender auction confirmations.

The site area information for an entire project is based on the relevant land use rights certificates, land grant contracts or tender documents, depending on which documents are available. If more than one document is available, such information is based on the most recent document available.

The figures for GFA are based on figures provided in or estimates based on the relevant governmental documents, such as the property ownership certificate, the construction work planning permit, the pre-sale permit, the construction land planning permit or the land use rights certificate.

In this offering memorandum, where information has been presented in thousands, millions or billions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to such rounding.

The English names of the PRC nationals, entities, departments, facilities, laws, regulations, certificates, titles and the like are translations of their Chinese names and are included for identification purposes only. In the event of any inconsistency, the Chinese name prevails.

## **FORWARD-LOOKING STATEMENTS**

This offering memorandum includes “forward-looking statements.” All statements other than statements of historical fact contained in this offering memorandum, including, without limitation, those regarding our future financial position and results of operations, strategies, plans, objectives, goals and targets, future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include, the words “believe,” “expect,” “aim,” “intend,” “will,” “may,” “anticipate,” “seek,” “should,” “could,” “would,” “plan,” “potential,” “continue,” “estimate” or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, results, liquidity and capital resources and are not guarantees of future performance and some of which may not materialize or may change. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- the performance and future developments of the property market in the PRC or any region in the PRC in which we engage in property development;
- the global economic environment and industry outlook generally;
- any prospective financial information regarding our businesses;
- our dividend policy;
- projects under development or held for future development;
- the availability and costs of and changes to bank loans and other forms of financing;
- changes in political, economic, legal and social conditions in the PRC, including the PRC government’s specific policies which affect land supply, the availability and cost of financing, and pre-sales, pricing and volume of our property development;
- changes in competitive conditions and our ability to compete under these conditions;
- our ability to manage our growth and our geographically diversified business;
- our ability to acquire and develop land;
- the cost and supply of construction materials and labor;
- the performance of the obligations and undertakings of the independent contractors under various construction, building, interior decoration, material and equipment supply and installation contracts;
- the timely repayments by purchasers of our properties of mortgage loans guaranteed by us;
- relationship with our joint venture partners and the performance of the obligations and commitments of our joint venture partners under the existing and future joint venture agreements;

- changes in currency exchange rates;
- our business and operating strategies;
- our capital expenditure and property development plans;
- the amount and nature of, and potential for, future development of our business;
- various business opportunities that we may pursue;
- the interpretation and implementation of the existing rules and regulations relating to land appreciation tax and its future changes in enactment, interpretation or enforcement;
- the regulatory environment of our industry in general;
- significant delay in obtaining various permits, proper legal titles or approvals for our properties under development or held for future development, and for our operations; and
- other factors beyond our control.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “Risk Factors” and elsewhere in this offering memorandum. 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 these forward-looking statements, which speak only as of the date of this offering memorandum. Subject to the requirements of applicable laws, rules and regulations, we do not have any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this offering memorandum might not occur in the way we expect, or at all.

## **ENFORCEMENT OF CIVIL LIABILITIES**

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

All of our assets 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 in 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 us or such persons or to enforce against us or such persons 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 have appointed 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 or the Subsidiary Guarantors 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 counsel, Maples and Calder (Hong Kong) LLP, that the courts of the Cayman Islands are unlikely (i) to recognise or enforce against us 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 us predicated upon the civil liability provisions of the securities laws of the United States or any State, so far as the liabilities imposed by those provisions are penal in nature. In those circumstances, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will recognise and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For such a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, and or be of a kind the enforcement of which is, contrary to natural justice or the 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.

Further, we have been advised by our PRC legal advisors, Commerce & Finance Law Offices, that there is uncertainty as to whether the courts of the PRC would (i) enforce judgments of the U.S. courts obtained against us or our directors and officers predicated upon the civil liability provisions of the federal securities laws of the United States or the securities laws of any state or territory within the United States or (ii) entertain original actions brought in the courts of the PRC against us or our directors and officers predicated upon the federal securities laws of the United States or the securities laws of any state or territory within the United States.

We have been advised by our Hong Kong legal advisors, Sidley Austin, that Hong Kong has no arrangement for the reciprocal enforcement of judgments with the United States. However, under Hong Kong common law, a foreign judgment (including one from a court in the United States predicated upon U.S. federal or state securities laws) may be enforced in Hong Kong by bringing an action in a Hong Kong court, and then seeking summary or default judgment on the strength of the foreign judgment, provided that the foreign judgment is for a debt or definite sum of money and is final and conclusive on the merits. In addition, the Hong Kong courts may refuse to recognize or enforce a foreign judgment if such judgment:

- (a) was obtained by fraud;
- (b) was rendered by a foreign court that lacked the appropriate jurisdiction at the time (as determined by Hong Kong jurisdictional rules);
- (c) is contrary to public policy or natural justice;
- (d) is for multiple/penal damages; or
- (e) is based on foreign penal, revenue or other public law.
- (f) falls within Section 3(1) of the Foreign Judgment (Restriction on Recognition and Enforcement) Ordinance; or
- (g) is inconsistent with a prior Hong Kong judgment or foreign judgment which is entitled to recognition in Hong Kong.

## 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 entitled “Risk Factors” and our consolidated financial statements and related notes thereto, before making an investment decision.*

## OVERVIEW

Headquartered in Shanghai, we are engaged in property development and property investment in the PRC. In the six months ended June 30, 2018, in terms of contracted sales amount, we were ranked 17th according to the list of “China Real Estate Enterprises Sales Ranking in the First Half of 2018” published by China Real Estate Information Corporation Information Group.

We principally focus on developing high quality and end-users driven properties in first- and second-tier cities in China. Our development projects cover various properties types including residential, office and commercial complexes. For our residential property development, we mainly develop residential products that offer our end-users comfortable living environment and proximity to good ancillary facilities and transportation links. For our commercial property development, we mainly develop offices and community commercial properties.

We have achieved a nationwide geographical coverage and a strong presence in selected first-tier cities and second-tier cities in China. Our business operations are diversified in terms of geographic locations, which facilitates our future expansion. As of June 30, 2018, we had projects in 53 cities in four geographic regions in the PRC: the Yangtze River Delta Region, which includes Shanghai, Suzhou, Hangzhou, Hefei, Nanjing, Ningbo, Zhenjiang, Yixing, Wuxi, Taicang, Wenzhou, Jiaxing, Jiashan, Pinghu, Changzhou, Quzhou, Xuzhou, Wuhu, Taizhou, Nantong and Nanchang, the Pan Bohai Rim, which includes Beijing, Tianjin, Shenyang, Jinan, Qingdao, Dalian, Shijiazhuang, Linyi, Langfang, Weifang, Zibo and Jining, the Central Western Region, which includes Chongqing, Chengdu, Zhengzhou, Xi'an, Changsha, Wuhan, Guiyang and Xuchang, and the South China Region, which includes Hong Kong, Sanya, Haikou, Guangzhou, Dongguan, Foshan, Zhongshan, Fuzhou, Xiamen, Nanning, Jiangmen and Quanzhou. As of June 30, 2018, we had a land bank with an aggregate total GFA of approximately 40.4 million sq.m. and an aggregate GFA attributable to us of approximately 21.1 million sq.m.

Leveraging our effective business model focused on rapid asset turnover, strong execution capabilities and business strategies developed in line with government policies on China’s real estate sector, we are poised to continue our rapid growth and develop into a renowned nationwide property developer.

## **RECENT DEVELOPMENTS**

See the “Recent Developments” section included in this offering memorandum for our recent developments.

## **OUR COMPETITIVE STRENGTHS**

Our focused operating strategies give us the following competitive strengths:

- We principally focus on developing high quality and end-user driven residential, office and community commercial properties, primarily in first- and second-tier cities in the PRC;
- We adopt a high asset turnover and high sell-through business model with strong execution capabilities that allows us to achieve a development cycle of typically three years, which not only improves our return and operating cash flow but also helps us achieve financial stability;
- We have achieved a nationwide geographical coverage and a solid presence in our selected first- and second-tier cities in the PRC;
- We have a highly disciplined and systematic approach to land acquisitions and have strategically acquired low-cost land reserves in a prudent manner;
- We have adopted coherent business and financial strategies which balance solid growth and financial prudence; and
- We have a highly experienced senior management team and an efficient management structure between our headquarters and regional companies which support nationwide coverage.

## **OUR BUSINESS STRATEGIES**

We aim to become (i) one of the leading real estate enterprises in the PRC in terms of sales, (ii) a nationally renowned real estate brand name, and (iii) a mainstream real estate company in each city where we have a presence. We plan to implement the following future business strategies:

- We adopt the “balanced development and sustainable growth” strategy to pursue sustainable and quality growth;
- We seek to maintain appropriate pace for land acquisition with precise product positioning and execution of development and sales;
- We plan to further enhance our brand recognition and improve customer satisfaction and loyalty; and
- We aim to further improve our product capabilities and apply innovations to our operations.

## **GENERAL INFORMATION**

We were incorporated in the Cayman Islands on May 20, 2011, as an exempted company with limited liability. Our shares have been listed on the Hong Kong Stock Exchange since November 23, 2012. Our corporate headquarters is at CIFI Center, Lane 1088, No. 39 Shenhong Road, Minhang District, Shanghai, PRC. Our place of business in Hong Kong is at Suites 2002–2003, 20th Floor, One Pacific Place, 88 Queensway, Hong Kong. Our registered office is located at P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. Our website is [www.cifi.com.cn](http://www.cifi.com.cn). Information contained on our website does not constitute part of this offering memorandum.

## THE OFFERING

*The following is a brief summary of the terms of this offering and is qualified in its entirety by the remainder of this offering memorandum. Terms used in this summary and not otherwise defined shall have the meanings given to them in “Description of the Notes.”*

Issuer . . . . .	CIFI Holdings (Group) Co. Ltd. (the “Company”).
Notes Offered . . . . .	US\$ aggregate principal amount of % Senior Note due 20 (the “Notes”).
Offering Price . . . . .	% of the principal amount of the Notes.
Issue Date . . . . .	, 2019.
Maturity Date . . . . .	, 20 .
Interest . . . . .	The Notes bear interest from (and including), 2019 at the rate of % <i>per annum</i> , payable semi-annually in arrear.
Interest Payment Dates . . . . .	and of each year, commencing , 2019.
Ranking of the Notes . . . . .	The Notes are:
	<ul style="list-style-type: none"><li>● general obligations of the Company;</li><li>● senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes;</li><li>● at least <i>pari passu</i> in right of payment with the 2015 Notes, the 2017 Notes, the January 2018 Notes, the April 2018 Notes, the May 2018 Notes, the September 2018 Notes, the January 2019 Notes, the February 2019 Notes, and all other unsecured and unsubordinated Indebtedness of the Company (subject to any priority rights of such unsecured and unsubordinated Indebtedness pursuant to applicable law);</li><li>● guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors, if any, on a senior basis, subject to the limitations described in “Description of the Notes — The Subsidiary Guarantees and the JV Subsidiary Guarantees” and in “Risk Factors — Risks relating to the Subsidiary Guarantees and the JV Subsidiary Guarantees”;</li><li>● effectively subordinated to the secured obligations of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor; and</li><li>● effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.</li></ul>

Subsidiary Guarantees . . . . . Each of the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) jointly and severally guarantee the due and punctual payment of the principal, premium, if any, interest, and all other amounts payable under, the Notes.

A Subsidiary Guarantee given by a Subsidiary Guarantor and a JV Subsidiary Guarantee given by a JV Subsidiary Guarantor may be released in certain circumstances. See “Description of the Notes — The Subsidiary Guarantees and the JV Subsidiary Guarantees — Release of the Subsidiary Guarantees or JV Subsidiary Guarantees.”

The initial Subsidiary Guarantors that executed the Indenture on the Original Issue Date consist of all of the Company’s Restricted Subsidiaries, as defined under “Description of the Notes — Definitions,” other than (i) those Restricted Subsidiaries organized under the laws of the PRC and (ii) Initial Other Non-Guarantor Subsidiaries (as defined under “Description of the Notes — Definitions”). The Subsidiary Guarantors are holding companies that do not have significant operations. None of the existing or future Restricted Subsidiaries organized under the laws of the PRC will provide a Subsidiary Guarantee or JV Subsidiary Guarantee on the Original Issue Date or at any time in the future.

Any future Restricted Subsidiary (other than (i) Persons organized under the laws of the PRC, (ii) Exempted Subsidiaries, (iii) Listed Subsidiaries and (iv) Restricted Subsidiaries designated as New Non-Guarantor Subsidiaries) will provide a guarantee of the Notes as soon as practicable (and in any event within 30 days) upon becoming a Restricted Subsidiary.

Ranking of Subsidiary  
Guarantees . . . . . The Subsidiary Guarantee of each Subsidiary Guarantor:

- is a general obligation of such Subsidiary Guarantor;
- is effectively subordinated to the secured obligations of such Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor;
- is senior in right of payment to all future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such Subsidiary Guarantee; and

	<ul style="list-style-type: none"> <li>● ranks at least <i>pari passu</i> with the subsidiary guarantee of such Subsidiary Guarantor for the 2015 Notes, the 2017 Notes, the January 2018 Notes, the April 2018 Notes, the May 2018 Notes, the September 2018 Notes, the January 2019 Notes, the February 2019 Notes, and all other unsecured and unsubordinated Indebtedness of such Subsidiary Guarantor (subject to any priority rights of such unsecured and unsubordinated Indebtedness pursuant to applicable law).</li> </ul>
Ranking of JV Subsidiary Guarantees . . . . .	If any is provided, the JV Subsidiary Guarantee of each JV Subsidiary Guarantor: <ul style="list-style-type: none"> <li>● will be a general obligation of such JV Subsidiary Guarantor;</li> <li>● will be enforceable only up to the JV Entitlement Amount;</li> <li>● will be effectively subordinated to the secured obligations of such JV Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor;</li> <li>● will be limited to the JV Entitlement Amount and will be senior in right of payment to all future obligations of such JV Subsidiary Guarantor expressly subordinated in right of payment to such JV Subsidiary Guarantee; and</li> <li>● will be limited to the JV Entitlement Amount, and will rank at least <i>pari passu</i> with all other unsecured and unsubordinated Indebtedness of such JV Subsidiary Guarantor (subject to any priority rights of such unsecured and unsubordinated indebtedness pursuant to applicable law).</li> </ul>
New Non-Guarantor Subsidiaries . . . . .	A future Restricted Subsidiary organized outside the PRC (that is not an Exempted Subsidiary or a Listed Subsidiary) need not provide a Subsidiary Guarantee or JV Subsidiary Guarantee if it is so elected by the Company at the time such entity becomes a Restricted Subsidiary or ceases to be an Exempted Subsidiary or a Listed Subsidiary; <i>provided</i> that, after giving effect to the Consolidated Assets of such Restricted Subsidiary, the Consolidated Assets of all Restricted Subsidiaries organized outside the PRC (other than Exempted Subsidiaries and Listed Subsidiaries) that are not Subsidiary Guarantors or JV Subsidiary Guarantors do not account for more than 30% of Total Assets.
Use of Proceeds . . . . .	We intend to use the net proceeds from this offering of Notes for refinancing our existing indebtedness and/or general corporate purposes. See the section entitled “Description of Other Material Indebtedness and Obligations.”

Optional Redemption . . . . . At any time and from time to time on or after , 20 , the Company may redeem the Notes, in whole or in part, at a redemption price equal to the percentage of the principal amount of the Notes redeemed set forth below plus accrued and unpaid interest (if any) to (but not including) the redemption date, if redeemed during the twelve-month period beginning on of each year set forth below:

<b>Period</b>	<b>Redemption Price</b>
20	%
20	%

At any time and from time to time prior to , 20 , 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 , 20 , 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 % of the principal amount of the Notes redeemed, 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.

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 at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest (if any) to (but not including) the Offer to Purchase Payment Date.

Redemption for Taxation Reasons .....	Subject to certain exceptions and as more fully described herein, 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 and the Trustee (which notice shall be irrevocable), 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 for redemption, if the Company, a Surviving Person, a Subsidiary Guarantor or a JV Subsidiary Guarantor (if any) would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws. See "Description of the Notes — Redemption for Taxation Reasons."
Covenants .....	<p>The Notes, the Indenture governing the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) will limit the Company's ability and the ability of its Restricted Subsidiaries to, among other things:</p> <ul style="list-style-type: none"> <li>● incur additional indebtedness and issue disqualified or preferred stock;</li> <li>● declare dividends on its capital stock or purchase or redeem capital stock;</li> <li>● make investments or other specified restricted payments;</li> <li>● issue or sell capital stock of Restricted Subsidiaries;</li> <li>● guarantee indebtedness of Restricted Subsidiaries;</li> <li>● sell assets;</li> <li>● create liens;</li> <li>● enter into sale and leaseback transactions;</li> <li>● enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;</li> <li>● enter into transactions with shareholders or affiliates; and</li> <li>● effect a consolidation or merger.</li> </ul> <p>These covenants are subject to a number of important qualifications and exceptions described in "Description of the Notes — Certain Covenants."</p>

Transfer Restrictions .....	The Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) will not be registered under the 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 only in fully registered form, without coupons, in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof and will be initially represented by one or more global notes deposited with a common depositary and registered in the name of the common depositary or its nominee. Beneficial interests in the Global Certificate will be shown on, and transfer thereof will be effected only through the records maintained by Euroclear and Clearstream and their participants.
Book-Entry Only .....	The Notes will be issued in book-entry form through the facilities of Euroclear and Clearstream for the accounts of its participants. 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 _____, 2019, which the Company expects will be the _____ business day following the date of this offering memorandum referred to as “T + _____. You should note that initial trading of the Notes may be affected by the “T + _____” settlement. See “Plan of Distribution.”
Trustee .....	China Construction Bank (Asia) Corporation Limited
Principal Paying and Transfer Agent and Registrar .....	China Construction Bank (Asia) Corporation Limited
Listing and Trading .....	Application will be made to the Hong Kong Stock Exchange for the listing of the Notes by way of debt issues to Professional Investors only. The Notes will be traded on the Hong Kong Stock Exchange subject to a minimum board lot size requirement of the equivalent of HK\$500,000 for so long as the Notes are listed on the Hong Kong Stock Exchange.
Ratings .....	The Notes are expected to be rated “BB” by Fitch Ratings and “BB-” by Standard & Poor’s Ratings Services. 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. We cannot assure investors that these ratings will not be adversely revised or withdrawn either before or after delivery of the Notes.

Security Codes .....	ISIN	Common Code
	XS1969792800	196979280

Governing Law . . . . . The Notes, the Subsidiary Guarantees, the JV Subsidiary Guarantees (if any) and the Indenture are governed by and 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.”

## SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following table presents our summary financial and other data. The summary consolidated statement of comprehensive income data for 2015, 2016 and 2017 and the summary consolidated financial position data as of December 31, 2015, 2016 and 2017 set forth below (except for EBITDA data) have been derived from our consolidated financial statements for such periods and as of such dates, as audited by Deloitte Touche Tohmatsu, independent certified public accountants, and included elsewhere in this offering memorandum. The summary financial data as of and for each of the six months ended June 30, 2017 and 2018 (except for EBITDA data) is derived from our unaudited but reviewed interim condensed consolidated financial information as of and for the six months ended June 30, 2018 and included elsewhere in this offering memorandum. Historical results are not necessarily indicative of results that may be achieved in any future period. Our financial statements have been prepared and presented in accordance with IFRS, which differ in certain respects from generally accepted accounting principles in other jurisdictions. The summary financial data below should be read in conjunction with the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the notes to those statements included elsewhere in this offering memorandum.

### **Summary Consolidated Statements of Comprehensive Income and Other Financial Data**

	For the year ended December 31,				For the six months ended June 30,		
	2015		2016		2017		2017
	RMB'000	RMB'000	RMB'000	US\$'000	RMB'000	RMB'000	US\$'000
<b>Revenue</b> . . . . .	18,230,788	22,224,447	31,824,288	4,809,401	11,235,359	18,420,520	2,783,775
Cost of sales and services . . . . .	(14,087,196)	(16,578,838)	(23,202,799)	(3,506,491)	(7,680,373)	(14,068,632)	(2,126,102)
<b>Gross profit</b> . . . . .	4,143,592	5,645,609	8,621,489	1,302,910	3,554,986	4,351,888	657,673
Other income, gains and losses . . . . .	541,660	161,834	795,935	120,285	40,717	1,699,964	256,905
Change in fair value of investment properties . . . . .	128,100	(100,433)	657,791	99,408	19,286	269,221	40,686
Selling and marketing expenses . . . . .	(370,910)	(524,456)	(609,505)	(92,111)	(271,021)	(413,213)	(62,446)
Administrative expenses . . . . .	(607,355)	(878,878)	(1,267,838)	(191,600)	(598,808)	(1,044,861)	(157,903)
Share of results of joint ventures . . . . .	205,533	1,007,416	1,405,864	212,459	1,204,327	422,781	63,892
Share of results of associates . . . . .	(32,908)	55,324	699,766	105,751	319,124	685,073	103,531
Finance costs . . . . .	(202,885)	(529,651)	(262,340)	(39,646)	(99,587)	(135,290)	(20,446)
<b>Profit before taxation</b> . . . . .	3,804,827	4,836,765	10,041,162	1,517,457	4,169,024	5,835,563	881,892
Income tax expense . . . . .	(1,334,039)	(1,672,390)	(3,892,645)	(588,271)	(1,561,131)	(1,658,808)	(250,685)
Profit for the year/period . . . . .	2,470,788	3,164,375	6,148,517	929,186	2,607,893	4,176,755	631,207
Other comprehensive income . . . . .	—	—	—	—	—	26,004	3,930
<b>Profit and total comprehensive income for the year/period</b> . . . . .	<u>2,470,788</u>	<u>3,164,375</u>	<u>6,148,517</u>	<u>929,186</u>	<u>2,607,893</u>	<u>4,202,759</u>	<u>635,137</u>
Attributable to:							
Equity owners of the Company . . . . .	2,095,464	2,807,549	4,828,105	729,641	2,156,233	3,445,189	520,650
Owners of perpetual capital instruments . . . . .	38,030	—	—	—	—	102,570	15,501
Non-controlling interests . . . . .	337,294	356,826	1,320,412	199,545	451,660	655,000	98,986
Profit and total comprehensive income for the year/period . . . . .	<u>2,470,788</u>	<u>3,164,375</u>	<u>6,148,517</u>	<u>929,186</u>	<u>2,607,893</u>	<u>4,202,759</u>	<u>635,137</u>
Other financial data:							
EBITDA <sup>(1)</sup> . . . . .	5,486,466	7,257,020	10,365,275	1,566,438	4,133,486	7,076,582	1,069,439
EBITDA margin <sup>(2)</sup> . . . . .	30.1%	32.7%	32.6%	32.6%	36.8%	38.4%	38.4%
Core net profit and total comprehensive income for the year/period <sup>(3)</sup> . . . . .	2,574,344	3,161,073	5,422,841	819,519	1,968,720	3,681,599	556,377
Core net profit attributable to equity owners of the Company for the year/period <sup>(4)</sup> . . . . .	2,209,817	2,823,986	4,082,437	616,953	1,537,505	2,445,710	369,605

*Notes:*

- (1) EBITDA consists of profit and total comprehensive income for the year/period before fair value changes from investment properties (including investment properties from joint venture), financial assets at FVTPL, and derivative financial instrument, interest expense (including interest capitalized in costs of sales), amortization, income tax expense, depreciation, gain from business combination and re-measurement, exchange (gain) loss (including exchange (gain) loss from joint venture) and loss on early redemption of senior notes. EBITDA is not a standard measure under IFRS. 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. 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 entitled "Management's Discussion and Analysis of Financial Condition and Results of Operation — Non-GAAP financial measures" for a reconciliation of our profit for the year/period under IFRS to our definition of EBITDA. Interest expense excludes amounts capitalized.
- (2) EBITDA margin is calculated by dividing EBITDA by revenue.
- (3) Core net profit and total comprehensive income for the year/period represents profit and total comprehensive income for the year/period excluding the amounts of (i) change in fair value of investment properties net of tax; (ii) change in fair value of financial assets at FVTPL; (iii) change in fair value of derivative financial instruments; (iv) net exchange loss/gain; (v) recognition of equity-settled share-based payments; (vi) loss on early redemption of senior notes; (vii) gain from business combination; (viii) gain on re-measurement; (ix) the Group's share of change in fair value of investment properties and net exchange loss/gain of joint ventures and associated companies; and (x) the accounting effect of increment of cost of properties sold resulting from fair value adjustment upon business combination. It is not a standard measure under IFRS.
- (4) Core net profit attributable to equity owners for the year/period represents profit and total comprehensive income for the year/period attributable to equity owners of the Company excluding the amounts attributable to equity owners of the Company in relation to (i) change in fair value of investment properties net of tax; (ii) change in fair value of financial assets at FVTPL; (iii) change in fair value of derivative financial instruments; (iv) net exchange loss/gain; (v) recognition of equity-settled share-based payments; (vi) loss on early redemption of senior notes; (vii) gain from business combination; (viii) gain on re-measurement; (ix) the Group's share of change in fair value and net exchange loss/gain of joint ventures and associates of investment properties; and (x) the accounting effect of increment of cost of properties sold resulting from fair value adjustment upon business combination. It is not a standard measure under IFRS.

## Summary Consolidated Statements of Financial Position

	As of December 31,				As of June 30,	
	2015 RMB'000	2016 RMB'000	2017 RMB'000	US\$'000	2018 RMB'000	US\$'000
<b>Non-Current Assets</b>						
Investment properties . . . . .	5,842,300	5,773,100	14,402,350	2,176,535	15,904,700	2,403,576
Property, plant and equipment . . . . .	48,604	75,783	84,981	12,843	113,555	17,161
Prepaid lease payments . . . . .	32,742	32,742	32,742	4,948	32,742	4,948
Interest in associates . . . . .	588,620	1,334,453	2,823,602	426,713	3,983,372	601,982
Interests in joint ventures . . . . .	7,109,797	7,504,466	5,802,549	876,902	7,447,545	1,125,500
Investments in property projects . . . . .	—	529,225	622,143	94,020	794,187	120,020
Available-for-sale investment . . . . .	54,023	740,976	623,630	94,245	—	—
Financial assets at fair value through profit or loss . . . . .	—	—	—	—	379,225	57,310
Derivative financial instruments . . . . .	—	314,768	—	—	—	—
Equity instruments at fair value through other comprehensive income . . . . .	—	—	—	—	605,750	91,543
Deferred taxation assets . . . . .	286,753	319,795	502,637	75,960	556,251	84,063
Deposits paid for acquisitions of equity interests . . . . .	—	622,213	641,496	96,945	141,496	21,383
Long-term deposit . . . . .	—	300,000	150,000	22,669	150,000	22,669
	<u>13,962,839</u>	<u>17,547,521</u>	<u>25,686,130</u>	<u>3,881,781</u>	<u>30,108,823</u>	<u>4,550,154</u>
<b>Current Assets</b>						
Properties held for sale . . . . .	6,917,170	6,829,221	9,128,504	1,379,532	8,448,869	1,276,824
Properties under development for sale . . . . .	20,167,382	21,254,355	34,603,171	5,229,360	74,556,111	11,267,188
Accounts and other receivables, deposits and prepayments . . . . .	5,711,469	9,625,149	10,807,957	1,633,337	19,981,827	3,019,726
Amounts due from non-controlling interests . . . . .	831,339	2,387,678	10,337,802	1,562,286	16,756,662	2,532,327
Amounts due from joint ventures and associates . . . . .	2,593,242	4,620,932	17,451,791	2,637,378	27,044,066	4,086,997
Deposits for land use rights for properties held for sale . . . . .	1,818,236	4,373,075	12,409,188	1,875,321	7,676,934	1,160,166
Taxation recoverable . . . . .	544,851	812,197	1,024,871	154,882	1,815,809	274,412

	As of December 31,				As of June 30,	
	2015	2016	2017		2018	
	RMB'000	RMB'000	RMB'000	US\$'000	RMB'000	US\$'000
Financial assets at fair value through profit or loss (“FVTPL”)	—	352,829	521,250	78,773	610,907	92,322
Restricted bank deposits	31,500	348,855	—	—	3,274,000	494,779
Bank balances and cash	<u>14,873,736</u>	<u>20,328,397</u>	<u>29,786,870</u>	<u>4,501,499</u>	<u>35,823,265</u>	<u>5,413,741</u>
	<u>53,488,925</u>	<u>70,932,688</u>	<u>126,071,404</u>	<u>19,052,365</u>	<u>195,988,450</u>	<u>29,618,481</u>
<b>Current Liabilities</b>						
Accounts and other payables and accrued charges	7,319,089	7,854,327	13,602,467	2,055,654	25,622,207	3,872,120
Deposits received from property sales	10,396,275	15,391,289	25,548,720	3,861,015	40,523,455	6,124,051
Amounts due to non-controlling interests	995,208	965,649	12,842,576	1,940,816	21,553,540	3,257,249
Amounts due to joint ventures and associates	6,895,062	14,419,441	10,741,602	1,623,309	14,015,963	2,118,143
Taxation payable	1,334,245	1,838,829	4,295,642	649,173	4,425,629	668,817
Bank and other borrowings — due within one year	2,793,500	2,367,536	6,727,108	1,016,625	9,079,629	1,372,146
Derivative financial instruments	—	—	333,193	50,353	226,930	34,294
Corporate bonds — due within one year	—	2,088,970	5,093,233	769,708	3,611,346	545,760
Debt component of convertible bonds	—	—	—	—	2,275,497	343,881
Derivative component of convertible bonds	—	—	—	—	19,680	2,974
	<u>29,733,379</u>	<u>44,926,041</u>	<u>79,184,541</u>	<u>11,966,653</u>	<u>121,353,876</u>	<u>18,339,435</u>
<b>Non-Current Liabilities</b>						
Bank and other borrowings — due after one year	8,864,403	11,199,111	26,385,907	3,987,533	35,573,730	5,376,030
Senior notes	8,275,958	5,683,011	4,498,124	679,773	11,827,436	1,787,405
Corporate bonds — due after one year	4,021,032	8,052,498	4,534,737	685,306	8,191,747	1,237,966
Deferred taxation liabilities	1,273,830	1,336,535	2,884,085	435,853	5,427,784	820,266
	22,435,223	26,271,155	38,302,853	5,788,465	61,020,697	9,221,668
Equity attributable to equity owners of the Company	12,827,097	14,980,162	20,903,598	3,159,027	23,507,289	3,552,506
Perpetual capital instruments	—	—	3,847,932	581,513	3,899,491	589,305
Other non-controlling interests	2,456,065	2,302,851	9,518,610	1,438,487	16,315,920	2,465,721
<b>Total Equity</b>	<u>15,283,162</u>	<u>17,283,013</u>	<u>34,270,140</u>	<u>5,179,027</u>	<u>43,722,700</u>	<u>6,607,532</u>

## RISK FACTORS

*You should carefully consider the risks and uncertainties described below and 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 or results of operations. If any of the possible events described below occur, 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.*

### RISKS RELATING TO OUR BUSINESS

**We are dependent on the performance of the property market in the PRC, particularly in the cities in which we develop our property projects and manage the properties we have developed.**

Our business depends on the performance of the property market in the PRC, particularly in the cities where we have property projects. Any real estate market downturn in China generally or in the cities in which we have property projects may materially and adversely affect our business, financial condition and results of operations. The property market in the PRC is affected by many factors, including changes in the PRC's social, political, economic and legal environment, changes in the PRC government's fiscal and monetary policy, the lack of a mature and active secondary market for residential and commercial properties in China and consumer spending, all of which are beyond our control. In the event that we expand into markets outside of PRC in the future, our operations will also be subject to the performance of local property markets and government policies.

In addition, there may be over-supply of properties, economic downturn in China or austerity measures imposed by the PRC government generally or particularly in the cities where we have property projects, any of which may result in a decline in property sales or property prices nationally or regionally, resulting in a material adverse effect on our business, financial condition and results of operations.

**Our profitability and results of operations are affected by the success of our business model and our ability to successfully expand our business in China and other markets.**

Our business model is to have a business operation that is diversified in terms of geographic locations and the groups of customers whom we target. We have established a strong market position in Shanghai, Suzhou and other second-tier cities in the Yangtze River Delta, and have been active in expanding our business in Beijing, as well as in other selected second-tier cities in the PRC. Our success is dependent on our managerial and operational resources, capital contributions, and our knowledge of the needs of our target customers. We cannot assure you that our business model will be successful in all cities where we have a presence. If we fail to establish or expand our business model as anticipated, our business, financial condition and results of operations may be materially and adversely affected.

We also expanded and intend to further expand into other selected emerging cities in China and other markets with growth potential through land acquisitions or acquisition of companies with suitable land reserves. Expansion may place substantial strains on our managerial, operational and financial resources. In addition, we may not have the same level of familiarity with contractors, business practices, regulations, customer preferences, behavior and spending pattern as other local and more experienced property developers in such cities, which may put us in a less competitive position as compared to such property developers. Further, the property markets in emerging cities are less developed than those of the first and second-tier cities and may be more susceptible to changes in the PRC economic development and other property market-related factors. Any failure to leverage our

experience or failure to understand the property market of a city to which we want to expand in the PRC and other markets may have a material adverse effect on our business, financial condition and results of operations.

**Our profit margin varies with each property development project, and we may not be able to sustain our existing profit margin.**

We recorded gross profit margin of approximately 22.7% (24.1% as adjusted for the accounting effects due to an increase of equity interests in certain projects), 25.4%, 27.1% (29.7% as adjusted for the accounting effects due to increase of equity interests in certain projects) and 33.7% (as adjusted for the accounting effect due to an increase of equity interests in certain projects) for 2015, 2016 and 2017 and the six months ended June 30, 2018, respectively. Factors that may affect our gross profit margin include: (i) product mix, (ii) selling price and (iii) cost of development. We cannot assure you that we can always maintain or increase our gross profit margin. If we are unable to maintain our gross profit margin, our profitability may be materially and adversely affected.

**We may not have adequate resources to fund our existing and future property development.**

Property development is capital intensive. We historically have financed our property development projects primarily through a combination of internally generated funds, external financing including bank borrowings, trust financings and funds raised from capital markets. Our ability to procure sufficient financing for property development depends on a number of factors that are beyond our control, including general economic conditions in the PRC, performance and outlook of the property development industry in the PRC, our financial strength and performance, availability of credit from financial institutions, and regulatory measures instituted by the PRC government. We cannot assure you that we will be able to meet our sales targets or that we will be able to secure external financing on terms acceptable to us or at all. As a result, we may not be able to raise adequate funds for our operations in the future. As of June 30, 2018, our outstanding long-term and short-term bank and other borrowings under IFRS (not including senior notes, convertible bonds and onshore bonds) were RMB35,573.7 million (US\$5,376.0 million) and RMB9,079.6 million (US\$1,372.1 million), respectively. As of June 30, 2018, we also had outstanding Existing Notes, the February 2018 Convertible Bonds, the First Tranche of 2015 Onshore Bonds, the Second Tranche of 2015 Onshore Bonds, the First Tranche of 2016 Onshore Bonds, the Second Tranche of 2016 Onshore Bonds, the 2018 Onshore Bonds the August 2017 Perpetual Securities and the December 2017 Perpetual Securities with aggregate carrying amounts of RMB25,906.0 million (US\$3,915.0 million). Subsequent to June 30, 2018, we issued 5.46% public domestic corporate bonds due 2021 in the aggregate principal amount of RMB2,500,000,000 and 6.39% public domestic corporate bonds due 2022 in the aggregate principal amount of RMB875,000,000, respectively. We also issued the September 2018 Notes in the aggregate principal amount of RMB1,000,000,000 and the additional 5.5% senior notes due 2022 in the aggregate principal amount of US\$300,000,000.

The PRC government has in recent years taken a number of policy initiatives in the financial sector to further tighten lending requirements for property developers, which, among other things:

- forbid PRC commercial banks from extending loans to property developers to finance land premiums;
- restrict the grant or extension of revolving credit facilities to property developers that hold a large amount of idle land and vacant commodity properties;
- prohibit commercial banks from taking commodity properties that have been vacant for more than three years as security for mortgage loans;

- forbid property developers from using borrowings obtained from any local banks to fund property developments outside that local region;
- the minimum down payment of land premium of 50% must be paid within one month after the signing of a land grant contract and the rest of the land premium must be fully paid within one year after the signing of a land grant contract; and
- forbid commercial banks from issuing loans or providing loan extension services to a developer for its new projects if the developer has a record of maintaining idle land, changing the land use purpose and nature without proper approval, delaying the construction commencement or completion date, hoarding properties or other forms of non-compliance.

In addition, the People's Bank of China (the "PBOC") regulates the reserve requirement ratio for commercial banks in the PRC, which affects the availability and cost of financing from PRC commercial banks. The PBOC has adjusted the bank reserve requirement ratio six times in 2010, seven times in 2011 and twice in 2012. From January 2014 to February 2016, PBOC further adjusted the reserve requirement ratio eight times. The current reserve requirement ratio ranges from 13.0% to 16.5%.

We cannot assure you that the PRC government will not introduce other initiatives which may limit our access to capital resources. The foregoing and other initiatives introduced by the PRC government may limit our flexibility and ability to use bank loans or other forms of financing (such as trust financing) to finance our property developments and, therefore, may require us to maintain a relatively high level of internally sourced cash. We cannot assure you that we will be able to obtain sufficient financing or renew our existing credit facilities. As a result, our business, financial condition and results of operations may be materially and adversely affected.

**We may not always be able to obtain land reserves that are suitable for our property development at commercially acceptable prices.**

We derive our revenue principally from the sale of properties that we have developed. To maintain sustainable growth, we must replenish our land bank with suitable sites for development. Our ability to identify and acquire suitable land is subject to a number of factors, some of which are beyond our control. To the extent that we are unable to acquire suitable sites at commercially acceptable prices for our project development on a timely basis or at prices which will enable us to achieve reasonable returns, our business, financial condition and results of operations may be materially and adversely affected.

The PRC government controls all new land supply in the PRC and regulates land sales in the secondary market. As a result, the PRC government's land supply policies have a direct impact on our ability to acquire land use rights and our costs of acquisition. In recent years, the PRC central and local governments have implemented various measures to regulate the means by which property developers may obtain land and the manner in which land can be developed. The PRC government also controls land supply through zoning, land usage regulations and other measures. All these measures could intensify the competition for land in China among property developers. Please refer to the section headed "— Risks Relating to Our Industry — Our operations are subject to extensive governmental regulations, and in particular, we are susceptible to changes in policies related to the real estate industry in the PRC and the PRC government may adopt further measures to slow down growth in the real estate sector."

**We maintain a certain level of indebtedness. Any recurrence of the global financial crisis and economic downturn or a deterioration of our cash flow position may materially and adversely affect our ability to service our indebtedness and to continue our operations.**

We maintain a certain level of indebtedness to finance our operations. As of June 30, 2018, our total outstanding bank and other borrowings under IFRS (not including senior notes and onshore bonds) amounted to RMB44,653.4 million (US\$6,748.2 million). We also had outstanding 2015 Notes, 2017 Notes, January 2018 Notes, April 2018 Notes, May 2018 Notes, February 2018 Convertible Bonds, First Tranche of 2015 Onshore Bonds, Second Tranche of 2015 Onshore Bonds, First Tranche of 2016 Onshore Bonds, Second Tranche of 2016 Onshore Bonds, 2018 Onshore Bonds, August 2017 Perpetual Securities and December 2017 Perpetual Securities with carrying amounts of RMB25,906.0 million (US\$3,915.0 million) as of June 30, 2018. Since June 30, 2018, we have incurred additional indebtedness, including the First Tranche of 2018 Onshore Corporate Bonds, the Second Tranche of 2018 Onshore Corporate Bonds, the September 2018 Notes, the Additional 2017 Notes, the January 2019 Notes and the February 2019 Notes. See “Recent Developments” and “Description of Other Material Indebtedness and Obligations” for more details. The cash flow and results of operations of our operating subsidiaries will affect our liquidity and our ability to service our indebtedness. We cannot assure you that we will be able to generate sufficient cash to service our indebtedness. If we are unable to make scheduled payments in connection with our debts and other fixed payment obligations when they become due, we may need to refinance such obligations or obtain additional financing. Our ability to do so will depend on a number of factors, many of which are beyond our control. We cannot assure you that our refinancing efforts would be successful or timely or that we could secure additional financing on acceptable terms, or at all. Furthermore, we have entered into loan agreements with various financial institutions in Hong Kong or in the PRC under which we have pledged certain collateral to secure their obligations. If we fail to maintain sufficient cash flow to service our indebtedness or if our refinancing efforts are otherwise unsuccessful, we may lose part or all of the pledged collateral, and our business, financial condition and results of operations may be materially and adversely affected.

In addition, the global capital and credit markets have in recent years experienced periods of extreme volatility and disruption. The global financial crisis in these years has caused banks and other credit providers to restrict the availability of new credit facilities and to require more collateral and higher pricing upon the renewal of existing credit facilities. The recurrence of the global financial crisis or prolonged disruptions to the credit market may further slow down the growth of the PRC economy and sales of property, limit our ability to raise funds from current or other funding sources, or cause our access to funds to be more expensive, which may materially and adversely affect our business, financial condition and results of operations.

In addition to bank and other borrowings, we rely on internally generated funds, in particular, pre-sale proceeds of our properties as a major source of funding for our operations. If our pre-sale activities are significantly limited or otherwise materially and adversely affected as a result of changes in the relevant PRC laws and regulations, the occurrence of a global economic downturn, or a significant economic slowdown in China generally or in the cities where we have properties, our cash flow position and ability to service our indebtedness may be materially and adversely affected. Furthermore, if banks or other financial institutions decline to provide additional loans to us or to re-finance our existing loans when they mature as a result of our perceived credit risk, and we fail to raise financing through other channels, our business, financial condition and results of operations may be materially and adversely affected.

**Our profitability and results of operations are affected by changes in foreign exchange rates.**

We conduct our business primarily in Renminbi. We are exposed to foreign exchange rate risk relating to (i) the portion of our bank deposits that we maintain in foreign currencies and (ii) foreign currency-denominated obligations. Since 2005, the PRC government has followed a policy under which

the Renminbi is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. In 2007, the PBOC widened the floating band for the trading prices in the inter-bank foreign exchange market of the Renminbi against the U.S. dollar from 0.3% to 0.5% around the central parity rate. The floating band was further widened to 1.0% in 2012 and to 2.0% in 2014. These changes in currency policy resulted in the Renminbi appreciating against the U.S. dollar by approximately 33.0% from July 21, 2005 to December 31, 2014. However, in August 2015, the PBOC moved to devalue the Renminbi against the U.S. dollar and announced a policy change allowing a more market-based determination of the official fixing rate. Following such announcement, the Renminbi depreciated significantly against the U.S. dollar. In February 2017, the PBOC has adjusted its FX fixing formula, making adjustments to existing fixing model which was introduced in February 2016. In October 2016 RMB was formally included in IMF's Special Drawing Rights basket. Renminbi has witnessed multiple fluctuation in past one year. As a result, we reported a net exchange gain of RMB108.4 million (US\$16.7 million) in 2017 as compared to a net exchange loss of RMB378.3 million in 2016. The PRC government may take further actions that could cause future exchange rates to vary significantly from current or historical exchange rates. A depreciation in the Renminbi could adversely affect the value of any dividends we pay to our shareholders outside the PRC, require us to use more Renminbi funds to service the same amount of any foreign currency debt and materially and adversely affect our financial condition and results of operations. Starting in early 2016, we adopted a hedging policy to actively manage our foreign exchange rate risk exposure relating to non-Renminbi denominated indebtedness and entered into U.S. dollar versus offshore Renminbi capped forward contracts to hedge certain of our foreign exchange rate risk exposure relating to non-Renminbi denominated indebtedness. However, our protection against Renminbi depreciation will be limited up to capped rates specified in the relevant contracts and may not be able to hedge against all of our foreign exchange rate risk. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Quantitative and Qualitative Disclosure of Market Risks — Foreign Exchange Rate Risk."

**Our profitability and results of operations are affected by changes in interest rates.**

Changes in interest rates have affected, and will continue to affect, our financing costs. Except for certain offshore credit facilities, our bank borrowings are principally denominated in Renminbi. The interest rates on our Renminbi bank borrowings are primarily affected by the benchmark interest rate set by the PBOC, which has fluctuated significantly in recent years. The PBOC benchmark one-year lending rates in the PRC (which directly affects the property mortgage rates offered by commercial banks in the PRC) as of December 31, 2015, 2016 and 2017 and June 30, 2018 were 4.35%, 4.35%, 4.35% and 4.35%, respectively. In 2015, 2016 and 2017 and the six months ended June 30, 2018, our weighted average cost of indebtedness (calculated as the weighted average of interest costs of all bank and other borrowings and senior notes outstanding during the relevant year) was 7.2%, 5.5%, 5.2% and 5.3%, respectively. In addition, changes in interest rates may affect our customers' ability to secure mortgages on acceptable terms, which, in turn, may affect their ability to purchase our properties. We cannot assure you that the PBOC will not increase lending rates further or otherwise discourage bank lending or that our business, financial condition and results of operations may not be materially and adversely affected as a result.

**We may not be able to complete or deliver our development projects on time.**

The progress and costs of a development project may be materially and adversely affected by many factors, including, without limitation:

- delays in obtaining necessary licenses, permits or approvals from governmental agencies or authorities;
- relocation of existing residents and/or demolition of existing buildings;

- shortages of or increase in costs of materials, equipment, contractors and skilled labor;
- availability and cost of financing;
- failure of contractors or suppliers to provide products and services as anticipated, due to financial difficulties or other reasons;
- labor disputes;
- construction accidents;
- natural catastrophes;
- adverse weather conditions; and
- changes in governmental policies.

As our revenue from sale of properties generally depends on our schedule of delivery of our properties, if completion of our development projects is delayed, our business, financial condition and results of operations may be materially and adversely affected. We cannot assure you that we will not experience any significant delays in completion or delivery of our projects, or that we will not be subject to any liabilities for any such delays. Liabilities arising from any delays in the completion or delivery of our projects may have a material adverse effect on our business, financial condition and results of operations.

#### **Our results of operations fluctuate from period to period.**

We derive our revenue principally from the sale of properties developed by us, and our results of operations may vary significantly from period to period. According to our accounting policies, our recognized revenue mainly depends on the project completion schedule. Periods in which we deliver properties with a higher aggregate GFA typically generate higher levels of revenue. However, our revenue is not evenly distributed over different periods of any particular year due to a combination of factors, which include the overall delivery schedules of our projects, the market demand for our properties, the timing of the sale of properties that we have developed and fluctuation in costs such as land costs and construction costs.

Consequently, our results of operations for any given period may not be indicative of the actual demand for our properties or the pre-sale or sales achieved during that period. Our revenue and profit during any given period generally reflect property purchase decisions made by purchasers at some time in the past.

#### **We may not have adequate insurance to cover our potential losses and claims.**

We do not maintain insurance against all risks associated with our industry, either because we have deemed it commercially unfeasible to do so, or because our insurers have carved certain risks out of their standard policies. We cannot assure you that we will not be sued or held liable for damages due to tortious acts. In addition, there are certain losses for which insurance is not available on commercially reasonable terms, such as losses suffered due to earthquake, war, civil unrest and certain other events of force majeure. If we suffer any loss, damage or liability in the course of our operations arising from events for which we do not have insurance cover, we may not have sufficient funds to cover such losses, damage or liabilities or to replace any property development that has been destroyed. The occurrence of any of the above events and the resulting payment we may make to cover any loss, damage or liability could have a material adverse effect on our business, financial condition and results of operations.

### **We may be affected by the performance of contractors.**

We engage contractors to carry out various services, including construction, equipment installation, internal decoration, landscaping, pipeline engineering and lift installation. We select contractors mainly through a tender process. We cannot guarantee that any such contractor will provide satisfactory services or meet our quality standards. If the performance of a contractor is unsatisfactory, we may need to replace such contractor or take other actions to remedy the situation, which may materially and adversely affect the cost and construction progress of our projects. Furthermore, our contractors may undertake projects from other developers, engage in risky undertakings or otherwise encounter financial or other difficulties, which may cause delay in the completion of our property projects or cause additional costs. The occurrence of any of the above events may have a material adverse effect on our business, financial condition and results of operations.

### **Our profit margin is sensitive to fluctuations in the costs of construction materials.**

A principal component of our cost of sales is construction costs, and historically, construction materials costs have been the primary driver of our construction costs. Construction costs include all of the costs for the design and construction of a project, including payments to third-party contractors and designers and cost of construction materials. Our construction costs are affected by a number of factors, such as changes in construction labor costs, location and types of properties, choice of materials, landscaping and investments in ancillary facilities. In particular, construction costs fluctuate as a result of changes in the prices of key construction materials such as steel and cement. Construction costs have a direct effect on our gross margin.

We procure construction materials through our contractors or by ourselves. If the costs of construction materials increase beyond the agreed or pre-determined price, the contractors may request to transfer such increase in costs to us by increasing their contractor fees. If we cannot pass on such increase to our customers, our profit margins will be adversely affected, and, as a result, our business, financial condition and results of operations may be materially and adversely affected.

### **We may be materially and adversely affected if we fail to obtain, or if there are material delays in obtaining, requisite governmental approvals for our property business.**

The real estate industry in the PRC is heavily regulated by the PRC government. In order to undertake and complete a property development or to commence property leasing, a property developer must obtain various permits, licenses, certificates and other approvals from the relevant governmental and administrative authorities at various stages of the property development, including, but not limited to, land use rights certificates, construction land planning permits, construction work planning permits, construction work commencement permits, pre-sale permits, various qualification certificates and certificates of completion. For example, certain of our subsidiaries are in the process of renewing their respective real estate development enterprise qualification certificates. Furthermore, in the event that we expand into markets outside of PRC, our operations will face regulations from local governments on their property sectors.

We cannot assure you that we will not encounter problems in obtaining such governmental approvals or in fulfilling the conditions required for obtaining the approvals, or that we will be able to comply with new laws, regulations or policies that may come into effect from time to time with respect to the real estate industry in general or the particular processes with respect to regulatory approvals. If we fail to obtain the relevant approvals or to fulfill the conditions of the approvals for our property development, those developments may not proceed on schedule. As a result, our business, financial condition and results of operations may be materially and adversely affected.

**The PRC government may impose fines or other penalties on us if we fail to comply with the terms of the land grant contracts, and we may not be able to obtain land use rights certificates with respect to certain parcels of land.**

Under PRC laws and regulations, if a property developer fails to comply with the terms of the relevant land grant contract, including those relating to the payment of land premium, scope of usage of the land and schedule for commencement and completion of the property development, the relevant PRC government authorities may issue a warning to or impose fines or other penalties on the developer. Specifically, under current PRC laws and regulations, if a developer fails to commence development for more than one year but less than two years from the commencement date stipulated in the land grant contract, the Ministry of Land and Resources of the PRC (the “MLR”) or its local branches may launch an investigation in respect of idle land. Upon the investigation, if the MLR or its local branches prove the land to be idle land, they will issue the Letter of Identification of Idle Land and impose an idle land fee on the land of 20% of the land premium specified in the contract. If a developer fails to commence development for more than two years from the commencement date stipulated in the land grant contract, the land may be subject to reclamation by the PRC government unless the delay in development is caused by governmental actions or force majeure. In addition, even if the commencement of the development is in line with the relevant land grant contract, the land will nonetheless be treated as idle land if (i) the developed GFA on the land is less than one-third of the total GFA of the project or the total capital expenditure is less than one-fourth of the total investment of the project, and (ii) the development of the land has been suspended for over one year without governmental approval. We cannot assure you that circumstances leading to reclamation or significant delays in development schedules will not arise in the future. If any of our land is subject to reclamation, we will not only lose the opportunity to develop property projects on the land, but may also lose all our past investment in the land, including land premium paid and development costs incurred.

As of June 30, 2018, out of our land bank with a total planned GFA of approximately 40.4 million sq.m., we had certain parcels of land in respect of which we had not yet obtained land use rights certificates. Subsequent to June 30, 2018, we acquired 30 additional land projects for future development. If we fail to obtain the land use rights certificate for any of these parcels of land, we will not be able to commence development and may not be able to acquire other parcels of land as replacements. As a result, our business, financial condition and operating results may be materially and adversely affected.

**We may not be able to realize the anticipated economic and other benefits from our joint ventures, and disputes with joint venture partners may adversely affect our business.**

We have entered into joint ventures with other property developers to develop projects and may continue to do so in the future. We have limited experience in developing projects through joint ventures or in managing joint ventures and relationships with joint venture partners. The success of a joint venture depends on a number of factors, some of which are beyond our control. As a result, we may not be able to realize the anticipated economic and other benefits from our joint ventures. In addition, in accordance with PRC law, certain matters relating to joint ventures require the consent of all parties to the joint ventures. Joint ventures may involve risks associated with, among others, the possibility that our joint venture partners may:

- have economic or business interests or goals inconsistent with ours;
- take actions contrary to our instructions, requests or our policies or objectives;
- be unable or unwilling to fulfill their obligations under the relevant joint venture agreements;
- have financial difficulties; or

- have disputes with us as to the scope of their responsibilities and obligations.

We cannot assure you that we will not encounter problems with respect to our joint ventures which may have an adverse effect on our business operations, profitability and prospects.

**Resettlement negotiations may add costs or cause delays to our development projects.**

Currently, certain parts of our property developments in Wuhan Hanyang District Hanqiao Village Project Section B require demolition and resettlement. The sellers of the land are responsible for the demolition and resettlement under PRC laws and regulations and the related contracts for the acquisition of the land, and are liable to pay additional demolition and resettlement costs. Given the nature of demolition and resettlement, which depends on various external factors that are beyond our control, we cannot guarantee when the demolition and resettlement will be completed. If the party responsible for the demolition or resettlement and the original residents fail to reach an agreement on the amount of compensation, either of them may apply to the relevant authorities for a ruling on the amount of compensation. Dissenting residents may also refuse to relocate. Such administrative process or resistance or refusal to relocate may delay the timetable of our development projects or, in extreme cases, prevent their completion. The occurrence of any of the above events may have an adverse effect on our business, financial condition and results of operations. In addition, any such delays may lead to an increase in costs or a delay in the expected cash inflow from pre-sales of the relevant projects, which may, in turn, materially and adversely affect our business, financial position and results of operations.

If any of our project developments in the future requires demolition and resettlement, we cannot assure you that the resettlement negotiation will proceed smoothly or our project developments will not be delayed. If such delay occurs, it could adversely affect our reputation, lead to an increase in development cost and a delay in the expected cash inflow from pre-sales of the relevant project and the recognition of sales as revenue upon completion, which may in turn adversely affect our business, financial position and results of operations.

**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 condition and results of operations.**

For 2015, 2017 and the six months ended June 30, 2018, we had fair value gains of our investment properties of RMB128.1 million, RMB657.8 million (US\$101.1 million) and RMB269.2 million (US\$40.7 million), respectively, accounting for approximately 3.4%, 6.6% and 4.6%, respectively, of our profit before tax in those periods. However, for 2016, we recognized a fair value loss on investment properties of RMB100.4 million mainly due to the reduction of the overall capital value and/or rental value of our investment properties. The fair value in relation to our investment properties may continue to fluctuate in the future. Our business, financial condition and results of operations may be materially and adversely affected by any significant changes in the fair value of our investment properties completed or under development or any transfer of properties held for sale/under development to investment properties.

**Our profitability and results of operations are affected by the development and profitability of our property rental segment and our ability to continue to attract and maintain key tenants.**

In 2016, rental income accounted for 0.3% of our total revenue. As we seek to increase our portfolio of investment properties, rental income may become an increasingly important contributor to our revenue going forward. We may not, however, be able to identify new tenants or secure existing tenants for our properties. An increase in the number of competing properties, particularly in close proximity to our properties, could increase competition for tenants, reduce the relative attractiveness of our properties and force us to reduce rents or incur additional costs in order to make our properties more

attractive. If there is a significant downturn in the commercial property leasing markets generally or in the cities where we have investment properties, we may not be able to maintain our current levels of rental income. Our inability to expand our portfolio of commercial properties for lease and operations, to secure suitable tenants or otherwise to enhance the profitability of our leasing segment or to maintain our current levels of rental income may have an adverse effect on our business, financial condition and results of operations.

**We are subject to certain restrictive covenants and risks normally associated with debt financing, which may limit or otherwise materially and adversely affect our business, financial condition and results of operations.**

We are subject to certain restrictive covenants in our loan and financing agreements with certain banks, including certain offshore facilities, the Existing Notes, the August 2017 Perpetual Securities, the December 2017 Perpetual Securities, the 2016 Club Loan Facilities, the 2017 Club Loan Facilities, the September 2017 Club Loan Facilities and the March 2018 Club Loan Facilities. See “Description of Other Material Indebtedness and Obligations.” Some of our loan agreements contain cross-default clauses. If any cross default occurs, these banks are entitled to accelerate payment of all or any part of the indebtedness owing under all the loan agreements and to enforce all or any of the security for such indebtedness. In addition, certain loan agreements contain covenants pursuant to which we or our relevant PRC operating subsidiaries may not enter into merger, joint venture or restructuring, decrease our registered share capital, transfer material assets, liquidate, change our shareholding, or distribute dividends without the relevant lenders’ prior written consent or unless we fully settle the outstanding amounts under the relevant loan agreements. If we fail to comply with the restrictions and covenants in our relevant loan and financing agreements, the lenders of our debt could terminate their commitments to lend to us, accelerate repayment of the debt and declare all amounts borrowed due and payable or terminate the agreements. If any of these events occur, we cannot assure you that our assets and cash flow will be sufficient to repay in full all of our indebtedness, or that we will be able to find alternative financing on terms that are favorable or acceptable to us, or at all and the occurrence of any of the above events may have a material adverse effect on our business, financial condition and results of operations.

**A deterioration in our brand image may materially and adversely affect our business, financial condition and results of operations.**

We rely to a significant extent on our brand name and image to attract potential customers to our properties. Any negative incident or negative publicity concerning us or our properties may materially and adversely affect our reputation and business prospects. Brand value is based largely on consumer perceptions with a variety of subjective qualities and can be damaged even by isolated business incidents that degrade consumer trust. Consumer demand for our properties and our brand value could diminish significantly if we fail to preserve the quality of our properties or fail to deliver a consistently positive consumer experience in our properties, or if we are perceived to act in an unethical or socially irresponsible manner. Any negative publicity and the resulting decrease in brand value, or failure to establish our brand may have a material adverse effect on our business, financial condition and results of operations.

**Our success depends on the continued services of our executive directors and members of our senior management.**

Our success in implementing proposed plans and maintaining growth in our profitability largely depends on the continued services provided by our executive directors and members of our senior management. In addition, along with our steady growth and expansion into other cities in China, we will need to employ, train and retain employees on a much larger geographical scale. The ability to attract skilled employees is dependent on the resources available in each geographic area. Furthermore, labor

supply will be impacted by the economic condition of each geographic area, and we cannot assure you that our labor costs will not increase as a result of a shortage in the supply of skilled personnel. If any member of our core management team leaves and we fail to find a suitable substitute or we cannot attract and retain the management personnel necessary to maintain efficient operations, our business, financial condition and results of operations may be materially and adversely affected.

**We may not be able to successfully manage our growth.**

We have been continuously expanding our operations in recent years. As we continue to grow, we must continue to improve our managerial, technical and operational knowledge and allocation of resources, and to implement an effective management information system. To effectively manage our expanded operations, we need to continue to recruit and train managerial, accounting, internal audit, engineering, technical, sales and other staff to satisfy our development requirements. In order to fund our ongoing operations and our future growth, we need to have sufficient internal sources of liquidity or access to external financing sources. Furthermore, we will be required to manage relationships with a greater number of customers, suppliers, contractors, service providers, lenders and other third parties. We will need to further strengthen our internal control and compliance functions to ensure that we are able to comply with our legal and contractual obligations and reduce our operational and compliance risks. We cannot assure you that we will not experience issues such as capital constraints, construction delays, operational difficulties at new locations, or difficulties in expanding our existing business and operations and in training an increasing number of personnel to manage and operate the expanded business. Our expansion plans may also adversely affect our existing operations and thereby have a material adverse effect on our business prospects, results of operations and financial condition.

**Our controlling shareholders are able to exercise substantial influence over our corporate policies and direct the outcome of corporate actions.**

As of the date of this offering memorandum, approximately 56.29% of the total issued share capital of the Company is beneficially owned by Mr. Lin Zhong, Mr. Lin Wei and Mr. Lin Feng, the founders of our Group and the executive directors of our Company. Subject to compliance with applicable laws, by maintaining such ownership, Mr. Lin Zhong, Mr. Lin Wei and Mr. Lin Feng are able to exercise substantial influence over our corporate policies and our business, appoint our directors and officers and vote on corporate actions requiring shareholders' approval. In particular, the strategic goals and interests of Mr. Lin Zhong, Mr. Lin Wei and Mr. Lin Feng may not be aligned with our strategy and interests and could reduce the level of management flexibility that would otherwise exist with a more diversified shareholder base. The interests of our controlling shareholders may differ from those of the holders of the Notes. We cannot assure you that our controlling shareholders will act completely in the interests of the holders of the Notes or that possible conflicts of interest will be resolved in favor of the holders of the Notes.

**We may be involved in disputes, administrative, legal and other proceedings arising out of our operations from time to time and may face significant liabilities or damage to our reputation as a result.**

We may be involved in disputes with various parties involved in the development and sale of our properties, including contractors, suppliers, construction workers, tenants, residents of surrounding areas, business partners and purchasers. These disputes may lead to protests and legal or other proceedings and may result in damage to our reputation, substantial costs, delay in our development schedule and diversion of resources and management's attention.

We carry out some of our business through joint ventures with our business partners. Such joint venture arrangements involve a number of risks, including, but not limited to:

- disputes with our business partners in connection with the performance of their obligations under the relevant project or joint venture arrangements;
- disputes as to the scope of each party's responsibilities under these arrangements;
- financial difficulties encountered by a business partner affecting its ability to perform its obligations under the relevant project or joint venture arrangements; and
- conflicts between the policies or objectives adopted by our business partners and those adopted by us.

Furthermore, as some of our projects comprise multiple phases, purchasers of our properties in earlier phases may commence legal action against us if our subsequent planning and development of the projects is perceived to be inconsistent with our representations and warranties made to such earlier purchasers.

In addition, we may have compliance issues or disagreements with regulatory bodies in the course of our operations, which may subject us to administrative proceedings and unfavorable decrees that may result in liabilities and cause delays to our property development. We may also be involved in disputes or legal proceedings in relation to delays in the completion and delivery of our projects. The occurrence of any of the above events may have a material adverse effect on our business, financial condition and results of operations. Finally, any failure or alleged failure by us or any of our directors, officers or other agents to fully adhere to the PRC or other applicable anti-corruption laws or regulations, any investigation in relation to such failure or alleged failure by any regulatory body, or any failure to comply with other applicable laws or regulations could materially and adversely affect our reputation and our business, financial condition and results of operations.

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

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

**We are subject to potential environmental liability that could result in substantial costs.**

Property developers in the PRC are subject to a variety of laws and regulations concerning the protection of health and the environment. The particular environmental laws and regulations which apply to any given project development site vary greatly according to the location, the environmental condition and the present and former uses of the site, as well as adjacent properties. The relevant property development project may be delayed due to our efforts to comply with environmental laws and regulations may result in delays in development. In some environmentally sensitive regions or areas, the compliance costs could be prohibitively expensive. In addition, each property development project is required by the relevant PRC laws and regulations to undergo environmental assessments and to submit an environmental impact assessment report to the relevant government authorities for approval before commencement of construction. Failure to obtain such approval prior to construction may result in suspension of construction and penalties.

The environmental investigations conducted relating to each of our property development projects to date have not revealed any material environmental liability. However, it is possible that these investigations did not reveal all environmental liabilities, and there may be environmental liabilities of which we are unaware that may have a material adverse effect on our business, financial condition or results of operations.

**The terms on which mortgage loans are available to purchasers of our properties, if at all, may affect our sales.**

Many purchasers of our properties rely on mortgages to fund their purchases. An increase in interest rates may significantly increase the cost of mortgage financing, thus reducing the attractiveness of mortgages as a source of financing for property purchase and adversely affecting the affordability of properties. In addition, the PRC government has in recent years implemented measures to tighten mortgage financing, and the PRC government and commercial banks may further increase the down payment requirement, impose other conditions or otherwise change the regulatory framework in a manner that would make mortgage financing unavailable or unattractive to potential property purchasers. Furthermore, mortgagee banks may not lend to any individual borrower if the monthly repayment of the anticipated mortgage loan would exceed 50% of the individual borrower's monthly income.

Each of the China Banking Regulatory Committee (the "CBRC") and PBOC in recent years has issued regulations on, among other things, the minimum interest rate, down payment and minimum interest for mortgage loans. In the event that the mortgage loans for property purchasers becomes more difficult to obtain or that the cost of such financing increases, many of our prospective customers who rely on such financing may not be able to purchase our properties and, as a result, our business, financial condition and results of operations may be materially and adversely affected.

In line with industry practice, we provide guarantees to banks for mortgages they offer to our purchasers until the time when we complete the relevant properties and the property ownership certificates and the certificates of other interests with respect to the relevant properties are delivered to the mortgagee banks. If a purchaser defaults on a mortgage loan, we may have to repossess the underlying property by paying off the mortgage. If we fail to do so, the mortgagee bank may sell the underlying property and recover any additional outstanding amount from us as the guarantor of the mortgage loan.

As of June 30, 2018, our outstanding guarantees in respect of our customers' mortgage loans amounted to RMB18,977.8 million (US\$2,871.0 million). If any material defaults occur which require us to honor our guarantees and we cannot resell the repossessed properties at appropriate prices, our business, financial condition and operating results may be materially and adversely affected. We cannot assure you that changes in laws, regulations, policies or practices which may prohibit or restrict property developers from providing guarantees to banks in respect of mortgages offered to property purchasers will not occur in the PRC in the future. If there are such changes in laws, regulations, policies or practices that would prohibit property developers from providing guarantees to banks in respect of mortgages offered to property purchasers and these banks do not accept any alternative guarantees by third parties, or if no third party is available or willing in the market to provide such guarantees, it may become more difficult for property purchasers to obtain mortgages from banks and other financial institutions during sales and pre-sale of our properties. Such difficulties in financing could result in substantially lower sales and pre-sale of our properties, which may materially and adversely affect our cash flow, business, financial condition and results of operations.

**Intensified competition may materially and adversely affect our business, financial condition and results of operations.**

Competition within the PRC real estate industry is intense. In recent years, many competitors, including large-scale nationwide and overseas property developers have entered the property development markets in cities of China where we have operations. Many of them may have more financial, marketing, technical or other resources than us. Competition among property developers may cause an increase in land premium and raw material costs, shortages in quality construction contractors, surplus in property supply leading to decreasing property prices, further delays in issuance of governmental approvals, and higher costs to attract or retain skilled employees. If we fail to compete effectively, our business, financial condition and results of operations may be materially and adversely affected.

**Our investment properties are illiquid.**

Investments in properties are in general illiquid compared to many other types of investments. Therefore, our ability to sell one or more of our investment properties in response to changing economic, financial and investment conditions promptly, or at all, is limited. We cannot assure you that we will be able to sell any of our investment properties at prices or on terms satisfactory to us, if at all. We cannot predict the length of time needed to find a purchaser and to complete the sale of a property currently held or planned to be held for investment purposes. Moreover, should we decide to sell a property subject to a tenancy agreement, we may have to obtain consent from or pay termination fees to our tenant. In addition, investment properties may not be readily convertible to alternative uses if they become unprofitable due to competition, age, decreased demand or other factors. The conversion of investment properties to alternative uses generally requires substantial capital expenditures. In particular, we may be required to expend funds to maintain properties, correct defects, or make improvements before a property can be sold and we may not have sufficient funds available for such purposes. These factors and any others that would impede our ability to respond to adverse changes in the performance of our investment properties may materially and adversely affect our ability to retain tenants and to compete against our competitors and therefore our business, financial condition and results of operations may be materially and adversely affected.

**We may be required to forfeit land if we fail to comply with the terms of 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 premium, the designated use of the land and the schedule for commencing and completing the development, the relevant government authorities may issue a warning, impose a penalty and/or liquidated damages, or require us to forfeit the land. Any violation of the land grant contract may also restrict or prevent us from participating in future land bidding.

Under current PRC law, if we fail to commence the development of a parcel of land for more than one year from the commencement date stipulated in the land grant contract, the relevant PRC land bureau may serve a warning notice on us and impose an idle land fee of up to 20% of the land assignment or allocation fee. If we fail to commence development for more than two years from the relevant commencement date stipulated in the land grant contract, the land will be subject to forfeiture to the PRC government. Moreover, even if the commencement of the property development satisfies the stated requirements of the land grant contract, if the developed GFA is less than one-third of the total planned GFA of the project or the total capital invested is less than one-fourth of the total planned investment the project, and development of the land is suspended continuously for more than one year without government approval, the land will still be treated as idle land. In the Notice on Promoting the Saving and Intensification of Use of Land (國務院關於促進節約集約用地的通知) promulgated by the State Council in January 2008, the aforesaid policy was reinforced. This notice states, among other

things, that the MLR and other authorities are required to conduct research on and commence drafting of implementation rules concerning the levy of land appreciation fees on idle land. Furthermore, the MLR issued a Notice on Restricting the Administration of Construction Land and Promoting the Use of Approved Land (關於嚴格建設用地管理促進批而未用土地利用的通知) in August 2009, which reiterates the current rules regarding idle land. In September 2010, the MLR and the Ministry of Housing and Urban-Rural Development (“MOHURD”) jointly issued the Notice On Further Strengthening the Administration and Control of Real Estate Land and Construction (關於進一步加強房地產用地和建設管理調控的通知), which provides that a property developer and its shareholders will be prohibited from participating in land bidding before any illegal behaviors in which it engages, such as (1) having land idle for more than one year on its own reasons; (2) illegal transfer of land use rights; (3) noncompliance with the land development requirements specified in a land grant contract; and (4) crimes such as taking land by forging official documents and illegal land speculation, have been completely rectified. We cannot assure you that circumstances leading to imposition of penalty, liquidated damages or forfeiture of our land will not arise in the future. If we are deemed as holding land idle for more than one year without cause or are required to forfeit land, we may lose the opportunity to develop the relevant land, our investments in the land, including land premiums paid and development costs incurred, and our ability to bid for other land in the future, any of which could materially and adversely affect our business prospects, results of operations and financial condition.

On July 19, 2012, the MLR and the MOHURD promulgated the Urgent Notice on Further Tightening the Management of Land for Real Estate and Consolidating the Achievements of Regulation and Control of the Real Estate Market 《國土資源部住房城鄉建設部關於進一步嚴格房地產用地管理鞏固房地產市場調控成果的緊急通知》. The notice provides that all regions shall strictly implement the Measures for the Disposal of Idle Land, deal with the early warning information on idle land displayed in the system for the monitoring and supervision of transactions in the land market, early discover and handle such information, and urge the timely formation of effective supply of land granted. With regard to users who have committed acts such as failing to make payment for land granting, leaving land idle, hoarding land and land speculation, developing land in excess of their actual development capacity or failing to fulfil a land use contract, the competent departments of land and resources of counties and cities shall forbid them from participating in land bidding within a certain period of time.

**The total GFA of our projects under development or future property developments may exceed the original GFA authorized in the land grant contract and we may need to obtain additional government approvals and be subject to additional payments.**

When the PRC government grants the land use rights for a parcel of land, it will specify in the land use rights grant contract the designated use of the land and the total GFA that the developer may develop on the land. The actual GFA constructed, however, might have exceeded the total GFA authorized in the land use rights grant contract due to various factors such as subsequent planning and design adjustments. The amount of GFA in excess of the authorized amount is subject to approval when the relevant authorities inspect the properties after their completion and the developer may be required to pay additional land premium in respect of such excess GFA. In addition, if we fail to obtain the completion certificate due to such excess GFA, we will not be allowed to deliver the relevant properties to the purchasers or recognize the revenue from the relevant pre-sold properties and may also be subject to liabilities under the pre-sale contracts. If this occurs, our business prospects, results of operations and financial condition may be materially and adversely affected.

## RISKS RELATING TO OUR INDUSTRY

### **We may be adversely affected by fluctuations in the global economy and financial markets.**

The economic slowdown and turmoil in the global financial markets that started in the second half of 2008 have had a negative impact on the world economy, which in turn has affected the PRC real estate industry. As financial institutions, companies, investors and consumers attempted to retrench in an effort to reduce exposure, save capital and weather the economic contraction, the demand for and hence value of real estate and the supply of credit decreased. Although the real estate market has recovered in the past year, any economic slowdown in the future could affect our property investment and property development projects. In addition, banks in the PRC have been tightening credit since 2010 after extensive lending in the first half of 2009. This may cause an increase in the interest expense on our bank borrowings, or banks may reduce the amount of, or discontinue, banking facilities currently available to us.

China's economic growth may also slow down due to weakened exports as well as recent developments surrounding the trade-war with the United States. Starting in April 2018, the United States imposed tariffs on steel and aluminum imports from China, and later on July 6, 2018, the United States imposed 25% tariffs on US\$34 billion worth of Chinese goods as part of President Donald Trump's tariffs policy. In turn, the PRC responded with similarly sized tariffs on United States' products. On September 18, 2018, President Donald Trump imposed 10% tariffs on approximately US\$200 billion worth of Chinese goods and planned to increase further. In return, the PRC responded with tariffs on US\$60 billion of U.S. goods. On December 1, 2018, the United States and China agreed to temporarily pause the trade war and resume negotiation. As of the date of this offering memorandum, an amicable resolution of such a trade war remains elusive, and the lasting impacts any trade war may have on the PRC economy and the PRC real estate industry uncertain. Should the trade war between the United States and the PRC begin to materially impact the PRC economy, the purchasing power of our customers in the PRC would be negatively affected.

These and other issues resulting from the global economic slowdown and financial market turmoil have adversely affected, and may continue adversely affecting, property purchase and leasing activities, which may lead to a decline in the general demand for our properties and erosion of their sale or rental prices. In addition, any further tightening of liquidity in the global financial markets may negatively affect our liquidity. Therefore, if the global economic slowdown and turmoil in the financial markets continue, our business, financial condition and results of operations may be adversely affected.

### **Our operations are subject to extensive governmental regulations, and in particular, we are susceptible to changes in policies related to the real estate industry in the PRC, and the PRC government may adopt further measures to slow down growth in the real estate sector.**

Our business is subject to extensive governmental regulations. As with other PRC property developers, we must comply with various requirements mandated by the relevant PRC laws and regulations, including the policies and procedures established by local authorities designed for the implementation of such laws and regulations. In particular, the PRC government exerts considerable direct and indirect influence on the PRC property sector by imposing industry policies and other economic and fiscal measures, such as control over the supply of land for property development, foreign exchange, property financing, taxation and foreign investment.

From 2004 to the first half of 2008, in response to concerns over the scale of the increase in property investment and the overheating of the property sector in the PRC, the PRC government introduced policies to restrict development in the property sector, including, among other things:

- limiting monthly mortgage payments 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 or restricting land grants and development approvals for villas and larger sized units;
- charging an idle land fee for land which has not been developed for one year starting from the commencement date stipulated in the land use rights grant contract and voiding land use rights for land which has not been developed for two years or more;
- prohibiting any onward transfer of pre-sold properties before the ownership certificate is obtained;
- requiring that at least 70% of the land supply approved by a local government for residential property development for any given year be used for developing low- to medium-cost and small to medium-size units and low-cost rental properties;
- requiring that at least 70% of residential projects approved or constructed on or after June 1, 2006 consist of units with floor area of less than 90 sq.m. per unit, and that projects which have received project approvals prior to this date but have not obtained construction permits to adjust their construction plan in order to be in compliance with this new requirement, with the exception of municipalities under direct administration of the PRC government, provincial capitals and certain cities which may deviate from this ratio under special circumstances upon the approval by the Ministry of Construction (the "70:90 rule");
- tightening availability of bank loans to property developers and purchasers of developed properties and increasing the reserve requirements for commercial banks;
- 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, tightening foreign exchange control and imposing restrictions on purchases of properties in China by foreign individuals and institutions; and
- limiting the number of the residential properties that a single household may purchase.

Regional and local governments are responsible for the implementation of the 70:90 rule. We have not, so far, seen this policy being stringently applied across all its applicable regions in China. If for any reason, political, economic, social or otherwise, these regional or local governments begin to stringently implement this policy, this may lead to an oversupply of units with floor area of less than 90 sq.m., increasing competition in this market segment and affecting the prices and profit margins of such type of property. This may also affect our existing and future business development plans. As a result, our business, financial condition, results of operations and prospects may be adversely affected.

Starting from late 2009, the PRC government has adopted a series of new policies to cool down the property market, including, among other things:

- abolishing certain preferential treatments relating to business taxes payable upon transfers of residential properties by property owners and imposing more stringent requirements on the payment of land premium by property developers;
- imposing property purchase restrictions on non-local citizens, decreasing the maximum loan to value ratio of mortgage loans offered to borrowers;
- increasing the minimum down payment to at least 60% of the total purchase price for second-house purchases with a minimum lending interest rate of at least 110% of the benchmark rate;
- restricting purchasers, in certain targeted cities, from acquiring second (or further) residential properties and restricting non-residents who cannot provide proof of local tax or social security payments for more than a specified time period from purchasing any residential properties;
- levying business tax on the full amount of transfer price if an individual owner transfers a residential property within five years of purchase;
- launching new property tax schemes in certain cities such as Shanghai and Chongqing on a trial basis, levying property tax on part of individual residential properties in these two cities;
- urging provincial governments to implement home purchase restrictions to control property prices, and listed certain criteria for the implementation of restrictions, and in the second half of 2011, extending such home purchase restrictions to certain second-tier cities in addition to the first- and second-tier cities which have already adopted home purchase restriction measures;
- strictly enforcing the idle land related law and regulations; and
- restricting the grant or extension of revolving credit facilities to property developers that hold a large amount of idle land and vacant commodity properties.

On February 20, 2013, the State Council announced five measures on the control of the PRC property market, including: (1) stabilizing property prices. Each major city in China is required to compile and announce its target for 2013 on how to control the prices of newly completed commodity properties; (2) strictly limiting speculative purchase of properties. Restrictions on purchasing commodity properties should be strictly implemented; expand the scope of experimental taxation against residential properties held by individuals; (3) increasing the supply of small to medium-sized commodity properties and lands; (4) accelerating the construction of housing for low-income individuals; and (5) strengthening the supervision of the property market.

On March 1, 2013, the State Council issued the Notice on Continuing Adjustment and Control of Property Markets 《關於繼續做好房地產市場調控工作的通知》 which, among other restrictive measures, provides that further restraining measures are to be adopted to strengthen the regulation of the property market. Major cities which have implemented the commodity housing purchase restrictions are required to enforce purchase restrictions in all administrative areas of cities and restricted housing are to include new commodity housing and second-hand housing. Non-local residents who have one or more residential properties and fail to provide one-year or longer tax payment certificates or social insurance payment certificates will be barred from purchasing any residential properties located in the

administrative areas subject to restrictions. For cities where housing prices are increasing at an excessively high rate, local branches of the PBOC may further raise the down-payment rate and mortgage interest rate for the purchase of a second residential property. In addition, the Notice stipulates that a 20% individual income tax on profits from sales of properties will be strictly enforced. Financial institutions, subject to credit requirements, will prioritize requests for mortgages for ordinary commodity housing construction projects in which medium and small housing units constitute 70% or more of the total units in such construction projects.

In March 2015, the PBOC, CBRC and the MOHURD jointly issued the Circular on Issues concerning Individual Housing Loan Policies 《關於個人住房貸款政策有關問題的通知》. Pursuant to the circular, the minimum down payment ratio is lowered to 40% for the family that owns a residential property and has not paid off its existing mortgage loan applying for a new mortgage loan to purchase another ordinary residential property to improve living conditions and the banks are allowed to decide at their own discretion the down payment ratio and loan interest rate taking into consideration the solvency and credit standing of the borrower. Furthermore, according to a notice jointly issued by the State Administration of Taxation (“SAT”) and the Ministry of Finance (“MOF”), effective from March 31, 2015, a business tax will be levied on the entire sales proceeds from resale of properties if the holding period is shorter than two years, and if the holding period is more than two years, business tax for transfer of ordinary residences will not be imposed, whereas for the transfer of non-ordinary residences (as defined in relevant regulations) business tax shall be paid on the basis of price difference between the sales proceeds and payment for original purchase. According to the Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax (關於全面推開營業稅改徵增值稅試點的通知) (“Circular 36”), which was promulgated by SAT and MOF, the pilot program of the collection of value-added tax in lieu of business tax shall be promoted nationwide in a comprehensive manner as of May 1, 2016. All taxpayers of business tax engaged in the building industry, the real estate industry, the financial industry and the life service industry shall be included in the scope of the pilot program with regard to payment of value-added tax instead of business tax. Entities and individuals engaged in sales of real property within the territory of the PRC are value-added taxpayers, and shall pay value-added tax rather than business tax according to these measures. We expect that the introduction of these new tax measures will involve a transition period during which regulators and taxpayers adapt to the new tax policies. During such transition period, there could be some uncertainty regarding the implementation of the new tax measures and the calculation of our tax liabilities. We cannot assure you that the implementation of such tax measures will not increase our tax liability or decrease any profits we might have in the future.

We cannot assure you that the PRC government will not adopt more stringent policies, regulations and measures in the future. We are not certain 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, financial condition, results of operations and prospects may be materially and adversely affected.

**The full-fledged levy of value added tax on revenues from a comprehensive list of service sectors may subject our revenues to an average higher tax rate.**

Pursuant to Circular 36 issued on March 23, 2016 and implemented on May 1, 2016 by the MOF and the SAT, effective from May 1, 2016, PRC tax authorities have started imposing value-added tax on revenues from various service sectors, including the real estate sector, to replace the business tax that co-existed with value-added tax for over 20 years. See “— Our operations are subject to extensive governmental regulations, and in particular, we are susceptible to changes in policies related to the real estate industry in the PRC, and the PRC government may adopt further measures to slow down growth

in the real estate sector.” Since the issuance of Circular 36, the MOF and SAT have subsequently issued a series of tax circulars in March and April 2016 to implement the collection of VAT on revenues from construction, real estate, financial services and lifestyle services. The VAT rates applicable to us may be generally higher than the business tax rate we were subject to prior to the implementation of Circular 36. For example, the value-added tax rate for the sale of self-developed real estate projects has increased from 5% (the business tax rate that we were subject to) to 11%. Unlike business tax, the value-added tax is only imposed on added value, which means the input tax incurred from our construction and real estate can be offset from our output tax. However, details of concrete measures are still being formulated in accordance with Circular 36. We are still in the process of assessing the comprehensive impact of the new value-added tax regime on our tax burden, our revenues and results of operations, which remains uncertain.

**Changes in PRC laws and regulations with respect to pre-sale may materially and adversely affect our business performance.**

We depend on cash flows from the pre-sale of properties as an important source of funding for our property development. Under current PRC laws and regulations, property developers must fulfill certain conditions before they can commence pre-sale of the relevant properties and may only use pre-sale proceeds to finance their development. We cannot assure you that the PRC government will not implement further restrictions on property pre-sale, such as imposing additional conditions for obtaining pre-sale permits or imposing further restrictions on the use of pre-sale proceeds. The adoption of any such measures may materially and adversely affect our cash flow position and force us to seek alternative sources of funding to finance our project development.

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

We make certain undertakings in our sale and purchase agreements, including delivering completed properties and property ownership certificates to the customers within the period stipulated in the sale and purchase agreements. These sale and purchase agreements and the relevant PRC laws and regulations provide for remedies for breach of such undertakings. For example, if we pre-sell a property project and fail to complete that property project, we will be liable to the purchasers for their losses. Should we fail to complete a pre-sale property project on time, our purchasers may seek compensation for late delivery pursuant to either their contracts with us or relevant PRC laws and regulations. If our delay extends beyond a specified period, our purchasers may terminate the sale and purchase agreements and claim compensation. A purchaser may also claim damages against us if the GFA of the relevant unit, as set out in the individual property ownership certificate, deviates by more than 3% from the GFA of that unit set out in his or her contract. We cannot assure you that we will not experience significant delays in the completion and delivery of our projects, nor that the GFA for a delivered unit will not deviate more than 3% from the GFA set out in the relevant pre-sale contract, which may have a material adverse effect on our business, financial condition and results of operations.

**We are required to deliver individual property ownership certificates in a timely manner and the failure to do so may result in claims against us.**

According to the relevant PRC laws and regulations, property developers are typically required to assist purchasers in the registration and application for the relevant individual property ownership certificates within 90 days after delivery of the property or within a time frame set out in the relevant sale and purchase agreements. Property developers, including us, generally elect to specify the deadline for the delivery of the individual property ownership certificates in the sale and purchase agreements to allow sufficient time for the application and approval process. Under current regulations, we are then required to submit requisite governmental approvals in connection with our property development, including land use rights documents, construction work planning permits and certificates of completion, to the local bureau of land resources and housing administration after the receipt of the certificates of

completion for the relevant properties and to apply for the general property ownership certificates in respect of these properties. Within regulated periods after delivery of the properties, we are required to submit the relevant sale and purchase agreements and identification documents of the purchasers, together with the general property ownership certificates, for the bureau's review before its issuance of the individual property ownership certificates in respect of the properties purchased. Delay by the various administrative authorities in reviewing the relevant applications and granting the relevant approvals as well as other factors may affect timely delivery of the general, as well as individual, property ownership certificates.

Property developers, including us, may become liable for monetary penalties to purchasers for late delivery of the individual property ownership certificates due to delays in the administrative approval processes or for any other reason beyond our control. We cannot assure you that we will be able to timely deliver all property ownership certificates in the future or that we will not be subject to any liabilities as a result of any late deliveries of property ownership certificates.

**The relevant PRC tax authorities may challenge the basis on which we calculate our land appreciation tax (“LAT”) obligations.**

Under PRC laws and regulations, our PRC subsidiaries that are engaged in the property development business are subject to LAT as determined by the local authorities in the location in which each project is located. All income from the transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value as defined in the relevant tax laws. Certain exemptions are available for the sale of ordinary residential properties if the appreciation values do not exceed 20% of the total deductible items as defined in the relevant tax laws. Sales of commercial properties are not eligible for such an exemption. Whether a property qualifies for the ordinary residential property exemption is determined by the local government. Sales of higher-end properties and commercial properties are generally assessed at higher appreciation values, and are therefore generally subject to higher LAT rates. On December 28, 2006, the SAT promulgated the Notice on the Settlement Management of Land Appreciation Tax on Real Estate Enterprises 《關於房地產開發企業土地增值稅清算管理有關問題的通知》, which took effect on February 1, 2007. Such notice provides further clarifications as to the settlement of LAT. Local provincial tax authorities can formulate their own implementation rules according to the notice and local situations. On May 12, 2009, the SAT issued the Regulations of Land Appreciation Tax Settlement Administration 《土地增值稅清算管理規程》 effective on June 1, 2009, which further clarifies the specific conditions and procedures for the settlement of LAT. On May 25, 2010, the SAT published the Circular on Strengthening the Collection and Administration of Land Appreciation Tax 《關於加強土地增值稅徵管工作的通知》 to require all local governments to formulate the tax rate and strengthen provisional LAT taxation. According to this circular, the provisional LAT rate of provinces in the eastern region shall not be lower than 2%, while the provinces in the middle and northeastern region shall not be lower than 1.5% and the provinces in western region shall not be lower than 1%. The local governments shall determine the provisional LAT rate applicable to different types of real estate. We estimate and make provisions for the full amount of applicable LAT in accordance with the requirements set out in the relevant PRC tax laws and regulations, but only prepay 1.0% to 5.0% of the pre-sale proceeds each year as required by the local tax authorities under prevailing practice. For 2015, 2016 and 2017 and the six months ended June 30, 2018, we made provisions for LAT in the amount of RMB317.9 million, RMB602.2 million, RMB2,123.9 million (US\$321.0 million) and RMB1,266.9 million (US\$191.5 million), respectively.

We estimate and make provision for the amount of applicable LAT at the time the relevant property sales revenue is recognized and recorded in our books, but actual LAT payment will only be made at the time specified by the relevant PRC tax laws and regulations. We cannot assure you that the local tax authorities will agree with the basis on which we calculate our LAT obligations. In addition,

we cannot assure you that the applicable tax rate for LAT will not increase, or that the PRC government or local tax authorities will not abolish the authorized taxation method, or that we will be able to obtain approval in the future to use the authorized taxation method. If the relevant tax authorities determine that a higher amount of LAT should be paid, our business, financial condition and results of operations may be materially and adversely affected.

Furthermore, relevant notices issued by the PRC government relating to the settlement of LAT allow provincial tax authorities to formulate their own implementation rules according to the local situation. If the implementation rules promulgated in the cities in which our projects are located require us to settle all unpaid LAT at the same time, or impose other conditions, our business, financial conditions and results of operations may be materially and adversely affected.

**Our transfer of funds into China to finance our development projects is subject to approval by the PRC government and, as a result, the deployment of funds raised in offshore financing in our business may be delayed.**

Equity contributions by us and our non-PRC subsidiaries to our PRC subsidiaries will require approvals or record-filing from the commerce department of the local government and registration with the relevant local branch of the State Administration of Industry and Commerce (“SAIC”), which may take considerable time and delay the actual contribution of funds to our PRC subsidiaries.

In recent years, in an effort to cool down its economy, the PRC government has introduced a series of rules and measures, including those aimed at controlling the inflow of foreign funds into the property development industry or for property speculation. The transfer of our net proceeds from this offering into China will be subject to such PRC governmental approval process.

On May 23, 2007, the China’s Ministry of Commerce (“MOFCOM”) and the State Administration of Foreign Exchange (“SAFE”) jointly promulgated the Notice on Further Reinforcing and Regulating the Approval and Supervision on 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》, often known as “Notice No. 50,” pursuant to which, prior to obtaining approval for the establishment of an Foreign Investment Real Estate Enterprise (hereinafter referred to as “FIREE”), either (i) both the land use rights certificates and property ownership certificates must have been obtained, or (ii) contracts for obtaining land use rights or property ownership must have been entered into. In addition, a foreign-invested enterprise needs to obtain approval before expanding its business scope into the real estate sector or engaging in a new real estate development project. Pursuant to Notice No. 50, we must first enter into land grant contracts before we may apply for the establishment of a new FIREE. Alternatively, if we elect to engage in any new real estate project development through an existing FIREE, we must first apply to the relevant PRC governmental authorities to expand the scope of business or scale of operations of such FIREE. In any event, we must file with MOFCOM and wait until such filing is complete before we could transfer the proceeds into China for the property development. We cannot assure you how long the filing process will take.

On June 18, 2008, MOFCOM promulgated the “Notice on Better Implementation of the Filing of Foreign Investment in the Real Estate Industry” 《關於做好外商投資房地產業備案工作的通知》, according to which MOFCOM authorizes provincial departments in charge of commerce to verify the record-filing materials of property development projects with foreign investment. These new regulations effectively prohibit us from injecting funds raised offshore into our PRC project companies by way of shareholder loans. Without this flexibility, to transfer funds to and from our PRC subsidiaries in the form of loans and interest or loan payments, respectively, we cannot assure you that the dividend payments from our PRC subsidiaries will be available, if applicable, on each payment of distributions or arrears of distributions under the Notes, or on a redemption date or the maturity date to pay for the principal of the Notes.

We cannot assure you that we will obtain in a timely manner all relevant necessary approval certificates, record-filing or registration for all our operating subsidiaries in the PRC to deploy the proceeds of this offering or other offshore financing into our business in the PRC, which may adversely affect the financial condition of our PRC subsidiaries and may cause delays to the development undertaken by such PRC subsidiaries. Furthermore, we cannot assure you that the PRC government will not introduce new policies that further restrict our ability to deploy, or that prevent us from deploying, in China the funds raised outside of China. Therefore, we may not be able to use all or any of the capital that we may raise outside China to finance our projects in a timely manner or at all. Failure to obtain such governmental approvals, record-filing and registration or material delays in the approval or registration process may also result in foreign exchange loss as well as administrative penalties, thereby adversely affecting our business, financial condition and results of operations.

**Our property development business is subject to claims under statutorily mandated quality warranties.**

Under Regulations on the Administration of Quality of Construction Works 《建設工程質量管理條例》, all property development companies 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. We may sometimes receive quality warranties from third-party contractors we hire to construct our development projects. If a significant number of claims are brought against us under our warranties and if we are unable to obtain reimbursement for such claims from third-party contractors in a timely manner or at all, or if the retention money retained by us is not sufficient to cover our payment obligations under the quality warranties, we could incur significant expenses to resolve such claims or face delays in correcting the related defects, which may in turn harm our reputation and have a material and adverse effect on our business, financial condition and results of operations.

**The property market in the PRC is still at a relatively early stage of development.**

The property development industry and ownership of private property in the PRC are still in a relatively early stage of development. Although demand for private residential property in the PRC has been growing rapidly in recent years, such growth is often coupled with volatility in market conditions and fluctuation in property prices. We cannot predict how much and when demand will develop, as many social, political, economic, legal and other factors may affect the development of the market. The level of uncertainty is increased by limited availability of accurate financial and market information as well as the overall low level of transparency in the PRC.

The lack of an effective liquid secondary market for residential property may discourage investors from acquiring new properties because resale is not only difficult, but can also be a long and costly process. The limited amount of property mortgage financing available to PRC individuals compounded by the lack of security of legal title and enforceability of property rights may further inhibit demand for residential developments.

**Certain facts and statistics are derived from publications not independently verified by us, the Initial Purchaser or our or its advisors.**

Facts and statistics in this offering memorandum relating to China's economy and the industries in which we operate are derived from publicly available and third-party professional sources. While we have taken reasonable care to ensure that the facts and statistics presented are accurately reproduced from such sources, they have not been independently verified by us, the Initial Purchaser or its advisors and, therefore, we or the Initial Purchaser make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside China. Due to ineffective calculation and collection methods and other problems, the facts and statistics herein may be

inaccurate or may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

## RISKS RELATING TO THE PRC

**Any adverse change in the political and economic policies of the PRC government may materially and adversely affect our business, prospects, financial condition and results of operations and may result in our inability to sustain our growth and expansion strategies.**

Our operations are conducted in the PRC. Accordingly, our business, prospects, financial condition and results of operations are, to a significant degree, subject to the economic, political and legal developments of the PRC.

The PRC economy differs from other developed economies of the world in many respects, including but not limited to the extent of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. As a result of these differences, our business may not develop in the same way or at the same rate as might be expected if the PRC economy were similar to those of the developed countries. The PRC government has implemented economic reform measures emphasizing utilizations of market forces in the development of the PRC economy and is continuing to play a significant role in regulating industries by imposing industrial policies. In addition, demand for and sales of our properties and our business, financial condition and results of operations may be adversely affected by political instability or changes in political or social conditions in the PRC.

We cannot, however, predict whether changes in the political, economic and social conditions and policies in the PRC, or in the relevant laws, regulations and rules, may have a material adverse effect on our current or future business, financial condition and operating results. There is no assurance that the PRC government will continue to pursue its current economic reform policies, or that such policies will successfully create economic growth to have favorable impacts on our future business, financial condition and results of operations.

**Inflation in China may have a material adverse effect on our business, financial condition and results of operations.**

While the PRC economy has experienced rapid growth, such growth has been uneven among various sectors of the economy and in different geographic areas of the country. Rapid economic growth can lead to growth in money supply and inflation. If prices of our properties rise at a rate that is insufficient to compensate for the rise in our costs, our business, financial condition and results of operations may be materially and adversely affected. To control inflation in the past, the PRC government has imposed control on bank credits, limits on loans for fixed assets and restrictions on state bank lending. Such an austerity measure can lead to a slowdown in the economic growth and may materially and adversely affect our business, financial condition and results of operations.

**The PRC legal system is less developed than legal systems in certain other jurisdictions and embodies inherent uncertainties, such as the uncertainties associated with the implementation of the NDRC Notice that could have adverse consequences for the Issuer, the Notes and the holders of the Notes.**

Our operations are conducted in the PRC. The PRC legal system is based on written statutes and thus prior court decisions can only be cited as reference and have limited use as precedents. Since the late 1970s, the PRC government has been developing a comprehensive system of laws, regulations and rules in relation to economic matters.

However, due to the fact that these laws, regulations and rules have not been fully developed, and because of the limited volume of published cases and their non-binding nature, the interpretation and enforcement of these laws, regulations and rules involve some degree of uncertainty with respect to the outcome of any legal action that may be taken against us in the PRC. The interpretation of statutes, regulations and rules may also be subject to government policies which can change to reflect domestic political factors. For example, we have registered the issuance of the Notes with the NDRC with reference to the NDRC Notice and are required to file a post-issuance report with the NDRC within 10 working days in the PRC pursuant to the registration certificate. As the NDRC Notice is a new regulation, there are still uncertainties regarding its interpretation, implementation and enforcement by the NDRC. If we fail to complete such filing in accordance with the relevant requirements due to any change in such regulation, we may be subjected to penalties or other enforcement actions by relevant PRC government authorities. In addition, the administration of the NDRC Notice may be subject to a certain degree of executive and policy discretion by the NDRC. However, there is no assurance that we will be able to comply with the NDRC requirements to provide the notification of the particulars of the issue of the Notes to the NDRC within the prescribed timeframe. The NDRC Notice does not expressly state the legal consequences of non-compliance with such post-issue notification requirements, therefore there is no assurance that the failure to comply with the NDRC requirements would not result in any adverse consequences for us, the Notes or the investors in the Notes. There is also no assurance that the registration with the NDRC will not be revoked or amended in the future or that future changes in PRC laws and regulations will not have a negative impact on the performance or validity and enforceability of the Notes in the PRC.

In addition, the PRC legal system is based, in part, on governmental policies and internal rules (some of which are not published on a timely basis or at all) that may have a retroactive effect. Furthermore, we may be deemed to have violated certain policies or rules for the actions of our counterparties in various transactions even if we are not aware of whether our counterparties are acting in compliance with applicable PRC laws and regulations. As a result, we may not be aware of actual or deemed violations of such policies and rules until some time after such violations have taken place. In addition, due to the limited volume of published cases and the non-binding nature of prior court decisions, the outcome of dispute resolution may not be as consistent or predictable as in other more developed jurisdictions, which may limit the legal protection available to us. Furthermore, any litigation we undertake in the PRC, regardless of its outcome, may be protracted and result in substantial costs to us and diversion of both our resources and management attention.

**The Administrative Measures for the Outbound Investment by Enterprises (the “NDRC Order No. 11”) was promulgated by the NDRC on December 26, 2017, and will take effective as from March 1, 2018.**

Under the NDRC Order No. 11, where an investor launches a large-scale non-sensitive project, which refers to a non-sensitive project wherein the Chinese investment amounts to USD 300 million or above, through an overseas company under its control, it shall submit a report form on the large-scale non-sensitive project through the network system established by the NDRC prior to the implementation of the project. Furthermore, NDRC Order No. 11 applies *mutatis mutandis* to the investments in Hong Kong, Macao or Taiwan made by investors directly or through enterprises under their control, and applies *mutatis mutandis* to the outbound investments by domestic natural persons through overseas enterprises under their control or enterprises located in Hong Kong, Macao or Taiwan.

NDRC shall establish a record for illegal and non-compliant activities in outbound investments, release and update the activities of enterprises that violate NDRC Order No. 11 and the corresponding punitive measures, incorporate the information into the integrity information sharing platform, the national publicity system for enterprise integrity information, and the website of Integrity in China, and take joint disciplinary actions in conjunction with related authorities and bodies.

**PRC regulations relating to acquisition of PRC companies by offshore holding companies may limit our ability to acquire PRC companies and may materially and adversely affect the implementation of our acquisition strategies as well as our business and prospects.**

The Provisions on the Mergers and Acquisitions of Domestic Enterprises by Foreign Investments 《關於外國投資者併購境內企業的規定》 issued by six PRC ministries and commissions, effective September 8, 2006 and revised on June 22, 2009, also known as “The M&A Provisions,” provide rules with which foreign investors must comply should they seek to (i) purchase the equities of the shareholders of a domestic non-foreign-funded enterprise, or subscribe to the increased capital of a domestic non-foreign-funded enterprise, and thus change the domestic non-foreign-funded enterprise into a foreign-funded enterprise, or (ii) set up a foreign-funded enterprise to acquire assets from a domestic enterprise, or acquire assets from a domestic enterprise and set up a foreign-funded enterprise by contribution of the acquired assets. The M&A Provisions stipulate that the business scope upon acquisition of a domestic enterprise must conform to the Catalogue for the Guidance of Foreign Investment Industries (2017 version) 《外商投資產業指導目錄》(2017年修訂) promulgated by the NDRC and MOFCOM. The Negative list for the access of foreign investment in the Catalogue 2017 is replaced by the Special Administrative Measures (Negative List) for Foreign Investment Access (Edition 2018), or the Negative List 2018, which was promulgated by MOFCOM and NDRC on June 28, 2018. The M&A Provisions also provide for the takeovers procedures for equity interests in domestic enterprises.

There are uncertainties as to how the M&A Provisions will be interpreted or implemented. If we decide to acquire a PRC enterprise, we cannot assure you that we or the owners of such PRC enterprise can successfully complete all necessary approval requirements under the M&A Provisions. This may restrict our ability to implement our acquisition strategies and may materially and adversely affect our business, financial condition and results of operations.

**Failure to comply with the SAFE regulations relating to special purpose vehicles by our beneficial owners may materially and adversely affect our business operations, limit our ability to inject capital into our PRC subsidiaries, limit the ability of our PRC subsidiaries to distribute profit to us or subject us to fines.**

The SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Administration for PRC Residents to Engage in Offshore Investment and Financing and Round Trip Investment via Special Purpose Vehicles 《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》(the “Circular 37”) and its implementation guidelines in July 2014, which abolishes and supersedes the SAFE’s Circular on Relevant Issues Concerning Foreign Exchange Administration for PRC Residents to Engage in Financing and Round Trip Investment via Overseas Special Purpose Vehicles 《關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知》(the “Circular 75”) and its related implementation rules and guidelines. Pursuant to the Circular 37 and its implementation guidelines, PRC residents (including PRC institutions and individuals) must register with local branches of SAFE in connection with their direct or indirect offshore investment in an overseas special purpose vehicle (an “SPV”) directly established or indirectly controlled by PRC residents for the purposes of offshore investment and financing with their legally owned assets or interests in domestic enterprises, or their legally owned offshore assets or interests. Such PRC residents are also required to amend their registrations with SAFE when there is a significant change to the registered SPV, such as changes of its PRC resident individual shareholder, name, operation period or other basic information or the PRC individual resident’s increase or decrease of its capital contribution in the SPV, or any share transfer or exchange, merger, division of the SPV.

Under this regulation, our individual controlling shareholders are required to comply with foreign exchange registration requirements in all material respects in connection with our investments and financing activities. If our individual controlling shareholders or we fail to comply with the relevant

SAFE requirements, such failure may subject our individual controlling shareholders or us to fines and legal sanctions, restrict our ability to inject capital into our subsidiaries in the PRC or limit the ability of our subsidiaries in the PRC to distribute profit to us, which as a result may materially and adversely affect our business, financial condition and results of operations.

**PRC regulations on provisions of loans and direct investments by offshore holding companies to PRC entities may delay or prevent us from using proceeds we receive from this offering to make loans or additional capital contributions to our PRC subsidiaries.**

On March 30, 2015, SAFE promulgated Circular of the State Administration of Foreign Exchange on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知) (the “Circular 19”), which became effective on June 1, 2015. On June 9, 2016, SAFE promulgated the Circular of the State Administration of Foreign Exchange on Reforming and Regulating the Management Policies Regarding the Settlement under Capital Account (國家外匯管理局關於改革和規範資本專案結匯管理政策的通知) (the “Circular 16”). Pursuant to the Circular 19 and the Circular 16, the foreign exchange capital of foreign-invested enterprises shall be subject to the discretionary foreign exchange settlement, which refers to that the foreign exchange capital in the capital account of foreign-invested enterprises for which the confirmation of rights and interests of monetary contribution by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) has been handled can be settled at the banks based on the actual operation needs of the enterprises. The proportion of discretionary settlement of foreign exchange capital of foreign-invested enterprises is temporarily determined as 100 per cent. SAFE can adjust the aforementioned proportion in due time based on the situation of international balance of payments.

As an offshore holding company of our PRC subsidiaries, our Company may make loans to our PRC subsidiaries, or we may make additional capital contributions to our PRC subsidiaries by utilizing the proceeds we receive from this offering, subject to the foreign investment regulations in the PRC and registration or approval with the PRC Government. We cannot assure you that we will be able to obtain these governmental registrations or approvals on a timely basis, if at all, with respect to our future loans or capital contributions to our PRC subsidiaries or any of their respective subsidiaries. If we fail to receive such registrations or approvals, our ability to use the proceeds received from this offering and to fund our PRC operations may be negatively affected, which may materially and adversely affect our liquidity and ability to expand our business.

**We may be deemed to be a PRC tax resident enterprise under the EIT Law, which could result in unfavorable tax consequences to us and our non-PRC holders of the Notes.**

The EIT Law and the implementation regulations to the EIT Law issued by the PRC State Council became effective on January 1, 2008. Under the EIT Law, enterprises established outside China whose “de facto management bodies” are located in China are considered “resident enterprises” and will generally be subject to a uniform 25% EIT on their worldwide income. Under the EIT Rules, “de facto management bodies” are defined as 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. Therefore, we may be treated as a PRC resident enterprise for EIT purposes and thus be subject to EIT at a rate of 25% on our worldwide income. However, a PRC resident enterprise is exempt from tax on dividend income received from qualified resident enterprises. The tax consequences to us in the case that we are treated as a PRC resident enterprise are not entirely clear, as they will depend on the implementation regulations and how local tax authorities apply or enforce the EIT Law and the EIT Rules. Furthermore, if we are treated as a PRC “resident enterprise”, we may be obligated to withhold PRC income tax, generally at a rate of 10%, on interest paid on the Notes to investors that are “non-resident enterprises,” because the payments may be regarded as being derived from sources within the PRC. In the case of “non-resident individual”

investors, the PRC income tax on interest paid may be imposed at a rate of 20%. Any PRC tax liability described above may be reduced to the extent provided under applicable tax treaties. If we are required under the PRC tax laws to withhold PRC tax on our payments of interest to noteholders who are “nonresident,” we will be required, subject to certain exceptions, to pay such 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 been required. 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 flow. If we fail to do so, we may be subject to fines and other penalties. Further, if we are treated as a PRC “resident enterprise”, any gain realized by a “non-resident” investor from the transfer of the Notes may be regarded as being derived from sources within the PRC and accordingly may be subject to a 10% PRC tax for “non-resident enterprise” investors or a 20% PRC tax for “non-resident individual” investors.

**Governmental control of currency conversion may affect the value of your investment.**

The PRC government imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. We receive substantially all our revenues in Renminbi. Under our current structure, our income is primarily derived from dividend payments from our PRC subsidiaries. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy their foreign currency denominated obligations, if any. Under existing PRC foreign exchange regulations, payments of certain current account items can be made in foreign currencies without prior approval from the local branch of the SAFE by complying with certain procedural requirements. However, approval from appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of indebtedness denominated in foreign currencies, including the Notes. The restrictions on foreign exchange transactions under capital accounts could also affect our subsidiaries’ ability to obtain foreign exchange through debt or equity financing, including by means of loans or capital contribution from us. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currency to satisfy our currency demands and our subsidiaries is not able to pay dividends in foreign currencies to us, we then may not be able to service our debt obligations denominated in foreign currencies, including the Notes.

**Holders of the Notes may experience difficulties in effecting service of legal process and enforcing judgments against us and our management.**

Substantially all of our operating subsidiaries are incorporated under PRC laws, and substantially all of our assets are located in the PRC. In addition, most of our directors and officers reside within the PRC, and substantially all of their assets are located within the PRC. As a result, it may not be possible to effect service of process in connection with disputes brought in the courts outside the PRC on, or to enforce judgments obtained from non-PRC courts against, us or our management who reside in the PRC. Moreover, our PRC counsel has advised us that the PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts in civil and commercial cases with the United States, the United Kingdom, the Cayman Islands, Japan or most other western countries. Therefore, it may be difficult for you to enforce against us or our directors or officers in the PRC any judgments obtained from non-PRC courts.

**Natural Disaster, acts of God, acts of war, epidemics, such as severe acute respiratory syndrome (SARS), H5N1 or H7N9 avian flu, Ebola virus disease (Ebola) or H1N1 influenza, and other disasters may affect our business.**

Our business is subject to general and social conditions in the PRC. Natural disasters, epidemics, acts of God and other disasters that are beyond our control may materially and adversely affect the economy, infrastructure and livelihood of the people of the PRC. Some cities in the PRC are under the threat of flood, earthquake, rainstorm, typhoon, sandstorm or drought. Our business, financial condition and operating results may be materially and adversely affected if any of these natural disasters occurs in the areas in which we operate.

Epidemics threaten people's lives and may materially and adversely affect their livelihoods as well as living and consumption patterns. The occurrence of an epidemic is beyond our control and there is no assurance that the outbreak of SARS, H5N1 or H7N9 avian flu, Ebola or H1N1 influenza will not happen again. Any epidemic occurring in areas in which we operate, or even in areas in which we do not operate, may materially and adversely affect our business, financial condition and results of operations.

Acts of war and terrorist attacks may cause damage or disruption to us, our employees, facilities, our distribution channels, markets, suppliers and customers, the occurrence of any of which may materially and adversely affect our business, revenue, cost of sales, financial condition and results of operations. Potential wars or terrorist attacks may also cause uncertainties and cause our business to suffer in ways that we cannot currently predict.

## **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 with no material operations. We conduct our operations through our PRC subsidiaries. The Notes will not be guaranteed by any current or future PRC subsidiaries or by certain other Non-Guarantor Subsidiaries. Our primary assets are loans to and ownership interests in our PRC subsidiaries, which are held through the Subsidiary Guarantors. The Subsidiary Guarantors do not have material operations. Accordingly, our ability to pay principal and interest on the Notes and the ability of the Subsidiary Guarantors to satisfy their obligations under the Subsidiary Guarantees will depend upon our receipt of principal and interest payments on the intercompany loans and distributions of dividends from our subsidiaries. See also “— Risks Relating to the PRC — Governmental control of currency conversion may affect the value of your investment.”

Creditors including trade creditors of our PRC subsidiaries and any holders of preferred shares in such entities would have a claim on such subsidiaries' assets that would be prior to the claims of holders of the Notes. As a result, our payment obligations under the Notes are effectively subordinated to all existing and future obligations of such subsidiaries, and all claims of creditors of our PRC 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 June 30, 2018, our PRC subsidiaries had indebtedness in the amount of RMB39,470.8 million (US\$5,965.0 million) and capital commitments and contingent liabilities arising from guarantees of approximately RMB9,847.3 million (US\$1,488.2 million) and RMB18,997.8 million (US\$2,871.0 million), respectively. See “Description of Other Material Indebtedness and Obligations.” The Notes and the Indenture do not restrict the ability of our subsidiaries to issue certain categories of guarantee in the ordinary course of business. In addition, our secured creditors or those of any Subsidiary Guarantor would have priority as to our assets or the assets of such Subsidiary Guarantor securing the related obligations over claims of holders of the Notes.

**The Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) are unsecured obligations.**

As the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) are unsecured obligations, the ability of the Company, the Subsidiary Guarantors or JV Subsidiary Guarantors (if any) to fulfill its or their financial obligations may be compromised if:

- the Company, any Subsidiary Guarantor or JV Subsidiary Guarantor (if any) enters into bankruptcy, liquidation, reorganization or other winding-up proceeding;
- there is a default in payment under secured indebtedness or other unsecured indebtedness of the Company, any Subsidiary Guarantor or JV Subsidiary Guarantor (if any); or
- there is an acceleration of any indebtedness of the Company, any Subsidiary Guarantor or JV Subsidiary Guarantor (if any).

If any of these events occur, the assets of the Company and the Subsidiary Guarantors and the JV Subsidiary Guarantees (if any) may not be sufficient to pay amounts due on the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any).

**The Trustee may request the holders of the Notes to provide an indemnity and/or security and/or prefunding to its satisfaction.**

In certain circumstances, the Trustee may request holders of the Notes to provide an indemnity and/or security and/or prefunding to its satisfaction before it will take actions on their behalf. The Trustee will not be obliged to take any such actions if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such actions can be taken. Further, the Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Indenture or in circumstances where there is uncertainty or dispute as to such actions' compliance with applicable laws and regulations. In such circumstances, to the extent permitted by any applicable agreements or applicable laws, it will be for the holders of the Notes to take such actions directly.

**We have substantial indebtedness 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. As of December 31, 2015, 2016 and 2017 and June 30, 2018, our total bank and other borrowings under IFRS (not including senior notes and onshore bonds) amounted to RMB11,657.9 million, RMB13,566.6 million, RMB33,113.0 million (US\$5,004.2 million) and RMB44,653.4 million (US\$6,748.2 million), respectively. As of June 30, 2018, we also had outstanding the 2015 Notes, the 2017 Notes, the January 2018 Notes, the April 2018 Notes, the May 2018 Notes, the February 2018 Convertible Bonds, the First Tranche of 2015 Onshore Bonds, the Second Tranche of 2015 Onshore Bonds, the First Tranche of 2016 Onshore Bonds, the Second Tranche of 2016 Onshore Bonds, the 2018 Onshore Bonds, the August 2017 Perpetual Securities and the December 2017 Perpetual Securities with carrying amounts of RMB25,906.0 million (US\$3,915.0 million). Subsequent to June 30, 2018, we issued 5.46% public domestic corporate bonds due 2021 in the aggregate principal amount of RMB2,500,000,000 and 6.39% public domestic corporate bonds due 2022 in the aggregate principal amount of RMB875,000,000, respectively. We also issued the September 2018 Notes in the aggregate principal amount of RMB1,000,000,000, the additional 5.5% senior notes due 2022 in the aggregate principal amount of US\$300,000,000, the January 2019 Notes in the aggregate principal amount of

US\$400,000,000 and the February 2019 Notes in the aggregate principal amount of US\$300,000,000. See “Description of Other Material Indebtedness and Obligations” for details on the outstanding loans and other indebtedness.

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 for 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 and contingent liabilities. Although the Indenture restrict us and our Restricted Subsidiaries from incurring additional debt and contingent liabilities, these restrictions are subject to important exceptions and qualifications. For example, under the Notes, we may incur 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. Consolidated Fixed Charges comprises of Consolidated Interest Expense and dividends paid on any Disqualified Stock or Preferred Stock of the Company or any Restricted Subsidiary. Because our definition of Consolidated Interest Expense, with respect to interest accruing on indebtedness of any person other than the Company or any Restricted Subsidiary, only includes interest that has become due and payable by the Company or any Restricted Subsidiary, our Consolidated Fixed Charges would be substantially lower, and therefore our ability to incur additional debt under such covenant could be substantially larger, when compared to other similarly situated PRC high yield issuers whose covenant typically includes such interest regardless of whether it has become due and payable by the Company or any Restricted Subsidiary or not. 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. 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 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 ratios requirements, and meet any other applicable restrictions. Our ability to meet our financial ratios may be affected by events beyond our control. We

cannot assure you that we will be able to meet these ratios. Certain of our other financing arrangements also impose operating and financial restrictions on our business. See “Description of Other Material Indebtedness and Obligations.” Such restrictions in the Notes and our other financing arrangements may negatively affect our ability to react to changes in market conditions, take advantage of business opportunities, obtain future financing, fund required capital expenditures, or withstand a continuing or future downturn in our business. Any of these factors could materially and adversely affect our ability to satisfy our obligations under the Notes and other debt.

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

As a holding company, 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, including our obligations under the Notes. The ability of our subsidiaries to pay dividends and make payments on intercompany loans or advances to their shareholders is subject to, among other things, distributable earnings, cash flow conditions, restrictions contained in the articles of association of our subsidiaries, applicable laws and restrictions contained in the debt instruments of such subsidiaries. See “Description of Other Material Indebtedness and Obligations.” In addition, if any of our subsidiaries raises capital by issuing equity securities to third parties, dividends declared and paid with respect to such shares would not be available to us to make payments on the Notes. Further, certain loan agreements and financing agreements obtained by our PRC subsidiaries from lenders in the PRC contain provisions that restrict or prohibit the payment or declaration of dividends or distributions. These restrictions could have a negative impact on the calculation of our EBITDA and could also reduce the amounts that we receive from our subsidiaries, which would restrict our ability to meet our payment obligations under the Notes and the ability of the Subsidiary Guarantors or the JV Subsidiary Guarantees (if any) to satisfy their obligations under the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any). See “Description of Other Material Indebtedness and Obligations.”

PRC laws and regulations permit payment of dividends only out of accumulated profits as determined in accordance with PRC accounting standards and regulations. 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 by the board of directors. In addition, dividends paid by our PRC subsidiaries to their non-PRC parent companies 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 that specifically exempts or reduces such withholding tax. Pursuant to a double tax treaty 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 a Circular of the PRC SAT dated October 27, 2009, tax treaty benefits will be denied to “conduit” or shell companies without substantive business activities. As a result of such limitations, there could be timing limitations on payments from our PRC subsidiaries to meet payments required by the Notes or satisfy our obligations under the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any), and there could be restrictions on payments required to redeem the Notes at maturity or as required for any early redemption.

Furthermore, in practice, the market interest rate 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 shareholders’ 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 a 10% (or 7% if the interest is paid to a Hong Kong resident, subject to approval by local tax authorities) withholding tax on our behalf on the interest paid under any shareholders’ loans. PRC regulations require our non-PRC subsidiaries making shareholder loans in foreign currencies to our PRC subsidiaries to be registered with the SAFE. Prior to payment of interest and principal on any such shareholder loan, the PRC subsidiaries

must present evidence of payment of the withholding tax on the interest payable on any such shareholder loan and evidence of registration with the SAFE, as well as any other documents that the 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 or the obligations of the Subsidiary Guarantors under the Subsidiary Guarantees. Any limitation on the ability of our PRC subsidiaries to pay dividends to us may also materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our businesses or otherwise fund and conduct our business.

**We may be subject to risks presented by fluctuations in exchange rates between the Renminbi and other currencies, particularly the U.S. dollar.**

The Notes are denominated in U.S. dollars, while substantially all of our revenues are generated by our PRC operating subsidiaries and are denominated in Renminbi. Pursuant to reforms of the exchange rate system announced by the PBOC on July 21, 2005, Renminbi-to-foreign currency exchange rates are allowed to fluctuate within a narrow and managed band against a basket of foreign currencies, rather than being effectively linked to the U.S. dollar. Further, from May 18, 2007, the PBOC enlarged the floating band for the trading prices in the inter-bank foreign exchange market of the Renminbi against the U.S. dollar from 0.3% to 0.5% around the central parity rate, effective on May 21, 2007. This allows the Renminbi to fluctuate against the U.S. dollar by up to 0.5% above or below the central parity rate published by the PBOC. The PBOC announced its intention to proceed with the reform of the Renminbi exchange rate regime to increase the Chinese currency's exchange rate flexibility on June 19, 2010. The floating band was further widened to 1.0% on April 16, 2012. These changes in currency policy resulted in the Renminbi appreciating against the U.S. dollar and the H.K. dollar by approximately 33.0% and 36.5% from July 21, 2005 to December 31, 2014, respectively. On March 17, 2014, the PBOC further widened the floating band against the U.S. dollar to 2.0%. On August 11, 2015, the Renminbi depreciated significantly after the PBOC moved to devalue the Renminbi against the U.S. dollar and announced a policy change allowing a more market-based determination of the official fixing rate. The PRC government may adopt further reforms of its exchange rate system, including making the Renminbi freely convertible in the future. If such reforms were implemented and resulted in devaluation of the Renminbi against the U.S. dollar, our financial condition and results of operations could be adversely affected because of our substantial U.S. dollar-denominated indebtedness and other obligations. Such a devaluation could also adversely affect the value, translated or converted into U.S. dollars or otherwise, of our earnings and our ability to satisfy our obligations under the Notes and other indebtedness denominated in foreign currencies. Starting in early 2016, we adopted a hedging policy to actively manage our foreign exchange rate risk exposure relating to non-Renminbi denominated indebtedness and entered into U.S. dollar versus offshore Renminbi capped forward contracts to hedge certain of our foreign exchange rate risk exposure relating to non-Renminbi denominated indebtedness. However, our protection against Renminbi depreciation will be limited up to capped rates specified in the relevant contracts and may not be able to hedge against all of our foreign exchange rate risk. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Quantitative and Qualitative Disclosure of Market Risks — Foreign Exchange Rate Risk."

There are limited hedging instruments available in China to reduce our exposure to exchange rate fluctuations between the Renminbi and other currencies. In addition, following the offering of the Notes, we may enter into foreign exchange or interest rate hedging agreements in respect of our U.S. dollar-denominated liabilities under the Notes. These hedging agreements may require us to pledge or transfer cash and other collateral to secure our obligations under the agreements, and the amount of collateral required may increase as a result of mark-to-market adjustments. The Initial Purchaser and its affiliates

may enter into such hedging agreements permitted under the Indenture, and these agreements may be secured by pledges of our cash and other assets as permitted under the Indenture. If we were unable to provide such collateral, it could constitute a default under such agreements.

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

We are required to offer to purchase the Notes and the Existing Notes upon the occurrence of a change of control triggering event at a purchase price equal to 101% of the principal amount plus accrued and unpaid interest. See “Description of the Notes” and “Description of Other Material Indebtedness and Obligations.”

The source of funds for any such purchase would be our available cash or third-party financing. However, we may not have enough available funds at the time of the occurrence of any Change of Control Triggering Event to make purchases of the outstanding Notes and the Existing Notes. Our failure to make the offer to purchase or to purchase the outstanding Notes and the Existing Notes would constitute an event of default under the 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 debt were to be accelerated, we may not have sufficient funds to purchase the Notes and the Existing Notes and repay the debt.

In addition, the definition of Change of Control Triggering Event for purposes of the Indenture and the indentures governing the Existing Notes does not necessarily afford protection for the holders of the Notes and the Existing Notes, as the case may be, in the event of some highly leveraged transactions, including certain acquisitions, mergers, refinancings, restructurings or other recapitalizations, although these types of transactions could increase our indebtedness or otherwise affect our capital structure or credit ratings. The definition of Change of Control Triggering Event for purposes of the Indenture and the indentures governing the Existing Notes, respectively, 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, and the ability of a holder of the Notes or the Existing Notes to require us to purchase its Notes or the Existing Notes, as the case may be, 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.

Furthermore, pursuant to the 2016 Club Loan Facilities, the 2017 Club Loan Facilities, the September 2017 Club Loan Facilities, the March 2018 Club Loan Facilities and certain of our other offshore facilities, our controlling shareholders are required to maintain beneficial shareholding of not less than 51% of the entire issued share capital of the Company, the failure of which would constitute an event of default. Therefore, if our controlling shareholders’ beneficial shareholding of our Company were to drop below 51%, we might need to repay the 2016 Club Loan Facilities, the 2017 Club Loan Facilities, the September 2017 Club Loan Facilities, the March 2018 Club Loan Facilities and our other offshore facilities in advance to avoid an event of default, for which we may not have sufficient funds.

**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 because we are treated as a PRC “resident enterprise.”**

In the event we are treated as a PRC “resident enterprise” under the EIT Law, we may be required to withhold PRC tax on interest paid to certain of our non-resident investors. In such case, we will, subject to certain exceptions, be required to pay such additional amounts as will result in receipt by a holder of a Note of such amounts as would have been received by the holder had no such withholding been required. 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 certain changes in specified tax law or certain other circumstances, including any change or interpretation or the stating of an official position that results in our being required to withhold tax on interest payments as a result of 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.

**Notes are subject to optional redemption by us.**

As set forth in “Description of the Notes — Optional Redemption,” the Notes may be redeemed at our option in the circumstances set out therein. An optional redemption feature is likely to limit the market value of the Notes. During any period when we may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be the case prior to any redemption period.

We may be expected to redeem Notes when the current financing cost is lower than the interest rate on the Notes. In such case, a Noteholder generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to reinvest so at a significantly lower rate. It may therefore cause a negative financial impact on the Noteholders. Potential investors should consider reinvestment risk in light of other investments available at that time.

**The insolvency laws of the Cayman Islands and the PRC and other local insolvency laws applicable to us may differ from those of any other jurisdiction with which holders of the Notes are familiar.**

Because we are incorporated under the laws of the Cayman Islands, an insolvency proceeding relating to us, even if brought in the United States, would likely involve Cayman Islands insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of bankruptcy law in other jurisdictions. In addition, the Subsidiary Guarantors are incorporated in the British Virgin Islands or Hong Kong and the insolvency laws of the British Virgin Islands and Hong Kong may also differ from the laws of the United States or 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. We and our non-PRC Subsidiary Guarantors, 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 of 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 the United States and other jurisdictions with which the holders of the Notes are familiar. You should analyze the risks and uncertainties in the insolvency of the Cayman Islands, the PRC and other jurisdictions applicable to us carefully before you invest in our Notes.

**We may be unable to obtain and remit foreign exchange.**

Our ability to satisfy our obligations under the Notes depends solely upon the ability of our subsidiaries in the PRC to obtain and remit sufficient foreign currency to pay dividends to us and to repay shareholder loans. Our PRC subsidiaries must present certain documents to the SAFE, its authorized branch, or the designated foreign exchange bank, for approval before they can obtain and remit foreign currencies out of the PRC (including, in the case of dividends, evidence that the relevant PRC taxes have been paid and, in the case of shareholder loans, evidence of the registration of the loan with the SAFE). Prior to payment of interest and principal on any shareholder loan we make to our PRC subsidiaries, the relevant PRC subsidiary must also present evidence of payment of the 10% (or 7% if the interest is paid to a Hong Kong resident, subject to approval by local tax authorities) withholding tax

on the interest payable in respect of such shareholder 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 our existing shareholder 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, the indentures governing the Existing Notes or the Indenture, there could be a default under the terms of these agreements or the Indenture, which could cause repayment of our debt to be accelerated.**

If we are unable to comply with the restrictions and covenants in the Indenture, the 2016 Club Loan Facilities, the 2017 Club Loan Facilities, the September 2017 Club Loan Facilities, the March 2018 Club Loan Facilities and our other offshore facilities, the indentures governing the Existing 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 amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, some of our debt agreements, including the Indenture, the indentures governing the Existing Notes, the 2016 Club Loan Facilities, the 2017 Club Loan Facilities, the September 2017 Club Loan Facilities, the March 2018 Club Loan Facilities and our other offshore facilities, contain cross-acceleration or cross-default provisions. As a result, our default under one debt agreement may cause the acceleration of repayment of debt, including the Notes, or result in a default under our other debt agreements, including the Indenture. 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.

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

The Indenture, the indentures governing the Existing Notes, respectively, the 2016 Club Loan Facilities, the 2017 Club Loan Facilities, the September 2017 Club Loan Facilities, the March 2018 Club Loan Facilities and other debt agreements include 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 their 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;
- 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, merger, restructuring or changes in shareholding in subsidiaries.

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.

**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 certificated form and held through Euroclear and Clearstream. Interests in the global notes will trade in book-entry form only, and the 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 Notes. Payments of principal, interest and other amounts owing on or in respect of the global notes 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 notes representing the Notes and credited by such participants to indirect participants. After payment to 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, and 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 a holder of Notes 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 holders of the notes. 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.

**We are allowed under the Indenture and the indentures governing the Existing Notes to make investments in Unrestricted Subsidiaries and minority owned joint ventures and the terms of the Notes also give us enhanced flexibility to pay dividends and repurchase our shares.**

In light of land prices, project size and other factors, we may from time to time consider developing properties jointly with other PRC property developers. As a result, we may need to make investments in joint ventures (including joint ventures in which we may own less than a 50% equity interest) and such joint ventures may or may not be Restricted Subsidiaries under the Indenture and the indentures governing the Existing Notes. Although the Indenture and the indentures governing the Existing Notes generally restrict us and our Restricted Subsidiaries from making investments in Unrestricted Subsidiaries or minority joint ventures, these restrictions are subject to important exceptions and qualifications. In particular, under the Indenture, we are not required to satisfy the Fixed Charge Coverage Ratio for making investments in minority joint ventures up to 5% of the Total Assets. See clause (17) in the definition of “Permitted Investment” in “Description of the Notes — Definitions” and “— Certain Covenants — Limitation on Restricted Payments.” In addition, we are not required to satisfy the Fixed Charge Coverage Ratio for any restricted payment consisting solely of the declaration or payment of dividends in cash on our Common Stock or the repurchase of our Common Stock up to a certain limit. See “Description of the Notes — Certain Covenants — Limitations on Restricted Payments.”

**The terms of the Notes permit us to engage in businesses that may not be related to our real estate business.**

The Indenture governing the Notes will not restrict us and our Restricted Subsidiaries from expanding into businesses that we are not currently engaged in. This gives us the flexibility of potentially diversifying into other businesses, even though we do not have a concrete diversification plan at the moment. Subject to certain restrictions, we may also make minority investments in connection with such diversification. See “— We are allowed under the Indenture and the indentures governing the Existing Notes to make investments in Unrestricted Subsidiaries and minority owned joint ventures.” If we expand into new businesses, we will be exposed to risks that are different from those we have faced in the past.

**The terms of the Notes permit us to buy out minority interests in certain non-wholly owned Restricted Subsidiaries, and such purchases will not constitute Restricted Payments.**

The Indenture governing the Notes permit us to redeem, repurchase or otherwise acquire minority interests in our Restricted Subsidiaries held by Independent Third Parties and such purchases will not constitute Restricted Payments, subject to certain conditions. See “Description of the Notes — Certain Covenants — Limitation on Restricted Payments.” Even though such transactions would potentially increase our ownership interests in the relevant Restricted Subsidiary, we may pay substantial amounts of consideration in these transactions, whether in cash or other assets, which may adversely impact our business, results of operations and financial condition.

**The terms of the Notes permit us to designate any Non-Core Entity as an Unrestricted Subsidiary in connection with any Qualified Spin-off IPO, and investments we retain in such Unrestricted Subsidiaries will not constitute Restricted Payments upon such designation.**

We may enter new businesses with a view to establishing alternative revenue sources and diversifying our business. We may spin off such new businesses in the future as we desire. Subject to certain restrictions, in connection with a spin-off listing of Non-Core Entities that are engaged in businesses other than our core real estate development business, the terms of the Notes permit us to designate any such Non-Core Entity as an Unrestricted Subsidiary, and any interests we retain in such Non-Core Entities will not constitute Restricted Payments upon such designation. See “Description of the Notes — Certain Covenants — Limitation on Restricted Payments” and the definition of “Permitted Investment.” We currently do not have any plan for such spin-off listing and do not expect to make such designations. The effects of any such designation, if applicable, include, but are not limited to, that:

- any entity so designated as an Unrestricted Subsidiary will no longer be subject to the covenants under the Indenture governing the Notes;
- the Subsidiary Guarantees of any entity so designated as an Unrestricted Subsidiary may be released, and the shares of such entity previously pledged to the collateral agent or the trustee for the benefit of the holders of the Notes may be released; and
- interest expenses on Indebtedness of any entity so designated as an Unrestricted Subsidiary will not be included in the calculation of our Consolidated Interest Expense, other than such interest expenses on Indebtedness that is Guaranteed by the Company or a Restricted Subsidiary.

**Certain of our offshore Restricted Subsidiaries will be permitted to not provide a Subsidiary Guarantee or a JV Subsidiary Guarantee.**

According to the terms of the Notes, certain offshore Restricted Subsidiaries will not be required to deliver a Subsidiary Guarantee or a JV Subsidiary Guarantee, including the following:

- a publicly listed Restricted Subsidiary and its Subsidiaries;
- any Restricted Subsidiary the provision of a Subsidiary Guarantee or a JV Subsidiary Guarantee by which would be prohibited by any applicable laws or regulations or any applicable rules or policies of any applicable governmental or regulatory bodies or agencies; and
- offshore Restricted Subsidiaries whose consolidated assets in the aggregate do not exceed 30% of our Total Assets.

See “The Subsidiary Guarantees and the JV Subsidiary Guarantees” section and the definitions of “Listed Subsidiary” and “Exempted Subsidiary” in the “Description of the Notes.” As a result of these exemptions, certain of our offshore Restricted Subsidiaries, which may constitute substantial revenue sources and/or hold substantial assets, may not be Guaranteeing the Notes.

**There may not be an active trading market for the Notes, and there are restrictions on resale of the Notes.**

The Notes are a new issue of securities for which there is currently no trading market. We have been advised that the Initial Purchaser intends to make, or to continue to make, a market in the Notes, but the Initial Purchaser is 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 “Transfer Restrictions.” We cannot predict whether there will be an active trading market for the Notes.

**The Notes may initially be sold to a small number of investors; accordingly, a liquid trading market for the Notes may not develop. In addition, one or more of the initial investors may own a significant percentage or a majority of the Notes and may therefore be able to exercise certain rights and powers on behalf of all holders of the Notes.**

The Notes may initially be sold to a small number of investors. Accordingly, there may not be a liquid trading market for the Notes, in which case you may not be able to resell your Notes at their fair market value or at all. In addition, one or more of the investors may hold a significant percentage or a majority of the aggregate principal amount of the Notes. Any Noteholder of a majority in aggregate principal amount of the Notes will have certain rights and powers under the Indenture and related documents. Accordingly, any investor that holds a majority in aggregate principal amount of the Notes will be able to exercise such rights and powers on behalf of all Noteholders and control the outcome of votes on such matters even if such outcome is not in line with the interest of the Noteholders who vote against the matters.

**The ratings assigned to the Notes may be lowered or withdrawn in the future.**

The Notes are expected to be assigned a rating of “BB” by Fitch Ratings and “BB-” by Standard & Poor’s Rating Services. The ratings 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. 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 cannot assure you that the ratings remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant. We have no obligation to inform holders of the Notes of any such revision, downgrade or withdrawal. A suspension, reduction or withdrawal at any time of the rating assigned to the Notes may adversely affect the market price of the Notes.

**Certain transactions that constitute “connected transactions” under the Listing Rules 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 the 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 the prior approval of the independent shareholders of such listed company. The definition of “connected person” to a listed company includes, among others, any 10% or more shareholder of (i) such listed company or (ii) any subsidiary of such listed company. The concept of “connected person” also captures “associates,” which include, among others, (a) any subsidiary of such “connected person,” (b) any holding company of such “connected person” and any subsidiary of such holding company, and (c) any company in which such entity or entities mentioned in (a) and (b) above taken together has/have the power to exercise control, directly or indirectly, of 30% or more of the voting power of such company.

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

- (a) any holder (or any Affiliate of such holder) of 10% or more of the shares of the Company; or
- (b) 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 covenant, even though they may be connected transactions under the Listing Rules and subject to any requirements under the Listing Rules to obtain approval from independent shareholders. 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 of 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 and proposals for new investments, strategic alliances and/or acquisitions, interest rates, fluctuations in price for comparable companies and 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. We cannot assure you that these developments will not occur in the future.

**We will follow the applicable corporate disclosure standards for debt securities listed on the Hong Kong Stock Exchange, which standards may be different from those applicable to debt securities listed in certain other countries.**

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

## **RISKS RELATING TO THE SUBSIDIARY GUARANTEES AND THE JV SUBSIDIARY GUARANTEES**

**Our initial Subsidiary Guarantors do not currently have significant operations.**

None of our current PRC subsidiaries will provide a Subsidiary Guarantee or a JV Subsidiary Guarantee. No future subsidiaries that are organized under the laws of the PRC will provide a Subsidiary Guarantee or a JV Subsidiary Guarantee at any time in the future. As a result, the Notes are effectively subordinated to all the debt and other obligations, including contingent obligations and trade payables, of the PRC subsidiaries.

Certain of our subsidiaries incorporated in the British Virgin Islands or in Hong Kong are not required to provide Subsidiary Guarantees or JV Subsidiary Guarantees. In addition, Unrestricted Subsidiaries will not be required to guarantee the Notes, and future Restricted Subsidiaries will not be required to guarantee the Notes if the consolidated assets of all Restricted Subsidiaries organized outside the PRC that are not Subsidiary Guarantors or JV Subsidiary Guarantors do not account for more than 30% of our total assets. The initial Subsidiary Guarantors that guarantee the Notes do not have significant operations. We cannot assure you that the initial Subsidiary Guarantors or any subsidiaries that may become Subsidiary Guarantors or JV Subsidiary Guarantors in the future will have the funds necessary to satisfy our financial obligations under the Notes if we are unable to do so.

Moreover, under the terms of the Notes, a Subsidiary Guarantor may be able to release its Subsidiary Guarantee if it sells or issues no less than 20% of the Capital Stock of such Subsidiary Guarantor to a third party, as long as the consolidated assets of all Restricted Subsidiaries organized outside the PRC that are not Subsidiary Guarantors or JV Subsidiary Guarantors do not account for more than 30% of our total assets. A Subsidiary Guarantee required to be provided by a subsidiary of the Company under the terms of the Notes may be replaced by a limited-recourse JV Subsidiary Guarantee following the sale or issuance to a third party of a 20% to 49.9% equity interest in such subsidiary or its direct or indirect majority shareholders (subject to the satisfaction of certain conditions). Recovery under a JV Subsidiary Guarantee is limited to an amount equal to our proportional interest in the issued share capital of such Subsidiary Guarantor multiplied by the fair market value of the total assets in such JV Subsidiary Guarantor and its subsidiaries, on a consolidated basis, as of the date of the last fiscal year-end of the Company. As a result, the amount that may be recovered by the Trustee pursuant to a JV Subsidiary Guarantee (compared to a Subsidiary Guarantee) is reduced, which in turn may affect your ability to recover any amounts due under the Notes.

**The Subsidiary Guarantees or JV Subsidiary Guarantees may be challenged under applicable insolvency or fraudulent transfer laws, which could impair the enforceability of the Subsidiary Guarantees or JV Subsidiary Guarantees.**

Under bankruptcy laws, fraudulent transfer laws, insolvency laws in the British Virgin Islands or bankruptcy law, fraudulent transfer laws, insolvency or unfair preference or similar laws in Hong Kong and other jurisdictions where future Subsidiary Guarantors or JV Subsidiary Guarantors (if any) may be

established or where insolvency proceeding may be commenced with respect to any such Subsidiary Guarantor or JV Subsidiary Guarantors (if any), a guarantee could be voided, or claims in respect of a guarantee could be subordinated to all other debts of that guarantor if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by, or when it gives, its guarantee:

For Subsidiary Guarantors or JV Subsidiary Guarantors (if any) incorporated in the British Virgin Islands:

- incurred the debt with the intent to defraud creditors (whenever the transaction took place and irrespective of insolvency);
- either (i) put the beneficiary of the guarantee in a position which, in the event of the guarantor's insolvency, would be better than the position the beneficiary would have been in had the guarantee not been given or (ii) received no consideration, or received consideration in money or money's worth that is significantly less than the consideration supplied by the guarantor (although in either case a guarantee will only be voidable if it (i) was entered into at a time when the guarantor was insolvent or if it became insolvent as a consequence of doing so, insolvent in this context meaning that the guarantor is unable to pay its debts as they fall due, and (ii) it was given within the six-month, or, if the guarantee and beneficiary are connected entities, two-year, period preceding the commencement of liquidation).

For Subsidiary Guarantors or JV Subsidiary Guarantors (if any) incorporated in other jurisdictions:

- incurred the debt with the intent to hinder, delay or defraud creditors or was influenced by a desire to put the beneficiary of the guarantee in a position which, in the event of the guarantor's insolvency, would be better than the position the beneficiary would have been in had the guarantee not been given;
- received less than reasonably equivalent value or fair consideration for the incurrence of such guarantee;
- was insolvent or rendered insolvent by reason of such incurrence;
- was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

The measure of insolvency for purposes of the foregoing will vary depending on the laws of the jurisdiction which are being applied. Generally, however, a guarantor would be considered insolvent at a particular time if it were unable to pay its debts as they fell due or if the sum of its debts was then greater than all of its property at a fair valuation or if the present fair saleable value of its assets was then less than the amount that would be required to pay its probable liabilities in respect of its existing debt as it became absolute and matured. We cannot assure you that such limitation will be effective in preserving the enforceability of any of the Subsidiary Guarantees or JV Subsidiary Guarantees. In addition, a guarantee may be subject to review under applicable insolvency or fraudulent transfer laws in certain jurisdictions or subject to a lawsuit by or on behalf of creditors of the guarantors. In such case, the analysis set forth above would generally apply, except that the guarantee could also be subject to the claim that, since the guarantee was not incurred for the benefit of the guarantor, the obligations of the guarantor thereunder were incurred for less than reasonably equivalent value or fair consideration, and, as a result, such guarantee would be rendered void.

In an attempt to limit the applicability of insolvency and fraudulent transfer laws in certain jurisdictions, the obligations of the Subsidiary Guarantors or JV Subsidiary Guarantors (if any) under the Subsidiary Guarantees or JV Subsidiary Guarantees (as the case may be) will be limited to the maximum amount that can be guaranteed by the applicable Subsidiary Guarantor or JV Subsidiary Guarantor without rendering the guarantee, as it relates to such Subsidiary Guarantor or JV Subsidiary Guarantor, voidable under such applicable insolvency or fraudulent transfer laws.

If a court voided a Subsidiary Guarantee or a JV Subsidiary Guarantee, subordinated such guarantee to other indebtedness of the Subsidiary Guarantor or JV Subsidiary Guarantor (as the case may be), or held such guarantee unenforceable for any other reason, holders of the Notes would cease to have a claim against that Subsidiary Guarantor or JV Subsidiary Guarantor based upon such guarantee, would be subject to the prior payment of all liabilities (including trade payables) of such Subsidiary Guarantor or JV Subsidiary Guarantor, and would solely be creditors of us and any Subsidiary Guarantor or JV Subsidiary Guarantor whose guarantee was not voided or held unenforceable. We cannot assure you that, in such an event, after providing for all prior claims, there would be sufficient assets to satisfy the claims of the holders of the Notes.

## **USE OF PROCEEDS**

We estimate that the net proceeds from this offering of the Notes, after deducting the underwriting discounts and commissions and other estimated expenses payable in connection with this offering, will be approximately US\$        million. We intend to use the net proceeds for refinancing our existing indebtedness and/or general corporate purposes. See the section entitled “Description of Other Material Indebtedness and Obligations.”

We may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of the proceeds.

## **EXCHANGE RATE INFORMATION**

### **CHINA**

The PBOC sets and publishes daily a base exchange rate with reference primarily to the supply and demand of Renminbi against a basket of currencies in the market during the prior day. PBOC also takes into account other factors, such as the general conditions existing in the international foreign exchange markets. From 1994 to July 20, 2005, the conversion of Renminbi into foreign currencies, including Hong Kong dollars and U.S. dollars, was based on rates set daily by PBOC on the basis of the previous day's inter-bank foreign exchange market rates and then current exchange rates in the world financial markets. During this period, the official exchange rate for the conversion of Renminbi to U.S. dollars remained generally stable. Although the PRC government introduced policies in 1996 to reduce restrictions on the convertibility of Renminbi into foreign currencies for current account items, conversion of Renminbi into foreign currencies for capital items, such as foreign direct investment, loan principals and securities trading, still requires the approval of SAFE and other relevant authorities. 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. On the same day, the value of the Renminbi appreciated by approximately 2% against the U.S. dollar. The PRC government has since made and in the future may make further adjustments to the exchange rate system.

On May 18, 2007, PBOC widened the floating band for the trading prices in the inter-bank foreign exchange market of the Renminbi against the U.S. dollar from 0.3% to 0.5% around the central parity rate, effective on May 21, 2007. The floating band was further widened to 1.0% on April 16, 2012. These changes in currency policy resulted in the Renminbi appreciating against the U.S. dollar by approximately 33.0% from July 21, 2005 to December 31, 2014. On March 17, 2014, the PBOC further widened the floating band against the U.S. dollar to 2.0%. The PBOC announces the closing price of a foreign currency traded against the Renminbi in the inter-bank foreign exchange market after the closing of the market on each working day, and makes it the central parity for trading against the Renminbi on the following working day. On August 11, 2015, the PBOC moved to devalue the Renminbi against the U.S. dollar and announced a policy change allowing a more market-based determination of the official fixing rate. Following such announcement, the Renminbi depreciated significantly against the U.S. dollar.

The following table sets forth the exchange rates set forth in the H.10 statistical release of the Federal Reserve Board for the periods indicated. On June 29, 2018, the exchange rate was RMB6.6171 to US\$1.00.

Period	Period end	Exchange rate		
		Average <sup>(1)</sup> (RMB per US\$1.00)	High	Low
2012 . . . . .	6.2303	6.3085	6.3879	6.2221
2013 . . . . .	6.0537	6.1478	6.2438	6.0537
2014 . . . . .	6.2046	6.1620	6.2591	6.0402
2015 . . . . .	6.4778	6.2827	6.1870	6.4896
2016 . . . . .	6.9430	6.6549	6.9580	6.4480
2017 . . . . .	6.5063	6.7564	6.9575	6.4773
2018 . . . . .	6.8755	6.6079	6.9737	6.2649
September . . . . .	6.8680	6.8551	6.8880	6.8270
October . . . . .	6.9737	6.9191	6.9737	6.8680
November . . . . .	6.9558	6.9367	6.8894	6.9558
December . . . . .	6.8755	6.8839	6.9077	6.8343
2019				
January . . . . .	6.6958	6.7863	6.8708	6.6958
February . . . . .	6.6912	6.7367	6.7907	6.6822
March (through March 15) . . . . .	6.7129	6.7116	6.7215	6.7045

*Source: Federal Reserve H.10 Statistical Release*

*Note:*

- (1) Determined by averaging the rates on the last business day of each month during the relevant year, except for monthly average rates, which are determined by averaging the daily rates during the respective months.

## HONG KONG

The Hong Kong dollar is freely convertible into other currencies, including the U.S. dollar. Since October 17, 1983, the Hong Kong dollar has been linked to the U.S. dollar at the rate of HK\$7.80 to US\$1.00. The Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China (the "Basic Law"), which came into effect on July 1, 1997, provides that no foreign exchange control policies shall be applied in Hong Kong.

The market exchange rate of the Hong Kong dollar against the U.S. dollar continues to be determined by the forces of supply and demand in the foreign exchange market. However, against the background of the fixed rate system which applies to the issuance and withdrawal of Hong Kong currency in circulation, the market exchange rate has not deviated significantly from the level of HK\$7.80 to US\$1.00. In May 2005, the Hong Kong Monetary Authority broadened the 22-year-old trading band from the original rate of HK\$7.80 per U.S. dollar to a rate range of HK\$7.75 to HK\$7.85 per U.S. dollar. The Hong Kong government has indicated its intention to maintain the link within that rate range. Under the Basic Law, the Hong Kong dollar will continue to circulate and remain freely convertible. The Hong Kong government has also stated that it has no intention of imposing exchange controls in Hong Kong and that the Hong Kong dollar will remain freely convertible into other currencies, including the U.S. dollar. However, no assurance can be given that the Hong Kong government will maintain the link within the current rate range or at all.

The following table sets forth the exchange rates set forth in the H.10 statistical release of the Federal Reserve Board for the periods indicated. On June 29, 2018, the exchange rate was HK\$7.8463 to US\$1.00.

Period	Exchange rate			
	Period end	Average <sup>(1)</sup> (HK\$ per US\$1.00)	High	Low
2012 .....	7.7507	7.7556	7.7699	7.7493
2013 .....	7.7539	7.7565	7.7654	7.7503
2014 .....	7.7531	7.7545	7.7669	7.7495
2015 .....	7.7507	7.7519	7.7686	7.7495
2016 .....	7.7534	7.7620	7.8270	7.7505
2017 .....	7.8128	7.7926	7.8267	7.7540
2018 .....	7.8316	7.8376	7.8499	7.8043
September .....	7.8259	7.8364	7.8496	7.8080
October .....	7.8393	7.8375	7.8433	7.8260
November .....	7.8244	7.8286	7.8205	7.8365
December .....	7.8316	7.8187	7.8321	7.8043
2019				
January .....	7.8463	7.8411	7.8463	7.8308
February .....	7.8496	7.8477	7.8486	7.8460
March (through March 15) .....	7.8492	7.8495	7.8499	7.8481

*Source: Federal Reserve H.10 Statistical Release*

*Note:*

- (1) Determined by averaging the rates on the last business day of each month during the relevant year, except for monthly average rates, which are determined by averaging the daily rates during the respective months.

## CAPITALIZATION AND INDEBTEDNESS

The following table sets forth our consolidated cash and cash equivalents, short-term debt and capitalization as of June 30, 2018 on an actual basis and on an adjusted basis after giving effect to the issuance of the September 2018 Notes, the Additional 2017 Notes, the January 2019 Notes, the February 2019 Notes and the Notes in this offering, before taking into account any premium or discount at issue and before deducting the underwriting discounts and commissions and other estimated expenses of this offering payable by us. The following table should be read in conjunction with the selected consolidated financial information and the consolidated financial statements and related notes included elsewhere in this offering memorandum.

	<b>As of June 30, 2018</b>			
	<b>Actual</b>		<b>As adjusted</b>	
	<b>RMB'000</b>	<b>US\$'000</b>	<b>RMB'000</b>	<b>US\$'000</b>
Cash and cash equivalents <sup>(1)</sup> . . . . .	39,097,265	5,908,520		
Short-term borrowings <sup>(2)(4)</sup>				
Bank and other borrowings . . . . .	9,079,629	1,372,146	9,079,629	1,372,146
Onshore bonds . . . . .	3,611,346	545,760	3,611,346	545,760
Amounts due to non-controlling interests . . .	21,553,540	3,257,249	21,553,540	3,257,249
Debt component of convertible bond . . . . .	2,275,497	343,881	2,275,497	343,881
Total short-term borrowings . . . . .	<u>36,520,012</u>	<u>5,519,036</u>	<u>36,520,012</u>	<u>5,519,036</u>
Long-term borrowings <sup>(3)(4)(5)</sup>				
Bank and other borrowings . . . . .	35,573,730	5,376,030	35,573,730	5,376,030
Senior notes . . . . .	11,827,436	1,787,405	11,827,436	1,787,405
Onshore bonds <sup>(5)</sup> . . . . .	8,191,747	1,237,966	8,191,747	1,237,966
September 2018 Notes . . . . .	—	—	1,000,000	151,124
Additional 2017 Notes <sup>(6)</sup> . . . . .	—	—	1,809,922	273,522
January 2019 Notes . . . . .	—	—	2,646,046	399,880
February 2019 Notes . . . . .	—	—	1,935,502	292,500
Notes to be issued . . . . .	—	—		
Total long-term borrowings . . . . .	<u>55,592,913</u>	<u>8,401,401</u>		
Equity <sup>(7)</sup> . . . . .	<u>43,722,700</u>	<u>6,607,532</u>	<u>43,722,700</u>	<u>6,607,532</u>
Total capitalization <sup>(8)</sup> . . . . .	<u>99,315,613</u>	<u>15,008,933</u>		

*Notes:*

- (1) Restricted bank deposits was RMB3,274.0 million as of June 30, 2018.
- (2) Short-term borrowings include the current portion of long-term borrowings.
- (3) Long-term borrowings exclude the current portion of long-term borrowings.
- (4) As of June 30, 2018, our consolidated capital commitments were RMB9,847.3 million (US\$1,488.2 million) and we had contingent liabilities of RMB18,997.8 million (US\$2,871.0 million) in the form of guarantees for mortgage bank loans granted to purchasers of our properties. See “Management’s Discussion and Analysis of Financial Condition and Results of Operation-Indebtedness and Contingent Liabilities — Contractual Obligations” and “— Contingent Liabilities.”.
- (5) On August 8, 2018 and September 19, 2018, we issued 5.46% public domestic corporate bonds due 2021 in the aggregate principal amount of RMB2,500,000,000 and 6.39% public domestic corporate bonds due 2022 in the aggregate principal amount of RMB875,000,000, respectively, which are not reflected in the table above.
- (6) Proceeds exclude accrued interest from (and including) July 23, 2018 to (but excluding) October 5, 2018.
- (7) In August and December 2017, we issued 5.375% senior perpetual securities in an aggregate amount of US\$300,000,000 and US\$300,000,000, respectively.
- (8) Total capitalization includes total long-term borrowings and total equity.

We continue to enter into short-term and long-term borrowings in the ordinary course of business, such as project loans. In addition, we may from time to time enter into other financing arrangements, such as onshore bonds and offshore facilities. Such additional indebtedness incurred since June 30, 2018 may be significant compared to the amount of borrowings set forth in the table above. See “Management’s discussion and analysis of financial condition and results of operations — Liquidity and Capital Resources — Capital Resources” and “Description of Other Material Indebtedness and Obligations.”

Except as otherwise disclosed in this offering memorandum, there has been no material change in our capitalization and indebtedness since June 30, 2018.

## SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The following table presents our selected financial and other data. The selected consolidated statement of comprehensive income data for 2015, 2016 and 2017 and the selected consolidated financial position data as of 2015, 2016 and 2017 set forth below (except for EBITDA data) have been derived from our consolidated financial statements for such periods and as of such dates, as audited by Deloitte Touche Tohmatsu, independent certified public accountants, and included elsewhere in this offering memorandum. The summary financial data as of and for each of the six months ended June 30, 2017 and 2018 (except for EBITDA data) is derived from our unaudited but reviewed interim condensed consolidated financial information as of and for the six months ended June 30, 2018 and included elsewhere in this offering memorandum. Historical results are not necessarily indicative of results that may be achieved in any future period. Our financial statements have been prepared and presented in accordance with IFRS, which differ in certain respects from generally accepted accounting principles in other jurisdictions. The selected financial data below should be read in conjunction with the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the notes to those statements included elsewhere in this offering memorandum.

### Selected Consolidated Statements of Comprehensive Income and Other Financial Data

	For the year ended December 31,				For the six months ended June 30,			
	2015		2016		2017		2017	2018
	RMB'000	RMB'000	RMB'000	US\$'000	RMB'000	RMB'000	US\$'000	
<b>Revenue</b> . . . . .	18,230,788	22,224,447	31,824,288	4,809,401	11,235,359	18,420,520	2,783,775	
Cost of sales and services . . . . .	(14,087,196)	(16,578,838)	(23,202,799)	(3,506,491)	(7,680,373)	(14,068,632)	(2,126,102)	
<b>Gross profit</b> . . . . .	4,143,592	5,645,609	8,621,489	1,302,910	3,554,986	4,351,888	657,673	
Other income, gains and losses . . . . .	541,660	161,834	795,935	120,285	40,717	1,699,964	256,905	
Change in fair value of investment properties . . . . .	128,100	(100,433)	657,791	99,408	19,286	269,221	40,686	
Selling and marketing expenses . . . . .	(370,910)	(524,456)	(609,505)	(92,111)	(271,021)	(413,213)	(62,446)	
Administrative expenses . . . . .	(607,355)	(878,878)	(1,267,838)	(191,600)	(598,808)	(1,044,861)	(157,903)	
Share of results of joint ventures . . . . .	205,533	1,007,416	1,405,864	212,459	1,204,327	422,781	63,892	
Share of results of associates . . . . .	(32,908)	55,324	699,766	105,751	319,124	685,073	103,531	
Finance costs . . . . .	(202,885)	(529,651)	(262,340)	(39,646)	(99,587)	(135,290)	(20,446)	
Profit before taxation . . . . .	3,804,827	4,836,765	10,041,162	1,517,457	4,169,024	5,835,563	881,892	
Income tax expense . . . . .	(1,334,039)	(1,672,390)	(3,892,645)	(588,271)	(1,561,131)	(1,658,808)	(250,685)	
Profit for the year/period . . . . .	2,470,788	3,164,375	6,148,517	929,186	2,607,893	4,176,755	631,207	
Other comprehensive income . . . . .	—	—	—	—	—	26,004	3,930	
<b>Profit and total comprehensive income for the year/period</b> . . . . .	<b>2,470,788</b>	<b>3,164,375</b>	<b>6,148,517</b>	<b>929,186</b>	<b>2,607,893</b>	<b>4,202,759</b>	<b>635,137</b>	
Attributable to:								
Equity owners of the Company . . . . .	2,095,464	2,807,549	4,828,105	729,641	2,156,233	3,445,189	520,650	
Owners of perpetual capital instruments . . . . .	38,030	—	—	—	—	102,570	15,501	
Non-controlling interests . . . . .	337,294	356,826	1,320,412	199,545	451,660	655,000	98,986	
Profit and total comprehensive income for the year/period . . . . .	<b>2,470,788</b>	<b>3,164,375</b>	<b>6,148,517</b>	<b>929,186</b>	<b>2,607,893</b>	<b>4,202,759</b>	<b>635,137</b>	
Other financial data:								
EBITDA <sup>(1)</sup> . . . . .	5,486,466	7,257,020	10,365,275	1,566,438	4,133,486	7,076,582	1,069,439	
EBITDA margin <sup>(2)</sup> . . . . .	30.1%	32.7%	32.6%	32.6%	36.8%	38.4%	38.4%	
Core net profit and total comprehensive income for the year/period <sup>(3)</sup> . . . . .	2,574,344	3,161,073	5,422,841	819,519	1,968,720	3,681,599	556,377	
Core net profit attributable to equity owners of the Company for the year/period <sup>(4)</sup> . . . . .	2,209,817	2,823,986	4,082,437	616,953	1,537,505	2,445,710	369,605	

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*Notes:*

- (1) EBITDA consists of profit and total comprehensive income for the year/period before fair value changes from investment properties (including investment properties from joint venture), financial assets at FVTPL, and derivative financial instrument, interest expense (including interest capitalized in costs of sales), amortization, income tax expense, depreciation, gain from business combination and re-measurement, exchange (gain) loss (including exchange (gain) loss from joint venture) and loss on early redemption of senior notes. EBITDA is not a standard measure under IFRS. 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. 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. See the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operation — Non-GAAP financial measures" for a reconciliation of our profit for the year/period under IFRS to our definition of EBITDA. Investors should not compare our EBITDA to EBITDA presented by other companies because not all companies use the same definition. Interest expense excludes amounts capitalized.
- (2) EBITDA margin is calculated by dividing EBITDA by revenue.
- (3) Core net profit and total comprehensive income for the year/period represents profit and total comprehensive income for the year/period excluding the amounts of (i) change in fair value of investment properties net of tax; (ii) change in fair value of financial assets at FVTPL; (iii) change in fair value of derivative financial instruments; (iv) net exchange loss/gain; (v) recognition of equity-settled share-based payments; (vi) loss on early redemption of senior notes; (vii) gain from business combination; (viii) gain on re-measurement; (ix) the Group's share of change in fair value of investment properties and net exchange loss/gain of joint ventures and associated companies; and (x) the accounting effect of increment of cost of properties sold resulting from fair value adjustment upon business combination. It is not a standard measure under IFRS.
- (4) Core net profit attributable to equity owners for the year/period represents profit and total comprehensive income for the year/period attributable to equity owners of the Company excluding the amounts attributable to equity owners of the Company in relation to (i) change in fair value of investment properties net of tax; (ii) change in fair value of financial assets at FVTPL; (iii) change in fair value of derivative financial instruments; (iv) net exchange loss/gain; (v) recognition of equity-settled share-based payments; (vi) loss on early redemption of senior notes; (vii) gain from business combination; (viii) gain on re-measurement; (ix) the Group's share of change in fair value and net exchange loss/gain of joint ventures and associates of investment properties; and (x) the accounting effect of increment of cost of properties sold resulting from fair value adjustment upon business combination. It is not a standard measure under IFRS.

## Selected Consolidated Statements of Financial Position

	As of December 31,			As of June 30,	
	2015	2016	2017	RMB'000	US\$'000
	RMB'000	RMB'000	RMB'000		
<b>Non-Current Assets</b>					
Investment properties . . . . .	5,842,300	5,773,100	14,402,350	2,176,535	15,904,700
Property, plant and equipment . . . . .	48,604	75,783	84,981	12,843	113,555
Prepaid lease payments . . . . .	32,742	32,742	32,742	4,948	32,742
Interest in associates . . . . .	588,620	1,334,453	2,823,602	426,713	3,983,372
Interests in joint ventures . . . . .	7,109,797	7,504,466	5,802,549	876,902	7,447,545
Investments in property projects . . . . .	—	529,225	622,143	94,020	794,187
Available-for-sale investment . . . . .	54,023	740,976	623,630	94,245	—
Financial assets at fair value through profit or loss . . . . .	—	—	—	—	379,225
Derivative financial instruments . . . . .	—	314,768	—	—	—
Equity instruments at fair value through other comprehensive income . . . . .	—	—	—	—	605,750
Deferred taxation assets . . . . .	286,753	319,795	502,637	75,960	556,251
Deposits paid for acquisitions of equity interests . . . . .	—	622,213	641,496	96,945	141,496
Long-term deposit . . . . .	—	300,000	150,000	22,669	150,000
	<u>13,962,839</u>	<u>17,547,521</u>	<u>25,686,130</u>	<u>3,881,781</u>	<u>30,108,823</u>
					<u>4,550,154</u>
<b>Current Assets</b>					
Properties held for sale . . . . .	6,917,170	6,829,221	9,128,504	1,379,532	8,448,869
Properties under development for sale . . . . .	20,167,382	21,254,355	34,603,171	5,229,360	74,556,111
Accounts and other receivables, deposits and prepayments . . . . .	5,711,469	9,625,149	10,807,957	1,633,337	19,981,827
Amounts due from non-controlling interests . . . . .	831,339	2,387,678	10,337,802	1,562,286	16,756,662
Amounts due from joint ventures and associates . . . . .	2,593,242	4,620,932	17,451,791	2,637,378	27,044,066
Deposits for land use rights for properties held for sale . . . . .	1,818,236	4,373,075	12,409,188	1,875,321	7,676,934
Taxation recoverable . . . . .	544,851	812,197	1,024,871	154,882	1,815,809
Financial assets at fair value through profit or loss (“FVTPL”) . . . . .	—	352,829	521,250	78,773	610,907
Restricted bank deposits . . . . .	31,500	348,855	—	—	3,274,000
Bank balances and cash . . . . .	<u>14,873,736</u>	<u>20,328,397</u>	<u>29,786,870</u>	<u>4,501,499</u>	<u>35,823,265</u>
	<u>53,488,925</u>	<u>70,932,688</u>	<u>126,071,404</u>	<u>19,052,365</u>	<u>195,988,450</u>
					<u>29,618,481</u>
<b>Current Liabilities</b>					
Accounts and other payables and accrued charges . . . . .	7,319,089	7,854,327	13,602,467	2,055,654	25,622,207
Deposits received from property sales . . . . .	10,396,275	15,391,289	25,548,720	3,861,015	40,523,455
Amounts due to non-controlling interests . . . . .	995,208	965,649	12,842,576	1,940,816	21,553,540
Amounts due to joint ventures and an associate . . . . .	6,895,062	14,419,441	10,741,602	1,623,309	14,015,963
Taxation payable . . . . .	1,334,245	1,838,829	4,295,642	649,173	4,425,629
Bank and other borrowings — due within one year . . . . .	2,793,500	2,367,536	6,727,108	1,016,625	9,079,629
Derivative financial instruments . . . . .	—	—	333,193	50,353	226,930
Corporate bonds — due within one year . . . . .	—	2,088,970	5,093,233	769,708	3,611,346
Debt component of convertible bonds . . . . .	—	—	—	—	2,275,497
Derivative component of convertible bonds . . . . .	—	—	—	—	343,881
	<u>29,733,379</u>	<u>44,926,041</u>	<u>79,184,541</u>	<u>11,966,653</u>	<u>121,353,876</u>
					<u>18,339,435</u>
<b>Non-Current Liabilities</b>					
Bank and other borrowings — due after one year . . . . .	8,864,403	11,199,111	26,385,907	3,987,533	35,573,730
Senior notes . . . . .	8,275,958	5,683,011	4,498,124	679,773	11,827,436
Corporate bonds — due after one year . . . . .	4,021,032	8,052,498	4,534,737	685,306	8,191,747
Deferred taxation liabilities . . . . .	<u>1,273,830</u>	<u>1,336,535</u>	<u>2,884,085</u>	<u>435,853</u>	<u>5,427,784</u>
	<u>22,435,223</u>	<u>26,271,155</u>	<u>38,302,853</u>	<u>5,788,465</u>	<u>61,020,697</u>
Equity attributable to equity owners of the Company . . . . .	12,827,097	14,980,162	20,903,598	3,159,027	23,507,289
Perpetual capital instruments . . . . .	—	—	3,847,932	581,513	3,899,491
Other non-controlling interests . . . . .	2,456,065	2,302,851	9,518,610	1,438,487	16,315,920
<b>Total Equity</b> . . . . .	<b><u>15,283,162</u></b>	<b><u>17,283,013</u></b>	<b><u>34,270,140</u></b>	<b><u>5,179,027</u></b>	<b><u>43,722,700</u></b>
					<b><u>6,607,532</u></b>

## RECENT DEVELOPMENTS

### EXTRACTED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

The following audited consolidated results for the year ended December 31, 2018 prepared in accordance with the IFRS, together with comparative figures for the year ended December 31, 2017, are extracted from the announcement of annual results for the year ended December 31, 2018 filed with the Hong Kong Stock Exchange on March 14, 2019.

#### **Consolidated Statement of Profit or Loss and Other Comprehensive Income** *For the year ended December 31, 2018*

	<b>2018</b> RMB'000	<b>2017</b> RMB'000
<b>Revenue</b> . . . . .	42,367,647	31,824,288
Cost of sales and services . . . . .	<u>(31,754,818)</u>	<u>(23,202,799)</u>
<b>Gross profit</b> . . . . .	10,612,829	8,621,489
Other income, gains and losses . . . . .	2,065,884	795,935
Change in fair value of investment properties . . . . .	106,385	657,791
Selling and marketing expenses . . . . .	(1,153,089)	(609,505)
Administrative expenses . . . . .	(2,121,731)	(1,267,838)
Share of results of joint ventures . . . . .	725,068	1,405,864
Share of results of associates . . . . .	1,450,388	699,766
Finance costs . . . . .	<u>(368,741)</u>	<u>(262,340)</u>
<b>Profit before taxation</b> . . . . .	11,316,993	10,041,162
<b>Income tax expense</b> . . . . .	<u>(4,198,668)</u>	<u>(3,892,645)</u>
<b>Profit for the year</b> . . . . .	<u>7,118,325</u>	<u>6,148,517</u>
<b>Other comprehensive income:</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
Fair value gain on investments in equity instruments at fair value through other comprehensive income . . . . .	312,665	—
Income tax relating to items that will not be reclassified . . . . .	<u>(186)</u>	<u>—</u>
	<u>312,479</u>	<u>—</u>
<b>Total comprehensive income for the year</b> . . . . .	<u>7,430,804</u>	<u>6,148,517</u>
Profit for the year attributable to:		
Equity owners of the Company . . . . .	5,408,991	4,828,105
Owners of perpetual capital instruments . . . . .	215,078	—
Non-controlling interests . . . . .	<u>1,494,256</u>	<u>1,320,412</u>
	<u>7,118,325</u>	<u>6,148,517</u>
Total comprehensive income for the year attributable to:		
Equity owners of the Company . . . . .	5,721,470	4,828,105
Owners of perpetual capital instruments . . . . .	215,078	—
Non-controlling interests . . . . .	<u>1,494,256</u>	<u>1,320,412</u>
	<u>7,430,804</u>	<u>6,148,517</u>
<b>Earnings per share, in RMB:</b>		
<b>Basic</b> . . . . .	<u>0.70</u>	<u>0.68</u>
<b>Diluted</b> . . . . .	<u>0.68</u>	<u>0.66</u>

## Consolidated Statement of Financial Position

*At December 31, 2018*

	2018 RMB'000	2017 RMB'000
<b>NON-CURRENT ASSETS</b>		
Investment properties . . . . .	16,147,400	14,402,350
Property, plant and equipment . . . . .	134,143	84,981
Prepaid lease payments . . . . .	—	32,742
Interests in associates . . . . .	5,779,492	2,823,602
Interests in joint ventures . . . . .	8,511,247	5,802,549
Investments in property projects . . . . .	582,722	622,143
Available-for-sale investments (“AFS”) . . . . .	—	623,630
Financial assets at fair value through profit or loss (“FVTPL”) . . . . .	564,553	—
Equity instruments at fair value through other comprehensive income (“FVTOCI”) . . . . .	919,274	—
Deferred taxation assets . . . . .	1,021,876	502,637
Deposits paid for acquisitions of equity interests . . . . .	50,000	641,496
Long-term deposit . . . . .	—	150,000
	<u>33,710,707</u>	<u>25,686,130</u>
<b>CURRENT ASSETS</b>		
Properties held for sale . . . . .	10,238,165	9,128,504
Properties under development for sale . . . . .	84,137,912	34,603,171
Accounts and other receivables, deposits and prepayments . . . . .	16,740,132	10,807,957
Amounts due from non-controlling interests . . . . .	13,416,613	10,337,802
Amounts due from joint ventures and associates . . . . .	27,798,425	17,451,791
Deposits for land use rights for properties held for sale . . . . .	7,950,061	12,409,188
Taxation recoverable . . . . .	1,746,262	1,024,871
Financial assets at FVTPL . . . . .	705,386	521,250
Restricted bank deposits . . . . .	1,290,000	—
Bank balances and cash . . . . .	43,327,561	29,786,870
	<u>207,350,517</u>	<u>126,071,404</u>
<b>CURRENT LIABILITIES</b>		
Accounts and other payables and accrued charges . . . . .	25,888,004	13,602,467
Deposits received from property sales . . . . .	44,238,431	25,548,720
Amounts due to non-controlling interests . . . . .	16,571,325	12,842,576
Amounts due to joint ventures and associates . . . . .	15,519,116	10,741,602
Taxation payable . . . . .	7,655,950	4,295,642
Bank and other borrowings		
— due within one year . . . . .	8,842,371	6,727,108
Corporate bonds — due within one year . . . . .	3,646,140	5,093,233
Derivative financial instruments . . . . .	74,949	333,193
Debt component of convertible bonds . . . . .	907,724	—
	<u>123,344,010</u>	<u>79,184,541</u>
<b>NET CURRENT ASSETS</b>	<u>84,006,507</u>	<u>46,886,863</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>117,717,214</u>	<u>72,572,993</u>
<b>CAPITAL AND RESERVES</b>		
Share capital . . . . .	626,271	611,951
Reserves . . . . .	<u>24,977,825</u>	<u>20,291,647</u>
Equity attributable to equity owners of the Company . . . . .	25,604,096	20,903,598
Perpetual capital instruments . . . . .	3,883,572	3,847,932
Non-controlling interests . . . . .	<u>19,958,503</u>	<u>9,518,610</u>
<b>TOTAL EQUITY</b>	<u>49,446,171</u>	<u>34,270,140</u>
<b>NON-CURRENT LIABILITIES</b>		
Bank and other borrowings — due after one year . . . . .	41,061,189	26,385,907
Senior notes . . . . .	15,293,614	4,498,124
Corporate bonds — due after one year . . . . .	8,113,997	4,534,737
Deferred taxation liabilities . . . . .	3,802,243	2,884,085
	<u>68,271,043</u>	<u>38,302,853</u>
	<u>117,717,214</u>	<u>72,572,993</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### PERFORMANCE HIGHLIGHTS

	2018	2017	Year-on-Year Growth
<b>Contracted sales</b>			
Contracted sales (RMB'billion) <sup>(1)</sup> . . . . .	152.0	104.0	46.2%
Contracted GFA (sq.m.) . . . . .	9,569,400	6,291,713	52.1%
Contracted ASP (RMB/sq.m.) . . . . .	15,900	16,530	-3.8%
<b>Selected financial information (RMB'million)</b>			
Recognized revenue . . . . .	42,368	31,824	33.1%
Gross profit . . . . .	10,613	8,621	23.1%
Profit for the year attributable to equity owners . . .	5,409	4,828	12.0%
Core net profit attributable to equity owners <sup>(2)</sup> . . .	5,536	4,082	35.6%
<b>Selected balance sheet data (RMB'million)</b>			
Total assets . . . . .	241,061	151,758	58.8%
Bank balances and cash <sup>(3)</sup> . . . . .	44,618	29,787	49.8%
Total indebtedness <sup>(4)</sup> . . . . .	77,865	47,239	64.8%
Total equity . . . . .	49,446	34,270	44.3%
Equity attributable to equity owners . . . . .	25,604	20,904	22.5%
<b>Selected financial ratios</b>			
Gross profit margin (adjusted) . . . . .	34.7%	29.7%	
Core net profit margin <sup>(5)</sup> . . . . .	13.1%	12.8%	
Earnings per share (basic), RMB cents . . . . .	70	68	
Core earnings per share (basic), RMB cents . . . . .	72	57	
Return on average equity <sup>(6)</sup> . . . . .	23.8%	22.8%	
Net debt-to-equity ratio, at the end of year <sup>(7)</sup> . . .	67.2%	50.9%	
Weighted average cost of indebtedness, at the end of year <sup>(8)</sup> . . . . .	5.8%	5.2%	
<b>Land bank (GFA, million sq.m.)</b>			
Land bank (GFA, sq.m.), at the end of year			
— Total . . . . .	41.2	31.0	
— Attributable . . . . .	20.7	16.0	
New land acquisition (GFA, sq.m.), during the year			
— Total . . . . .	12.4	13.2	
— Attributable . . . . .	7.1	5.5	

Notes:

1. “Contracted sales” includes contracted sales by the Group’s subsidiaries, joint ventures and associated companies. Contracted sales data is unaudited and is based on internal information of the Group. Contracted sales data may be subject to various uncertainties during the process of collating such sales information and is provided for investors’ reference only.
2. “Core net profit” excludes fair value gains/losses, net exchange loss/gain, expenses relating to share option grants, loss on early redemption of senior notes, and share of fair value gains/losses and net exchange loss/ gain at joint ventures and associated companies, net of deferred taxes.
3. “Bank balances and cash” include pledged bank deposits.

4. “Total indebtedness” includes bank and other borrowings, onshore corporate bonds and offshore senior notes.
5. “Core net profit margin” is calculated based on core net profit attributable to equity owners over total recognized revenue.
6. The calculation of “return on average equity” is based on our core net profit divided by average equity attributable to equity owners for each financial year.
7. “Net debt-to-equity ratio” is calculated by the Group’s total indebtedness under IFRS less bank balances and cash (including pledged bank deposits) as a percentage of total equity at the end of each financial year.
8. “Weighted average cost of indebtedness” is the weighted average of interest costs of all indebtedness outstanding as at the end of each financial year.

## **FINANCIAL REVIEW**

### **Revenue**

The Group’s recognized revenue was approximately RMB42,367.6 million in 2018, up 33.1% year-on-year. Out of the Group’s total recognized revenue in 2018, (i) sales of property increased by 28.8% from 2017 to approximately RMB39,014.0 million; (ii) rental income increased by 151.0% from 2017; (iii) project management and other property related service income increased by 117.2% from 2017.

The table below sets forth the breakdown of our recognized revenue for the year ended December 31, 2018:

	2018		2017		Year-on-year change
	Recognized revenue	% of Total recognized revenue	Recognized revenue	% of Total recognized revenue	
	RMB’000	%	RMB’000	%	
Sales of properties . . . . .	39,014,007	92.1	30,295,062	95.2	28.8
Rental income . . . . .	236,978	0.6	94,428	0.3	151.0
Project management and other property related service income . . . . .	<u>3,116,662</u>	<u>7.3</u>	<u>1,434,798</u>	<u>4.5</u>	<u>117.2</u>
Total . . . . .	<u><u>42,367,647</u></u>	<u><u>100.0</u></u>	<u><u>31,824,288</u></u>	<u><u>100.0</u></u>	<u><u>33.3</u></u>

### **Cost of sales**

The Group’s reported cost of sales in 2018 was approximately RMB31,754.8 million, up 36.9% from 2017.

### **Gross profit and gross profit margin**

The Group’s reported gross profit in 2018 was approximately RMB10,612.8 million, up by 23.1% compared to RMB8,621.5 million in 2017.

In 2018, the reported gross profits were understated by the accounting treatment due to reclassification of certain project companies from non-consolidating joint ventures or associated companies to subsidiaries of the Group.

Eliminating the accounting effect of remeasurement of fair value of the costs of relevant properties delivered, the adjusted gross profit in 2018 was approximately RMB14,681.6 million, up by 55.5% compared to the adjusted gross profit in 2017.

Our adjusted gross profit margin was 34.7% in 2018, which remained high compared to the adjusted gross margin of 29.7% in 2017.

#### **Net exchange gain/(loss) from hedging arrangements**

In 2018, the Group incurred net exchange loss of RMB575.4 million due to the effects of RMB exchange rate depreciation during the year, compared to exchange gain of RMB108.4 million in 2017.

The Group had entered into currency capped forward contracts to hedge certain of its foreign currency exposure in non-RMB denominated indebtedness. In 2018, the Group recorded in a fair value gain on derivative financial instruments of RMB14.9 million due to hedging arrangements (2017: loss of RMB538.7 million).

#### **Loss on early redemption of senior notes**

In 2017, the Group realized a loss on early redemption of senior notes of RMB118.5 million, no such loss was incurred in 2018.

#### **Gain on remeasurement and gain from business combinations**

In 2018, the Group reclassified the accounting treatment of certain project companies resulting in financial consolidation of such project as subsidiaries. As a result, the Group recognized a gain of RMB903.4 million in 2018 (2017: RMB574.3 million) from remeasurement of the fair value of the equity interests in certain project companies (which were previously recognized as joint venture or associated companies, before acquisition of the equity interests during the period and thereafter they were recognized as subsidiary) and a gain of RMB200.0 million from business combination in 2017 for the acquisition of interest of the aforesaid companies, for the excess of fair value of net assets acquired over the consideration.

#### **Change in fair value of investment properties**

In 2018, the Group recognized a fair value gain on investment properties of approximately RMB106.4 million as compared to a fair value gain on investment properties in 2017 of approximately RMB657.8 million.

#### **Selling and marketing expenses**

The Group's selling and marketing expenses increased by 89.2% to approximately RMB1,153.1 million in 2018 from approximately RMB609.5 million in 2017. This increase was in line with the Group's massive new launches of property projects available for pre-sale in 2018. During the period, the Group kept its selling expenses at an appropriate level.

#### **Administrative and other expenses**

The Group's administrative expenses increased by 67.4% to approximately RMB2,121.7 million in 2018 from approximately RMB1,267.8 million in 2017. This increase was primarily due to the Group's business expansion. During the year, the Group's administrative expenses were kept at a reasonable level due to implementation of stringent cost control and improvement in per capita efficiency.

### **Share of results of joint ventures and associates**

The Group's share of results of joint ventures and associates amounted to profits of RMB2,175.5 million in 2018, versus profits of RMB2,105.6 million in 2017. Included in the share of results of joint ventures and associated companies in 2018 were RMB5.5 million share of exchange loss (2017: exchange gain of RMB112.9 million) and RMB175.1 million share of gain in the fair value of investment properties under construction (2017: RMB844.6 million).

Eliminating the effects of exchange loss and fair value gains, the Group's share of results of joint ventures and associated companies were profits of RMB2,005.9 million in 2018, compared to RMB1,148.1 million in 2017.

### **Finance costs**

The Group's finance costs expensed in 2018 was approximately RMB368.7 million, versus RMB262.3 million in 2017. The change in finance costs expensed was primarily attributable to the change in the total finance costs incurred, net of the portion being capitalized in properties under development during the year.

The Group's total finance costs expensed and capitalized increased by 89.9% to approximately RMB4,388.6 million in 2018 from RMB2,310.8 million in 2017. The increase in total finance costs expensed and capitalized was due to the increase of the Group's total indebtedness level. The Group's total indebtedness was RMB77.9 billion as of December 31, 2018, compared to RMB47.2 billion as of December 31, 2017. The Group's weighted average cost of indebtedness as of December 31, 2018 was 5.8%, compared to 5.2% as of December 31, 2017.

### **Income tax expenses**

The Group's income tax expenses increased by 7.9% to approximately RMB4,198.7 million in 2018 from approximately RMB3,892.6 million in 2017. The Group's income tax expense included payments and provisions made for enterprise income tax ("EIT") and land appreciation tax ("LAT") less deferred taxation during the year. The Group's effective income tax rate decreased to 37.1% in 2018 from 38.8% in 2017.

The Group made LAT provisions of approximately RMB3,676.5 million in 2018 versus approximately RMB2,123.9 million in 2017. The Group made actual LAT payments of approximately RMB1,027.3 million in 2018 versus approximately RMB714.9 million in 2017. As of December 31, 2018, the Group had accumulated unpaid LAT provisions of approximately RMB4,387.3 million.

### **Profit for the year**

As a result of the factors described above, the Group's profit before taxation increased by 12.7% to approximately RMB11,317.0 million in 2018 from approximately RMB10,041.2 million in 2017. The Group's profit for the year increased by 15.8% to approximately RMB7,118.3 million in 2018 from approximately RMB6,148.5 million in 2017. The Group's net profit attributable to equity owners increased by 12.0% to approximately RMB5,409.0 million in 2018 from approximately RMB4,828.1 million in 2017.

The Group's core net profit attributable to equity owners increased by 35.6% to approximately RMB5,535.6 million in 2018 from approximately RMB4,082.4 million in 2017. The Group's core net profit margin was 13.1% in 2018, compared to 12.8% in 2017.

## LAND BANK

As of December 31, 2018, the total GFA of the Group's land bank was approximately 41.2 million sq.m., and the attributable GFA of the Group's land bank was approximately 20.7 million sq.m.

The table below sets forth the breakdown of our land bank as of December 31, 2018.

### *By project*

Project	Primary intended use of the Project	Remaining unrecognised saleable/rentable GFA remaining unsold (carpark excluded)	Interest attributable to the Group (%)
		(sq.m.)	
<i>Yangtze River Delta</i>			
Shanghai CIFI Pujiang International . . . . .	Office	1,184	100.0
Shanghai CIFI Luxury Courtyard . . . . .	Residential	4,778	100.0
Shanghai CIFI Comfortable Joyous Bay . . .	Residential	399	100.0
Shanghai CIFI Pebble Beach . . . . .	Residential	14,554	100.0
Shanghai CIFI Pleasant Garden . . . . .	Residential	3,184	100.0
Shanghai CIFI City . . . . .	Residential	14,071	100.0
Shanghai CIFI Samite Life . . . . .	Residential	5,751	100.0
Shanghai CIFI Jiangwan Mansion . . . . .	Residential	7,592	100.0
Shanghai CIFI U Block . . . . .	Office/Commercial	6,639	100.0
Shanghai CIFI Arthur Shire . . . . .	Residential	5,421	100.0
Shanghai Greenland CIFI E World Center .	Office/Commercial	11,745	50.0
Shanghai Elite Mansion . . . . .	Residential	9,942	50.0
Shanghai Henderson CIFI Center . . . . .	Residential/Office/ Commercial	24,777	50.0
Shanghai CIFI Haishang International . . . .	Office/Commercial	614	100.0
Shanghai CIFI Haishang International . . . .	Investment properties	45,400	100.0
Shanghai CIFI Park Mansion West . . . . .	Residential	9,265	67.5
Shanghai CIFI Shilu . . . . .	Residential	1,668	100.0
Shanghai CIFI Pure Center . . . . .	Office/Commercial	3,803	45.0
Shanghai CIFI Pure Center . . . . .	Investment properties	29,663	45.0
Shanghai Shangkun CIFI Villa . . . . .	Residential	3,198	50.0
Shanghai BCL CIFI the Great City . . . . .	Residential	34,008	40.0
Shanghai Lujiazui Yangjing Project . . . . .	Office/Commercial	14,477	50.0
Shanghai LCM . . . . .	Investment properties	135,377	50.0
Shanghai Changning District, Huashanliyuan Project . . . . .	Residential	10,500	100.0
Shanghai Jiuting Center . . . . .	Residential/Commercial	115,633	34.0
Shanghai Jiuting Center . . . . .	Investment properties	72,540	34.0
Shanghai Baoshan District Luodian Town	Office/Commercial	42,939	25.0
<i>Meiluo Jiayuan Community</i>			
No. 01 Project . . . . .			
Shanghai Office Park . . . . .	Office/Commercial	37,724	50.0
Hefei CIFI Central Park . . . . .	Residential	1,323	100.0
Hefei CIFI Private Mansion . . . . .	Residential	32,765	100.0
Hefei North Star CIFI Park Mansion	Residential	125,731	50.0
Luzhou . . . . .			

<u>Project</u>	<u>Primary intended use of the Project</u>	<u>Remaining unrecognised saleable/rentable GFA remaining unsold (carpark excluded)</u> (sq.m.)	<u>Interest attributable to the Group</u> (%)
Hefei CIFI Lake Betsuin . . . . .	Residential	197,933	50.0
Hefei CIFI Ronchamp Courtyard . . . . .	Residential	104,535	22.5
Hangzhou Henderson CIFI Palace . . . . .	Residential	9,556	100.0
Hangzhou Greenland CIFI Glorious City . . . . .	Residential	9,633	50.0
Hangzhou Shunfa CIFI Honor Mansion . . . . .	Residential	21,045	30.0
Hangzhou Binjiang CIFI Wanjiazhixing . . . . .	Residential	695	35.0
Hangzhou Vanke CIFI Luna Sea . . . . .	Residential/Commercial	43,157	33.0
Hangzhou CIFI Hechang Metropolis Mansion . . . . .	Commercial	1,818	100.0
Suzhou CIFI Canal County . . . . .	Residential	10,923	100.0
Suzhou CIFI Luxury Courtyard . . . . .	Residential	30,826	100.0
Suzhou CIFI Private Mansion . . . . .	Residential	9,440	100.0
Suzhou CIFI Private Mansion Usonian City Villa . . . . .	Residential	11,247	100.0
Suzhou CIFI Elegant City . . . . .	Residential	21,387	100.0
Suzhou CIFI Sunny Life . . . . .	Residential	6,837	100.0
Suzhou CIFI Apple Paradise . . . . .	Residential	50,679	100.0
Suzhou Henderson CIFI City . . . . .	Residential	4,910	50.0
Suzhou CIFI Lake Mansion . . . . .	Residential	47,707	40.0
Nanjing CIFI Yincheng Baimalanshan . . . . .	Residential	1,477	51.0
Nanjing CIFI Nine Modern Life . . . . .	Residential	243	100.0
Nanjing CIFI Park Mansion Qinhua . . . . .	Residential	6,905	100.0
Ningbo CIFI Bochenfu . . . . .	Residential/Commercial	8,897	70.0
Ningbo CIFI Shanghuchengzhang . . . . .	Residential	300,106	33.0
Jiaxing CIFI Square (Commercial) . . . . .	Investment properties	82,600	100.0
Jiaxing CIFI Ronchamp Town . . . . .	Residential	3,501	100.0
Zhenjiang CIFI Times . . . . .	Residential/Office	2,056	100.0
<i>Pan Bohai Rim</i>			
Beijing CIFI Wangxin Commercial Centre . . . . .	Investment properties	4,900	100.0
Beijing CIFI Olympic City . . . . .	Office/Commercial	5,629	100.0
Beijing CIFI International Negotiate Garden . . . . .	Office/Commercial	326	100.0
Beijing CIFI The Upper House . . . . .	Residential	13,384	80.0
Beijing CIFI The Education Park . . . . .	Office/Commercial	82	100.0
Beijing MOMA CIFI Residence . . . . .	Residential	5,351	50.0
Beijing CIFI Yihexiang . . . . .	Office/Commercial	188	59.5
Beijing CIFI N0.26 Block . . . . .	Office/Commercial	116,342	10.0
Beijing Tianheng CIFI No.7 Courtyard . . . . .	Residential/Commercial	193,430	49.0
Beijing Vanke World . . . . .	Office/Commercial	74,708	32.4
Shenyang Gemdale CIFI Jiuyunfenghua . . . . .	Residential	850	50.0
Shenyang CIFI Dongyuecheng . . . . .	Residential/Commercial	135,838	70.0
Shenyang CIFI Luxury Mansion . . . . .	Residential	121,594	100.0
Tianjin CIFI Rosedale . . . . .	Residential	4,182	100.0
Tianjin CIFI Private Mansion . . . . .	Residential	12,588	100.0

<u>Project</u>	<u>Primary intended use of the Project</u>	<u>Remaining unrecognised saleable/rentable GFA remaining unsold (carpark excluded)</u> <u>(sq.m.)</u>	<u>Interest attributable to the Group</u> <u>(%)</u>
Tianjin Chengshizhiguang . . . . .	Residential	109,959	25.0
Tianjin CIFI No.6 Courtyard . . . . .	Residential	1,715	70.0
Tianjin Haishang International . . . . .	Residential	499,395	20.0
Qingdao CIFI Yinshengtai Dejun Fifth Phase . . . . .	Residential	15,506	100.0
Qingdao Shuxiang Bancheng . . . . .	Residential	2,586	55.0
Qingdao CIFI Yinshengtai Boguanjinan . . .	Residential	104,859	100.0
Jinan Changhe Estate . . . . .	Residential	98,590	40.0
Jinan CIFI Yinshengtai Jinyu Lanshan . . .	Residential	16,823	50.0
Langfang CIFI Path Walf . . . . .	Residential	36,115	100.0
<i>Central Western Region</i>			
Chongqing CIFI Ronchamp Town . . . . .	Residential	58,816	100.0
Chongqing CIFI Langyuejun . . . . .	Residential	774	100.0
Chongqing CIFI Purple City . . . . .	Office/Commercial	32,406	100.0
Chongqing CIFI City . . . . .	Residential	27,937	100.0
Chongqing CIFI City . . . . .	Office/Commercial	81,817	100.0
Chongqing CIFI City . . . . .	Investment properties	42,460	100.0
Chongqing Dongyuan CIFI Jiangshan Yue .	Residential/Commercial	310,126	30.0
Chongqing CIFI Prime Orienting . . . . .	Residential/Commercial	349,148	33.3
Wuhan CIFI Private Mansion . . . . .	Residential	13,284	100.0
Wuhan Yulong CIFI Peninsula . . . . .	Residential/Commercial	159,079	55.0
Wuhan CIFI Tower . . . . .	Office/Commercial	44,946	51.0
Changsha CIFI Private Mansion . . . . .	Residential	106,026	100.0
Changsha CIFI International Plaza . . . . .	Office/Commercial	24,097	100.0
Changsha CIFI International Plaza . . . . .	Investment properties	24,967	100.0
Changsha CIFI Dream Mansion . . . . .	Residential	6,531	80.0
Xi'an CIFI Centre . . . . .	Office/Commercial	44,979	100.0
<i>South China</i>			
Fuzhou CIFI Riverside . . . . .	Residential/Commercial	3,700	100.0
Foshan CIFI City . . . . .	Residential/Commercial	214,311	100.0
Hong Kong Nos. 44, 46, 48 & 50, Chung Hom Kok Road, No.1 Horizon Drive . . .	Residential	Net saleable area: 2,450 sq.m. (26,369 sq.ft.)	100.0
Carparks . . . . .		<u>2,366,045</u>	
GRAND TOTAL . . . . .		<u>7,303,617</u>	

The table below sets forth the breakdown of our land bank for properties under development and held for future development as of December 31, 2018.

Project	Primary Intended use of the Project	Estimated Year of Completion	Site Area (sq.m.)	Total GFA under development and held for future development (excluding carparks)		Pre-sold (sq.m.)	Interest attributable to the Group (%)
				(sq.m.)	(sq.m.)		
<i>Yangtze River Delta</i>							
Shanghai CIFI Evianbay . . . . .	Residential	2019	189,800	24,500	14,621	—	100.0
Shanghai Putuo District Changshou Community D5-6 Project . . . . .	Investment properties	2019	11,648	45,427	—	—	50.0
Shanghai Huangpu District, Madang Road Project. . . . .	Office/Commercial	2020	8,600	25,800	—	—	50.0
Shanghai Global Innovation Center (Yangpu District, Dinghai Community Project) . . . . .	Office/Commercial	2020	36,500	109,500	2,424	—	50.0
Hefei CIFI Xizi Grace City . . . . .	Residential	2020	104,800	225,200	221,031	—	15.2
Hefei CIFI Wonderful Mansion . . . . .	Residential	2020	139,700	297,600	319,576	—	20.0
Hefei CIFI Jiuzhu Mansion. . . . .	Residential	2019	22,600	56,400	33,131	—	100.0
Hefei CIFI Metro Politan . . . . .	Residential	2020	111,400	245,000	252,819	—	17.0
Hefei New Station District, No. 215 Project . . . . .	Residential	2020	85,500	154,000	—	—	51.0
Hefei CIFI Lake Mansion. . . . .	Residential/Commercial	2020	130,900	295,900	226,683	—	21.5
Hefei CIFI Glory Land . . . . .	Residential	2020	151,400	229,700	182,910	—	30.0
Hefei CIFI Jade Seal. . . . .	Residential/Commercial	2020	178,000	387,100	261,776	—	25.4
Hefei Landscape (Luyang District, No.1704 Project) . . . . .	Residential	2020–2021	92,200	174,200	15,853	—	51.0
Hefei Xinzhuan District, No. XZQTD238 Project . . . . .	Residential	2020–2021	86,000	154,800	—	—	34.0
Hangzhou CIFI Junyuefu . . . . .	Residential	2019	57,394	114,788	112,265	—	23.0
Hangzhou Longfor CIFI Crystal Central . . . . .	Residential	2019	34,172	95,682	19,525	—	20.0
Hangzhou CIFI Powerlong East Lake City . . . . .	Residential	2019	88,494	203,536	199,737	—	50.0
Hangzhou CIFI Dongyuan Majestic Mansion . . . . .	Residential	2019	93,300	201,000	61,651	—	50.0
Hangzhou Xiaoshan District, Beigandanyuan Project . . . . .	Residential/Commercial	2019	11,400	37,700	—	—	30.0
Hangzhou Jianggan District, Yuanzhuiyihao Project . . . . .	Commercial	2020	3,900	26,100	—	—	50.0
Hangzhou Haishang Mingyue West . . . . .	Residential	2019	21,200	46,700	45,595	—	33.0
Hangzhou Linan District, Tianmushan Project . . . . .	Office/Commercial	2021	1,195,200	49,900	—	—	100.0
Hangzhou Linan District, Yuqian Project . . . . .	Office/Commercial	2021	755,400	35,900	—	—	100.0
Hangzhou CIFI Ronchamp County (Linan District, Qingshanhu, Keji Cheng Project) . . . . .	Residential	2020	63,500	158,700	7,843	—	50.0
Hangzhou CIFI Prime Land (Xiaoshan District, Shushan Project) . . . . .	Residential	2019	26,600	71,800	7,293	—	50.0
Hangzhou The Glorious City (Lin'an District, Qingshan Lake Sci-tech City Light Rail Project) . . . . .	Residential/Commercial	2020	120,800	333,400	—	—	50.0
Hangzhou Xiaoshan District, Shushan Unit, Zengjiaqiao Project . . . . .	Residential	2020–2021	98,300	275,100	—	—	53.3
Hangzhou Lin'an District, Wuyue Mansion North Project . . . . .	Residential	2019–2021	11,600	23,300	—	—	50.0

Project	Primary Intended use of the Project	Estimated Year of Completion	Site Area (sq.m.)	Total GFA under development (excluding carparks) (sq.m.)		Pre-sold (sq.m.)	Interest attributable to the Group (%)
				Total GFA under development and held for future development (excluding carparks) (sq.m.)			
Hangzhou Yuhang District, Chaoshan No.13 Project . . . . .	Residential	2019	62,200	87,100	—	—	49.0
Suzhou CIFI Wujiang Mansion . . . . .	Residential	2019	96,278	173,300	165,316	—	50.0
Suzhou Henderson CIFI Riverside Park . . . . .	Residential/Commercial	2019	N/A	115,118	82,706	—	30.0
Suzhou Henderson CIFI Discovery Island . . . . .	Office/Commercial	2019	N/A	100,416	33,316	—	30.0
Suzhou Wuzhong District, West Mountain Project . . . . .	Residential	2019	161,766	32,353	—	—	100.0
Suzhou Inner Peace (Wuzhong District, Luzhi Project) . . . . .	Residential	2019	28,600	42,900	—	—	50.0
Suzhou Wuzhong District, Xukou Project . . . . .	Residential	2019	48,500	121,300	—	—	50.0
Suzhou Taicang County, Chengxiang No. 3 Project . . . . .	Residential	2019	49,000	83,400	—	—	33.3
Suzhou Great Mansion (Huqiu District, No. 60 Project) . . . . .	Residential	2020–2021	80,700	169,400	25,742	—	35.0
Suzhou Kunshan Lakeside Mansion (Bacheng County No.12-8 Project) . . . . .	Residential	2019–2020	128,200	248,800	63,610	—	31.1
Suzhou Taicang Coastal Mansion (Shaxi Town Project) . . . . .	Residential	2019	56,700	102,000	—	—	27.9
Suzhou Taicang Liuhe Town, Yinhewan Project . . . . .	Residential	2019	21,200	74,900	—	—	16.6
Suzhou Zhangjiagang CIFI Majestic Mansion (Zhangjiagang Nanhu Road, No. 2013-B28-A Project) . . . . .	Residential	2019	69,800	73,300	14,568	—	100.0
Suzhou Zhangjiagang CIFI Majestic Mansion (Zhangjiagang Jingang Avenue, No. 2013-B27 Project) . . . . .	Residential	2019	27,100	40,600	4,387	—	50.0
Nanjing CIFI Mansion (Jiangning District, G54 Project) . . . . .	Residential	2019	73,200	80,500	—	—	49.0
Nanjing CIFI Honor Mansion (Jiangning District, G56 Project) . . . . .	Residential	2020	84,000	231,500	—	—	49.0
Nanjing CIFI Times Mansion (Jiangning District, G36 Project) . . . . .	Residential/Commercial	2020	54,200	178,200	—	—	20.0
Nanjing Noble Mansion (Jiangning District, G66 Project) . . . . .	Residential	2019	14,700	29,400	—	—	50.0
Nanjing Jiangning District, Jiulong Lake G58 Project . . . . .	Office/Commercial	2020	26,700	133,300	—	—	33.0
Nanjing Jurong Grand Mansion (Baohua Mudan Road West Side Project) . . . . .	Residential	2019	52,400	131,000	2,800	—	33.0
Ningbo CIFI Powerlong Sanjiang Palace . . . . .	Residential	2019	51,600	103,200	82,511	—	50.0
Ningbo CIFI Landscape Poetry . . . . .	Residential	2019–2020	184,200	300,300	26,594	—	50.0
Nanchang CIFI Lingyun Mansion . . . . .	Residential	2020	28,000	50,400	45,940	—	34.0
Wuxi CIFI Times City . . . . .	Residential	2019	137,900	413,800	199,896	—	30.0
Wuxi CIFI Mansion (Jiangyin City Project) . . . . .	Residential	2019	126,300	220,000	24,245	—	100.0
Wuxi Implicit Talent (Binhu District, Heliukou Project) . . . . .	Residential	2020	21,600	43,200	—	—	50.0
Wuxi Yixing Grand Lakeview . . . . .	Residential/Commercial	2018–2021	N/A	485,665	—	—	50.0
Wenzhou CIFI Future City . . . . .	Residential	2019	51,400	139,100	134,975	—	34.0
Wenzhou Country Garden CIFI Lake Mansion . . . . .	Residential	2019	74,800	149,700	31,172	—	50.0

Project	Primary Intended use of the Project	Estimated Year of Completion	Total GFA under development and held for future development (excluding carparks)			Pre-sold (sq.m.)	Interest attributable to the Group (%)
			Site Area (sq.m.)	(sq.m.)	(sq.m.)		
Wenzhou Metropolis (Leqing City, Jingkai District Project) . . . . .	Residential	2020	65,100	130,200	26,634	—	14.0
Wenzhou CIFI Oujiang World's Metropolis (Oujiang River Estuary Area, C-03AE Project) . . . . .	Residential	2020	131,100	219,900	176,523	—	34.0
Wenzhou CIFI Oujiang World's Metropolis (Oujiang River Estuary Area, C-11FH Project) . . . . .	Residential	2021	148,400	178,100	—	—	34.0
Wenzhou CIFI Oujiang World's Metropolis (Oujiang River Estuary Area, C-05A Project) . . . . .	Residential	2021	141,800	212,700	—	—	31.0
Wenzhou Yueqing City, Central District, E-b11-1 Project . . . . .	Residential	2020	25,300	65,800	—	—	33.0
Wenzhou Dongchen Mansion (Cannan County, Taishang Town Project) . . . . .	Residential	2020	47,200	103,900	6,468	—	35.0
Jiaxing CIFI Exquisite Mansion . . . . .	Residential	2019	18,000	36,200	19,847	—	100.0
Jiaxing Jiashan CIFI M City . . . . .	Residential	2019	64,900	142,700	30,500	—	100.0
Jiaxing CIFI The Lanscape of Pinghu . . . . .	Residential	2019	26,000	39,000	36,920	—	100.0
Jiaxing CIFI Star City . . . . .	Residential	2019	107,300	214,600	—	—	100.0
Jiaxing Jiashan County, No. 2012-42 Project . . . . .	Residential	2019	25,100	45,200	—	—	49.0
Jiaxing Jiashan County, No. 2016-7 Project . . . . .	Residential	2019	14,500	29,000	—	—	49.0
Jiaxing CIFI One City (Jiashan County, Huimin Project) . . . . .	Residential	2020	58,900	106,000	71,478	—	49.0
Jiaxing Jiashan County, No. 34 Project . . . . .	Residential	2020	35,600	89,100	37,622	—	30.0
Jiaxing Jiashan County, No. 54 Project . . . . .	Residential	2020	48,400	120,100	37,527	—	29.0
Jiaxing Jiashan County, No. 2016-52-1 Project . . . . .	Residential	2020	43,100	107,700	—	—	30.0
Jiaxing Jiashan County, Yaozhuang No. 2018-6 Project . . . . .	Residential	2020	39,100	78,100	—	—	50.0
Xuzhou Aristocrat Palace (Gulou District, Huanghe North Road Project) . . . . .	Residential/Commercial	2020	62,600	163,500	—	—	49.0
Xuzhou CIFI Dragon Regency (Xingshanzi Industrial Park, Dasanjiao Project) . . . . .	Residential	2019	57,400	160,800	90,313	—	50.0
Xuzhou CIFI Noble Mansion (Tongshan District, No.36 Project) . . . . .	Residential	2019	48,000	96,000	50,728	—	50.0
Wuhu New Joy Mansion (Yijiang District, Yuanmutang Project) . . . . .	Residential	2020	124,100	272,900	8,199	—	40.0
Changzhou CIFI Park Mansion (Tianning District, Changgaoji South Project) . . . . .	Residential	2020	68,000	149,600	4,624	—	100.0
Changzhou Cultivated Mansion (Zhonglou District, Huanhua Project) . . . . .	Residential	2020	51,600	113,500	7,269	—	40.0
Quzhou The Glorious City (Kecheng District, Railway Station Wanda East Project) . . . . .	Residential/Commercial	2020	97,600	182,100	13,013	—	50.0
Nantong Jinghai Mansion (Gangzha District, No. R18013 Project) . . . . .	Residential	2020	56,500	78,400	6,543	—	51.0

Project	Primary Intended use of the Project	Estimated Year of Completion	Site Area (sq.m.)	Total GFA under development (excluding carparks) (sq.m.)		Pre-sold (sq.m.)	Interest attributable to the Group (%)
				Total GFA under development and held for future development (excluding carparks) (sq.m.)	Pre-sold (sq.m.)		
Taizhou Origin of Taizhou (Jiaojiang District, Hongjia Street Project) . . .	Residential/Commercial	2020	28,200	57,400	—	—	95.0
<i>Pan Bohai Rim</i>							
Beijing Fangshan District, Gongchen Street, No. 0007 Project . . .	Office/Commercial	2019	10,384	25,960	—	—	50.0
Beijing Fengtai District, Zhuangwei B10 Project . . .	Office/Commercial	2019	5,200	15,500	—	—	50.0
Beijing City of CIFI (Fangshan District, Fangshan Street No.2 Project) . . .	Residential	2019	53,600	101,500	—	—	16.7
Beijing CIFI Joy Palace (Chaoyang District, Sunhe Town, Xidian Village, 2902-86 Project) . . .	Residential	2019	59,500	89,300	—	—	9.0
Beijing CIFI Lakeside Mansion (Shunyi District, Shayu Town Matouzhuang Project) . . .	Residential/Commercial	2020	65,600	120,200	—	—	24.5
Beijing Brocade to Home (Chaoyang District, Dongba Project) . . .	Residential	2019	78,000	194,900	—	—	26.0
Beijing Royal River Villa (Chaoyang District, Sunhe Project) . . .	Residential	2020	53,500	58,900	10,783	—	20.0
Shenyang Eastern Tree Shade City North (Dadong District, Vocational and Technical College South Project) . . .	Residential	2019–2022	89,354	196,580	—	—	50.0
Shenyang Jingchen Mansion (Yuhong District, Xihe Road, No 2 Project) . .	Residential/Commercial	2022	85,600	188,300	—	—	100.0
Shenyang CIFI Metropolis A.D. . .	Residential/Commercial	2021	16,200	113,700	69,776	—	20.0
Shenyang Zhongan CIFI Harmonious (Tiexi District, Dongyang Zhigang Project) . . .	Residential/Commercial	2020–2021	99,500	199,100	36,685	—	40.0
Shenyang Central Palace (Shenhe District, Tuanjie Road No. 59 Project) . . .	Residential	2020	29,400	223,600	22,588	—	100.0
Tianjin CIFI Tianyuefenghua . . .	Residential	2019	150,241	202,825	157,227	—	25.0
Tianjin Binhai New District, Sino-Singapore Tianjin Eco-city, Tourism Area Project . . .	Residential	2019	20,305	49,735	—	—	35.7
Tianjin Olympic New Era (Jinghai District, Tuanboyishan County Project) . . .	Residential	2019	55,800	139,400	—	—	40.0
Tianjin Hexi District, Diecai Road Project . . .	Residential	2021	24,000	48,000	—	—	35.0
Qingdao CIFI Yinshengtai Starry City . .	Residential	2019	104,900	187,000	185,764	—	50.0
Qingdao CIFI Yinshengtai Zhengyang Mansion . . .	Residential	2020	98,600	243,700	51,772	—	50.0
Qingdao Fairview Park Mansion (Jiaozhou City, Taihu Road Project) . . .	Residential/Commercial	2021	156,400	299,200	—	—	50.0
Qingdao Boguanxinghai . . .	Residential	2020	42,700	93,600	43,483	—	100.0
Qingdao Boguanyipin . . .	Residential/Commercial	2019	32,000	34,700	24,814	—	100.0
Jinan CIFI Stage (Licheng District, Fengshenlu Project) . . .	Residential	2019	40,000	112,000	—	—	100.0
Jinan City of Starry Sky (Licheng District, Hancanghe Project) . . .	Residential/Commercial	2021	126,600	278,600	—	—	22.5

Project	Primary Intended use of the Project	Estimated Year of Completion	Site Area (sq.m.)	Total GFA under development (excluding carparks) (sq.m.)	Pre-sold (sq.m.)	Total GFA under development and held for future (sq.m.)	Interest attributable to the Group (%)
Jinan Boguanshanyue . . . . .	Residential	2020	24,900	60,300	4,969	51.0	
Jinan Ruigongguan . . . . .	Residential	2021	37,800	128,600	—	100.0	
Shijiazhuang Wise Mansion (Yuhua District, Nanli Village Project) . . . . .	Residential/Commercial	2020	28,700	92,200	—	65.0	
Dalian Family Villa (Shahekou District, Police Affairs Training Base Project) . . . . .	Residential/Commercial	2019	16,100	16,300	—	100.0	
Linyi Xinghe City . . . . .	Residential/Commercial	2021	203,100	408,700	83,416	25.5	
Linyi CIFI Yinshengtai Boguanxincheng East . . . . .	Residential	2019–2020	86,700	153,000	—	70.0	
Linyi CIFI Yinshengtai Boguanxincheng West . . . . .	Residential	2020	59,900	221,100	—	70.0	
Linyi Luozhuang District, Huawu Road Project . . . . .	Residential/Commercial	2020–2021	74,600	186,400	—	100.0	
Yantai Development Zone, A2 & A10 Project . . . . .	Residential/Commercial	2021–2022	189,100	378,200	—	100.0	
Weifang Waterfront Mansion (Kuiwen District, Jinma Road Project) . . . . .	Residential	2020	68,800	151,500	24,145	40.0	
Zibo Starry City (High-tech Zone, Huabei Road Project) . . . . .	Residential	2019	33,600	67,300	28,674	100.0	
Jining City of Starry Life (High-tech Zone, Fangyuanxinju South Project) . . . . .	Residential	2020	58,400	64,200	—	55.0	
<i>Central Western Region</i>							
Chongqing CIFI The essence of River . . . . .	Residential	2020	26,400	105,600	99,707	50.0	
Chongqing CIFI Jiangzhou Impression . . . . .	Residential	2022	128,000	473,600	130,498	35.0	
Chongqing CIFI Waves River . . . . .	Residential	2021	293,000	759,800	227,993	33.3	
Chongqing CIFI Panorama (Yubei District, Huayu Lijia Project) . . . . .	Residential/Commercial	2022	221,100	601,600	193,963	30.0	
Chongqing Yuzhong District, Shidaitianjie Project . . . . .	Residential	2020	14,400	60,000	—	33.0	
Chongqing Superstar (Jiangbei District, Dashiba Project) . . . . .	Residential	2019	4,500	15,700	3,213	100.0	
Chongqing Shapingba District, F6-1/F7 Project . . . . .	Residential/Commercial	2019	8,500	27,700	—	50.0	
Chongqing Verdant Landscape (Banan District, Yu Dong No. 18032 Project) . . . . .	Residential	2020–2021	200,200	389,500	4,182	100.0	
Chongqing Cloud Poem (Banan District, Yudong Xiaonanhai 18051 Project) . . . . .	Residential	2020	92,000	230,000	4,109	35.0	
Chongqing Nature Grace (Liangjiang New Area, Yuelai 18061 Project) . . . . .	Residential/Commercial	2019–2021	162,000	444,600	—	33.3	
Chongqing The Landscape (Liangjiang New Area, Yuelai 18065 Project) . . . . .	Residential/Commercial	2019–2021	161,700	387,300	—	33.3	
Wuhan Hanyang District, Hanqiao Village Project Section B . . . . .	Residential/Commercial	2019–2021	103,822	481,010	—	55.0	
Wuhan Noble Wonderland (Hongshan District, Qingling Village K1-2-4 Project) . . . . .	Residential/Commercial	2021	247,500	784,800	—	34.7	
Wuhan Hongshan District, Qingling Village, K3 Project . . . . .	Residential	2021	204,600	658,800	—	51.0	
Wuhan CIFI Jiangxia Palace (Jiangxia District, Qixin Village Project) . . . . .	Residential	2020	70,200	238,400	16,093	50.0	

Project	Primary Intended use of the Project	Estimated Year of Completion	Total GFA under development and held for future development (excluding carparks)			Interest attributable to the Group (%)
			Site Area (sq.m.)	(sq.m.)	(sq.m.)	
Changsha Henderson Arch of Triumph	Residential/Commercial	2018–2019	N/A	230,222	227,904	30.0
Changsha Kaifu District, Dadi Project	Residential	2018–2019	518,697	830,356	65,499	50.0
Changsha CIFI City Mansion (Tianxin District, Aoyuan South Project) . . . . .	Residential/Commercial	2019	30,100	90,200	—	70.0
Xi'an CIFI Park Avenue (Chanba Ecological District Project) . . . . .	Office/Commercial	2019	27,500	151,100	—	49.0
Xi'an CIFI Honor Mansion (New Area District, Daming Palace Residential Project) . . . . .	Residential	2020	30,700	107,500	—	70.0
Xi'an Essence Mansion (Changning New District 31 mu Project) . . . . .	Residential	2019	20,600	41,200	12,159	34.0
Xi'an Landscape (Xixian New Area, Qinhan Lanchi 2nd Avenue Project) . . . . .	Residential	2020–2023	200,300	387,900	12,599	48.0
Chengdu Glorious Flower City (Chenghua District, Jinxiuhuacheng Project) . . . . .	Residential	2019	84,900	169,800	36,547	30.0
Chengdu Chenghua District, Beichengzhongyang Project . . . . .	Residential/Commercial	2020	42,400	202,300	—	30.0
Chengdu Rivera Impression (Wuhou District, Hongpailou Project) . . . . .	Residential	2019	10,700	20,200	—	22.5
Chengdu Tang Mansion (Shuangliu District, 75 Mu Project) . . . . .	Residential/Commercial	2019	49,800	99,600	—	34.0
Chengdu Jinniu District, Weijianian 102 mu Project . . . . .	Residential	2020–2021	68,500	137,000	—	100.0
Yinchuan Jinfeng District, Yindi No.G-2018-20 Project . . . . .	Residential	2020–2021	88,700	133,000	—	40.0
Yinchuan Jinfeng District, No. G2018-19 Project . . . . .	Residential	2020-2021	101,400	152,100	—	40.0
Guiyang CIFI Skyline (Baiyun District, Yanshanhong Nanhu G(18)048 Project) . . . . .	Residential/Commercial	2020	64,300	199,200	16,114	100.0
Zhengzhou CIFI Grand Mansion . . . . .	Residential	2020	69,400	173,600	13,549	60.0
Xuchang Anno Domini (Dongcheng District Project) . . . . .	Residential	2020	55,300	159,800	—	100.0
Xiangtan Yuetang District, No. 2018-20 Project . . . . .	Residential	2021–2022	66,600	186,500	—	50.0
<i>South China</i>						
Guangzhou CIFI Poly Flowers Bay (Liwan District No.111, Baihua Road, Bai Hua Xiang Liao Chang Project) . . . . .	Residential	2019	31,900	143,600	—	23.5
Nanning CIFI Landscape (Liangqing District, GC2017-095 Project) . . . . .	Residential	2020	25,900	67,500	—	100.0
Nanning City of Midea & CIFI (Xixiangtang District, Xiu'an Road 39 acres Project) . . . . .	Residential	2020	26,300	65,800	—	50.0
Xiamen Xiangan District, 12 Mu Project . . . . .	Residential	2020	8,100	19,400	—	100.0
Sanya Yalong Bay Project . . . . .	Office/Commercial	2019	46,930	18,772	1,909	50.0
Foshan CIFI Homeland . . . . .	Residential/Commercial	2019–2020	114,319	285,796	131,505	100.0
Foshan Joy & Peace (Shunde District, Beijiao No. 005 Project) . . . . .	Residential	2020	81,500	203,600	—	60.0

<b>Project</b>	<b>Primary Intended use of the Project</b>	<b>Estimated Year of Completion</b>	<b>Site Area (sq.m.)</b>	<b>Total GFA under development and held for future development (excluding carparks)</b> (sq.m.)	<b>Pre-sold (sq.m.)</b>	<b>Interest attributable to the Group (%)</b>
Foshan Sanshui District, Yundonghai Street No. 009 Project . . . . .	Residential	2020	27,900	69,800	—	100.0
Foshan Gaoming District, Xijiang New Town Project . . . . .	Residential	2021	81,100	243,400	—	34.0
Jiangmen Natural Gift (Heshan City, Fangyuanyuedao Shoufu Project) . . . . .	Residential	2020	51,200	153,700	—	49.0
Jiangmen The One Mansion (Pengjiang District No. 4 Project) . . . . .	Residential	2020	60,500	166,400	4,035	40.0
Jiangmen Pengjiang District, No. 11 Project . . . . .	Residential	2020	3,900	10,800	—	100.0
Zhongshan Nantou Town, Suixi Village Project . . . . .	Residential	2020	26,300	65,900	—	100.0
Zhongshan Nantou Town, Suixi Village No.162-163 Project . . . . .	Residential	2020	39,800	99,400	—	33.0
Zhongshan Nantou Town, Suixi Village No. W02-17-0135 Project . . . . .	Residential	2021	11,000	33,100	—	33.0
Zhongshan Nantou Town, Suixi Village No. W02-17-0137 Project . . . . .	Residential	2020	34,300	85,700	—	22.0
Quanzhou Shishi CIFI City, (Baogai Town No. 2017S-40 Project) . . . . .	Residential	2020	68,000	169,900	8,112	100.0
Dongguan Landscape (Shipai Village, No. 25 Project) . . . . .	Residential	2020	33,900	84,700	—	100.0
Hong Kong Maya . . . . .	Residential	2020	3,816 sq.m. (41,080 sq.ft.)	Net saleable area:  21,368 sq.m. (230,000 sq.ft.)	—	50.0
Carpark . . . . .				6,127,523	290,595	
TOTAL GFA of Properties under development and held for future development . . . . .				33,855,632	5,791,100	
GRAND TOTAL (Completed, under development and for future development) . . . . .				41,159,249		

In 2018, we acquired interests in a total of 93 new projects. During the year, we continued utilizing joint ventures strategies to jointly develop the newly acquired projects.

Total planned GFA of the Group's land acquisition in 2018 amounted to approximately 12.4 million sq.m., out of which 7.1 million sq.m. were attributable to the Group's equity interests. Total contracted consideration of the Group's land acquisition amounted to approximately RMB76,868 million, out of which RMB41,113 million were payable by the Group according to its equity interests in relevant projects. Based on the Group's attributable GFA acquired and the attributable acquisition considerations, the Group's average land acquisition cost in 2018 was approximately RMB6,190 per sq.m.

The table below sets forth the breakdown of our land acquisition in the year of 2018.

City	Project	Intended Primary Use	The Group's equity interest (%)	Site area (sq.m.)	Planned GFA (excluding carparks) (sq.m.)	Attributable planned GFA (excluding carparks) (sq.m.)			Average land cost (excluding carparks) (RMB/sq.m.)
						Total consideration (RMB)	Attributable consideration (RMB)		
Hangzhou . . . . Linan District, Tianmushan Project	Commercial		100%	1,195,200	49,900	49,900	159,830,000	159,830,000	3,203
Hangzhou . . . . Linan District, Yuqian Project	Commercial		100%	755,400	35,900	35,900	68,620,000	68,620,000	1,911
Hangzhou . . . . Linan District, Qingshanhu, Keji Cheng Project	Residential		50%	63,500	158,700	79,400	1,763,500,000	881,750,000	11,112
Taizhou . . . . Jiaojiang District, Hongjia Street Project	Residential/Commercial		95%	28,200	57,400	54,500	346,200,000	328,890,000	6,031
Hefei . . . . Luyang District, No.1704 Project	Residential		51%	92,200	174,200	88,800	1,784,700,000	910,200,000	10,245
Zhangjiagang . . . Nanhu Road, No. 2013-B28-A Project	Residential		100%	69,800	73,300	73,300	609,770,000	609,770,000	8,319
Zhangjiagang . . . Jingang Avenue, No. 2013-B27 Project	Residential		50%	27,100	40,600	20,300	287,460,000	143,730,000	7,080
Shanghai . . . . Yangpu District, Dinghai Community Project	Office/Commercial		50%	36,500	109,500	54,800	2,980,000,000	1,490,000,000	27,215
Beijing . . . . Chaoyang District, Sunhe Project	Residential		20%	53,500	58,900	11,800	3,365,000,000	673,000,000	57,131
Qingdao . . . . Jiaozhou District, Boguanjinan East Project	Residential		100%	13,800	21,600	21,600	95,620,000	95,620,000	4,427
Qingdao . . . . Jiaozhou District, Boguanjinan West Project	Residential		100%	63,700	136,200	136,200	402,520,000	402,520,000	2,955
Qingdao . . . . Huangdao District, Boguanxinghai First Phase Project	Residential		100%	18,600	58,700	58,700	148,300,000	148,300,000	2,526
Qingdao . . . . Huangdao District, Boguanxinghai Second Phase Project	Residential		100%	24,100	34,900	34,900	161,620,000	161,620,000	4,631
Qingdao . . . . Chengyang District, Boguanyipin Project	Residential/Commercial		100%	32,000	34,700	34,700	154,740,000	154,740,000	4,459
Qingdao . . . . Chengyang District, Dejun Fifth Phase Project	Residential		100%	106,700	70,500	70,500	173,820,000	173,820,000	2,466
Qingdao . . . . Chengyang District, Shuxiangjiayuan Project	Residential		100%	87,400	44,200	44,200	304,320,000	304,320,000	6,885
Jinan . . . . Shizhong District, Boguanshanyue Project	Residential		51%	24,900	60,300	30,800	185,730,000	94,720,000	3,080
Linyi . . . . Beicheng District, Boguanxincheng East Project	Residential		70%	86,700	153,000	107,100	291,890,000	204,320,000	1,908
Linyi . . . . Beicheng District, Boguanxincheng West Project	Residential		70%	59,900	221,100	154,800	302,370,000	211,660,000	1,368
Jiaxing . . . . Jiashan County, No. 2012-42 Project	Residential		49%	25,100	45,200	22,148	401,860,000	196,910,000	8,891
Jiaxing . . . . Jiashan County, No. 2016-7 Project	Residential		49%	14,500	29,000	14,200	232,080,000	113,720,000	8,003
Jiaxing . . . . Jiashan County, Huimin Project	Residential		49%	58,900	106,000	51,900	789,260,000	386,740,000	7,446
Chongqing . . . . Jiangbei District, Dashiba Project	Residential		100%	4,500	15,700	15,700	131,000,000	131,000,000	8,344
Chongqing . . . . Shapingba District, F6-1/F7 Project	Residential/Commercial		50%	8,500	27,700	13,900	212,000,000	106,000,000	7,653
Wuhan . . . . Jiangxia District, Qixin Village Project	Residential		50%	70,200	238,400	119,200	1,501,710,000	750,860,000	6,299
Hangzhou . . . . Xiaoshan District, Shushan Project	Residential		50%	26,600	71,800	35,900	1,271,300,000	635,650,000	17,706
Shenyang . . . . Tiexi District, Dongyang Zhigang Project	Residential/Commercial		40%	99,500	199,100	79,600	1,313,950,000	525,580,000	6,599
Jiaxing . . . . Jiashan County, No. 34 Project	Residential		30%	35,600	89,100	26,700	630,750,000	189,230,000	7,079
Jiaxing . . . . Jiashan County, No. 35 Project	Residential		29%	48,400	120,100	34,800	850,320,000	246,590,000	7,080
Wuxi . . . . Jiangyin City Project	Residential		100%	126,300	220,000	220,000	1,565,580,000	1,565,580,000	7,116
Ningbo . . . . Yuyao City, No.24 Project	Residential		50%	73,800	96,000	48,000	675,380,000	337,690,000	7,035
Ningbo . . . . Yuyao City, No.25 Project	Residential		50%	65,800	105,300	52,700	762,880,000	381,440,000	7,245

City	Project	Intended Primary Use	The Group's equity interest (%)	Site area (sq.m.)	Planned GFA (excluding carparks) (sq.m.)	Attributable planned GFA (excluding carparks) (sq.m.)	Total consideration (RMB)	Attributable consideration (RMB)	Average land cost (excluding carparks) (RMB/sq.m.)
									Total consideration (RMB)
Ningbo . . . . .	Yuyao City, No.26 Project	Residential	50%	30,800	76,900	38,500	532,280,000	266,140,000	6,922
Ningbo . . . . .	Yuyao City, No.27 Project	Residential	50%	13,800	22,100	11,100	134,360,000	67,180,000	6,080
Zhongshan . . . . .	Nantou Town, Suixi Village No.162-163 Project	Residential	33%	39,800	99,400	32,800	529,000,000	174,570,000	5,322
Qingdao . . . . .	Huangdao District, Shuxiang bancheng F2 Project	Residential	55%	31,600	47,400	26,100	130,800,000	71,940,000	2,759
Quanzhou . . . . .	Shishi City, Baogai Town No. 2017S-40 Project	Residential	100%	68,000	169,900	169,900	1,075,000,000	1,075,000,000	6,327
Nantong . . . . .	Gangzha District, No. R18013 Residential Project	Residential	51%	56,500	78,400	40,000	849,750,000	433,370,000	10,839
Xuchang . . . . .	Dongcheng District Project	Residential	100%	55,300	159,800	159,800	601,100,000	601,100,000	3,762
Chongqing . . . . .	Banan District, Yu Dong No. 18032 Project	Residential	100%	200,200	389,500	389,500	1,620,000,000	1,620,000,000	4,159
Zibo . . . . .	High-tech Zone, Huabei Road Project	Residential	100%	33,600	67,300	67,300	120,800,000	120,800,000	1,795
Nanchang . . . . .	High-tech Zone No. 49 Project	Residential	34%	28,000	50,400	17,100	147,310,000	50,090,000	2,923
Zhenjiang . . . . .	Jurong city, Baohua Mudan Road West Side Project	Residential	33%	52,400	131,000	43,200	790,800,000	260,960,000	6,037
Zhongshan . . . . .	Nantou Town, Suixi Village No. W02-17-0135 Project	Residential	33%	11,000	33,100	10,900	148,890,000	49,130,000	4,498
Zhongshan . . . . .	Nantou Town, Suixi Village No. W02-17-0137 Project	Residential	22%	34,300	85,700	18,900	326,440,000	71,820,000	3,809
Changzhou . . . . .	Tianning District, Changgaoji South Project	Residential	100%	68,000	149,600	149,600	1,530,000,000	1,530,000,000	10,227
Foshan . . . . .	Shunde District, Beijiao No. 005 Project	Residential	60%	81,500	203,600	122,160	1,980,000,000	1,188,000,000	9,725
Jining . . . . .	High-tech Zone, Fangyuanxinju South Project	Residential	55%	58,400	64,200	35,300	139,540,000	76,750,000	2,174
Quzhou . . . . .	Kecheng District, Railway Station Wanda East Project	Residential/Commercial	50%	97,600	182,100	91,100	911,000,000	455,500,000	5,003
Xuzhou . . . . .	Gulou District, Huanghe North Road Project	Residential/Commercial	49%	62,600	163,500	80,100	1,560,000,000	764,400,000	9,541
Xuzhou . . . . .	Xingshanzi Industrial Park, Dasanjiao Project	Residential	50%	57,400	160,800	80,400	762,600,000	381,300,000	4,743
Jiangmen . . . . .	Heshan City, Fangyuanyuedao Shoufu Project	Residential	49%	51,200	153,700	75,300	889,250,000	435,730,000	5,786
Weifang . . . . .	Kuiwen District, Jinma Road Project	Residential	40%	68,800	151,500	60,600	621,670,000	248,670,000	4,103
Nanjing . . . . .	Jiangning District, Jiulong Lake G58 Project	Office/Commercial	33%	26,700	133,300	44,000	615,000,000	202,950,000	4,614
Chongqing . . . . .	Banan District, Yudong Xiaonanhai 18051 Project	Residential	35%	92,000	230,000	80,500	581,670,000	203,580,000	2,529
Shenyang . . . . .	Shenhe District, Tuanjie Road No. 59 Project	Residential	100%	29,400	223,600	223,600	1,073,370,000	1,073,370,000	4,800
Xi'an . . . . .	Changning New District 31 mu Project	Residential	34.0%	20,600	41,200	14,000	125,000,000	42,500,000	3,034
Hangzhou . . . . .	Lin'an District, Qingshan Lake Sci-tech City Light Rail Project	Residential/Commercial	50.0%	120,800	333,400	166,700	1,775,000,000	887,500,000	5,324
Xuzhou . . . . .	Tongshan District, No.36 Project	Residential	50.0%	48,000	96,000	48,000	192,160,000	96,080,000	2,002
Jiangmen . . . . .	Pengjiang District No. 4 Project	Residential	40.0%	60,500	166,400	66,600	1,146,850,000	458,740,000	6,892
Wuhu . . . . .	Yijiang District, Yuanmutang Project	Residential	40.0%	124,100	272,900	109,200	1,486,850,000	594,740,000	5,448
Chongqing . . . . .	Liangjiang New Area, Yuelai 18061 Project	Residential/Commercial	33.3%	162,000	444,600	148,100	2,450,000,000	815,850,000	5,511
Chongqing . . . . .	Liangjiang New Area, Yuelai 18065 Project	Residential/Commercial	33.3%	161,700	387,300	129,000	2,320,000,000	772,560,000	5,990
Wenzhou . . . . .	Oujiang River Estuary Area, C-03AE Project	Residential	34.0%	131,100	219,900	74,800	431,000,000	146,540,000	1,960
Wenzhou . . . . .	Oujiang River Estuary Area, C-11FH Project	Residential	34.0%	148,400	178,100	60,600	466,000,000	158,440,000	2,617

City	Project	Intended Primary Use	The Group's equity interest (%)	Site area (sq.m.)	Planned GFA (excluding carparks) (sq.m.)	Attributable planned GFA (excluding carparks) (sq.m.)	Average land cost (excluding carparks) (RMB/sq.m.)	
							Total consideration (RMB)	Attributable consideration (RMB)
Wenzhou . . . . .	Oujiang River Estuary Area, C-05A Project	Residential	31.0%	141,800	212,700	65,900	466,000,000	144,460,000
Hangzhou . . . . .	Xiaoshan District, Shushan Unit, Zengjiaqiao Project	Residential	53.3%	98,300	275,100	146,600	3,706,750,000	1,975,700,000
Foshan . . . . .	Sanshui District, Yundonghai Street No. 009 Project	Residential	100.0%	27,900	69,800	69,800	494,600,000	494,600,000
Guiyang . . . . .	Baiyun District, Yanshanhong Nanhu G(18)048 Project	Residential/Commercial	100.0%	64,300	199,200	199,200	579,960,000	579,960,000
Wenzhou . . . . .	Yueqing City, Central District, E-b11-1 Project	Residential	33.0%	25,300	65,800	21,700	691,000,000	228,030,000
Kunshan . . . . .	Bacheng County No.12-8 Project	Residential	31.1%	128,200	248,800	77,400	1,451,100,000	451,290,000
Jiangmen . . . . .	Pengjiang District, No. 11 Project	Residential	100.0%	3,900	10,800	10,800	58,550,000	58,550,000
Xi'an . . . . .	Xixian New Area, Qinhan Lanchi 2nd Avenue Project	Residential	48.0%	200,300	387,900	186,200	698,010,000	335,040,000
Hangzhou . . . . .	Lin'an District, Wuyue Mansion North Project	Residential	50.0%	11,600	23,300	11,700	218,920,000	109,460,000
Xiangtan . . . . .	Yuetang District, No. 2018-20 Project	Residential	50.0%	66,600	186,500	93,300	721,960,000	360,980,000
Yinchuan . . . . .	Jinfeng District, Yindi No.G-2018-20 Project	Residential	40.0%	88,700	133,000	53,200	364,480,000	145,790,000
Tianjin . . . . .	Hexi District, Diecai Road Project	Residential	35.0%	24,000	48,000	16,800	1,164,690,000	407,640,000
Wenzhou . . . . .	Cannan County, Taishang Town Project	Residential	35.0%	47,200	103,900	36,400	991,630,000	347,070,000
Suzhou . . . . .	Taicang County, Chengxiang No. 3 Project	Residential	33.3%	49,000	83,400	27,800	629,010,000	209,460,000
Jiaxing . . . . .	Jiashan County, No. 2016-52-1 Project	Residential	30.0%	43,100	107,700	32,300	765,500,000	228,760,000
Wuxi . . . . .	Binhu District, Heliekou Project	Residential	50.0%	21,600	43,200	21,600	630,000,000	315,000,000
Changzhou . . . . .	Zhonglou District, Huanhua Project	Residential	40.0%	51,600	113,500	45,400	850,000,000	340,000,000
Hefei . . . . .	Xinzhan District, No. XZQTD238 Project	Residential	34.0%	86,000	154,800	52,600	838,620,000	285,130,000
Yinchuan . . . . .	Jinfeng District, No. G2018-19 Project	Residential	40.0%	101,400	152,100	60,800	459,830,000	183,930,000
Nanning . . . . .	Xixiangtang District, Xi'an Road 39 acres Project	Residential	50.0%	26,300	65,800	32,900	314,880,000	157,440,000
Chengdu . . . . .	Jinniu District, Weijianian 102 mu Project	Residential	100.0%	68,500	137,000	137,000	1,383,900,000	1,383,900,000
Jinan . . . . .	Huayin District, Ruirongguan Project	Residential	100.0%	37,800	128,600	128,600	1,089,420,000	1,089,420,000
Yantai . . . . .	Development Zone, A2 & A10 Project	Residential/Commercial	100.0%	189,100	378,200	378,200	832,000,000	832,000,000
Linyi . . . . .	Luo Zhuang District, Huawu Road Project	Residential/Commercial	100.0%	74,600	186,400	186,400	246,100,000	246,100,000
Hangzhou . . . . .	Yuhang District, Chaoshan No.13 Project	Residential	49.0%	62,200	87,100	42,700	921,690,000	451,630,000
Suzhou . . . . .	Huqiu District, No. 60 Project	Residential	35.0%	80,700	169,400	59,300	2,311,970,000	809,010,000
Jiaxing . . . . .	Jiashan County, Yaozhuang No. 2018-6 Project	Residential	50.0%	39,100	78,130	39,100	512,920,000	256,460,000
Foshan . . . . .	Gaoming District, Xijiang New Town Project	Residential	34.0%	81,100	243,400	82,800	1,490,000,000	506,600,000
<b>TOTAL</b>				<b>12,417,100</b>	<b>7,098,200</b>	<b>76,868,050,000</b>	<b>41,113,110,000</b>	<b>6,190</b>

#### Land acquisition subsequent to December 31, 2018 (and up to March 14, 2019)

Suzhou . . . . .	Wuzhong District, Xukou Town, No.2018-WG-32 Sunwei Road Project	Residential	100%	45,200	76,800	76,800	719,130,000	719,130,000	9,364
Suzhou . . . . .	Wuzhong District, Mudu Town, No.2018-WG-41 Jinmao Road Project	Residential	100%	46,600	102,600	102,600	1,455,600,000	1,455,600,000	14,187

City	Project	Intended Primary Use	The Group's equity interest (%)	Site area (sq.m.)	Planned GFA (excluding carparks) (sq.m.)	Attributable planned GFA (excluding carparks) (sq.m.)	Total consideration (RMB)	Attributable consideration (RMB)	Average land cost (excluding carparks) (RMB/sq.m.)
									Total consideration (RMB)
Suzhou . . . . .	Wuzhong District, Luzhi Town, No.2018-WG-43	Residential	100%	45,100	99,200	99,200	1,113,220,000	1,113,220,000	11,222
	North Yanli Project								
Wuhan . . . . .	Hanyang Village, Shuguang Village Project	Residential	100%	100,100	521,600	521,600	4,056,920,000	4,056,920,000	7,778
Changsha . . . . .	Changsha County, No. 081 Project	Residential	100%	63,900	192,000	192,000	764,620,000	764,620,000	3,982
Shenyang . . . . .	Huanggu District, West Rail Yard Project	Residential	100%	6,500	19,600	19,600	85,110,000	85,110,000	4,342
Shanghai . . . . .	Pudong New Area, Yangjing Subdistrict, C000204 Project	Commercial	50%	3,700	3,000	1,500	61,900,000	30,950,000	20,633
Kunming . . . . .	Economic and Technological Development Zone, KCJ2018-5 Project	Residential	51%	71,800	179,500	91,500	425,490,196	217,000,000	2,370
Tianjin . . . . .	Binhai New Area, Tanggu Bay Project	Residential	100%	41,600	62,400	62,400	333,000,000	333,000,000	5,337
Nanchang . . . . .	Honggutan New District, 2019003 Project	Residential	100%	96,100	211,500	211,500	605,590,000	605,590,000	2,864
Shanghai . . . . .	Pudong New Area, Pujiang Overseas Chinese Town Project	Office/Commercial	30%	38,100	95,900	28,800	1,237,100,000	371,130,000	12,900
First 2M 2019				1,564,100	1,407,500	10,857,680,000	9,752,270,000	6,942	

## LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

### Cash position

As of December 31, 2018, the Group had cash and bank balances of approximately RMB43,327.6 million (December 31, 2017: approximately RMB29,786.9 million) and pledged bank deposits of approximately RMB1,290.0 million (2017: nil).

### Indebtedness

As of December 31, 2018, the Group had outstanding total borrowings amounted to approximately RMB77,865.0 million (December 31, 2017: RMB47,239.1 million), comprising bank and other loans of approximately RMB49,903.6 million (31 December 2017: RMB33,113.0 million), onshore corporate bonds with carrying amounts of RMB11,760.1 million (December 31, 2017: RMB9,628.0 million), convertible bonds with carrying amount of RMB907.7 million (December 31, 2017: nil) and offshore senior notes with carrying amounts of RMB15,293.6 million (December 31, 2017: RMB4,498.1 million).

The tables below set forth the breakdown of our indebtedness as of December 31, 2018.

*By type of borrowings and maturity*

	At 31 December 2018 RMB'000	At 31 December 2017 RMB'000
<b>Onshore bank loans</b>		
Within one year . . . . .	4,264,171	3,253,907
Over one years and within two years . . . . .	9,323,378	1,895,410
Over two years and within three years . . . . .	13,179,872	6,775,429
Over three years and within four years . . . . .	3,706,300	2,080,000
Over four years and within five years . . . . .	660,000	3,300,241
Over five years . . . . .	<u>416,170</u>	<u>402,910</u>
<b>Subtotal</b> . . . . .	<u>31,549,891</u>	<u>17,707,897</u>
<b>Onshore corporate bonds</b>		
Within one year . . . . .	3,646,140	5,093,233
Over one years and within two years . . . . .	3,886,550	—
Over two years and within three years . . . . .	4,227,447	—
Over three years and within four years . . . . .	<u>—</u>	<u>4,534,737</u>
<b>Subtotal</b> . . . . .	<u>11,760,137</u>	<u>9,627,970</u>
<b>Offshore bank loans</b>		
Within one year . . . . .	4,578,200	3,473,201
Over one years and within two years . . . . .	8,859,536	3,661,247
Over two years and within three years . . . . .	4,915,933	7,092,762
Over three years and within four years . . . . .	<u>—</u>	<u>1,177,908</u>
<b>Subtotal</b> . . . . .	<u>18,353,669</u>	<u>15,405,118</u>
<b>Debt component of convertible bonds</b>		
Within one year . . . . .	<u>907,724</u>	<u>—</u>
<b>Subtotal</b> . . . . .	<u>907,724</u>	<u>—</u>
<b>Offshore senior notes</b>		
Over one years and within two years . . . . .	5,897,068	—
Over two years and within three years . . . . .	3,450,757	2,651,344
Over three years and within four years . . . . .	3,877,490	—
Over four years and within five years . . . . .	2,068,299	1,846,780
<b>Subtotal</b> . . . . .	<u>15,293,614</u>	<u>4,498,124</u>
<b>TOTAL</b> . . . . .	<u>77,865,035</u>	<u>47,239,109</u>

*By currency denomination*

	31.12.2018 RMB'000	31.12.2017 RMB'000
Analysis of borrowings by currency		
— Denominated in RMB . . . . .	45,124,929	28,270,867
— Denominated in USD . . . . .	22,876,919	12,740,798
— Denominated in HKD . . . . .	9,841,840	6,227,444
— Denominated in other currencies . . . . .	<u>21,347</u>	<u>—</u>
<b>TOTAL</b> . . . . .	<u>77,865,035</u>	<u>47,239,109</u>

*By fixed or variable interest rates*

	31.12.2018 RMB'000	31.12.2017 RMB'000
Fixed interest rates .....	34,807,640	17,505,439
Variable interest rates .....	<u>43,057,395</u>	<u>29,733,670</u>
	<u>77,865,035</u>	<u>47,239,109</u>

*Secured versus unsecured*

	31.12.2018 RMB'000	31.12.2017 RMB'000
Secured .....	36,754,386	22,493,276
Unsecured .....	<u>41,110,649</u>	<u>24,745,833</u>
	<u>77,865,035</u>	<u>47,239,109</u>

**Cost of borrowings**

The Group's total finance costs expensed and capitalized in 2018 was approximately RMB4,388.6 million, representing an increase of 89.9% from RMB2,310.8 million in 2017. The increase was due to the increase of the Group's total indebtedness level.

The Group's weighted average cost of all indebtedness (including bank and other loans, onshore corporate bonds and offshore senior notes) as at 31 December 2018 was 5.8%, compared to 5.2% as at 31 December 2017. The increase in weighted average cost of indebtedness during the period was primarily attributable to the increase in global market interest rates.

**Foreign currency risk**

The Group conducts its business primarily in Renminbi. The Group's certain bank deposits are denominated in Hong Kong dollars and United States dollars, and the majority of the Group's offshore bank loans and senior notes are denominated in United States dollars and Hong Kong dollars. Certain of the Group's property projects are located in Hong Kong and are denominated in Hong Kong dollars.

Starting in early 2016, the Group has adopted a hedging policy to actively manage its currency risk exposure concerning non-RMB denominated indebtedness. The Group may, depending on the circumstances and trend of currency rates, consider and enter into hedging arrangements to mitigate the impact of RMB depreciation.

It is the Group's policy to utilize the most appropriate and cost effective hedging instruments to hedge its currency risk exposure of non-RMB denominated indebtedness. The Group's hedging arrangements shall, to the extent possible, match the value and the maturity of the relevant non-RMB denominated indebtedness being hedged.

Based on the above policy, the Group has entered into US dollar versus offshore RMB capped forward contracts to hedge certain of its foreign currency exposure in non-RMB denominated indebtedness.

Certain currency capped forward contracts entered into have “capped gain” feature; on the expiry date:

- if the then prevailing US dollar versus offshore RMB exchange rate (“Expiry Rate”) is less than or equal to the pre-specific capped gain rate (“Capped Gain Rate”), the Group shall buy the contract amount of US dollar against offshore RMB at the pre-specified contract rate (“Strike Rate”); or
- if the Expiry Rate is greater than the Cap Rate, the Group shall receive the amount of relevant depreciation amount of offshore RMB against US dollar up to the Cap Gain Rate (“Capped Gain Amount”).

Certain capped forward contracts that we entered into have additional “capped loss” feature; on the expiry date:

- if the Expiry Rate is between the Capped Gain Rate and the pre-specific capped loss rate (“Capped Loss Rate”) or equal to either rates, the Group shall buy the contract amount of US dollar against offshore RMB at the Strike Rate; or
- if the Expiry Rate is greater than the Cap Gain Rate, the Group shall receive Capped Gain Amount; or
- if the Expiry Rate is lower than the Cap Loss Rate, the Group shall pay the amount of relevant appreciation amount of offshore RMB against US dollar up to the Cap Rate (“Capped Loss Amount”).

The capped forward contracts utilized by the Group had contract values and expiry dates matching the outstanding amounts and maturity dates of the specific US dollar or Hong Kong dollar denominated indebtedness being hedged. These capped forward contracts enable the Group to lock-in to the relevant pre-specified Strike Rate of US dollar versus RMB exchange rate for the repayment of its outstanding non-RMB denominated indebtedness. However, the Group’s protection against RMB depreciation will be limited up to the extent of the relevant Capped Gain Rates.

Other than those disclosed above, the Group did not have any other material exposures to foreign exchange fluctuations or any other hedging arrangements as at 31 December 2018. The Group will monitor its foreign currency exposure closely and may, depending on the circumstances and trend of foreign currencies, consider adjusting its foreign currency hedging policy in the future.

### **Financial guarantees**

The Group has provided mortgage guarantees to PRC banks in respect of the mortgage loans provided by the PRC banks to the Group’s customers. The Group’s mortgage guarantees are issued from the dates of grant of the relevant mortgage loans and released upon the earlier of (i) the relevant property ownership certificates being obtained and the certificates of other interests with respect to the relevant properties being delivered to the mortgagee banks, or (ii) the settlement of mortgage loans between the mortgagee banks and the Group’s customers. As at 31 December 2018, the Group provided mortgage guarantees in respect of mortgage loans provided by the PRC banks to the Group’s customers amounting to approximately RMB19,067.9 million (versus 31 December 2017: approximately RMB12,714.6 million).

During the year, certain of the Group’s joint ventures and associates have utilized offshore and/or onshore bank loans. The Company provided guarantees on several basis covering its respective equity shares of outstanding obligations under certain offshore and/or onshore bank loans incurred by its joint

ventures and associated companies. As at 31 December 2018, the Group's aggregate share of such guarantees provided in respective of loans incurred by these joint ventures and associate companies amounted to approximately RMB8,431.9 million (31 December 2017: approximately RMB2,631.9 million).

### **Gearing ratio**

The Group's net debt-to-equity ratio (total indebtedness net of bank balances and cash divided by total equity) was approximately 67.2% as at 31 December 2018, versus approximately 50.9% as at 31 December 2017. The Group's debt-to-asset ratio (total indebtedness divided by total assets) was approximately 32.3% as at 31 December 2018 versus approximately 31.3% as at 31 December 2017. The Group's current ratio (current assets divided by current liabilities) was approximately 1.7 times as at 31 December 2018, versus approximately 1.6 times as at 31 December 2017.

### **PAYMENT OF FINAL DIVIDEND**

The Board recommends the payment of the Proposed Final Dividend for 2018 (payable in cash with a scrip option) of RMB19.68 cents per share. The Proposed Final Dividend declared in RMB is proposed to be paid in Hong Kong dollars equivalent to HK23 cents per share, which is based on the average middle rate of RMB to Hong Kong dollars as announced by the People's Bank of China for the five business days preceding the date of the Annual Results Announcement for 2018.

Subject to the approval of the Proposed Final Dividend by the shareholders at the annual general meeting to be held on Tuesday, 14 May 2019 (the "2019 AGM"), the Proposed Final Dividend will be payable in cash but shareholders will have an option to receive the Proposed Final Dividend in form of new fully paid shares of the Company ("scrip shares") in lieu of cash, or partly in cash and partly in scrip shares (the "Scrip Dividend Scheme").

The Scrip Dividend Scheme is conditional upon the passing of the resolution relating to the payment of the Proposed Final Dividend at the 2019 AGM and the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the new shares to be issued under the Scrip Dividend Scheme.

A circular containing details of the Scrip Dividend Scheme together with relevant election form will be dispatched to the shareholders on or about Wednesday, 5 June 2019. It is expected that the cheques for cash dividends or, if scrip shares are elected, the certificates for the scrip shares will be sent on Wednesday, 3 July 2019 to the shareholders whose names appear on the register of members of the Company on Thursday, 30 May 2019.

## BUSINESS OVERVIEW

### Property Development

#### *Contracted sales<sup>(1)</sup>*

The Group achieved contracted sales of approximately RMB152.0 billion in 2018, representing a year-on-year growth of 46.2% as compared to RMB104.0 billion in 2017. The overwhelming growth in the Group's contracted sales was due to the Group's abundant and well diversified saleable resources across different regions and cities and mainly driven by the strong performance of certain second- and third-tier cities which were less affected by government controls.

The Group contracted sales in GFA was approximately 9,569,400 sq.m. in 2018, representing an increase of 52.1% over GFA of approximately 6,291,713 sq.m. in 2017. The Group's contracted ASP in 2018 was approximately RMB15,900/sq.m., representing a decrease of 3.8% from RMB16,530/sq.m. in 2017.

Contracted sales from the Yangtze River Delta, the Pan Bohai Rim, the Central Western Region and the South China Region contributed to approximately 47.8%, 24.1%, 22.7% and 5.4% of the Group's total contracted sales in 2018 respectively. Contracted sales from first- and second-tier cities accounted for approximately 78.5% of the Group's total contracted sales in 2018 whereas those from third-tier cities accounted for the remaining 21.5%. Contracted sales derived from residential projects contributed to approximately 93.5% of the Group's total contracted sales in 2018 whereas those from office/and commercial projects contributed to the remaining 6.5%.

Cash collection from property sales during the period by the Group's subsidiaries, joint ventures and associated companies represented over 85% of contracted sales in 2018.

The tables below set forth the relevant details of our contracted sales for the 12 months ended December 31, 2018:

#### *By city*

	Contracted sales (RMB'000)	% of total contracted sales (%)	Contracted GFA (sq.m.)	Contracted ASP (RMB/sq.m.)
Hefei .....	15,933,859	10.5%	1,001,226	15,914
Chongqing .....	15,741,945	10.4%	1,214,845	12,958
Beijing .....	11,840,608	7.8%	322,824	36,678
Wenzhou .....	10,935,367	7.2%	816,816	13,388
Suzhou .....	9,628,305	6.3%	458,148	21,016
Wuhan .....	8,150,657	5.4%	431,323	18,897
Shanghai .....	7,890,189	5.2%	274,700	28,723
Ningbo .....	7,323,515	4.8%	295,620	24,773
Qingdao .....	7,196,559	4.7%	512,626	14,039
Tianjin .....	6,716,692	4.4%	402,340	16,694

*Note:*

- (1) "Contracted sales" refer to purchase price of formal purchase contracts we entered into with purchasers of our properties. We compile contracted sales information (including contracted sales amounts, ASP and GFA) through our internal records, and such information has not been audited or reviewed by our independent auditors, Deloitte Touche Tohmatsu. As these sales and purchases contracts are subject to termination or variation under certain circumstances pursuant to their contractual terms, or subject to default by the relevant purchasers, they are not a guarantee of current or future contracted sales. Contracted sales information should in no event be treated as an indication of our revenue or profitability. Our subsequent revenue recognized from such contracted sale may be materially different from such contracted sales. Accordingly, contracted sales information contained in this offering circular should not be unduly relied upon as a measure or indication of our current or future operating performance.

	<b>% of total contracted sales</b>	<b>Contracted GFA</b>	<b>Contracted ASP</b>
	(RMB'000)	(%)	(RMB/sq.m.)
Hangzhou . . . . .	6,455,880	4.2%	311,730
Shenyang . . . . .	6,134,303	4.0%	511,445
Foshan . . . . .	5,777,096	3.8%	482,212
Wuxi . . . . .	4,971,213	3.3%	408,786
Jiaxing . . . . .	4,808,885	3.2%	320,519
Chengdu . . . . .	3,274,770	2.2%	289,255
Xi'an . . . . .	2,997,762	2.0%	256,870
Linyi . . . . .	2,741,943	1.8%	301,609
Changsha . . . . .	2,349,457	1.5%	223,903
Nanjing . . . . .	2,294,855	1.5%	83,327
Xuzhou . . . . .	1,683,557	1.1%	149,341
Jinan . . . . .	1,385,559	0.9%	92,658
Zhengzhou . . . . .	1,292,345	0.8%	95,959
Guangzhou . . . . .	1,023,850	0.7%	25,760
Nanning . . . . .	763,546	0.5%	66,312
Nanchang . . . . .	455,175	0.3%	57,379
Weifang . . . . .	325,129	0.2%	24,264
Sanya . . . . .	264,918	0.2%	3,382
Zibo . . . . .	250,650	0.2%	28,910
Changzhou . . . . .	237,022	0.2%	11,893
Quzhou . . . . .	194,597	0.1%	13,112
Guiyang . . . . .	166,858	0.1%	16,114
Zhongshan . . . . .	140,498	0.1%	15,969
Nantong . . . . .	113,990	0.1%	6,543
Wuhu . . . . .	98,013	0.1%	8,199
Quanzhou . . . . .	91,854	0.1%	8,112
Xuchang . . . . .	85,637	0.1%	9,659
Jinhua . . . . .	74,804	*	4,160
Dongguan . . . . .	64,367	*	3,258
Zhengjiang . . . . .	47,849	*	2,661
Jiangmen . . . . .	42,020	*	4,035
Dalian . . . . .	40,690	*	1,616
Total . . . . .	<u>152,006,788</u>	<u>100.0%</u>	<u>9,569,420</u>
			15,885

\* Less than 0.1%

#### By type of project

	<b>% of total Contracted sales</b>	<b>Contracted GFA</b>	<b>Recognised ASP</b>
	(RMB'000)	(%)	(RMB/sq.m.)
Residential . . . . .	142,088,406	93.5%	9,098,099
Office/Commercial . .	9,918,382	6.5%	471,321
Total . . . . .	<u>152,006,788</u>	<u>100.0%</u>	<u>9,569,420</u>
			15,885

#### By region

	<b>% of total Contracted sales</b>	<b>Contracted GFA</b>	<b>Contracted ASP</b>
	(RMB'000)	(%)	(RMB/sq.m.)
Yangtze River Delta .	72,691,900	47.8%	4,166,781
Pan Bohai Rim . . . .	36,632,133	24.1%	2,198,292
Central Western			
Region . . . . .	34,514,606	22.7%	2,595,307
South China Region .	8,168,149	5.4%	609,040
Total . . . . .	<u>152,006,788</u>	<u>100.0%</u>	<u>9,569,420</u>
			15,885

*By first-, second- and third-tier cities*

	<b>Contracted sales</b>	<b>% of total contracted sales</b>	<b>Contracted GFA</b>	<b>Contracted ASP</b>
	(RMB'000)	(%)	(sq.m.)	(RMB/sq.m.)
First-tier cities . . . . .	19,730,797	13.0%	597,524	33,021
Second-tier cities . . . . .	99,591,500	65.5%	6,351,838	15,679
Third-tier cities . . . . .	32,684,491	21.5%	2,620,058	12,475
Total . . . . .	<u>152,006,788</u>	<u>100.0%</u>	<u>9,569,420</u>	<u>15,885</u>

*Notes:*

1. First-tier cities refer to Shanghai and Beijing.
2. Second-tier cities refer to Guangzhou Suzhou, Hangzhou, Nanjing, Hefei, Ningbo, Nanchang, Xi'an, Wuhan, Chongqing, Changsha, Chengdu, Zhengzhou, Tianjin, Shenyang, Qingdao, Jinan, Nanning, Guiyang and Dalian.
3. Third-tier cities refer to Wenzhou, Wuxi, Sanya, Jiaxing, Zhenjiang, Xuzhou, Weifang, Zibo, Changzhou, Quzhou, Zhongshan, Nantong, Wuhu, Quanzhou, Xuchang, Jinhua, Dongguan, Foshan, Jiangmen and Linyi.

**Revenue recognized from sales of properties**

Revenue recognized from sales of properties in 2018 was approximately RMB39,014.0 million up by 28.8% year-on-year, accounted for 92.1% of total recognized revenue. The Group delivered approximately 2,664,438 sq.m. of properties in GFA in 2018, up by 29.4% year-on-year. The Group's recognized ASP from sales of properties was approximately RMB14,642/sq.m. in 2018, representing a decrease of 0.5% from RMB14,710/sq.m. in 2017. The increase in the Group's revenue recognized from sales of properties in 2018 was mainly attributable to the increase in GFA delivered.

The tables below set forth the breakdown of recognized revenue from property sales for the year ended December 31, 2018.

*By city*

	Recognised revenue from sale of properties		% of recognised revenue from sale of properties		Total GFA delivered		Recognised ASP	
	RMB'000		%		sq.m.		RMB/sq.m.	
	2018	2017	2018	2017	2018	2017	2018	2017
Suzhou . . . . .	9,590,608	7,936,922	24.6	26.2	459,192	462,108	20,886	17,175
Hangzhou . . . . .	6,373,025	334,458	16.3	1.1	453,004	33,804	14,068	9,894
Qingdao . . . . .	4,157,502	—	10.7	*	420,555	—	9,886	—
Tianjin . . . . .	3,256,563	2,388,303	8.3	7.9	206,434	190,634	15,775	12,528
Nanjing . . . . .	2,783,240	2,005,465	7.1	6.6	97,182	121,550	28,640	16,499
Shenyang . . . . .	2,630,790	1,798,137	6.7	5.9	269,428	213,181	9,764	8,435
Shanghai . . . . .	2,523,128	7,752,773	6.5	25.6	80,603	208,293	31,303	37,221
Chongqing . . . . .	1,634,823	1,685,944	4.2	5.6	233,924	276,929	6,989	6,088
Ningbo . . . . .	1,449,159	—	3.7	*	67,817	—	21,369	—
Wuhan . . . . .	1,448,911	1,657,950	3.7	5.5	76,067	90,676	19,048	18,284
Jinan . . . . .	1,063,318	—	2.7	*	99,054	—	10,735	—
Changsha . . . . .	649,741	911,509	1.7	3.0	60,486	85,754	10,742	10,629
Xi'an . . . . .	597,609	—	1.5	*	46,149	—	12,950	—
Foshan . . . . .	566,731	—	1.5	*	53,691	—	10,555	—
Jiaxing . . . . .	80,520	638,476	0.2	2.1	14,677	84,240	5,486	7,579
Hefei . . . . .	77,928	1,624,861	0.2	5.4	12,661	100,351	6,155	16,192
Zhenjiang . . . . .	60,065	930,637	0.2	3.1	8,826	162,566	6,806	5,725
Beijing . . . . .	59,617	586,755	0.2	1.9	3,554	21,997	16,775	26,674
Langfang . . . . .	10,729	42,872	*	0.1	1,134	7,360	9,461	5,825
Total . . . . .	<u>39,014,007</u>	<u>30,295,062</u>	<u>100</u>	<u>100</u>	<u>2,664,438</u>	<u>2,059,443</u>	<u>14,642</u>	<u>14,710</u>

\* Less than 0.1%

*By type of project*

	Recognised revenue from sale of properties		% of recognised revenue from sale of properties		Total GFA delivered		Recognised ASP=	
	RMB'000		%	sq.m.	RMB/sq.m.	2018	2017	2018
	2018	2017	2018	2017	2018	2017	2018	2017
Residential . . . . .	32,217,278	23,601,817	82.6	77.9	2,275,543	1,606,947	14,158	14,687
Office/Commercial . . .	6,796,729	6,693,245	17.4	22.1	388,895	452,496	17,477	14,792
Total . . . . .	<u>39,014,007</u>	<u>30,295,062</u>	<u>100</u>	<u>100</u>	<u>2,664,438</u>	<u>2,059,443</u>	<u>14,642</u>	<u>14,710</u>

*By region*

	Recognised revenue from sale of properties		% of recognised revenue from sale of properties		Total GFA delivered		Recognised ASP	
	RMB'000		%	sq.m.	RMB/sq.m.	2018	2017	2018
	2018	2017	2018	2017	2018	2017	2018	2017
Yangtze River Delta . . .	21,012,248	21,223,592	53.9	70.1	1,038,433	1,172,912	20,235	18,095
Pan Bohai Rim . . . . .	10,957,069	4,816,067	28.1	15.9	964,037	433,172	11,366	11,118
Central Western Region . . .	6,477,959	4,255,403	16.5	14.0	608,277	453,359	10,650	9,386
South China . . . . .	566,731	—	1.5	—	53,691	—	10,555	—
Total . . . . .	<u>39,014,007</u>	<u>30,295,062</u>	<u>100</u>	<u>100</u>	<u>2,664,438</u>	<u>2,059,443</u>	<u>14,642</u>	<u>14,710</u>

*By first-, second- and third-tier cities*

	Recognised revenue from sale of properties		% of recognised revenue from sale of properties		Total GFA delivered		Recognised ASP	
	RMB'000		%	sq.m.	RMB/sq.m.	2018	2017	2018
	2018	2017	2018	2017	2018	2017	2018	2017
First-tier cities . . . . .	2,582,745	8,339,528	6.6	27.5	84,157	230,290	30,690	36,213
Second-tier cities . . . .	36,279,947	20,343,549	93.0	67.2	2,555,642	1,574,987	14,196	12,917
Third-tier cities . . . . .	151,315	1,611,985	0.4	5.3	24,639	254,166	6,141	6,342
Total . . . . .	<u>39,014,007</u>	<u>30,295,062</u>	<u>100</u>	<u>100</u>	<u>2,664,438</u>	<u>2,059,443</u>	<u>14,642</u>	<u>14,710</u>

### Completed properties held for sale

In 2018, the total GFA of newly completed projects of the Group amounted to approximately 5.7 million sq.m. (2017: 2.9 million sq.m.) comprising 2.3 million sq.m. by its subsidiaries (2017: 1.6 million sq.m.) and 3.4 million sq.m. by its joint ventures or associated companies (2017: 1.3 million sq.m.). As at 31 December 2018, the Group had over 100 completed properties projects with a total and attributable unsold or undelivered GFA of approximately 7.3 million sq.m. and 4.3 million sq.m. respectively.

### Properties under development/held for future development

As at 31 December 2018, the Group had over 170 property projects under development or held for future development with a total and attributable GFA of approximately 33.9 million sq.m. and 16.4 million sq.m. respectively.

## PROPERTY INVESTMENT

### Rental income

The Group's rental income in 2018 was approximately RMB237.0 million, up by 151.0% year-on-year. The rental income in 2018 were mainly contributed by Jiaxing CIFI Square, Shanghai CIFI Haishang International and Chongqing CIFI City, with its growth mainly derived from new rental contribution from Shanghai CIFI Haishang International, Shanghai LCM and Chongqing CIFI City.

## **Investment properties**

As at 31 December 2018, the Group had 16 investment properties with a total and attributable GFA of approximately 841,400 sq.m. and 472,900 sq.m. respectively, of which 10 investment properties with a total and attributable GFA of approximately 428,000 sq.m. and 289,500 sq.m. had commenced leasing.

## **Sales performance**

Due to its abundant and diversified saleable resources across different regions and cities, the Group achieved contracted sales and contracted gross floor area (“GFA”) of RMB152.0 billion and 9,569,400 sq.m. respectively in 2018, representing a year-on-year growth of 46.2% and 52.1% respectively. As a result of the diversification featuring more lower-tier cities, the Group’s contracted average selling price (“ASP”) in 2018 was approximately RMB15,900/sq.m., compared to approximately RMB16,530/sq.m. in 2017. The Group achieved a cash collection ratio of over 85% from contracted sales in 2018.

The Group’s contracted sales in 2018 were dispersed among over 195 projects in 44 cities. In 2018, the Group launched pre-sale of 50 new projects, including the following major new launches:

- Hangzhou CIFI Ronchamp County
- Hangzhou CIFI Dongyuan Majestic Mansion
- Hangzhou CIFI Prime Land
- Hangzhou CIFI Xianghu Glory
- Wenzhou CIFI Oujiang World’s Metropolis
- Wenzhou CIFI GLORY Mansion
- Wenzhou CIFI Future City
- Wenzhou TOD International New Town
- Ningbo CIFI Powerlong Sanjiang Palace
- Ningbo CIFI Landscape Poetry
- Nanchang CIFI Lingyun Mansion
- Hefei CIFI Park Palace
- Suzhou CIFI Kuan yue
- Wuxi CIFI Chengqing Mansion
- Changzhou CIFI Park Mansion
- Chongqing CIFI Panorama
- Chongqing CIFI Waves River
- Guiyang CIFI Skyline

- Beijing CIFI Wise Mansion
- Beijing City of CIFI
- Beijing CIFI Lakeside Mansion
- Beijing CIFI Joy Palace
- Jinan Zhonglu Mansion
- Jinan CIFI Yinshengtai Jinyu Lanshan
- Qingdao CIFI Yinshengtai Starry City
- Qingdao CIFI Yinshengtai Zhengyang Mansion
- Qingdao CIFI Yinshengtai Boguanxingshai
- Qingdao CIFI Yinshengtai Xiangjiang Mansion
- Qingdao CIFI Yinshengtai Boguanjinan
- Shanghai Xinzhuang Center
- Shanghai CIFI La Baie D'Evian
- Wuhan CIFI Jiangxia Palace
- Wuhan CIFI Yangtze River Mansion
- Guangzhou CIFI Flowers Bay
- Nanjing CIFI Times Mansion
- Nanjing CIFI Honor Masion
- Xuzhou CIFI Dragon Regency
- Xuzhou CIFI Noble Mansion
- Changsha CIFI City Mansion
- Changsha Henderson CIFI The Landscape
- Xi'an CIFI Park Avenue
- Xi'an CIFI Honor Mansion
- Nanning CIFI Landscape

The Group also continued to record contracted sales in other projects the pre-sale of which started in previous year(s).

CIFI was ranked 15th nationally in terms of contracted sales amount in 2018 according to the “China Real Estate Enterprises Sales Ranking in 2018” published by CRIC Information Group.

## Land Projects

Subsequent to June 30, 2018, we have purchased 30 land projects. The following table sets forth certain information concerning such land projects.

	City	Project	Intended Primary Use	Group's equity interest (%)	Total Planned			
					GFA (excluding carparks) (sq.m.)	Total Consideration (RMB)	Attributable consideration (RMB)	Average land cost (RMB/sq.m.)
1	Hangzhou . . .	Xiaoshan District, Shushan Community Zengjiaqiao Project	Residential	100.00	275,100	3,706,750,000	3,706,750,000	13,400
2	Foshan . . .	Sanshui District, Yundonghai Street 009 Project	Residential	100.00	69,800	494,600,000	494,600,000	7,087
3	Guiyang . . .	Baiyun District, Yangshanhang Nanhу G(18)048 Project	Residential/ Commercial	100.00	199,200	579,960,000	579,960,000	2,911
4	Wenzhou . . .	Leqing City, Zhongxin Central Project	Residential	33.00	65,800	691,000,000	228,030,000	10,499
5	Kunshan . . .	Bacheng Town, No. 12-8 Project	Residential	31.00	248,800	1,451,100,000	451,290,000	5,832
6	Jiangmen . . .	Pengjiang District, No. 11 Project	Residential	100.00	10,800	58,550,000	58,550,000	5,430
7	Xi'an . . . . .	Xixian New Area, Qinhan Lanchi 2nd Avenue Project	Residential	90.00	387,900	620,460,000	558,410,000	2,064
8	Hangzhou . . .	Lin'an District, Wuyue Mansion North Project	Residential	50.00	23,300	218,920,000	109,460,000	9,400
9	Xiangtan . . .	Yuetang District, No. 2018-20 Project	Residential	50.00	186,500	721,960,000	360,980,000	3,871
10	Yinchuan . . .	Jinfeng District, Yindi No. G-2018-20 Project	Residential	40.00	133,000	364,480,000	145,790,000	2,740
11	Tianjin . . . . .	Hexi District, Diecai Road Project	Residential	35.00	48,000	1,164,690,000	407,640,000	24,264
12	Wenzhou . . .	Cannan County, Taishang Town Project	Residential	35.00	103,900	991,630,000	347,070,000	9,540
13	Suzhou . . . . .	Taicang County, Chengxiang No. 3 Project	Residential	33.30	83,400	629,010,000	209,460,000	7,544
14	Jiaxing . . . . .	Jiashan County, No. 52-1 Project	Residential	30.00	107,700	762,500,000	228,740,000	7,080
15	Wuxi . . . . .	Binhu District, Heliukou Project	Residential	50.00	43,200	630,000,000	315,000,000	14,590
16	Changzhou . . .	Zhonglou District, Huanhua Project	Residential	40.00	113,500	850,000,000	340,000,000	7,492
17	Hefei . . . . .	Xinzhan District, No. XZQTD238 Project	Residential	100.00	154,800	838,620,000	838,620,000	5,417
18	Yinchuan . . .	Jinfeng District, No. G2018-19 Project	Residential	40.00	152,100	459,825,000	183,930,000	3,023
19	Nanning . . . . .	Xixiangtang District, Xiu'an Residential Road 39 acres Project	Residential	50.00	65,800	314,880,000	157,440,000	4,782
20	Suzhou . . . . .	Wuzhong District, Xukou Town, No.2018-WG-32 Sunwu Road Project	Residential	100%	76,800	719,130,000	719,130,000	9,364
21	Suzhou . . . . .	Wuzhong District, Mudu Town, No.2018-WG-41 Jinmao Road Project	Residential	100%	102,600	1,455,600,000	1,455,600,000	14,187
22	Suzhou . . . . .	Wuzhong District, Luzhi Town, No.2018-WG-43 North Yanli Project	Residential	100%	99,200	1,113,220,000	1,113,220,000	11,222

City	Project	Intended Primary Use	Group's equity interest (%)	Total Planned GFA (excluding carparks) (sq.m.)		Total Consideration (RMB)	Attributable consideration (RMB)	Average land cost (RMB/sq.m.)
				(sq.m.)	(RMB)			
23 Wuhan . . .	Hanyang Village, Shuguang Village Project	Residential	100%	521,600	4,056,920,000	4,056,920,000		7,778
24 Changsha . .	Changsha County, No. 081 Residential Project	Residential	100%	192,000	764,620,000	764,620,000		3,982
25 Shenyang . .	Huanggu District, West Rail Yard Project	Residential	100%	19,600	85,110,000	85,110,000		4,342
26 Shanghai . .	Pudong New Area, Yangjing Subdistrict, C000204 Project	Commercial	50%	3,000	61,900,000	30,950,000		20,633
27 Kunming . .	Economic and Technological Development Zone, KCJ2018-5 Project	Residential	51%	179,500	425,490,196	217,000,000		2,370
28 Tianjin . . .	Binhai New Area, Tanggu Bay Project	Residential	100%	62,400	333,000,000	333,000,000		5,337
29 Nanchang . .	Honggutan New District, 2019003 Project	Residential	100%	211,500	605,590,000	605,590,000		2,863
30 Shanghai . .	Pudong New Area, Pujiang Overseas Chinese Town Project	Office/ Commercial	30%	95,900	1,237,100,000	371,130,000		12,900

## RECENT TRANSACTIONS

### Issuance of the First and Second Tranches of 2018 Onshore Corporate Bonds

On August 8, 2018, we issued 5.46% public domestic corporate bonds due 2021 in the aggregate principal amount of RMB2,500,000,000. For details, see “Description of Other Material Indebtedness and Obligations.”

On September 19, 2018, we issued 6.39% public domestic corporate bonds due 2022 in the aggregate principal amount of RMB875,000,000. For details, see “Description of Other Material Indebtedness and Obligations.”

### Issuance of the September 2018 Notes

On September 20, 2018, we issued 7.75% senior notes due 2020 in the aggregate principal amount of RMB1,000,000,000. For details, see “Description of Other Material Indebtedness and Obligations.”

### Further issuance of the 2017 Notes

On October 5, 2018, we issued the additional 5.5% senior notes due 2022 in the aggregate principal amount of US\$300,000,000 (the “Additional 2017 Notes”), which constituted a further issue of and was consolidated and formed a single class with the 2017 Notes. The aggregate principal amount of outstanding 2017 Notes is US\$585,000,000.

### Formation of Joint Venture in Relation to a Residential Development Project in Suzhou

On October 8, 2018, the Company, Henderson China Properties Limited (“Henderson China”), Great Asia Investment Limited (“Great Asia”) and Nantong Zhongnan New World Centre Development Limited (“Nantong Zhongnan”) entered into a cooperation agreement for the formation of a joint venture to develop a residential project in Suzhou, Jiangsu province. The cooperation is consisted of

offshore and onshore joint venture arrangements. Great Asia is the offshore joint venture vehicle, of which the Company owns 31.3% and Henderson China owns 68.7% interest. Under the onshore joint venture arrangement, Great Asia, the Company and Nantong Zhongnan owns, direct or indirectly, 51%, 19% and 30% interest, respectively. The residential project occupies a total site area of 80,651.4 sq.m. The average land cost attributable to the Company under the terms of the cooperation agreement (being total consideration divided by total site area) is approximately RMB16,106 per sq.m.

#### **Repurchase, Cancellation and Partial Conversion of the February 2018 Convertible Bonds**

From October 10, 2018 to November 5, 2018, the Company made cumulative on-market repurchases of the February 2018 Convertible Bonds in the total amount of HKD911,000,000 (the “Repurchased Bonds”), representing approximately 32.65% of the original issue size. On November 13, 2018, the Company completed the cancellation of the Repurchased Bonds. After the cancellation, the outstanding amount of the February 2018 Convertible Bonds was HKD1,879,000,000.

On December 6, 2018, we made an announcement in relation to the repurchase of the outstanding zero coupon guaranteed convertible bonds due 2019. We invited the eligible holders of the February 2018 Convertible Bonds (the “Eligible Holders”) to make offers to sell for cash their February 2018 Convertible Bonds in a reverse bookbuilding modified Dutch auction process. The Eligible Holders were invited to submit instructions to J.P. Morgan Securities plc, the dealer manager, in accordance with certain procedures and subject to certain restrictions. On December 10, 2017, we announced that we have received responses to sell the Bonds in an aggregate principal amount equal to HK\$851 million from Eligible Holders at the Buyback Price of 101% of the principal amount of the Bonds pursuant to the Invitation and the Company has agreed to accept the full amount (the “Buyback”). The Buyback settled on December 17, 2018. After the Buyback, the outstanding amount of the February 2018 Convertible Bonds was HKD1,028,000,000.

On February 1, 2019, we completed a partial conversion of the February 2018 Convertible Bonds in the aggregate principal amount of HKD4,000,000. Upon the completion of the partial conversion, the outstanding amount of the February 2018 Convertible Bonds was HKD1,024,000,000.

On February 12, 2019, the February 2018 Convertible Bonds were fully redeemed upon maturity.

#### **Change in Non-executive Director and Financial Management Personnel**

On November 25, 2018, Mr. ZHOU Yimin ceased to act as a non-executive director of the Company. On the same date, Mr. WANG Wei was appointed as a non-executive director in place of Mr. ZHOU.

Effective on March 30, 2019, Mr. YAU Sze Ka (Albert) will become Senior Adviser of the Group and will leave his position as Chief Financial Officer where Mr. YANG Xin will succeed Mr. Yau as the Chief Financial Officer and Mr. LEUNG Yuk Ming (Lawrence) will be appointed as the Head of Capital Markets and Investors Relations.

#### **Issuance of the January 2019 Notes**

On January 2, 2019, we issued 7.625% senior notes due 2021 in the aggregate principal amount of US\$400,000,000. For details, see “Description of Other Material Indebtedness and Obligations.”

#### **Issuance of the February 2019 Notes**

On February 28, 2019, we issued 7.625% senior notes due 2023 in the aggregate principal amount of US\$300,000,000. For details, see “Description of Other Material Indebtedness and Obligations.”

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

*The following discussion should be read in conjunction with our consolidated financial information together with the accompanying notes included elsewhere in this offering memorandum. Our consolidated financial statements were prepared in accordance with IFRS.*

*This section includes forward-looking statements that involve risks and uncertainties. All statements, other than statements of historical facts, included in this section that address activities, events or developments which we expect or anticipate will or may occur in the future are forward-looking statements. These statements are based on assumptions and analyses we made in light of experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances.*

### **OVERVIEW**

Headquartered in Shanghai, we are engaged in property development and property investment in the PRC. In the six months ended June 30, 2018, in terms of contracted sales amount, we were ranked 17th according to the list of “China Real Estate Enterprises Sales Ranking in the First Half of 2018” published by China Real Estate Information Corporation Information Group.

We principally focus on developing high quality and end-users driven properties in first- and second-tier cities in China. Our development projects cover various properties types including residential, office and commercial complexes. For our residential property development, we mainly develop residential products that offer our end-users comfortable living environment and proximity to good ancillary facilities and transportation links. For our commercial property development, we mainly develop offices and community commercial properties.

We have achieved a nationwide geographical coverage and a strong presence in selected first-tier cities and second-tier cities in China. Our business operations are diversified in terms of geographic locations, which facilitates our future expansion. As of June 30, 2018, we had projects in 53 cities in four geographic regions in the PRC: the Yangtze River Delta Region, which includes Shanghai, Suzhou, Hangzhou, Hefei, Nanjing, Ningbo, Zhenjiang, Yixing, Wuxi, Taicang, Wenzhou, Jiaxing, Jiashan, Pinghu, Changzhou, Quzhou, Xuzhou, Wuhu, Taizhou, Nantong and Nanchang, the Pan Bohai Rim, which includes Beijing, Tianjin, Shenyang, Jinan, Qingdao, Dalian, Shijiazhuang, Linyi, Langfang, Weifang, Zibo and Jining, the Central Western Region, which includes Chongqing, Chengdu, Zhengzhou, Xi'an, Changsha, Wuhan, Guiyang and Xuchang, and the South China Region, which includes Hong Kong, Sanya, Haikou, Guangzhou, Dongguan, Foshan, Zhongshan, Fuzhou, Xiamen, Nanning, Jiangmen and Quanzhou. As of June 30, 2018, we had a land bank with an aggregate total GFA of approximately 40.4 million sq.m. and an aggregate GFA attributable to us of approximately 21.1 million sq.m.

Leveraging our effective business model focused on rapid asset turnover, strong execution capabilities and business strategies developed in line with government policies on China's real estate sector, we are poised to continue our rapid growth and develop into a renowned nationwide property developer.

## **KEY FACTORS AFFECTING OUR PERFORMANCE**

Our business, operating results and financial condition are affected by a number of factors, many of which are beyond our control. Some of the key factors include the following:

### **Economic Growth, Speed of Urbanization and Demand for Properties in China**

The economic growth, urbanization and rising standard of living in China have been the main driving forces behind the increasing market demand for properties. At the current stage of China's economic development, the real estate industry in China is significantly dependent on China's overall economic growth, including the increase in the purchasing power of Chinese consumers and the resulting demand for properties. We believe that the rate of urbanization and the overall economic growth in China are especially important to the continued growth of our business. The rate of urbanization and the overall economic growth in China will continue to be affected by a number of macroeconomic factors, including changes in the global economy and world markets as well as the macroeconomic, fiscal and monetary policies of the PRC government.

### **The Regulatory Environment and Measures Affecting the Real Estate Industry in China**

Our business and operating results have been, and will continue to be, affected by the regulatory environment in China and by PRC governmental policies and measures on property development and related industries. In recent years, the PRC government has implemented a series of measures with a view to controlling the real estate market. The PRC government has taken various restrictive measures to discourage speculation in the real estate market and to increase the supply of affordable residential properties. From time to time, the PRC government adjusts or introduces macroeconomic control policies to encourage or restrict development in the private real estate sector through regulating, among other things, land grants, pre-sale and sale of properties, bank financing and taxation. Measures taken by the PRC government to control money supply, credit availability and fixed assets also have a direct impact on our business and operating results. The PRC government may introduce initiatives which may affect our access to capital and the means by which we may finance our property development. These and other measures have affected the overall economy in China, with differing effects on various sectors.

In 2015, 2016 and 2017 and the six months ended June 30, 2018, in response to the rising property prices across the country, the PRC government announced new policies and adopted new measures to curtail speculation in the real estate market and imposed more stringent requirements on property developers. In 2016, GDP growth in China slowed down to 6.7% and the PRC government adopted different real estate control and stimulus policies in different cities with the goal of stabilizing property prices and continuing inventory clearance. See "Risk Factors — Risks Relating to Our Industry — Our operations are subject to extensive governmental regulations, and in particular, we are susceptible to changes in policies related to the real estate industry in the PRC and the PRC government may adopt further measures to slow down growth in the real estate sector" in this offering memorandum for more details on the relevant PRC laws and regulations. The new measures include, among other things, higher minimum down payment requirements, restrictions on purchase of properties and increases in bank lending rates for mortgage financings. Since a substantial portion of our customers depend on mortgage financing to purchase our properties, regulations or measures adopted by the PRC government that are intended to restrict the ability of purchasers to obtain mortgages, that limit their ability to resell their properties or that increase the cost of mortgage financing may decrease market demand for our properties and adversely affect our revenue. PRC regulatory measures in the real estate industry will continue to impact our business and operating results.

## **Ability to Acquire Quality Land at Reasonable Prices**

Our operating results and continued growth will depend on our ability to secure quality land at prices that can yield reasonable returns. Based on our current plans, we believe that our land reserves are sufficient for our property development requirements for the next few years. As the PRC economy continues to grow and demand for residential properties remains relatively strong, we expect that competition among property developers for land that is suitable for property development will remain intense. In addition, PRC governmental land supply policies and implementation measures may further intensify competition for land in China among property developers. For example, the statutory means of public tender, auction and listing-for-sale practice in respect of the grant of state-owned land use rights is likely to increase competition for development land and, consequently, increase land acquisition costs. Furthermore, in November 2009, the PRC government raised the minimum down payment of land premium to 50% and required that land premium be fully paid within one year after the signing of a land grant contract, subject to limited exceptions. These and future changes of policy may materially and adversely affect our cash flows and our ability to acquire suitable land for our operations.

## **Timing of Property Development**

Our operating results tend to fluctuate from period to period. The number of property developments that a developer can undertake during any particular period is limited by the substantial amount of capital required to fund land acquisitions and to pay construction costs, as well as by the supply of land and other factors. Property development may take many months, or sometimes years, before any pre-sale takes place and even longer to complete. According to our accounting policy for revenue recognition, although the pre-sale of a property generates positive cash flows for us in the period in which it is made, no revenue is recognized in respect of the sale of a property until its development has been completed and the property has been delivered to the purchaser. Since the delivery of our properties varies according to our construction timetable, our operating results may vary significantly from period to period.

## **Pre-sale**

Pre-sale constitutes one of the important sources of our operating cash flows during our project development process. PRC law allows us to pre-sell properties before their completion upon satisfaction of certain requirements and requires us to use the pre-sale proceeds to finance the relevant projects that are pre-sold. See “Business — Property Development — Sales and Marketing” for more details. The amount and timing of cash inflows from pre-sale are affected by a number of factors, including the development schedule of each of our projects, restrictions on pre-sale imposed by the PRC government, availability and affordability of mortgage financings for our purchasers, market demand for our properties subject to pre-sale and the number of our properties available for pre-sale. In addition, reduced cash flows from pre-sale of our properties will likely increase our reliance on external financing, which may increase our cost and may impact our ability to finance our continuing property developments.

## **Access to and Cost of Financing**

Property development requires substantial capital investments for land acquisition and construction, and it may take many months or years before positive cash flows can be generated. During 2015, 2016 and 2017 and the six months ended June 30, 2018, we financed our operations primarily through internally generated funds, bank borrowings, offshore credit facilities and net proceeds from our equity, senior notes, senior perpetual securities, convertible bonds and onshore bond offerings.

Our access to capital and cost of financing are affected by restrictions imposed from time to time by the PRC government on financings for property development, our ability to raise funding from the capital markets and the general economic environment. For bank loans, we are highly susceptible to any regulations or measures adopted by the PBOC that restrict bank lending, particularly those that restrict the ability of real estate developers to obtain financing. As commercial banks in the PRC link the interest rates on their loans to benchmark lending rates published by the PBOC, we expect that any increase in the benchmark lending rates will increase our borrowing costs generally. Please refer to the section headed “Risk Factors — Risks Relating to our Business — Our profitability and results of operations are affected by changes in interest rates” for more details.

From time to time, we obtained secured and unsecured trust and other financings from a number of trust companies in the PRC. Compared to bank loans, such trust and other financings offer greater flexibility in terms of availability. While drawdowns on bank loans usually depend on actual construction progress, drawdowns on such financings may be made in full in one or multiple installments as agreed with the relevant lenders. However, financing costs under these trust arrangements are generally higher than those under bank loans. There is no guarantee that we will be able to enter into these arrangements, if needed, in the future at all or on favorable terms. Our trust loans were fully repaid during 2015.

As of December 31, 2015, 2016 and 2017 and the six months ended June 30, 2018, our outstanding total bank and other borrowings under IFRS (not including senior notes, the convertible bonds and onshore bonds) amounted to RMB11,657.9 million, RMB13,566.6 million, RMB33,113.0 million (US\$5,004.2 million) and RMB44,653.4 million (US\$6,748.2 million), respectively. As of June 30, 2018, our total indebtedness (including bank and other borrowings, onshore corporate bonds, convertible bonds and offshore senior notes) amounted to RMB70,559.4 million (US\$10,663.2 million). The effect of increases in interest rates on our financing costs would not be immediately apparent due to the capitalization of our borrowing costs in our consolidated financial statements. Upon completion of a property project and once the related properties have been delivered to buyers, the capitalized interest expenses on these properties will be recognized in the cost of sales in our consolidated statements of comprehensive income.

## **Location and Product Mix**

The location of our property projects and the type of properties are important factors affecting our operating results. We have in the past generated, and intend in the future to generate, revenue mainly from sales of properties and rental income. As a result, our operating results and the sources and amount of our cash generated from operations may vary significantly from period to period depending on the type and GFA of our completed properties that we sell or lease. Our operating results and cash flows will also vary depending on market demand at the time we sell or lease our properties, the selling prices for our property development projects, and the rental and occupancy rates of our investment properties, which depend on local market prices which, in turn, depend on local supply and demand conditions, as well as the type of properties being developed.

## **Price Volatility of Construction Materials**

A principal component of our cost of sales is construction costs. Historically, construction materials costs have been the primary driver of our construction costs. Construction costs fluctuate as a result of changes in the prices of key construction materials such as steel and cement. Construction costs have a direct effect on our gross margin.

Substantially all of the costs of construction materials have been accounted for as part of the contractor fees upon settlement with the relevant contractors. If the costs of construction materials increase beyond our expectation, the contractors may request to transfer such increase in costs to us by

increasing their contractor fees. Our profitability may suffer if we cannot pass on any resulting increases in construction costs to our customers. Furthermore, as we typically pre-sell our properties prior to their completion, we may be unable to pass on any increases in costs to our customers if construction costs increase subsequent to such pre-sale.

### **Valuation of Our Investment Properties**

We retain ownership of a portion of the GFA of our commercial properties for lease. Our investment properties are stated at their fair value on our consolidated statements of financial position as non-current assets as of each financial position date on the basis of valuations by our independent property valuer. Gains arising from a change in fair value upon the transfer of properties held for sale to investment properties are accounted for as fair value gain upon such transfer. Gains or losses arising from changes in the fair value of our investment properties are accounted for as change in fair value of investment properties in our consolidated statements of comprehensive income. These gains or losses may have a substantial effect on our profits. The fair value of our investment properties are based on valuations of such properties conducted by our valuer, using property valuation techniques involving certain assumptions of market conditions. The fair value of our investment properties may have been higher or lower if the valuer had used a different set of bases or assumptions or if the valuation had been conducted by other qualified independent professional valuers using a different set of bases and assumptions. Investors should be aware that the fair value gains on investment properties included in our consolidated statements of comprehensive income reflect unrealized capital gains in the estimated fair value of our investment properties at the relevant reporting date and do not constitute profit generated from our operations or generate any actual cash inflow to us unless and until such investment properties are sold at or above such estimated values. Favorable or unfavorable changes in the assumptions of market conditions used by our valuer would result in changes to the fair value of our investment properties and corresponding adjustments to the amount of gains or losses reported in our consolidated statements of comprehensive income in the future. The amount of revaluation adjustments have been, and may continue to be, significantly affected by the prevailing property markets and may fluctuate. See “Risk Factors — Risks Relating to our Business — 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 condition and results of operations” for more details.

### **Fluctuation of Renminbi Exchange Rate**

We conduct our business primarily in Renminbi. We are exposed to foreign exchange rate risk relating to the portion of our bank deposits that we maintain in Hong Kong dollars and U.S. dollars and foreign currency-denominated obligations such as our offshore credit facilities, the Existing Notes, the August 2017 Perpetual Securities, the December 2017 Perpetual Securities, the Existing Notes and the Notes. Since 2005, the PRC government has followed a policy under which the Renminbi is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. In 2007, the PBOC widened the floating band for the trading prices in the inter-bank foreign exchange market of the Renminbi against the U.S. dollar from 0.3% to 0.5% around the central parity rate. The floating band was further widened to 1.0% in 2012 and to 2.0% in 2014. These changes in currency policy resulted in the Renminbi appreciating against the U.S. dollar by approximately 33.0% from July 21, 2005 to December 31, 2014. However, in August 2015, the PBOC moved to devalue the Renminbi against the U.S. dollar and announced a policy change allowing a more market-based determination of the official fixing rate. Following such announcement, the Renminbi depreciated significantly against the U.S. dollar. In February 2017, the PBOC has adjusted its FX fixing formula, making adjustments to existing fixing model which was introduced in February 2016. In October 2016, RMB was formally included in IMF's Special Drawing Rights basket. Renminbi has witnessed multiple fluctuation in past one year. As a result, we reported a net exchange gain of RMB108.4 million (US\$16.4 million) in 2017 as compared

to a net exchange loss of RMB378.3 million in 2016 and a net exchange gain of RMB16.5 million (US\$2.5 million) in the six months ended June 30, 2018 compared to a net exchange gain of RMB213.3 million in the six months ended June 30, 2017. The PRC government may take further actions that could cause future exchange rates to vary significantly from current or historical exchange rates. A depreciation in the Renminbi could adversely affect the value of any dividends we pay to our shareholders outside the PRC, require us to use more Renminbi funds to service the same amount of any foreign currency debt and materially and adversely affect our financial condition and results of operations. See “Risk Factors — Risks Relating to our Business — Our profitability and results of operations are affected by changes in foreign exchange rates.”

## **CRITICAL ACCOUNTING POLICIES**

The discussion and analysis of our financial condition and operating results are based upon our consolidated financial statements as of and for the financial years ended December 31, 2015, 2016 and 2017 and the six months ended June 30, 2018, which have been prepared in accordance with IFRS. Our reported financial condition and operating results are sensitive to accounting methods, assumptions and estimates that underlie the preparation of the financial statements. We continually evaluate our estimates and assumptions and base them on historical experience and on various other factors that our directors believe to be relevant under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results typically differ from these estimates. The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities mainly include those related to property development activities.

The selection of critical accounting policies and the sensitivity of reported results to changes in conditions and assumptions are factors to be considered when reviewing our financial statements. Our directors believe that the following critical accounting policies are among those that involve the most significant judgments and estimates used in the preparation of our consolidated financial statements.

### **Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of customer returns, rebates and other similar allowances.

Revenue is recognized when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to our Group and when specific criteria have been met for each of our Group’s activities, as described below.

Revenue from sale of properties in the ordinary course of business is recognized when all of the following criteria are satisfied:

- the significant risks and rewards of ownership of the properties are transferred to purchasers;
- neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties are retained;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to us; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Deposits received from purchasers prior to meeting the above criteria for revenue recognition are included in the consolidated statements of financial position under current liabilities.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

Property management service income is recognized over the period in which the services are rendered. On July 15, 2016, we entered into an equity transfer agreement to sell our majority equity interest in Shanghai Yongsheng, which carried out our property management services. Upon completion of such sale, Shanghai Yongsheng's results of operations have no longer been consolidated into our financial statements.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to us and the amount of revenue can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognized when our rights to receive payment have been established (provided that it is probable that the economic benefits will flow to us and the amount of revenue can be measured reliably).

### **Construction Costs Estimation for Revenue Recognition**

Certain of our projects are divided into several phases according to their development and delivery plans. We recognize sales upon delivery of properties. Cost of sales including construction costs specific to the phases and common costs allocable to the phases are calculated based on management's best estimation of the total development costs for the whole project and the allocation to each phase at the time when the properties are delivered.

### **Properties under Development for Sale**

When the leasehold land and buildings are in the course of development for sale, the leasehold land component is amortized over a straight-line basis over the lease term. During the construction period, the amortization charge provided for the leasehold land is included as part of the costs of properties under development. Properties under development which are intended to be held for own use or their investment potential are classified as non-current assets. Properties under development which are intended to be held for sale are classified as current assets and carried at the lower of cost and net realizable value.

### **Properties Held for Sale**

Properties held for sale are stated at the lower of cost and net realizable value. Cost includes the costs of land, development expenditure incurred and, where appropriate, borrowing costs capitalized. Net realizable value is determined based on prevailing market conditions.

### **Investment Properties**

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes). Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under construction are capitalized as part of the carrying amount of the investment properties under construction.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognized.

## Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from profit before tax as reported in the consolidated statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Our liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated statements of financial position and the corresponding tax base used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, except where we are able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which we expect, at the end of the reporting period, to recover or settle the carrying amount of our assets and liabilities.

Current and deferred taxation are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case the current and deferred taxation is also recognized in other comprehensive income or directly in equity respectively.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model the carrying amount of such properties are presumed to be recovered entirely through sale unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within our business model, the business objective of which is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

### **Share-Based Payment Transactions**

The fair value of services received determined by reference to the fair value of shares granted at the grant date is expensed on a straight-line basis over the vesting period with a corresponding increase in reserve.

At the end of each reporting period, we revise our estimates of the number of shares that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserve.

When share options are exercised, the amount previously recognized in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share option reserve will be transferred to retained profits.

### **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of those assets. Capitalization of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned from temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

### **Valuation of Trust and Other Loans Related Derivatives**

The fair value of trust and other loans related financial derivative instruments is calculated using the Monte Carlo simulation by considering a number of parameters including volatility, credit spread, risk-free rates, property selling prices of the project, the property development plan estimated by management and maturity dates determined by the terms of the relevant agreements and the property sale plan estimated by management.

Where the actual future market data or property development plans vary, a material adjustment on the fair values of trust and other loans related derivatives may arise. When estimating the fair value of these derivatives with reference to a valuation report from an independent appraiser, we have exercised our judgment and are satisfied that the method of valuation is reflective of current market conditions and our best estimation of the relevant property development plans.

### **LAT**

We are subject to LAT in the PRC. However, the rules and regulations relating to assessable rates, the deductibility of certain expenses and the collection and settlement of LAT may vary among different tax jurisdictions in various provinces and cities of the PRC and certain of our projects have not finalized their LAT calculations with any local tax authorities in the PRC. Accordingly, significant judgment is required in determining the amount of land appreciation and its related income tax provisions. We

recognized the LAT based on management's best estimates. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax provisions in the periods in which such tax is finalized with local tax authorities.

## CERTAIN KEY ITEMS AFFECTING OUR CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

### Revenue

Our revenue represents income recognized from sales of properties, rental income from the leasing of investment properties and other properties, and income received from property management and related services. On July 15, 2016, we entered into an equity transfer agreement to sell our majority equity interest in Shanghai Yongsheng, which carried out our property management services. Upon completion of such sale, Shanghai Yongsheng's results of operations have no longer been consolidated into our financial statements.

The following table sets out the breakdown of our revenue by business segments and their percentage of total revenue for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,					
	2015		2016		2017		2017		2018			
	RMB'000	%	RMB'000	%	RMB'000	US\$'000	%	RMB'000	%	RMB'000	US\$'000	%
Sales of properties .....	17,046,700	93.5	20,713,067	93.2	30,295,062	4,578,299	95.2	10,590,200	94.3	17,394,508	2,628,721	94.4
Rental income .....	40,973	0.2	62,226	0.3	94,428	14,270	0.3	50,986	0.5	56,906	8,600	0.3
Project management income and other property related service income .....	799,477	4.4	1,172,658	5.3	1,434,798	216,832	4.5	594,173	5.2	969,106	146,455	5.3
Property management income .....	343,638	1.4	276,496	1.2	—	—	—	—	—	—	—	—
Total .....	18,230,788	100.0	22,224,447	100.0	31,824,288	4,809,401	100.0	11,235,359	100.0	18,420,520	2,783,775	100.0

### *Sales of Properties*

Revenue recognized from the sale of properties represents consideration received or receivable, net of discounts allowed, from sales of our properties held for sale in a given period. We expect that income from sales of properties will continue to account for the substantial majority of our total revenue in the future.

As income from sales of properties constitutes substantially all of our revenue, our operating results for a given period are dependent upon the type and GFA of properties we have delivered during that period, the market demand for those properties and the price we obtained from the pre-sale or sale of the properties. Conditions in the property markets in which we operate change from period to period and are affected significantly by the general economic, political and regulatory developments in the PRC, particularly in the cities in which we operate.

Consistent with industry practice, we typically enter into sales contracts with purchasers while the properties are still under development but after satisfying the conditions for pre-sale in accordance with PRC laws and regulations. Please refer to the section headed "Business — Property Development — Sales and Marketing" for more details. Before the criteria for the recognition of sales of properties are met, payments received from purchasers are recorded as receipt in advance from property sales, which is included in current liabilities. Please refer to "— Critical Accounting Policies — Revenue recognition" for more details.

The following table sets out the breakdown of our revenue recognized from sales of properties by city and region for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,					
	2015		2016		2017		2017		2018			
	RMB'000	%	RMB'000	%	RMB'000	US\$'000	%	RMB'000	%	RMB'000	US\$'000	%
<b>The Yangtze River Delta Region:</b>												
Shanghai	4,990,753	29.3	4,905,994	23.7	7,752,773	1,171,627	25.6	4,470,573	42.2	637,363	96,321	3.7
Suzhou	2,932,912	17.2	2,616,629	12.6	7,936,922	1,199,456	26.2	1,560,583	14.7	6,251,956	944,818	35.9
Hangzhou	803,806	4.7	831,440	4.0	334,458	50,544	1.1	189,937	1.8	1,813,750	274,100	10.4
Hefei	1,574,451	9.2	1,858,309	9.0	1,624,861	245,555	5.4	245,444	2.3	44,243	6,686	0.3
Zhenjiang	94,679	0.6	49,849	0.2	930,637	140,641	3.1	820,011	7.7	28,728	4,341	0.2
Jiaxing	684,739	4.0	302,914	1.5	638,476	96,489	2.1	584,058	5.5	64,764	9,787	0.4
Nanjing	—	—	787,013	3.8	2,005,465	303,073	6.6	783,081	7.4	2,714,578	410,237	15.6
Ningbo	—	—	—	—	—	—	—	—	—	1,442,415	217,983	8.3
<b>Sub-total</b>	<b>11,081,340</b>	<b>65.0</b>	<b>11,352,148</b>	<b>54.8</b>	<b>21,223,592</b>	<b>3,207,386</b>	<b>70.1</b>	<b>8,653,687</b>	<b>81.6</b>	<b>12,997,797</b>	<b>1,964,274</b>	<b>74.8</b>
<b>The Pan Bohai Rim:</b>												
Beijing	2,743,658	16.1	703,786	3.4	586,755	88,673	1.9	—	—	28,571	4,318	0.2
Langfang	128,510	0.8	1,119,553	5.4	42,872	6,479	0.1	34,287	0.3	6,847	1,035	*
Shenyang	159,450	0.9	585,659	2.8	1,798,137	271,741	5.9	431,953	4.1	440,161	66,519	2.5
Tianjin	1,495,757	8.8	2,873,061	13.9	2,388,303	360,929	7.9	78,613	0.8	18,933	2,861	0.1
Qingdao	—	—	—	—	—	—	—	—	—	1,064,514	160,873	6.1
<b>Sub-total</b>	<b>4,527,375</b>	<b>26.6</b>	<b>5,282,059</b>	<b>25.5</b>	<b>4,816,067</b>	<b>727,821</b>	<b>15.9</b>	<b>544,853</b>	<b>5.2</b>	<b>1,559,026</b>	<b>235,606</b>	<b>8.9</b>
<b>The Central Western Region:</b>												
Wuhan	700,121	4.1	1,279,849	6.2	1,657,950	250,555	5.5	412,318	3.9	1,423,009	215,050	8.2
Chongqing	26,497	0.2	844,973	4.1	1,685,944	254,786	5.6	221,901	2.1	501,484	75,786	2.9
Changsha	711,367	4.2	1,954,038	9.4	911,509	137,751	3.0	757,441	7.2	436,712	65,997	2.5
Xi'an	—	—	—	—	—	—	—	—	—	476,480	72,007	2.7
<b>Sub-total</b>	<b>1,437,985</b>	<b>8.5</b>	<b>4,078,860</b>	<b>19.7</b>	<b>4,255,403</b>	<b>643,092</b>	<b>14.0</b>	<b>1,391,660</b>	<b>13.2</b>	<b>2,837,685</b>	<b>428,841</b>	<b>16.3</b>
<b>Total</b>	<b>17,046,700</b>	<b>100.0</b>	<b>20,713,067</b>	<b>100.0</b>	<b>30,295,062</b>	<b>4,578,299</b>	<b>100.0</b>	<b>10,590,200</b>	<b>100</b>	<b>17,394,508</b>	<b>2,628,721</b>	<b>100</b>

\* less than 0.1%

### Rental Income

Our rental income includes recurring revenue from the leasing of our investment properties and other properties. Fluctuations in our rental income are primarily due to the addition and removal of these properties upon sale from time to time. Our rental income is recognized on a straight-line basis over the relevant lease period.

### Property Management Income

Our property management income represents income generated from property management services we provide to the owners of our residential and commercial properties. This income is recognized over the period when our property management services are rendered. On July 15, 2016, we entered into an equity transfer agreement to sell our majority equity interest in Shanghai Yongsheng, which carried out our property management services. Upon the completion of such sale, Shanghai Yongsheng's results of operations, which represent all of our property management income for 2015 and 2016, have no longer been consolidated into our financial statements.

### Other Property Related Service Income

We also generate other property related service income from provision of property related consultancy services to our customers. This income is typically project-based and is recognized when the services are rendered.

## **Cost of Sales and Services**

Cost of sales comprises primarily the costs we incur directly in relation to our property development activities, which include construction costs, land acquisition costs and capitalized borrowing costs. Cost of services includes other business costs incurred in relation to our property rental, property management and other property related services as well as sales related taxes. On July 15, 2016, we entered into an equity transfer agreement to sell our majority equity interest in Shanghai Yongsheng, which carried out our property management services. Shanghai Yongsheng's results of operations represented all of our cost services in relation to our property management services for 2015 and 2016. Upon completion of such sale, Shanghai Yongsheng's results of operations have no longer been consolidated into our financial statements. See "Business — Recent Developments."

### ***Cost of Property Sales***

Cost of property sales includes construction costs, land acquisition costs and capitalized borrowing costs. We recognize the cost of property sales for a given period to the extent that revenue from such properties has been recognized in such period. Prior to their completion, properties under development are included in our consolidated statements of financial position carried at the lower of cost and net realizable value.

#### *Construction costs*

Construction costs include all of the costs for the design and construction of a project, including payments to third-party contractors and designers and cost of construction materials. Our construction costs are affected by a number of factors such as changes in construction labor costs and construction materials costs (particularly steel and cement), location and types of properties, choice of materials, landscaping and investments in ancillary facilities.

#### *Land acquisition costs*

Land acquisition costs represent costs relating to the acquisition of the rights to occupy, use and develop land, and primarily include land premiums incurred in connection with land grants from the PRC government or land obtained in the secondary market by transfer, cooperative arrangement, corporate acquisition or otherwise. Our land acquisition costs are influenced by a number of factors, including location of property projects, timing of acquisitions and a project's plot ratios. Land acquisition costs are also affected by our method of acquisition, whether by PRC government-organized tenders, auctions or listings-for-sale, through private sale transactions and cooperative agreements with third parties in the secondary market or through the acquisition of other companies that hold land use rights. We may also be required to pay demolition and resettlement costs. Our land acquisition costs are also subject to changes in PRC government policies and regulations.

#### *Capitalized borrowing costs*

We capitalize a portion of our cost of bank and other borrowings (including interest expense) to the extent that such cost is directly attributable to the acquisition, construction or production of a particular property project. Fluctuations in the amount and timing of capitalization from period to period may also affect our finance costs.

### ***Cost of Rental Income, Property Management Services and Other Property Related Services***

Cost of rental income primarily includes the maintenance costs for our leased properties as well as fees and costs associated with the management of our leased properties. Cost of rental income is recognized when such costs are incurred.

Cost of property management services primarily includes staff costs associated with our property management companies and other costs associated with the management of the properties that we have developed. On July 15, 2016, we entered into an equity transfer agreement to sell our majority equity interest in Shanghai Yongsheng, which carried out our property management services. Shanghai Yongsheng's results of operations represented all of our cost services in relation to our property management services for 2015 and 2016. Upon completion of such sale, Shanghai Yongsheng's results of operations have no longer been consolidated into our financial statements.

Cost of other property related services primarily includes direct costs associated with the provision of these services.

#### **Sales Related Taxes**

Sales related taxes include business tax, municipal maintenance tax, education surcharge and other local taxes which are payable by us in connection with our property development activities.

#### **Gross Profit**

Gross profit represents revenue less cost of sales.

#### **Other Income, Gains and Losses**

Other income, gains and losses primarily comprise loss on early redemption of senior notes, change in fair value of derivative financial instrument, gain on remeasurement, gain from business combinations, gain on disposal of prepaid lease payments, gain or loss on disposal of subsidiaries, gain on disposal of a joint venture, government grants (which are non-recurring in nature and represent government incentives which may be available to corporate investing in the relevant city or district), interest income, forfeited deposits from purchasers resulting from cancelled contracted sales, sundry income, dividend income from available-for-sale investments, net exchange losses and others.

#### **Change in Fair Value Gain on Investment Properties**

Investment properties are interests in land and buildings held to earn recurring income. Investment properties are stated at their fair value on each financial position date.

Gains or losses arising from changes in the fair values of investment properties are included in our consolidated statements of comprehensive income in the period in which they arise. Based on our valuer's valuation, we recognized the aggregate fair market value of our investment properties on our consolidated statements of financial position, recognized fair value gains or losses on investment properties on our consolidated statements of comprehensive income and recognized the relevant deferred tax under tax expenses on our consolidated statements of comprehensive income.

The fair value of each of our investment properties is likely to fluctuate from time to time and the fair value of our investment properties may decrease in the future. Any such decrease in the fair value of our investment properties would reduce our profits.

The increases or decreases in the fair value of our investment properties were generally in line with the appreciation or depreciation, as the case may be, of land and/or buildings in comparable city areas where our relevant investment properties are located.

## **Selling and Marketing Expenses**

Selling and marketing expenses primarily include commissions, advertising expenses, salaries of sales staff and other promotional expenses. Our selling and marketing expenses in any period are affected by the number of new projects launched in that period.

## **Administrative Expenses**

Administrative expenses primarily include salaries and benefits for our personnel (other than selling and marketing personnel), auditing expenses, travel expenses, general office expenses and other miscellaneous expenses. Our administrative expenses generally increase with our principal business activities and our geographical coverage as well as the number of property projects being undertaken by us.

## **Share of Results of Joint Ventures and Associates**

We account for our joint ventures and associates using the equity method of accounting and, accordingly, we recorded share of results of joint ventures and associates on our consolidated statements of comprehensive income, which includes share of exchange losses relating to effects of depreciation of the Renminbi during the relevant period and share of gain in the fair value of investment properties under construction.

## **Finance Costs**

Finance costs primarily consist of interest expenses for bank and other borrowings net of capitalized interest relating to properties under development. Interest costs which are not related to a project cannot be capitalized. As a result, our finance costs may fluctuate from period to period depending on the level of interest costs that are capitalized within the reporting period as well as the amount of outstanding principal and interest rates.

## **Income Tax Expense**

Our income tax expense for a given period includes payments and provisions made for EIT and LAT during the period. Fluctuations in our effective tax rate from period to period are primarily due to changes in our effective rates of EIT and LAT. In 2015, 2016 and 2017 and the six months ended June 30, 2018, our effective tax rate (calculated as income tax expense divided by profit before taxation) was 35.1%, 34.6%, 38.8% and 28.4%, respectively.

### **EIT**

We, through our PRC subsidiaries, are subject to EIT in China. Under the EIT Law and EIT Rules, the statutory tax rate for all of our PRC subsidiaries has been 25% since January 1, 2008.

As approved by various competent tax bureaus, certain of our PRC subsidiaries are subject to the statutory tax rate of 25% on their respective deemed taxable income, ranging from 8% to 10% of revenue in accordance with the prescribed tax calculation method pursuant to the applicable PRC tax regulations.

In addition, a portion of our EIT consists of deferred tax.

## **LAT**

Under PRC laws and regulations, our PRC subsidiaries that are engaged in the property development business are subject to LAT as determined by the local authorities in the location in which each project is located. All income from the transfer of State-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value as defined in the relevant tax laws. Certain exemptions are available for the sale of ordinary residential properties if the appreciation values do not exceed 20% of the total deductible items (as defined in the relevant tax laws). Sales of commercial properties are not eligible for such exemptions. Whether a property qualifies for the ordinary residential property exemption is determined by the local government. Historically, sales of higher-end properties and commercial properties had higher appreciation values, and were therefore generally subject to higher LAT rates. On December 28, 2006, the SAT issued the Notice on the Settlement Management of Land Appreciation Tax on Real Estate Enterprises 《關於房地產開發企業土地增值稅清算管理有關問題的通知》, which took effect on February 1, 2007. Such notice provides further clarifications to the settlement of LAT. Local provincial tax authorities can formulate their own implementation rules according to the notice and local situations. On May 12, 2009, the SAT issued the Regulations of Land Appreciation Tax Settlement Administration 《土地增值稅清算管理規程》effective on June 1, 2009, which further clarifies the specific conditions and procedures for the settlement of LAT. On May 25, 2010, the SAT published the Circular on Strengthening the Collection and Administration of Land Appreciation Tax 《關於加強土地增值稅徵管工作的通知》to require all local governments to formulate the tax rate and strengthen provisional LAT taxation. According to this circular, the provisional LAT rate of provinces in the eastern region shall not be lower than 2%, while the provinces in middle and northeastern region shall not be lower than 1.5% and the provinces in western region shall not be lower than 1%. The local governments shall determine the provisional LAT rate applicable to different types of real estate. We estimate and make provisions for the full amount of applicable LAT in accordance with the requirements set out in the relevant PRC tax laws and regulations, but only prepay 1.0% to 5.0% of the pre-sale proceeds each year as required by the local tax authorities under prevailing market practice. In 2015, 2016 and 2017 and the six months ended June 30, 2018, we made provisions for LAT in the amount of RMB317.9 million, RMB602.2 million, RMB2,123.9 million (US\$321.0 million) and RMB1,266.9 million (US\$191.5 million), respectively, and made actual LAT payments of approximately RMB549.7 million, RMB632.6 million, RMB714.9 million (US\$108.0 million) and RMB732.5 million (US\$110.7 million), respectively.

## **Hong Kong Profits Tax**

No provision for Hong Kong profits tax was made in 2015, 2016 and 2017 and the six months ended June 30, 2018, as we did not generate any assessable profits arising in Hong Kong during such period.

## **Cayman Islands Tax**

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty.

## SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The following table sets out, for the periods indicated, certain items derived from our consolidated statements of comprehensive income.

	For the year ended December 31,				For the six months ended June 30,		
	2015		2016		2017		2018
	RMB'000	RMB'000	RMB'000	US\$'000	RMB'000	RMB'000	US\$'000
<b>Revenue</b>	18,230,788	22,224,447	31,824,288	4,809,401	11,235,359	18,420,520	2,783,775
Cost of sales and services	(14,087,196)	(16,578,838)	(23,202,799)	(3,506,491)	(7,680,373)	(14,068,632)	(2,126,102)
<b>Gross profit</b>	4,143,592	5,645,609	8,621,489	1,302,910	3,554,986	4,351,888	657,673
Other income, gains and losses	541,660	161,834	795,935	120,285	40,717	1,699,964	256,905
Change in fair value of investment properties	128,100	(100,433)	657,791	99,408	19,286	269,221	40,686
Selling and marketing expenses	(370,910)	(524,456)	(609,505)	(92,111)	(271,021)	(413,213)	(62,446)
Administrative expenses	(607,355)	(878,878)	(1,267,838)	(191,600)	(598,808)	(1,044,861)	(157,903)
Share of results of joint ventures	205,533	1,007,416	1,405,864	212,459	1,204,327	422,781	63,892
Share of results of associates	(32,908)	55,324	699,766	105,751	319,124	685,073	103,531
Finance costs	(202,885)	(529,651)	(262,340)	(39,646)	(99,587)	(135,290)	(20,446)
<b>Profit before taxation</b>	3,804,827	4,836,765	10,041,162	1,517,457	4,169,024	5,835,563	881,892
Income tax expense	(1,334,039)	(1,672,390)	(3,892,645)	(588,271)	(1,561,131)	(1,658,808)	(250,685)
Profit for the year	2,470,788	3,164,375	6,148,517	929,186	2,607,893	4,176,755	631,207
Other comprehensive income	—	—	—	—	—	26,004	3,930
<b>Profit and total comprehensive income for the year/period</b>	<b>2,470,788</b>	<b>3,164,375</b>	<b>6,148,517</b>	<b>929,186</b>	<b>2,607,893</b>	<b>4,202,759</b>	<b>635,137</b>
Attributable to:							
Equity owners of the Company	2,095,464	2,807,549	4,828,105	729,641	2,156,233	3,445,189	520,650
Owners of perpetual capital instruments	38,030	—	—	—	—	102,570	15,501
Other non-controlling interests	337,294	356,826	1,320,412	199,545	451,660	655,000	98,986
Profit and total comprehensive income for the year	2,470,788	3,164,375	6,148,517	929,186	2,607,893	4,202,759	635,137

Excluding effects from fair value gains/losses, net exchange loss/gain, expenses relating to share option grants, loss on early redemption of senior notes, and share of fair value gains/losses and net exchange loss/gain at joint ventures and associated companies, our core net profit and total comprehensive income and core net profit attributable to our equity owners for the years/periods indicated are set out in the table below. For details, please see notes (3) and (4) in the section entitled “Summary Consolidated Financial and Other Data.”

	For the year ended December 31,				For the six months ended June 30,		
	2015		2016		2017		2018
	RMB'000	RMB'000	RMB'000	US\$'000	RMB'000	RMB'000	US\$'000
Core net profit and total comprehensive income for the year	2,574,344	3,161,000	5,423,000	833,500	1,968,720	3,681,599	556,377
Core net profit attributable to equity owners of the Company for the year	2,209,817	2,824,000	4,082,000	627,392	1,537,505	2,445,710	369,605

### The Six Months Ended June 30, 2018 Compared to the Six Months Ended June 30, 2017

#### Revenue

Our revenue increased by RMB7,185.1 million, or 64.0%, to RMB18,420.5 million (US\$2,783.8 million) for the six months ended June 30, 2018, from RMB11,235.4 million for the six months ended June 30, 2017, primarily due to the increase in revenue recognized from sales of properties.

- *Sales of properties.* Revenue recognized from sales of property increased by RMB6,804.3 million, or 64.3%, to RMB17,394.5 million (US\$2,628.7 million) for the six months ended June 30, 2018, from RMB10,590.2 million for the six months ended June 30, 2017, primarily due to the increase of properties delivered and ASP recognized.

The following table sets out the breakdown of our revenue recognized from sales of properties, the total GFA delivered and recognized ASP by city for the six months ended June 30, 2018 and June 30, 2017, respectively.

City	Recognised revenue from sale of properties			Total GFA delivered		Recognised ASP		
	RMB'000		USD'000	sq.m.		RMB/sq.m.	USD/sq.m.	
	2017	2018	2018	2017	2018	2017	2018	2018
Suzhou . . . . .	1,560,583	6,251,955	944,818	131,309	244,214	11,885	25,600	3,869
Nanjing . . . . .	783,081	2,714,578	410,237	40,950	92,272	19,123	29,419	4,446
Hangzhou . . . . .	189,937	1,813,750	274,100	20,350	161,690	9,334	11,217	1,695
Ningbo . . . . .	—	1,442,415	217,983	—	67,255	—	21,447	3,241
Wuhan . . . . .	412,318	1,423,009	215,050	16,948	108,919	24,328	13,065	1,974
Qingdao . . . . .	—	1,064,514	160,873	—	124,181	—	8,572	1,295
Shanghai . . . . .	4,470,573	637,363	96,321	110,366	27,564	40,507	23,123	3,494
Chongqing . . . . .	221,901	501,484	75,786	34,919	65,108	6,355	7,702	1,164
Xi'an . . . . .	—	476,480	72,007	—	33,964	—	14,029	2,120
Shenyang . . . . .	431,953	440,161	66,519	42,466	48,143	10,172	9,143	1,382
Changsha . . . . .	757,441	436,712	65,997	69,359	36,335	10,921	12,019	1,816
Jiaxing . . . . .	584,058	64,764	9,787	80,497	8,963	7,256	7,225	1,092
Hefei . . . . .	245,444	44,243	6,686	19,318	9,614	12,705	4,602	695
Zhenjiang . . . . .	820,011	28,728	4,341	151,272	4,865	5,421	5,905	892
Beijing . . . . .	—	28,571	4,318	—	1,200	—	23,809	3,598
Tianjin . . . . .	78,613	18,933	2,861	8,653	1,976	9,085	9,581	1,448
Langfang . . . . .	34,287	6,847	1,035	3,989	777	8,595	8,810	1,331
	<b>10,590,200</b>	<b>17,394,507</b>	<b>2,628,721</b>	<b>730,396</b>	<b>1,037,039</b>	<b>14,499</b>	<b>16,773</b>	<b>2,535</b>

- *Rental income.* Our rental income increased by RMB5.9 million, or 11.6%, to RMB56.9 million (US\$8.6 million) for the six months ended June 30, 2018, from RMB51.0 million for the six months ended June 30, 2017, primarily attributable to the new rental income from Chongqing CIFI City and Shanghai CIFI Pure Center.
- *Project management and other related service income.* Our revenue generated from project management and other related service income increased by RMB374.9 million, or 63.1%, to RMB969.1 million (US\$146.5 million) for the six months ended June 30, 2018, from RMB594.2 million for the six months ended June 30, 2017.

#### **Cost of sales**

Our cost of sales increased by RMB6,388.2 million, or 83.2%, to RMB14,068.6 million (US\$2,128.7 million) for the six months ended June 30, 2018, from RMB7,680.4 million in the six months ended June 30, 2017.

#### **Gross profit and gross profit margin**

Our gross profit increased by RMB796.9 million, or 22.4%, to RMB4,351.9 million (US\$657.7 million) for the six months ended June 30, 2018, from RMB3,555.0 million in the six months ended June 30, 2017. The increase of our gross profit during the six months ended June 30, 2018 compared to the six months ended June 30, 2017 was primarily due to the increase of our revenue. Our gross profit margin was 33.7% (as adjusted to exclude the effects of accounting treatment due to financial consolidation of certain projects as subsidiaries of the Group) for the six months ended June 30, 2018, compared to 31.6% for the six months ended June 30, 2017.

#### **Other Income, Gains and Losses**

We recognized other income and gains of RMB1,670.0 million (US\$252.4 million) for the six months ended June 30, 2018, as compared to other income and gains of RMB40.7 million in the six months ended June 30, 2017. The increase of our other income, gains and losses was primarily due to the increase from gains on re-measurement, change in fair value of investment in property projects, interest income, changes in fair value of derivative component for convertible bonds and dividend income from investment property projects. The Group reclassified the accounting treatment of certain project companies, resulting in financial consolidation of such project companies as subsidiaries. As a

result, certain project companies, which were previously recognized as joint venture or associated companies, are now recognized as subsidiaries. Gain on re-measurement is from the remeasurement of the fair value of the equity interests in these reclassified project companies.

#### ***Change in fair value of investment properties***

During the six months ended June 30, 2018, we recognized a fair value gain on investment properties of approximately RMB269.2 million (US\$40.7 million) as compared to a fair value gain on investment properties in the six months ended June 30, 2017 of RMB19.3 million (US\$2.9 million). The fair value gain on investment properties was primarily due to the appreciation of the overall capital value and/or rental values.

#### ***Selling and marketing expenses***

Our selling and marketing expenses increased by RMB142.2 million, or 52.5%, to approximately RMB413.2 million (US\$62.4 million) in the six months ended June 30, 2018, from approximately RMB271.0 million in the six months ended June 30, 2017. This increase was in line with the Group's new launches of property projects available for pre-sale in 2018.

#### ***Administrative and other expenses***

Our administrative and other expenses increased by RMB446.1 million, or 74.5%, to approximately RMB1,044.9 million (US\$157.9 million) in the six months ended June 30, 2018, from approximately RMB598.8 million in the six months ended June 30, 2017. This increase was primarily due to the Group's business expansion.

#### ***Share of results of joint ventures and associates***

Our share of results of joint ventures and associates amounted to profits of RMB1,107.9 million (US\$167.4 million) in the six months ended June 30, 2018, as compared to profits of RMB1,523.5 million in the six months ended June 30, 2017. The decrease in our share of results of joint ventures and associates was primarily due to our reclassification of accounting treatment of certain project companies, resulting in the financial consolidation of such project companies as subsidiaries. The project companies were previously recognized as joint venture or associated companies, before treating them as subsidiaries. The decrease was also due to the smaller increase in fair value of investment properties held by our joint ventures.

#### ***Finance costs***

Our finance costs increased by RMB35.7 million to RMB135.3 million (US\$20.4 million) in the six months ended June 30, 2018, from RMB99.6 million in the six months ended June 30, 2017. The decrease in finance costs was primarily attributable to the change in the total finance costs incurred, net of the portion being capitalized in properties under development during the period.

#### ***Profit before taxation***

As a result of the factors described above, our profit before taxation increased by RMB1,666.6 million, or 40.0%, to approximately RMB5,835.6 million (US\$881.9 million) during the six months ended June 30, 2018, from approximately RMB4,169.0 million in the six months ended June 30, 2017.

#### ***Income tax expenses***

Our income tax expenses increased by RMB97.7 million, or 6.3%, to approximately RMB1,658.8 million (US\$250.7 million) in the six months ended June 30, 2018 from RMB1,561.1 million in the six months ended June 30, 2017. Our effective income tax rate was 28.4% during the six months ended June 30, 2018, as compared to 37.4% in the six months ended June 30, 2017.

### **Profit and total comprehensive income for the period**

Our profit and total comprehensive income for the six months ended June 30, 2018 increased by RMB1,594.9 million, or 61.2%, to approximately RMB4,202.8 million (US\$635.1 million) during the six months ended June 30, 2018 from approximately RMB2,607.9 million in the six months ended June 30, 2017.

### **Profit attributable to equity owners and non-controlling interest**

Our net profit attributable to equity owners increased by RMB1,263.0 million, or 58.6%, to approximately RMB3,419.2 million (US\$516.7 million) during the six months ended June 30, 2018 from approximately RMB2,156.2 million in the six months ended June 30, 2017. Our core net profit attributable to equity owners increased by RMB908.2 million, or 59.1% to approximately RMB2,445.7 million (US\$369.6 million) in the six months ended June 30, 2018 from approximately RMB1,537.5 million in the six months ended June 30, 2017.

### **The Year Ended December 31, 2017 Compared to the Year Ended December 31, 2016**

#### **Revenue**

Our revenue increased by RMB9,599.9 million, or 43.2%, to RMB31,824.3 million (US\$4,809.4 million) for the year ended December 31, 2017 from RMB22,224.4 million for the year ended December 31, 2016, primarily due to an increase in our revenue generated from sales of properties, rental income and project management and other related service income.

- *Sales of properties.* Revenue recognized from sales of property increased by RMB9,582.0 million, or 46.3% from RMB20,713.1 million for the year ended December 31, 2016 to RMB30,295.1 million (US\$4,578.3 million). The increase was primarily due to an increase in our delivered GFA and ASP to 2,059,400 sq.m. and RMB14,710/sq.m. for the year ended December 31, 2017 from 1,938,300 sq.m. and RMB10,686/sq.m. for the year ended December 31, 2016.

The following table sets out the breakdown of our revenue recognized from sales of properties, the total GFA delivered and recognized ASP by city for the year ended December 31, 2017 and 2016, respectively.

Project	Primary intended use of the project	Recognised revenue from sale of properties				Total GFA delivered		Recognised ASP		
		RMB'000		USD'000	sq.m.	2016	2017	RMB/sq.m.	USD/sq.m.	2017
		2016	2017	2017						
Shanghai Park Mansion Riverside	Residential	—	1,740,936	263,097	—	22,354	—	77,880	11,770	
Shanghai Lujiazui Yangjing Project	Office/ Commercial	—	2,025,756	306,140	—	46,846	—	43,243	6,535	
Shanghai Henderson CIFI Centre	Residential, Office/ Commercial	1,111,272	1,839,055	277,925	—	50,262	—	36,589	5,529	
Shanghai CIFI Park Mansion	Residential	730,381	1,165,926	176,199	16,689	22,491	43,764	51,840	7,834	
Shanghai CIFI Pujiang International	Office/ Commercial	213,478	419,491	63,395	12,242	22,984	17,438	18,251	2,758	
Shanghai CIFI Pebble Beach	Residential	581,534	391,990	59,239	36,174	17,589	16,076	22,286	3,368	
Shanghai CIFI Pure Center	Office/ Commercial	1,390,906	37,550	5,675	56,755	1,036	24,507	36,245	5,477	
Shanghai CIFI Luxury Courtyard	Residential	25,810	20,918	3,161	1,493	967	17,287	21,632	3,269	
Shanghai CIFI City	Residential	2,897	9,287	1,403	136	422	21,301	22,007	3,326	
Shanghai CIFI Pleasant Garden	Residential	255,981	8,349	1,262	22,743	474	11,255	17,614	2,662	
	Office/ Commercial	—	845	128	—	200	—	4,225	638	
Shanghai CIFI Haishang International	Office/ Commercial	325,825	—	—	8,071	—	40,370	—	—	
Shanghai CIFI U Block	Office/ Commercial	83,047	—	—	3,527	—	23,546	—	—	

Project	Primary intended use of the project	Recognised revenue from sale of properties				Total GFA delivered		Recognised ASP		
		RMB'000		USD'000		sq.m.	2016	2017	RMB/sq.m.	USD/sq.m.
		2016	2017	2016	2017					
Shanghai CIFI Jiangwan Mansion	Residential	62,724	—	—	1,095	—	57,282	—	—	—
Shanghai CIFI Samite Life	Residential	32,635	—	—	2,115	—	15,430	—	—	—
Suzhou CIFI Park Mansion	Residential	—	3,483,997	526,514	—	105,081	—	33,155	5,011	
	Residential	—	2,766,976	418,155	—	206,996	—	13,367	2,020	
Suzhou CIFI Shangli	Residential	707,651	1,401,100	211,739	57,175	93,322	12,377	15,014	2,269	
Suzhou CIFI Elegant City	Residential	1,328,756	50,141	7,577	122,430	2,975	10,853	16,854	2,547	
Suzhou CIFI Canal County	Residential	—	399	60	—	140	—	2,850	431	
Suzhou CIFI Xiyue	Residential	454,010	—	—	49,410	—	9,189	—	—	—
Suzhou CIFI Sunny Life	Residential	47,896	—	—	4,809	—	9,960	—	—	—
Suzhou CIFI Private Mansion	Residential	9,472	5,455	824	912	465	10,386	11,731	1,773	
Suzhou CIFI Private Mansion Usonian City Villa	Residential	3,651	—	—	263	—	13,882	—	—	
Suzhou CIFI Luxury Courtyard	Residential	754	—	—	91	—	8,286	—	—	—
	Residential	—	3,048	461	—	228	—	13,368	2,020	
Suzhou CIFI Private Mansion	Residential	—	—	—	—	—	—	—	—	—
Hefei CIFI Original Villa	Residential	1,838,835	1,623,781	245,392	137,131	99,094	13,409	16,386	2,476	
Hefei CIFI Private Mansion	Residential	—	80	12	—	—	—	—	—	—
Zhenjiang CIFI East One Place	Residential	—	799,194	120,777	—	146,589	—	5,452	824	
Zhenjiang CIFI Times	Residential and office	48,291	112,750	17,039	7,716	11,151	6,259	10,111	1,528	
Jiaxing CIFI Ronchamp Town	Residential	205,784	544,482	82,284	26,662	72,900	7,718	7,469	1,129	
	—	—	4,790	724	—	238	—	20,126	3,042	
Jiaxing CIFI Private Mansion	Residential	85,510	83,821	12,667	38,379	9,390	2,228	8,927	1,349	
Nanjing Yincheng CIF Baimalanshan	Residential	787,013	938,129	141,773	47,229	41,137	16,664	22,805	3,446	
Nanjing CIFI Nine Modern Life	Residential	—	925,283	139,832	—	50,968	—	18,154	2,743	
Hangzhou Henderson CIFI Palace	Residential	814,248	276,763	41,825	87,043	19,804	9,355	13,975	2,112	
Beijing CIFI Yihexiang	Residential	—	574,843	86,872	—	18,450	—	31,157	4,709	
Beijing CIFI The Education Park	Office/Commercial	509,298	—	—	24,194	—	21,051	—	—	—
Beijing CIFI The Upper House	Residential	140,521	—	—	5,593	—	25,124	—	—	—
Beijing CIFI Private Mansion	Residential	—	—	—	—	—	—	—	—	—
Langfang CIFI Path Walf	Residential	1,098,071	38,752	5,856	157,933	6,360	6,953	6,093	921	
Tianjin CIFI Yannan Garden	Residential	—	1,523,879	230,294	—	114,949	—	13,257	2,003	
Tianjin CIFI Private Mansion	Residential	1,952,865	706,304	106,739	161,133	54,426	12,120	12,977	1,961	
Tianjin CIFI Rosedale	Residential	912,699	63,287	9,564	125,019	7,473	7,300	8,469	1,280	
Shenyang CIFI Jin Court	Residential	117,959	746,753	112,852	7,657	61,910	15,405	12,062	1,823	
Shenyang CIFI Private Mansion	Residential	467,700	568,192	85,867	68,730	90,099	6,805	6,306	953	
Shenyang Gemdale CIFI Jiuyunfenghua	Residential	—	417,182	63,046	—	45,172	—	9,235	1,396	
Chongqing CIFI City	Residential, Office/Commercial	830,674	1,473,953	222,749	101,232	232,833	8,206	6,331	957	
Chongqing CIFI Fashion Tribe	Office/Commercial	—	187,779	28,378	—	32,026	—	5,863	886	
Chongqing CIFI Ronchamp Town	Residential	3,519	—	—	859	—	4,097	—	—	—
Changsha CIFI International Plaza	Office/Commercial	944,961	642,998	97,172	108,108	44,250	8,741	14,531	2,196	
Changsha CIFI Dream Mansion	Residential	823,886	208,460	31,503	117,148	25,121	7,033	8,298	1,254	
Changsha CIFI Private Mansion	Residential	115,399	13,586	2,053	17,993	1,243	6,414	10,930	1,652	
Wuhan Yulong CIFI Peninsula	Residential	—	1,141,388	172,491	—	63,076	—	18,095	2,735	
Wuhan CIFI Private Mansion	Residential	1,279,849	480,379	72,597	136,673	19,459	9,364	24,687	3,731	
Carpark and others		—	2,676	404	—	141	—	18,979	2,868	
		367,305	824,359	124,580	134,257	196,351	2,736	4,198	634	
Total		20,713,067	30,295,062	4,578,299	1,906,819	2,059,442	10,863	14,710	2,223	

- **Rental income.** Our rental income increased by RMB34.2 million, or 51.8%, to RMB94.4 million (US\$14.3 million) for the year ended December 31, 2017 from RMB60.2 million for the same period in 2016; The increase was primarily due to the improved performance of Jiaxing CIFI Square and contribution of Shanghai CIFI Haishang International retail spaces and Chongqing CIFI City.

- *Project management and other related service income.* Our revenue generated from project management and other related service income increased by RMB262.1 million, or 22.4%, to RMB1,434.8 million (US\$216.8 million) for the year ended December 31, 2017 from RMB1,172.7 million for the year ended December 31, 2016. The increase was primarily due to the increase in the number of projects being managed by us.

#### ***Cost of sales***

Our cost of sales increased by RMB6,624.0 million, or 40.0%, to RMB23,202.8 million (US\$3,506.5 million) for the year ended December 31, 2017 from RMB16,578.8 million for the year ended December 31, 2016. This increase was primarily due to an increase in cost of property sales as a result of an increase in total GFA delivered.

#### ***Gross profit and gross profit margin***

Our gross profit increased RMB2,975.9 million, or 52.7%, to RMB8,621.5 million (US\$1,302.9 million) for the year ended December 31, 2017 from RMB5,645.6 million for the same period in 2016. Our gross profit margin was 27.1% (29.7% as adjusted for the accounting effects due to an increase of equity interests in certain property projects) for the year ended December 31, 2017, compared to 25.4% for the same period in 2016. The improvement of our gross profit margin during the year ended December 31, 2017 compared to the same period in 2016 was primarily due to higher profitability of our products delivered during the period, with ASP contracted and locked-in amid strong real estate market in China since 2016.

#### ***Other Income, Gains and Losses***

We recognized other income and gains of RMB795.9 million (US\$120.3 million) for the year ended December 31, 2017 as compared to other income and gains of RMB161.8 million in 2016. The increase was primarily attributable to the loss of RMB118.5 million (US\$17.9 million) from the early redemption of senior notes and the net exchange gain of RMB108.4 million (US\$16.4 million) due to the appreciation of RMB during the year ended December 31, 2017.

#### ***Change in fair value of investment properties***

During the year ended December 31, 2017, we recognized a fair value gain on investment properties of approximately RMB657.8 million (US\$99.4 million) as compared to a fair value loss on investment properties in the same period in 2016 of approximately RMB100.4 million. The fair value gain on investment properties was mainly due to the appreciation of the overall capital value and/or rental values.

#### ***Selling and marketing expenses***

Our selling and marketing expenses increased by RMB85.0 million, or 16.2% to approximately RMB609.5 million (US\$92.1 million) during the year ended December 31, 2017 from approximately RMB524.5 million in the same period in 2016. This increase was in line with our new launches of property projects available for pre-sale in 2017.

#### ***Administrative and other expenses***

Our administrative expenses increased by RMB388.9 million, or 44.2% to approximately RMB1,267.8 million (US\$191.6 million) during the year ended December 31, 2017 from approximately RMB878.9 million in the same period in 2016, primarily due to our business expansion.

### ***Share of results of joint ventures and associates***

Our share of results of joint ventures and associates amounted to profits of RMB2,105.6 million (US\$318.2 million) during the year ended December 31, 2017, as compared to profits of RMB1,062.7 million in the same period in 2016. Included in the share of results of joint ventures and associates in the year ended December 31, 2017 were RMB112.9 million (US\$17.1 million) share of exchange gain and RMB844.6 million (US\$127.6 million) share of gain in the fair value of investment properties under construction. Eliminating the effects of exchange gain and fair value gains, our share of results of joint ventures and associates were profits of RMB1,148.1 million (US\$173.5 million) during the year ended December 31, 2017, compared to profits of RMB795.9 million in the same period in 2016.

### ***Finance costs***

Our finance costs expensed decreased by RMB267.4 million to RMB262.3 million (US\$39.6 million) during the year ended December 31, 2017 from RMB529.7 million in the same period in 2016. The decrease in finance costs expensed was primarily attributable to the change in the total finance costs incurred, net of the portion being capitalized in properties under development. Our weighted average cost of indebtedness as of December 31, 2017 was 5.2%, compared to 5.5% as at December 31, 2016.

### ***Profit before taxation***

As a result of the factors described above, our profit before taxation increased by RMB5,204.4 million, or 107.6%, to approximately RMB10,041.2 million (US\$1,517.5 million) during the year ended December 31, 2017 from approximately RMB4,836.8 million in the same period in 2016.

### ***Income tax expenses***

Our income tax expenses increased by RMB2,220.3 million, or 132.8% to approximately RMB3,892.6 million (US\$588.3 million) during the year ended December 31, 2017 from approximately RMB1,672.4 million in the same period in 2016. Our effective income tax rate was 38.8% during the year ended December 31, 2017, as compared to 34.6% in the same period in 2016.

### ***Profit and total comprehensive income for the period***

Our profit and total comprehensive income for the period increased by RMB2,984.1 million, or 94.3%, to approximately RMB6,148.5 million (US\$929.2 million) during the year ended December 31, 2017 from approximately RMB3,164.4 million in the corresponding period of 2016.

### ***Profit attributable to equity owners and non-controlling interest***

Our net profit attributable to equity owners increased by RMB2,020.6 million, or 72.0%, to approximately RMB4,828.1 million (US\$729.6 million) during the year ended December 31, 2017 from approximately RMB2,807.5 million in the corresponding period of 2016. Our core net profit attributable to equity owners increased by RMB1,258.5 million, or 44.6% to approximately RMB4,082.4 million (US\$616.9 million) during the year ended December 31, 2017 from approximately RMB2,824.0 million in the same period in 2016.

## **The Year Ended December 31, 2016 Compared to the Year Ended December 31, 2015**

### ***Revenue***

Our revenue increased by RMB3,993.7 million, or 21.9%, to RMB22,224.4 million in 2016 from RMB18,230.8 million in 2015, primarily due to an increase in our revenue generated from sales of properties, rental income and project management and other property related service income.

- *Sales of properties.* Revenue recognized from sales of properties increased by RMB3,666.4 million, or 21.5%, to RMB20,713.1 million in 2016 from RMB17,046.7 million in 2015. This increase was in line with the increase in delivered GFA. Our total GFA delivered increased by approximately 614,086 sq.m., or 46.4% to approximately 1,938,300 sq.m. in 2016 from approximately 1,324,214 sq.m. in 2015. Our recognized ASP for properties delivered decreased by RMB2,187 per sq.m., or 17.0%, to RMB10,686 per sq.m. (US\$1,642.4 per sq.m.) in 2016 from RMB12,873 per sq.m. in 2015.

The following table sets out the breakdown of our revenue recognized from sales of properties, the total GFA delivered and recognized ASP by project in 2016 and 2015, respectively.

Project	Primary intended use of the project	As of December 31,					
		2015		2016		2015	
		Recognized revenue (RMB'000)	Total GFA delivered (sq.m.)	2015 (RMB/ sq.m.)	2016 (RMB/ sq.m.)	2015 (RMB/ sq.m.)	2016 (RMB/ sq.m.)
Shanghai CIFI Pure Center . . . . .	Office/ Commercial	—	1,390,906	—	56,755	—	24,507
Shanghai Henderson CIFI Center . . . . .	Residential, Office/ Commercial	2,336,054	1,111,272	64,082	31,479	36,454	35,302
Shanghai CIFI Park Mansion West . . . . .	Residential	232,282	730,381	6,788	16,689	34,220	43,764
Shanghai CIFI Pebble Beach . . . . .	Residential	16,634	581,534	1,267	36,174	13,129	16,076
Shanghai CIFI Haishang International . . . . .	Office/ Commercial	420,494	325,825	10,915	8,071	38,524	40,370
Shanghai CIFI Pleasant Garden . . . . .	Residential	106,425	255,981	10,371	22,743	10,262	11,255
Shanghai CIFI Pujiang International. . . . .	Office/ Commercial	—	213,478	—	12,242	—	17,438
Shanghai CIFI U Block . . . . .	Office/ Commercial	12,323	83,047	709	3,527	17,381	23,546
Shanghai CIFI Jiangwan Mansion . . . . .	Residential	423,850	62,724	7,764	1,095	54,592	57,282
Shanghai CIFI Samite Life . . . . .	Residential	—	32,635	—	2,115	—	15,430
Shanghai CIFI Luxury Courtyard . . . . .	Residential	29,054	25,810	1,358	1,493	21,395	17,287
Shanghai CIFI City . . . . .	Residential	65,456	2,897	2,709	136	24,162	21,301
Shanghai CIFI Arthur Shire . . . . .	Residential	1,002,206	—	32,782	—	30,572	—
Shanghai CIFI Shilu . . . . .	Residential	164,053	—	3,597	—	45,608	—
Shanghai CIFI Private Mansion . . . . .	Residential	147,858	—	6,455	—	22,906	—
Suzhou CIFI Elegant City . . . . .	Residential	1,023,108	1,328,756	109,373	122,430	9,354	10,853
Suzhou CIFI Shangli . . . . .	Residential	—	707,651	—	57,175	—	12,377
Suzhou CIFI Xiyue . . . . .	Residential	—	454,010	—	49,410	—	9,189
Suzhou CIFI Sunny Life. . . . .	Residential	599,291	47,896	68,254	4,809	8,780	9,960
Suzhou CIFI Private Mansion. . . . .	Residential	25,195	9,472	1,598	912	15,767	10,386
Suzhou CIFI Private Mansion Usonian City Villa . . . . .	Residential	1,249,645	3,651	97,290	263	12,845	13,882
Suzhou CIFI Luxury Courtyard . . . . .	Residential	5,468	754	703	91	7,778	8,286
Suzhou CIFI Canal County . . . . .	Residential	3,059	—	359	—	8,521	—
Hefei CIFI Original Villa . . . . .	Residential	—	1,838,835	—	137,131	—	13,409
Hefei CIFI Private Mansion . . . . .	Residential	1,549,300	—	186,005	—	8,329	—
Zhenjiang CIFI Times . . . . .	Residential	91,178	48,291	13,008	7,716	7,009	6,259
Jiaxing CIFI Ronchamp Town. . . . .	Residential	414,217	205,784	60,791	26,662	6,814	7,718
Jiaxing CIFI Private Mansion. . . . .	Residential	267,371	85,510	36,018	38,379	7,423	2,228
Nanjing CIFI Yincheng Baimalanshan . . . . .	Residential	—	787,013	—	47,229	—	16,664
Hangzhou Henderson CIFI Palace . . . . .	Residential	796,754	814,248	100,932	87,043	7,894	9,355
Beijing CIFI The Education Park . . . . .	Office/ Commercial	1,424,629	509,298	62,324	24,194	22,858	21,051
Beijing CIFI The Upper House. . . . .	Residential	1,195,060	140,521	48,501	5,593	24,640	25,124
Beijing CIFI Private Mansion . . . . .	Residential	80,000	—	3,570	—	22,409	—
Langfang CIFI Path Walf. . . . .	Residential	123,125	1,098,071	19,631	157,933	6,272	6,953
Tianjin CIFI Private Mansion. . . . .	Residential	1,243,746	1,952,865	93,774	161,133	13,263	12,120
Tianjin CIFI Rosedale . . . . .	Residential	249,645	912,699	31,996	125,019	7,802	7,300
Shenyang CIFI Private Mansion . . . . .	Residential	159,450	467,700	12,733	68,730	12,523	6,805
Shenyang CIFI Jin Court. . . . .	Residential	—	117,959	—	7,657	—	15,405
Chongqing CIFI City . . . . .	Residential, Office/ Commercial	—	830,674	—	101,232	—	8,206
Chongqing CIFI Ronchamp Town . . . . .	Residential	16,180	3,519	859	1,290	—	—
Chongqing CIFI Fashion Tribe . . . . .	Office/ Commercial	4,696	—	—	743	—	—
Changsha CIFI International Plaza . . . . .	Office/ Commercial	437,325	944,961	108,108	39,480	8,741	1,259
Changsha CIFI Dream Mansion . . . . .	Residential	—	823,886	117,148	—	7,033	1,013
Changsha CIFI Private Mansion . . . . .	Residential	241,639	115,399	17,993	37,581	6,414	924

Project	Primary intended use of the project	As of December 31,					
		2015		2016		2015	
		Recognized revenue (RMB'000)	Total GFA delivered (sq.m.)	2016	2016	2015 (RMB/ sq.m.)	2016 (RMB/ sq.m.)
Wuhan CIFI Private Mansion . . . . .	Residential	700,121	136,673	1,279,849	88,850	9,364	1,349
Carpark and others . . . . .		189,809	134,257	367,305	60,613	2,736	394
Total/ASP . . . . .		17,046,700	1,938,298	20,713,067	1,324,214	10,686	1,539

- *Rental income.* Our rental income increased by RMB21.3 million, or 51.9%, to RMB62.2 million in 2016 from RMB41.0 million in 2015. This increase was primarily due to the commencement of leasing by Shanghai CIFI Haishang International.
- *Property management income, project management income and other property related service income.* Our revenue generated from property management, project management income and other property related service income increased by RMB306.1 million, or 26.8%, to RMB1,449.2 million in 2016 from RMB1,143.1 million in 2015. This increase was primarily due to the addition of new property projects we entered into during the year for which we have received project management service fees. On July 15, 2016, we entered into an equity transfer agreement to sell our majority equity interest in Shanghai Yongsheng, which carried out our property management services. Upon completion of such sale, Shanghai Yongsheng's results of operations will no longer be consolidated into our financial statements.

### ***Cost of Sales and Services***

Cost of sales and services increased by RMB2,491.6 million, or 17.7%, to RMB16,578.8 million in 2016 from RMB14,087.2 million in 2015. This increase was primarily due to an increase in cost of property sales as a result of an increase in total GFA delivered.

### ***Gross Profit***

Gross profit increased by RMB1,502.0 million, or 36.2%, to RMB5,645.6 million in 2016 from RMB4,143.6 million in 2015. Our reported gross profit margin increased to 25.4% in 2016 from 22.7% (24.1% as adjusted for the accounting effects due to an increase of equity interests in certain projects) in 2015. The increase in our reported gross profit margin was primarily due to (i) higher profitability of our properties delivered during this period, and (ii) a higher proportion of recognized revenue from residential properties for home upgraders, which generally have higher profit margins.

### ***Other Income, Gains and Losses***

We recognized other income and gains of RMB161.8 million in 2016 as compared to other income and gains of RMB541.7 million in 2015. The decrease in our other income and gains in 2016 was primarily attributable to the loss of RMB20.7 million from the early redemption of our 12.25% senior notes due 2018 issued in 2013 and the net exchange loss of RMB378.3 million due to the depreciation of RMB during the year.

### ***Change in Fair Value of Investment Properties***

We recognized a fair value loss on investment properties of RMB100.4 million in 2016 as compared to a fair value gain on investment properties of RMB128.1 million in 2015. The fair value loss on investment properties in 2016 was mainly due to the reduction of the overall capital value and/or rental values of our investment properties.

### ***Selling and Marketing Expenses***

Selling and marketing expenses increased by RMB153.6 million, or 41.4%, to RMB524.5 million in 2016 from RMB370.9 million in 2015. This increase was primarily due to our launching of more new property projects for pre-sale in 2016.

### ***Administrative Expenses***

Administrative expenses increased by RMB271.5 million, or 44.7%, to RMB878.9 million in 2016 from RMB607.4 million in 2015. This increase was primarily due to our business expansions.

### ***Share of Results of Joint Ventures and Associates***

Our share of results of joint ventures and associates amounted to profits of RMB1,062.7 million in 2016 from RMB172.6 million in 2015 primarily due to an increase in the share of gain in the fair value of investment properties under construction of our joint ventures.

### ***Finance Costs***

Finance costs expensed and capitalized increased by RMB376.2 million, or 21.2%, to RMB2,150.2 million in 2016 from RMB1,774.0 million in 2015. This increase in finance costs expensed and capitalized was primarily attributable to our increased total indebtedness level, partly set off by the decreased in weighted average cost of indebtedness. Total finance costs expensed increased by RMB326.8 million, or 161.1%, to RMB529.7 million in 2016 from RMB202.9 million in 2015. Our weighted average cost of indebtedness was 5.5% in 2016, as compared to 7.2% in 2015. The decrease was primarily attributable to our effective liability management.

### ***Profit Before Taxation***

As a result of the above factors, profit before taxation increased by RMB1,032.0 million, or 27.1%, to RMB4,836.8 million in 2016 from RMB3,804.8 million in 2015.

### ***Income Tax Expense***

Income tax expense increased by RMB338.4 million, or 25.4%, to RMB1,672.4 million in 2016 from RMB1,334.0 million in 2015. Our effective tax rate decreased to 34.6% in 2016 from 35.1% in 2015.

### ***Profit and Total Comprehensive Income for the Period***

As a result of the above factors, profit and total comprehensive income for the period increased by RMB693.6 million, or 28.1%, to RMB3,164.4 million in 2016 from RMB2,470.8 million in 2015.

### ***Profit Attributable to Equity Owners and Non-Controlling Interests***

Profit attributable to our equity owners increased by RMB712.0 million, or 34.0%, to RMB2,807.5 million in 2016 from RMB2,095.5 million in 2015. Excluding effects from fair value gains/losses, net exchange loss/gain, expenses relating to share option grants, loss on early redemption of senior notes, and share of fair value gains/losses and net exchange loss/gain at joint ventures and associated companies, net of deferred taxes, our core profit attributable to our equity owners increased by 27.8% to RMB2,824.0 million in 2016 from RMB2,209.8 million in 2015.

Profit attributable to owners of perpetual capital instruments was nil in 2016 as compared to RMB38.0 million in 2015 because we repurchased all perpetual capital instruments in 2015. Profit attributable to non-controlling interests increased by RMB19.5 million, or 5.8%, to RMB356.8 million in 2016 from RMB337.3 million in 2015. This increase was primarily due to more projects with non-controlling interests being recognized during the period.

## LIQUIDITY AND CAPITAL RESOURCES

To date, we have financed our working capital, capital expenditures and other capital requirements primarily through internally generated funds, bank borrowings, trust financings, net proceeds from our initial public offering in November 2012 and various capital markets offerings.

### Cash Flows

The following table sets out selected cash flow data from our consolidated statements of cash flows for the periods indicated.

	For the six months ended					
	For the year ended December 31,				June 30,	
	2015 RMB'000	2016 RMB'000	2017 RMB'000	US\$'000	2018 RMB'000	US\$'000
Net cash generated from (used in)						
operating activities .....	4,254,245	3,916,371	5,596,242	845,724	(5,706,911)	(862,449)
Net cash used in from investing activities .....	(3,893,377)	(6,531,905)	(19,801,724)	2,992,508	(18,264,960)	(2,760,267)
Net cash generated from (used in)						
financing activities .....	7,419,214	7,988,822	23,689,053	3,579,975	29,960,624	4,527,757
Net increase in cash and cash equivalents .....	7,780,082	5,373,288	9,483,571	1,433,191	5,988,753	905,042
Effect of foreign exchange .....	—	81,373	(25,098)	3,793	47,642	7,200
Cash and cash equivalents at beginning of the year ..	7,093,654	14,873,736	20,328,397	3,072,101	29,786,870	4,501,499
Cash and cash equivalents at end of the year .....	14,873,736	20,328,397	29,786,870	4,501,499	35,823,265	5,413,741

### *Cash Flows from Operating Activities*

For the six months ended June 30, 2018, we had net cash outflow from operating activities of RMB5,706.9 million (US\$862.4 million), which was primarily due to (i) an increase in properties under development for sale of RMB19,884.5 million (US\$3,005.0 million), (ii) an increase in accounts and other receivables, deposits and prepayments of RMB7,310.1 million (US\$1,104.7 million) and (iii) an increase in deposits for land use rights for properties held for sale of RMB7,003.8 million (US\$1,058.4 million), partially offset by (i) a decrease in properties held for sale of RMB13,321.4 million (US\$2,013.2 million) and (ii) an increase in accounts and other payables and accrued charges of RMB10,418.0 million (US\$1,574.4 million).

For the year ended December 31, 2017, we had net cash inflow from operating activities of RMB5,596.2 million (US\$845.7 million), which was primarily due to (i) a decrease in properties held for sale of RMB21,284.5 million (US\$3,216.6 million), (ii) an increase in deposits received from property sales of RMB1,342.2 million (US\$202.8 million) and (iii) an increase in accounts payable and accrued charges of RMB5,336.1 million (US\$806.4 million), partially offset by (i) an increase in deposits for land use rights for properties held for sale of RMB11,505.9 million (US\$1,738.8 million) and (ii) an increase in properties under development for sale of RMB 17,538.5 million (US\$2,650.5 million).

In 2016, we had net cash inflow from operating activities of RMB3,957.5 million, which was primarily due to (i) a decrease in properties held for sale of RMB15,455.4 million and (ii) an increase in deposits received from property sales of RMB4,665.4 million, partially offset by (i) an increase in properties held under development for sale of RMB11,658.3 million and (ii) an increase in deposits for land use rights for properties held for sale of RMB4,238.1 million.

In 2015, we had net cash inflow from operating activities of RMB4,254.2 million, which was primarily due to (i) a decrease in properties held for sale of RMB12,265.5 million and (ii) a decrease in accounts and other receivables, deposits and prepayments of RMB1,956.9 million, partially offset by (i) an increase in properties held under development for sale of RMB9,434.0 million, (ii) a decrease in deposits for land use rights for properties held for sale of RMB1,721.3 million; and (iii) a decrease in accounts payables and accrued charges of RMB328.9 million.

#### ***Cash Flows from Investing Activities***

For the six months ended June 30, 2018, we had net cash outflow from investing activities of RMB18,265.0 million (US\$2,760.3 million), which was primarily due to (i) advances to joint ventures of RMB11,708.1 million (US\$1,769.4 million), (ii) advances to associates of RMB7,658.8 million (US\$1,157.4 million) and (iii) advances to non-controlling interests of RMB6,760.2 million (US\$1,021.6 million), partially offset by repayment from associates of RMB5,198.3 million (US\$785.6 million) and repayment from joint ventures of RMB4,673.0million (US\$706.2 million).

For the year ended December 31, 2017, we had net cash outflow from investing activities of RMB19,801.7 million (US\$2,992.5 million), which was primarily due to (i) advance to joint ventures and associates of RMB16,008.9 million (US\$2,419.3 million), (ii) advances to non-controlling interest of RMB5,012.2 million (US\$757.5 million) and (iii) additions to investment properties of RMB1,371.7 million (US\$207.3 million), partially offset by repayment from joint ventures and associates of RMB3,178.1 million (US\$480.3 million).

In 2016, we had net cash outflow from investing activities of RMB6,531.9 million, which was primarily due to (i) advances to joint ventures and associates of RMB3,732.9 million and (ii) advances to non-controlling shareholders of RMB2,075.3 million, partially offset by repayment from joint ventures and associates of RMB1,718.6 million.

In 2015, we had net cash outflow from investing activities of RMB3,893.4 million, which was primarily due to (i) capital injection into joint ventures of RMB3,121.0 million and (ii) advances to joint ventures and associates of RMB2,565.5 million, partially offset by net cash inflow from acquisition of subsidiaries of RMB1,992.5 million.

#### ***Cash Flows from Financing Activities***

For the six months ended June 30, 2018, we had net cash inflow from financing activities of RMB29,960.6 million (US\$4,527.8 million), which was primarily due to (i) new bank and other borrowings raised of RMB15,464.4 million (US\$2,337.0 million), (ii) advances from non-controlling interests of RMB13,812.4 million (US\$2,087.4 million) and (iii) net proceeds from issue of senior notes and corporate bonds of RMB10,309.8 million (US\$1,558.1 million), partially offset by repayment of bank and other borrowings of RMB8,082.3 million (US\$1,221.4 million) and repayment to non-controlling interests of RMB7,395.9 million (US\$1,117.7 million).

For the year ended December 31, 2017, we had net cash outflow from financing activities of RMB23,689.1 million (US\$3,580.0 million), which was primarily due to (i) repayment to joint ventures and associates of RMB10,221.5 million (US\$1,544.7 million), (ii) repayment of bank and other

borrowings of RMB7,584.5 million (US\$1,146.2 million) and (iii) repayment of senior notes of RMB2,755.4 million (US\$416.4 million), partially offset by new bank and other borrowings raised of RMB22,433.3 million (US\$3,390.2 million).

In 2016, we had net cash inflow from financing activities of RMB7,988.8 million, which was primarily due to (i) new bank and other borrowings raised of RMB11,706.4 million; (ii) advances from joint ventures and associates of RMB9,514.3 million; and (iii) net proceeds from issue of senior notes and corporate bonds of RMB5,971.7 million, partially offset by (i) repayment of bank and other borrowings of RMB10,885.7 million and (ii) repayment of senior notes of RMB3,239.6 million.

In 2015, we had net cash inflow from financing activities of RMB7,419.2 million, which was primarily due to (i) new bank and other borrowings under IFRS of RMB10,543.3 million; (ii) net proceeds from issue of senior notes and corporate bonds of RMB7,659.8 million; and (iii) advances from joint ventures and associates of RMB5,233.8 million, partially offset by (i) repayment of bank and other borrowings of RMB11,494.9 million and (ii) repayment to joint ventures and associates interest paid of RMB3,265.4 million.

## **Capital Resources**

Property developments require substantial capital investment for land acquisition and construction and it may take many months or years before positive cash flows can be generated. To date, we have funded our growth principally from internally generated funds, bank borrowings, trust financings, net proceeds from our initial public offering in November 2012 and various capital markets offerings. Our financing methods vary from project to project and are subject to limitations imposed by PRC regulations and monetary policies.

We intend to continue to fund our future development and debt servicing costs from existing financial resources and cash generated from operations. We may also raise additional funds through debt or equity offerings in the future to finance all or a portion of our future development, for debt servicing or for other purposes. Our ability to obtain adequate financing to satisfy our debt service requirements may be limited by our financial condition and operating results and the liquidity of international and domestic financial markets. Any failure by us to achieve timely rollover, extension or refinancing of our short-term debt may result in our inability to meet our obligations in connection with debt service, accounts payable and/or other liabilities when they become due and payable.

## **INDEBTEDNESS AND CONTINGENT LIABILITIES**

### **Bank and Other Borrowings under IFRS**

The following table sets out the breakdown of our outstanding bank and other borrowings under IFRS as of the dates indicated:

	As of December 31,				As of June 30,		
	2015		2016		2017		2018
	RMB'000	RMB'000	RMB'000	US\$'000	RMB'000	RMB'000	US\$'000
Bank loans, secured .....	8,661,819	7,078,839	22,493,276	3,399,265	12,645,425	32,601,873	4,926,913
Bilateral loans .....	268,702	1,305,723	2,358,594	356,439	1,248,933	3,637,143	549,658
Syndicated loans .....	2,727,382	5,182,585	8,261,145	1,248,454	11,264,581	8,414,343	1,271,606
Total .....	<u>11,657,903</u>	<u>13,566,647</u>	<u>33,113,015</u>	<u>2,050,241</u>	<u>25,158,939</u>	<u>44,653,359</u>	<u>6,748,177</u>

*Note:*

(1) Trust loans were trust financings obtained from trust companies in the PRC. Our trust loans were fully repaid during 2015.

Our secured bank and other borrowings under IFRS are secured by certain investment properties, properties under development, properties held for sale, and/or equity interests in certain of our subsidiaries. Certain of our trust financings are also secured by a transfer of a minority equity interest in the relevant project subsidiary to the relevant trust company. Our other unsecured loans are borrowed from independent third parties.

The following table sets out the maturity profiles of our bank and other borrowings under IFRS as of the dates indicated.

	As of December 31,				As of June 30,		
	2015	2016	2017	2017	2017	2018	
	RMB'000	RMB'000	RMB'000	US\$'000	RMB'000	RMB'000	US\$'000
Within one year or on demand . . . . .	2,793,500	2,367,536	6,727,108	1,016,625	4,984,163	9,079,629	1,372,146
More than one year, but not exceeding two years . . . . .	3,569,081	4,279,591	5,556,657	839,742	6,213,486	7,708,496	1,164,936
More than two years, but not exceeding three years . . . . .	3,794,053	5,501,963	13,868,191	2,095,811	9,294,924	21,502,295	3,249,504
More than three years, but not exceeding four years . . . . .	—	532,227	3,257,908	492,347	2,378,811	5,146,590	777,771
More than four years, but not exceeding five years . . . . .	954,700	—	3,300,241	498,744	1,471,439	782,429	118,243
More than five years . . . . .	546,569	885,330	402,910	60,889	816,116	433,920	65,576
	<u>11,657,903</u>	<u>13,566,647</u>	<u>33,113,015</u>	<u>5,004,158</u>	<u>25,158,939</u>	<u>44,653,359</u>	<u>6,748,176</u>
<i>Less:</i> Amount due within one year shown under current liabilities . . . . .	(2,793,500)	(2,367,536)	(6,727,108)	(1,016,625)	(4,984,163)	(9,079,629)	(1,372,146)
Amount due after one year . . . . .	<u>8,864,403</u>	<u>11,199,111</u>	<u>26,385,907</u>	<u>3,987,533</u>	<u>20,174,776</u>	<u>35,573,730</u>	<u>5,376,030</u>

Our bank borrowings are arranged at fixed and variable rates. The following table shows the range of effective interest rates for our bank and other borrowings under IFRS as of the dates indicated.

	As of December 31,			As of June 30,	
	2015	2016	2017	2017	2018
Bank loans . . . . .	2.9%–9.0%	1.5%–9.0%	1.2%–9.0%	1.5%–10.0%	—
Trust loans . . . . .	—	—	—	—	—

In 2015, 2016 and 2017 and the six months ended June 30, 2018, our weighted average cost of indebtedness (calculated as the weighted average of interest costs of all bank and other borrowings, senior notes and onshore bonds outstanding during the relevant year/period) was 7.2%, 5.5%, 5.2% and 5.3% respectively.

### Trust and Other Financings

We have obtained, from time to time, trust and financings from a number of trust companies and other lenders in the PRC. Compared to bank loans, such financings offer greater flexibility in terms of availability. While drawdowns on bank loans usually depend on actual construction progress, drawdowns such financings may be made in full in one or multiple installments as agreed with the relevant lenders. However, we have to bear higher financing costs due to higher interest rates under these financing arrangements. There is no guarantee that we will be able to enter into these arrangements, if needed, in the future at all or on favorable terms. Our trust loans were fully repaid during 2015.

### Indebtedness

We now have, and will continue to have after the offering of the Notes, a substantial amount of indebtedness. As of December 31, 2015, 2016 and 2017 and the six months ended June 30, 2018, our total bank and other borrowings under IFRS (not including senior notes and onshore bonds) amounted to RMB11,657.9 million, RMB13,566.6 million, RMB33,113.0 million (US\$5,004.2 million) and

RMB44,653.4 million (US\$6,748.2 million), respectively. As of June 30, 2018, we also had outstanding 2015 Notes, 2017 Notes, April 2018 Notes, First Tranche of 2015 Onshore Bonds, Second Tranche of 2015 Onshore Bonds, First Tranche of 2016 Onshore Bonds, Second Tranche of 2016 Onshore Bonds, August 2017 Perpetual Securities and December 2017 Perpetual Securities with carrying amounts of RMB25,906.0 million (US\$3,915 million). Since June 30, 2018, we have incurred additional indebtedness, including the First Tranche of 2018 Onshore Corporate Bonds, the Second Tranche of 2018 Onshore Corporate Bonds, the September 2018 Notes, the Additional 2017 Notes and the January 2019 Notes. See “Description of Other Material Indebtedness and Obligations” for details on the outstanding loans and other indebtedness.

Since 2010, as our business scale expanded with an increased number of properties under development, our utilization of our banking and other loan facilities increased. As of June 30, 2018, we had un-utilized banking facilities of RMB5,407.3 million (US\$817.2 million), out of total banking facilities available to us of RMB50,060.7 million (US\$7,565.4 million). Certain of our banking and other loan facilities are subject to a number of customary affirmative and/or negative covenants, such as restrictions on change of control and disposition of material assets, as well as financial ratios, such as debt-to-equity ratio, with which we must comply. See “Description of Other Material Indebtedness and Obligations.” In respect of the un-utilized facilities available to us as of June 30, 2018, there are no additional collateral or security required for any drawdown of such facilities.

Except as disclosed in this offering memorandum, we did not have any outstanding debt securities issued and outstanding or authorized, or otherwise created but unissued, term loans, other borrowings or indebtedness in the nature of borrowing including bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchase commitments, mortgages and charges, material contingent liabilities or guarantees outstanding as of June 30, 2018.

## **Contingent Liabilities**

### ***Mortgage Guarantees***

We have provided mortgage guarantees to PRC banks in respect of the mortgage loans provided by the PRC banks to our customers. Our mortgage guarantees are issued from the dates of grant of the relevant mortgage loans and released upon the earlier of (i) the relevant property ownership certificates being obtained and the certificates of other interests with respect to the relevant properties being delivered to the mortgagee banks, or (ii) the settlement of mortgage loans between the mortgagee banks and our customers.

The following table shows our total mortgage guarantees as of the dates indicated.

	As of December 31,				As of June 30,	
	2015		2017		2018	
	RMB in millions	RMB in millions	RMB in millions	US\$ in millions	RMB in millions	US\$ in millions
Mortgage guarantees . . . . .	3,644.2	7,644.6	12,714.6	1,954.2	18,997.8	2,871.0

We did not experience any material default on mortgage guarantees in 2015, 2016 and 2017 and the six months ended June 30, 2018.

### ***Loan Guarantees***

See “Description of Other Material Indebtedness and Obligations.”

## Off-Balance Sheet Commitments and Arrangements

Except for the contingent liabilities set out above, we have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as shareholder's equity, or that are not reflected in our consolidated financial statements. We do not have any variable interests in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing or hedging or research and development services with us.

### Contractual Obligations

As of December 31, 2015, 2016 and 2017 and the six months ended June 30, 2018, we had the following commitments in respect of acquisition of land use rights and acquisition of equity interest contracted in but not provided for:

	As of December 31,			As of June 30,	
	2015	2016	2017	2018	
	RMB'000	RMB'000	RMB'000	US\$'000	RMB'000
Expenditure in respect of acquisition of land use rights and acquisition of equity interest contracted but not provided for in our consolidated financial statements . . . . .	3,225,930	7,656,467	11,245,221	1,728,359	9,847,259
					1,488,153

Subsequent to June 30, 2018, we incurred material contractual obligations in connection with our land acquisitions.

We lease certain of our office premises under operating leases with terms ranging from one to ten years. The following table summarizes the total future minimum lease payments under non-cancellable operating leases payable as of the dates indicated.

	As of December 31,			
	2015	2016	2017	
	RMB'000	RMB'000	RMB'000	US\$'000
Within one year. . . . .	8,169	3,669	26,040	4,002
In the second to fifth year inclusive . . . . .	3,667	—	27,524	4,230
	11,836	3,669	53,564	8,233

We lease out a number of buildings under operating leases. The leases typically have a term of one to 20 years. The following table summarizes amounts of receivables from our non-cancellable operating leases as of the dates indicated.

	As of December 31,			
	2015	2016	2017	
	RMB'000	RMB'000	RMB'000	US\$'000
Within one year. . . . .	40,747	81,395	101,550	15,608
In the second to fifth year inclusive . . . . .	104,474	303,799	346,313	53,227
After five years. . . . .	28,167	13,593	296,153	45,518
	173,388	398,787	744,016	114,353

## QUANTITATIVE AND QUALITATIVE DISCLOSURE OF MARKET RISKS

Market risk is the risk of loss related to adverse changes in the market prices of financial instruments, including interest rates and foreign exchange rates. We are exposed to various types of market risks in the ordinary course of business, including changes in interest rates and foreign exchange rates. We maintain our accounting records and prepare our financial statements in Renminbi.

Our assets are predominantly in the form of investment properties, properties under development and completed properties held for sale. In the event of a severe downturn in the property market, these assets may not be readily realized.

### **Commodities Risk**

We are exposed to fluctuations in the prices of raw materials, primarily steel and cement, for our property developments. We currently do not engage and do not expect to engage in commodities hedging activities. We purchase most of our supplies of steel and cement at market prices. Such purchase costs are generally accounted for as part of contractor fees pursuant to our arrangements with the relevant construction contractors. Accordingly, rising prices for construction materials will affect our construction costs in the form of increased fees payable to our contractors. As a result, fluctuations in the prices of our construction materials could have a significant impact on our operating results.

### **Interest Rate Risk**

We undertake debt obligations to support our property development and general working capital needs. We are exposed to interest rate risks, primarily relating to our bank and other borrowings under IFRS and bank deposits with variable interest rates. Upward fluctuations in interest rates increase the cost of our financing and may adversely affect our prospective purchasers' willingness and ability to purchase our properties. Fluctuations in interest rates can also lead to significant fluctuations in the fair value of our debt obligations. Our net profit is also affected by changes in interest rates due to the impact such changes have on interest income from our bank deposits. We currently do not have any derivative instruments to hedge our interest rate risk. We also have borrowings at fixed rates, which expose us to fair value interest rate risk.

Any increase of benchmark lending rates published by PBOC may result in an increase in our interest costs, as certain of our bank borrowings in the PRC bear floating interest rates linked to PBOC-published rates. PBOC published benchmark one-year lending rates, which directly affect the property mortgage rates offered by commercial banks in China, as of December 31, 2015, 2016 and 2017 and the six months ended June 30, 2018 were 4.35%, 4.35%, 4.35% and 4.35%, respectively. We cannot assure you that PBOC will not raise lending rates in the future or that our business, financial condition will not be adversely affected as a result.

### **Foreign Exchange Rate Risk**

We conduct our business primarily in Renminbi. We are exposed to foreign exchange rate risk relating to (i) the portion of our bank deposits that we maintain in Hong Kong dollars and U.S. dollars and (ii) foreign currency-denominated obligations such as our offshore credit facilities, the Existing Notes, the August 2017 Perpetual Securities, the December 2017 Perpetual Securities and the Notes. On July 21, 2005, the PRC government changed its policy of pegging the value of the Renminbi to the U.S. dollar. Under the policy, the Renminbi was permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. In 2007, 2012 and 2014, the PBOC widened the floating band for the trading prices in the inter-bank foreign exchange market of the Renminbi against the U.S. dollar. This change in policy resulted in a gradual appreciation of the Renminbi against the U.S. dollar and, in turn, the Hong Kong dollar, which value is linked to the U.S. dollar. In August 2015, the PBOC moved to devalue the Renminbi against the U.S. dollar and announced a policy change allowing a more market-based determination of the official fixing rate. Following such announcement, the Renminbi depreciated significantly against the U.S. dollar. In February 2017, the PBOC has adjusted its FX fixing formula, making adjustments to existing fixing model which was introduced in February 2016. In October 2016, RMB was formally included in IMF's Special Drawing Rights basket. Renminbi has witnessed multiple fluctuation in past one year. As a result, we reported a net exchange gain of RMB16.4 million (US\$2.5 million) for the six months ended June 30, 2018 as compared to a net

exchange gain of RMB213.3 million for the six months ended June 30, 2017. See “Risk Factors — Risks Relating to our Business — Our profitability and results of operations are affected by changes in foreign exchange rates.” The PRC government may take further actions that could cause future exchange rates to vary significantly from current or historical exchange rates. A depreciation in the Renminbi would (i) adversely affect the value of any dividends we pay to our shareholders outside the PRC and (ii) require us to use more Renminbi funds to service the same amount of any foreign currency debt. An appreciation in the Renminbi, however, would adversely affect the value of the proceeds we will receive from this offering or any capital resources in foreign currency if they are not converted into Renminbi in a timely manner.

Starting in early 2016, we adopted a hedging policy to actively manage our foreign exchange rate risk exposure relating to non-Renminbi denominated indebtedness. We may, depending on the circumstances and trend of currency exchange rates, consider and enter into hedging arrangements to mitigate the impact of Renminbi’s depreciation. We plan to utilize the most appropriate and cost effective hedging instruments to hedge our foreign exchange rate risk exposure relating to non-Renminbi denominated indebtedness. Our hedging arrangements shall, to the extent possible, match the value and the maturity of the relevant non-Renminbi denominated indebtedness being hedged.

Based on the above policy, we entered into U.S. dollar versus offshore Renminbi capped forward contracts to hedge certain of our foreign exchange rate risk exposure relating to non-Renminbi denominated indebtedness. Under such currency capped forward contracts, on the expiry date:

- if the then prevailing U.S. dollar versus offshore Renminbi exchange rate (“Expiry Rate”) is less than or equal to the pre-specific capped rate (“Capped Rate”), we shall buy the contract amount of U.S. dollar against offshore Renminbi at the pre-specified contract rate (“Strike Rate”); or
- if the Expiry Rate is greater than the Capped Rate, we shall receive the relevant depreciation amount of offshore Renminbi against U.S. dollar up to the Capped Rate (“Capped Amount”).

The capped forward contracts utilized by us had contract values and expiry dates matching the outstanding amounts and maturity dates of the specific U.S. dollar or Hong Kong dollar denominated indebtedness being hedged. These capped forward contracts enable us to lock into the relevant pre-specified Strike Rate of U.S. dollar versus Renminbi exchange rate for the repayment of our outstanding non-Renminbi denominated indebtedness. However, our protection against Renminbi depreciation will be limited up to the relevant Capped Rates. As of June 30, 2018, we had entered into capped forward contracts with an aggregate contract value of US\$617.0 million, out of which US\$450 million were capped forward contracts at Capped Gain Rates of 7.5 while US\$167 million were capped forward contracts at Capped Gain Rate of 6.9 and Capped Loss Rate of 6.25.

Other than those disclosed above, we did not have any other material exposures to foreign exchange rate fluctuations or any other hedging arrangements as of June 30, 2018. We will monitor our foreign exchange rate risk exposure closely and may, depending on the circumstances and trend of foreign currencies, consider adjusting our foreign exchange rate hedging policy in the future.

### **Inflation/Deflation Risk**

According to the National Bureau of Statistics, China’s overall national inflation/(deflation) rate, as represented by changes in the general consumer price index, was approximately 1.6%, 2.1%, 1.5% and 1.9% in 2015, 2016 and 2017 and the six months ended June 30, 2018, respectively. Inflation or deflation has not had a significant effect on our business during such period. However, we cannot assure you that any inflation or deflation in China in the future will not have an adverse effect on our business, financial condition, operating results or prospects.

## NON-GAAP FINANCIAL MEASURES

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

- fair value changes from investment properties (including investment properties from joint venture), trust and other loan related derivatives, and derivative financial instrument;
- interest expense (including interest capitalized in cost of sales);
- amortization;
- income tax expense;
- depreciation;
- gain from business combination and re-measurement;
- exchange loss (including exchange loss from joint venture); and
- loss on early redemption of senior notes.

EBITDA is not a standard measure under IFRS. As the property development business is capital intensive, capital expenditure requirements and level of debt and interest expenses may have a significant impact on the profit for the year/period of companies with similar operating results. Therefore, we believe the investor community commonly uses this type of financial measure to assess the operating performance of companies in our market sector.

As a measure of our operating performance, we believe that the most directly comparable IFRS measure to EBITDA is profit for the year/period. We operate in a capital intensive industry. We use EBITDA in addition to profit for the year/period because profit for the year/period includes many accounting items associated with capital expenditures, such as depreciation, as well as non-operating items, such as amortization of intangible assets and interest income and interest expense. These accounting items may vary between companies depending on the method of accounting adopted by a company. By minimizing differences in capital expenditures and the associated depreciation expenses as well as reported tax positions, intangible assets amortization and interest income and expense, EBITDA provides further information about our operating performance and an additional measure for comparing our operating performance with other companies' results. Funds depicted by this measure may not be available for debt service due to covenant restrictions, capital expenditure requirements and other commitments.

The following table reconciles our profit for the year/period under IFRS to our definition of EBITDA for the years/periods indicated:

	For the year ended December 31,				For the six months ended June 30,		
	2015 RMB'000	2016 RMB'000	2017 RMB'000	US\$'000	2017 RMB'000	2018 RMB'000	US\$'000
<b>Profit and total comprehensive income for the year/period</b> . . . . .	2,470,788	3,164,375	6,148,517	945,101	2,607,893	4,176,755	631,206
<b>Adjustments:</b>							
Change in fair value of investment properties . . . . .	(96,075)	75,325	(493,343)	(75,825)	(14,465)	(201,916)	(30,514)
Interest expense (excluding interest capitalized in cost of sales) . . . . .	202,885	529,651	262,340	40,321	99,587	135,290	20,446
Interest capitalized into cost of sales . . . . .	1,356,919	1,877,956	1,591,214	244,565	494,356	794,216	120,025
Income tax expense . . . . .	1,334,039	1,672,390	3,892,645	598,289	1,561,131	1,658,808	250,685
Depreciation . . . . .	18,279	15,950	17,394	2,673	10,725	17,136	2,590
Amortization . . . . .	49,870	47,971	34,775	5,345	10,131	31,501	4,761
Change in fair value of investment properties from joint venture . . . . .	(348,671)	(394,743)	(844,588)	(129,811)	(733,708)	(174,926)	(26,435)
Gain from business combination and re-measurement . . . . .	—	(72,150)	(774,335)	(119,013)	—	(903,376)	(136,521)
Changes in fair value of financial assets at FVTPL . . . . .	—	(33,356)	94,726	14,559	63,282	(26,964)	(4,075)
Change in fair value of derivative financial instrument . . . . .	—	(314,768)	538,733	82,802	165,661	29,099	4,398
Change in fair value of investment in property projects . . . . .	—	—	—	—	—	(314,656)	(47,552)
Fair value from business combination charged to cost of sales . . . . .	—	—	—	—	—	1,849,929	279,568
Exchange loss (gain) . . . . .	302,127	378,284	(108,413)	(16,663)	(213,284)	(16,494)	(2,493)
Exchange loss from joint venture . . . . .	175,580	127,872	(112,854)	(17,345)	(46,111)	22,180	3,352
Loss on early redemption of senior notes . . . . .	20,725	182,263	118,464	18,208	128,288	—	—
<b>EBITDA</b> . . . . .	<b>5,486,466</b>	<b>7,257,020</b>	<b>10,365,275</b>	<b>1,593,206</b>	<b>4,133,486</b>	<b>7,076,582</b>	<b>1,069,439</b>
EBITDA margin . . . . .	30.1%	32.7%	32.6%	32.6%	36.8%	38.4%	38.4%

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 IFRS. Our definition of EBITDA does not account for income taxes. Our EBITDA measures may not be comparable to similarly titled measures used by other companies.

## INDUSTRY OVERVIEW

*Unless otherwise specified, the information set forth in this section has been extracted, in part, from various official government publications. Such information has not been independently verified by us, the Initial Purchaser, or any of our and its affiliates or advisors. The information may be inaccurate, incomplete, out-of-date or inconsistent with other information compiled within or outside the PRC.*

### OVERVIEW OF THE PRC ECONOMY

China has experienced a significant economic growth since the adoption of the reform and opening-up policy by the PRC Government in 1978. China's nominal GDP grew at a CAGR of 11.3% from 2008 to 2017, reaching approximately RMB82.71 trillion in 2017, making China one of the fastest growing economies in the world. For the twelve months ended December 31, 2017, China's nominal GDP increased to approximately RMB82,712.17 billion, representing a period-on-period growth rate of approximately 11.2%.

The table below sets out selected economic statistics for China for the years/periods indicated:

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nominal GDP (RMB in billion) . . . . .	21,943.9	27,023.2	31,951.6	34,908.1	41,303.0	48,930.1	54,036.7	59,524.4	64,397.4	68,550.6	74,412.7	82,712.2
Population (million) . . . . .	1,314.5	1,321.3	1,328.0	1,334.5	1,340.9	1,347.4	1,354.0	1,360.7	1,367.8	1,373.5	1,382.7	1,390.1
Fixed asset investment (RMB in billion) . . . . .	9,347.2	11,741.4	14,816.7	19,413.9	24,141.5	30,193.3	36,483.5	43,652.8	50,200.5	55,159.0	59,650.1	63,168.0
Per capita GDP (RMB) . . . . .	16,738.0	20,505.0	24,121.0	26,222.0	30,876.0	36,403.0	40,007.0	43,852.0	47,203.0	49,992.0	53,980.0	59,660.0
Real GDP growth rate (%) . . . . .	12.5	13.9	7.1	11.9	9.9	8.8	8.1	7.7	7.2	6.8	6.7	6.9

Sources: CEIC Data Company Ltd.; National Bureau of Statistics of China

Note: (1) CEIC Data Company Ltd. is an independent data provider in the international financial information service industry. CEIC Data Company Ltd. compiles and updates economic and financial data for research by economists and analysts. The data compiled by CEIC Data Company Ltd. is used by investment banks, corporations, law firms, consultants, investment and insurance companies, universities and libraries, and multinational organizations. CEIC Data Company Ltd. has not been commissioned by our Company.

Before the global financial crisis in 2008, China's nominal GDP grew at a CAGR of approximately 18.3% between 2003 and 2008. Following the global financial crisis in 2008, China further strengthened its economy by loosening macroeconomic policies and launching its RMB4 trillion stimulus package in 2008. Starting in 2010, in order to cope with the rising inflation and unbalanced economic growth, China implemented a series of economic austerity measures to slow down its overheated economy by adjusting interest rates, bank deposit reserve ratio and austerity measures for the housing market. From 2010 to 2017, China's real GDP grew at an annual growth rate of approximately 9.9%, 8.8%, 8.1%, 7.7%, 7.2%, 6.8%, 6.7% and 6.9%, respectively.

## **OVERVIEW OF THE REAL ESTATE MARKET IN THE PRC**

### **Recent developments of the real estate policies in the PRC**

Prior to the 1980s, the real estate industry in the PRC was part of the nation's planned economy. From the 1980s, the PRC's real estate and housing sector began the transition to a market-oriented system. Since 2003, the PRC Government has at various times taken action to tighten its control over the overheated real estate market and enacted various policies and administrative measures to discourage speculation in the residential property market and to increase the supply of affordable housing.

A brief timeline of recent key events in the development of the real estate policies and regulations in the PRC is set out below:

- 2011 . . . . . On January 26, 2011, the General Office of the State Council issued the Notice on Further Adjustment and Control of Real Estate Market 《國務院辦公廳關於進一步做好房地產市場調控工作有關問題的通知》 ("2011 Notice"), which provides, among other things, that:
- each municipal government shall issue its annual housing price control target in respect of newly constructed residential properties in the first quarter of 2011, after taking into account of the local economic development, the average increase rate of per capita disposable income and the capability to pay for residential properties;
  - the reinforcement of the management of government-subsidized residential properties and the increase in the supply of public leasing residential properties;
  - the strengthening of the supervision and inspection of LAT collection in respect of property development projects where the prices of properties developed are higher than properties in the vicinity;
  - real estate development enterprises are encouraged to build a certain proportion of public leasing residential properties together with the development of ordinary residential properties, and hold, operate or sell these public leasing residential properties to the PRC Government;
  - second residential property purchasers are required to pay a down payment of no less than 60% of the purchase price for these second residential properties and the applicable mortgage rate must be at least 1.1 times that of the corresponding benchmark interest rate;
  - any transfer of residential properties by individuals within five years of purchase shall be subject to a business tax calculated based on the relevant sale prices received;
  - entities and persons participating in the bidding of land shall state the source of capital and provide the relevant evidence;
  - land use rights granted over a parcel of land where a construction work commencement permit has not been obtained for more than two years shall be revoked and a fine will be imposed on the land which has been idle for more than one year;

no land or any development project on the land shall be transferred in any manner whatsoever if the total project development investment is less than 25% (excluding the land premium);

and if:

- a local authority fails to issue its annual housing price control target in respect of newly constructed residential properties on a timely basis; or
- a local authority fails to comply with the obligation in achieving the target of government-subsidized residential properties; or
- the housing prices of newly constructed residential properties exceed the relevant annual price control target of these properties, the relevant local authority shall report to the State Council and the responsible persons of such local authority may be held accountable by the Ministry of Supervision, the Ministry of Construction in accordance with the relevant PRC laws and regulations.

On January 27, 2011, the MOF and the SAT promulgated the Notice on Adjusting the Business Tax Policies on Individual Housing Transfer 《關於調整個人住房轉讓營業稅政策的通知》. The Notice provides, effective from January 28, 2011, that transfers of residential properties by individuals who have held them for less than five years are subject to business tax calculated on a gross basis; transfers of non-residential properties by individuals who have held them for five years or more are subject to business tax calculated on a net basis; and transfers of residential properties by individuals who have held them for five years or more are exempted from business tax.

On March 8, 2011, the General Office of CBRC issued the Notice on Promoting Housing Financial Services and Strengthening Risk Management 《關於做好住房金融服務加強風險管理的通知》, which stipulates that in handling the individual housing loan business after the promulgation of the 2011 Notice, banking financial institutions shall strictly implement the provision that with respect to families that purchase second residential properties through loans, the down payment shall not be less than 60%, and the loan interest rate shall not be less than 1.1 times of the benchmark rate.

2012 . . . . . The PRC government issued a revised catalog of guidance, effective in January 2012, pursuant to which foreign investment in the construction and operation of villas is removed from the restriction category to the prohibited category.

The PRC government issued a notice which aimed to insist on stabilizing the housing price and guaranteeing the sufficient supply of social security housing and ordinary commercial housing.

On June 1, 2012, the MLR promulgated the Measures for the Disposal of Idle Land which strengthen the regulation on idle land in the manner of specifying several definitions and strengthening punishment in the previous idle land regulations.

In December 2012, the Central Economic Work Conference announced that China will continue its property market control policies in 2013, step up the construction and management of low-income housing, as well as renovation of run-down areas.

2013 . . . . . On February 20, 2013, the State Council announced five measures on the control of the PRC property market.

On February 26, 2013, the State Council issued the Notice on Continuing Adjustment and Control of Property Markets 《關於繼續做好房地產市場調控工作的通知》 which, among other restrictive measures, provides that further restraining measures are to be adopted to strengthen the regulation of the property market.

Recently, a new round of policies aimed at promoting affordable housing and discouraging speculative investments in residential properties was announced in a number of large Chinese cities, further limiting the eligibility of non local residents to purchase properties locally and requiring the local banks to raise down payment requirements for second home purchases.

On July 19, 2013, the PBOC announced a few measures to further liberalize China's lending interest rate effective from July 20, 2013, among which the most important is the removal of the lending rate floor, which was 30% below the benchmark rates. However, the floor on the mortgage rate, which was 30% below the benchmark rates, remains to curb speculative demand on the property market and maintain healthy development of the market.

In the third quarter of 2013, the minimum down payment was raised from 60% to 70% in several cities, including Guangzhou, Shanghai and Hangzhou.

2014 . . . . . As of September 10, 2014, among 46 cities that restricted house purchases, 39 cities have loosened or canceled the restrictions. On July 19, 2014, Wuhan eased the restriction on the purchase of homes with area over 140 sq.m. On August 7, 2014, Foshan eased its home purchase restriction allowing non-residents to buy one housing unit and registered local residents to buy up to two units. On September 3, 2014, Dalian removed its home purchase restriction, allowing both residents and non-residents to buy houses without limits on the number of units purchased.

2015 . . . . . As of March 1, 2015, the new property registration rules in China unifies property registration nationwide. The new registration system shares information such as property location, area and origin of ownership in real time among government departments including the police, taxation and audit authorities.

On March 27, 2015, the MOHURD and the MLR jointly issued a notice to address the property oversupply issue. Key measures included adjusting land supply, allowing developers to change their project planning (i.e. adjusting the unit sizes of apartments), and allowing developers to change the land uses (e.g. from residential to social housing, commercial, recreational, tourism and cultural uses) of land plots where construction has not yet started.

On March 30, 2015, the PBOC, CBRC and MOHURD jointly announced an easing of the housing mortgage policy. The second home downpayment requirement for self-use ordinary housing was lowered from 60–70% to 40%, and the interest rate floor (1.1x) was eliminated. The down payment requirement eased from 30% to 20% for first home purchases under Housing Provident Fund scheme, and from 40% to 30% for second home purchases. MOF exempted business tax on second-hand sales of ordinary housing held for more than two years.

On May 10, 2015, the PBOC announced that the one-year lending rate will decrease to 5.10% and the one-year deposit rate will decrease to 2.25%. The floating range cap of deposit rate has increased from 1.3 times the benchmark deposit rate to 1.5 times.

On June 27, 2015, against the backdrop of plunging stocks and local government bond sales drained of liquidity, the PBOC cut its benchmark one-year lending rate by 25bps to 4.85%. The one-year deposit rate fell by 25bps to 2.0%, while reserve ratios for some lenders including city commercial and rural commercial banks were cut by 50bps.

On August 25, 2015, in a move to stimulate the slowing economy and stem a slide in share prices that has rattled global investors, the PBOC further cut its benchmark one-year lending rate by 25bps to 4.60% while the deposit rate was reduced to 1.75%.

On October 23, 2015, China stepped up monetary easing to combat deflationary pressures and a slowing economy, with the PBOC cutting its benchmark one-year lending rate by 25bps to 4.35%, while the one-year deposit rate fell to 1.50% from 1.75%. Reserve requirements for all banks were lowered by 50 bps, with an extra 50 bps reduction for some institutions.

2016 . . . . . On February 17, 2016, the SAT, MOF, MOHURD promulgated the Circular on Adjusting Deed Tax and Business Tax Policies for Real Estate Transactions 《關於調整房地產交易環節契稅、營業稅優惠政策的通知》, for individuals purchasing only one residence for their families (family members include the buyer, the buyer's spouse and minor children, as applicable) with the area of 90 square meters or less, the deed tax is reduced to 1%; for residences with the area of more than 90 square meters, the deed tax is reduced to 1.5%. The deed tax for individuals purchasing a second residence with the area of 90 square meters or less is reduced to 1% and for residences with the area of more than 90 square meters is reduced to 2% (not applicable in Beijing, Shanghai, Guangzhou and Shenzhen).

On March 23, 2016, the SAT and MOF promulgated the Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax 《關於全面推開營業稅改徵增值稅試點的通知》 which provided that the pilot program of the collection of value-added tax in lieu of business tax shall be promoted nationwide in a comprehensive manner as of May 1, 2016, and all taxpayers of business tax engaged in the building industry, the real estate industry, the financial industry and the life service industry shall be included in the scope of the pilot program with regard to payment of value-added tax instead of business tax. Entities and individuals engaged in sales of real property within the territory of the PRC are value-added taxpayers, and shall pay 11% value-added tax rather than 5% business tax according to these measures.

On March 25, 2016, General Office of Shenzhen Municipal People's Government of Guangdong Province issued the Opinions on Consummating Housing Security System and Promoting the Development of Real Estate Market Stably and Healthily 《深圳市人民政府辦公廳關於完善住房保障體系促進房地產市場平穩健康發展的意見》 which requires every District People's Government of Shenzhen and all units directly under the Shenzhen Municipal Government to increase multi-channel housing supply, improve the housing security system, implement the differentiated housing credit policy, improve the housing purchase policy, regulate the real estate market order and strengthen the prevention and control of the real estate financial risks.

On March 25, 2016, General Office of Shanghai Municipal People's Government forwarded the Circular of Several Opinions of Shanghai Housing Urban and Rural Construction Management Committee and Other Three Departments on Further Consummating Housing Security System and Promoting the Development of Real Estate Market Stably and Healthily 《上海市人民政府辦公廳轉發市住房城鄉建設管理委等四部門關於進一步完善本市住房市場體系和保障體系促進房地產市場平穩健康發展若干意見的通知》 which requires relevant units under the Shanghai Municipal Government to establish the real estate market supervision joint meeting, increase land supply for housing, implement the housing purchase restriction policy strictly, implement the differentiated housing credit policy, strengthen the market supervision and law enforcement inspection, promote the low-rent housing and public rental housing, increase the talent apartment housing, consummate the establishment, supply and management of common property security housing, and promote the transformation of old areas and “villages in the city”.

From September 30, 2016 to date, Beijing, Tianjin, Suzhou and other cities have issued new property market control policies, including restoring the restriction on purchases of residential properties and tightening credit policy. On October 10, 2016, the MOHURD issued the Circular on Further Regulating Operations of Real Estate Developers to Safeguard the Real Estate Market Order 《關於規範房地產開發企業經營行為維護房地產市場市場秩序的通知》, which requires that improper operations of real estate developers shall be investigated and punished according to law. The improper operations include releasing or spreading false housing information and advertisements, maliciously pushing higher and artificially inflating housing prices by fabricating or spreading information on rising property price and other operations.

On November 25, 2016, the Shanghai Housing Urban and Rural Construction Management Committee, People's Bank of China Shanghai Branch and China Banking Regulatory Commission Shanghai Regulatory Bureau promulgated the Notice on Promoting the Stable, Healthy and Orderly Development of Shanghai's Real Estate Market and Further Consummating the Differential Housing Credit Policy 《關於促進本市房地產市場平穩健康有序發展進一步完善差別化住房信貸政策的通知》, which, among other things, provides that (1) each housing administrative authority shall strengthen the housing transaction supervision, verify the housing status and information of the purchasers and issue the inspection results according to relevant rules and regulations; (2) for any family which purchases its first residential property with individual commercial housing loan, the family is required to pay a down payment of no less than 35% of the purchase price; (3) if any family has no residential property in Shanghai but has record(s) of commercial housing loan or housing provident fund loan, or the family already has one residential property in Shanghai, the family is required to pay a down payment of no less than 50% or 70% of the purchase price, depending on whether the family purchases an ordinary residential property or a non-ordinary residential property with the individual commercial housing loan. See "Regulation — Real Estate Development — Estate Loan."

On November 29, 2016, the Shanghai Housing Provident Fund Management Committee issued the Circular on Adjusting the Policies of Shanghai Municipality on Housing Provident Fund for Individual Loan 《關於調整本市住房公積金個人貸款政策的通知》, which, among other things, (1) provides that, for any family which has no residential property in Shanghai nor any record of housing provident fund loan, the residential property bought by such family shall be treated as the first residential property for its loan application and the credit policy remains unchanged; (2) provides that, for any family which has no residential property in Shanghai but has one loan record, or has one residential property and intends to purchase the second residential property to improve its living conditions, the residential property bought by such family shall be treated as the second residential property for improving living conditions for its loan application; (3) prohibits the Shanghai Housing Provident Fund Management Center from providing a loan to any applicant if the family already has two loan records or if the purpose of purchasing a second residential property by the family is not for improving living conditions. See "Regulation — Real Estate Development — Estate Loan."

2017 . . . . . On January 13, 2017 Chongqing Municipal Government promulgated the "Chongqing Municipal People's Government's decision on the revision of "Chongqing's tentative approach of implementation of the reform pilot on the taxation on partial individual housing property" and "Chongqing's implementation details of personal housing property tax collection and management": (1) The pilot areas are Yuzhong District, Jiangbei District, Shapingba District, Jiulongpo District, Dadukou District, Nan'an District, Beibei District, Yubei District and Banan District. (2) The people in Chongqing without household registration, business or work at the same time purchasing of the first or more set housing will be included in the first collection of objects. (3) the tax rate is 0.5% for those in Chongqing without household registration, business or work at the same time purchasing the first set or more ordinary housing.

On January 13, 2017, Chongqing municipal government announced "Chongqing Provisional Rules on Collection and Administration of Property Tax of Individual Residential Houses" (重慶市關於開展對部分個人住房徵收房產稅改革試點的暫行辦法). Based on the updated policy, non-resident buyers (who are not employed in and do not own any enterprise in Chongqing) need to pay 0.5% of total housing value every year even for the first time purchase of ordinary residential property in Chongqing (previously only the second or subsequent purchases were liable for payment of property tax).

On March 24, 2017, Foshan municipal government promulgated the “Notice on Further Improving Purchasing Restrictions for New Commodity Housing” (佛山市人民政府辦公室關於進一步完善我市新建商品住房限購政策的通知). Based on the policy, non-residents can only buy one new commodity house in areas which have purchasing restrictions, and must provide either personal income tax or social security records dated within two years of the purchase date which have been paid or accumulated in Foshan city for at least one year.

On December 23, 2017 the Minister of Housing and Urban-Rural Construction indicated that the government will establish a housing system that ensures supply through multiple sources, provide support through multiple channels, and encourage both housing purchase and renting in 2018. The government will apply a differentiated property policy based on local conditions and divide power between central and local governments and promote the steady and healthy development of the real estate market. While imposing control measures on the residential property market, the policy thrust is to meet basic housing needs for first home buyers as well as upgraders demand.

### **Key growth drivers of the real estate market in the PRC**

In addition to ongoing housing reform and the overall growth of the PRC economy, the key factors driving growth of the real estate market in the PRC are increases in disposable income and rapid urbanizations.

The table below sets out selected economic statistics of the PRC for the years indicated:

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Urban population (million) .	582.9	606.3	624.0	645.1	669.8	690.8	711.8	731.1	749.2	767.5	793.0	813.5
Urbanization rate (%) ....	44.3	45.9	47.0	48.3	50.0	51.3	52.6	53.7	54.8	55.9	57.3	58.5
Per capita disposable income of urban households (RMB) .....	11,759	13,786	15,781	17,175	19,109	21,810	24,565	26,462	28,844	31,195	33,616	36,396

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*Source: CEIC Data Company Ltd.; National Bureau of Statistics of China*

Furthermore, demand for real estate property is also driven by the emergence and growth of the mortgage lending market in China. Due to this favorable market environment, investment in real estate development in China rose from approximately RMB1,942.3 billion in 2006 to approximately RMB10,980 billion in 2017, representing a CAGR of approximately 17.1%.

The table below sets out selected data relating to the property market in the PRC for the years/periods indicated:

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Real estate development												
(RMB in billion) . . . . .	1,942.3	2,528.9	3,120.3	3,624.2	4,825.9	6,179.7	7,180.4	8,601.3	9,503.6	9,597.9	10,258.1	NA
GFA of commodity properties sold												
(million sq.m.) . . . . .	618.6	773.5	659.7	947.6	1,047.6	1,093.7	1,113.0	1,305.5	1,206.5	1,284.9	1,573.5	1,694.1
GFA of residential properties sold												
(million sq.m.) . . . . .	554.2	701.4	592.8	861.8	933.8	965.3	984.7	1,157.2	1,051.9	1,124.1	1,375.4	1,447.9
Average selling price of commodity properties												
(RMB per sq.m.) . . . . .	3,366.8	3,863.9	3,799.9	4,681.0	5,032.4	5,357.1	5,791.0	6,237.3	6,323.5	6,792.5	7,475.5	7,892.3
Average selling price of residential properties												
(RMB per sq.m.) . . . . .	3,074.2	3,610.6	3,445.3	4,427.4	4,707.1	5,036.8	5,429.9	5,849.8	5,931.8	6,472.4	7,202.6	7,613.8
Total sales revenue of commodity properties												
(RMB in billion) . . . . .	2,082.6	2,988.9	2,506.8	4,435.5	5,272.1	5,858.9	6,445.6	8,142.8	7,629.2	8,728.1	11,762.7	13,370.1
Total sales revenue for residential properties												
(RMB in billion) . . . . .	1,703.8	2,532.3	2,042.4	3,815.7	4,395.3	4,861.9	5,346.7	6,769.5	6,239.6	7,275.3	9,906.4	11,024.0

Source: CEIC Data Company Ltd.; National Bureau of Statistics of China

The average selling price of commodity properties sold in China increased from approximately RMB3,367 per sq.m. in 2006 to approximately RMB7,892 per sq.m. in 2017. This represented a year-on-year increase of approximately 5.6% compared to the average selling price of commodity properties sold in China of approximately RMB7,476 in 2016. The average selling price of residential properties increased from approximately RMB3,074 per sq.m. in 2006 to approximately RMB7,614 per sq.m. in 2017. This represented a year-on-year increase of approximately 5.7% from the average selling price of residential properties of approximately RMB7,203 in 2016.

### Recent developments and trends in the real estate market in the PRC

Demand for real estate in China has seen an increase over the years. According to CEIC Data Company Ltd., an independent data provider, and the National Bureau of Statistics of China, the total sales revenue of commodity properties in China increased from approximately RMB2,082.6 billion in 2006 to approximately RMB13,370.1 billion in 2017. This represented a year-on-year increase of approximately 13.7% compared to the total sales revenue of commodity properties of approximately RMB11,762.7 in 2016. During the same period, the aggregate GFA of commodity properties sold in China increased from approximately 618.6 million sq.m. in 2006 to approximately 1,694.1 million sq.m. in 2017. This represented a year-on-year increase of 7.7% from aggregate GFA of commodity properties sold of approximately 1,573.5 million sq.m. in 2016. Of the 1,694.1 million sq.m. of the aggregate GFA of commodity properties sold in 2017, approximately 1,447.9 million sq.m. were residential properties.

The table below sets out the comparison of year-on-year changes/period-on-period changes (%) in contracted sales amount between first- and second-tier cities for the years/period indicated:

	Year ended December 31,								
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Nationwide . . . . .	(16.1)	76.9	18.9	11.1	10.0	26.3	(6.3)	14.4	34.8
<b>First-tier cities</b>									
Beijing . . . . .	(34.1)	96.6	(10.6)	(16.8)	36.4	6.7	(22.4)	28.4	NA
Guangzhou . . . . .	(20.2)	37.6	30.2	(13.7)	21.4	48.5	(7.1)	NA	NA
Shanghai . . . . .	(38.7)	128.5	(31.2)	(12.3)	2.1	46.5	(10.5)	45.5	31.5
Shenzhen . . . . .	(24.2)	88.4	(19.9)	18.9	(2.9)	39.4	(8.3)	NA	NA
<b>Second-tier cities</b>									
Changchun . . . . .	19.3	48.9	50.8	20.9	(6.9)	1.5	(6.9)	NA	NA
Changsha . . . . .	(12.7)	81.7	44.7	18.8	5.6	24.6	(20.7)	20.2	48.8
Chengdu . . . . .	(25.5)	88.2	13.9	18.3	14.6	2.4	(2.3)	(0.2)	38.9
Chongqing . . . . .	(17.3)	72.2	34.1	16.2	7.0	16.8	4.9	4.9	16.3
Dalian . . . . .	3.0	51.6	18.8	(14.4)	17.6	17.2	(31.9)	(17.3)	NA
Hangzhou . . . . .	(25.6)	135.9	(9.1)	(30.2)	50.3	16.8	(8.8)	NA	NA
Harbin . . . . .	(2.6)	33.8	57.8	13.3	20.9	28.7	(24.2)	7.1	NA
Hefei . . . . .	(2.8)	63.7	8.1	32.8	(3.0)	33.8	11.6	7.1	60.8
Jinan . . . . .	28.3	39.3	54.0	19.8	12.9	30.6	8.4	NA	28.3
Nanjing . . . . .	(40.4)	137.3	(7.7)	(9.2)	34.4	46.2	(3.7)	NA	56.0
Ningbo . . . . .	(35.6)	126.3	6.2	(25.4)	14.2	22.2	3.7	NA	NA
Qingdao . . . . .	(9.5)	79.3	27.2	(13.8)	(0.6)	27.7	(0.8)	NA	NA
Shenyang . . . . .	11.8	13.2	38.1	35.6	21.8	(8.0)	(35.1)	(21.6)	NA
Tianjin . . . . .	(16.3)	45.4	13.9	11.9	(2.1)	18.3	(8.0)	20.4	94.3

Source: CEIC Data Company Ltd.

## The real estate markets of selected cities in the PRC

### *Shanghai*

- *Overview*

Shanghai is the leading financial and commercial center in China, as well as one of the fastest growing financial capitals in the world. Shanghai has an area of approximately 6,341 sq.km. as of December 31, 2017 and a population of approximately 24.2 million as of December 31, 2017. The table below sets out selected economic statistics of Shanghai for the years/period indicated:

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nominal GDP												
(RMB in billion) . . . . .	1,057.2	1,249.4	1,407.0	1,504.6	1,716.6	1,919.6	2,018.2	2,160.2	2,356.1	2,496.5	2,746.6	3,013.4
Real GDP growth rate (%) . . . . .	12.7	15.2	9.7	8.2	10.3	8.2	7.5	7.7	7.0	6.9	6.8	6.9
Per capita GDP (RMB) . . . . .	54,858	62,041	66,932	69,164	76,074	82,560	85,033	90,100	97,300	103,100	113,600	124,600
Per capita disposable income of urban households (RMB) . . . . .	20,668	23,623	26,675	28,838	31,838	36,230	40,188	43,851	47,710	52,962	57,692	62,596

Source: CEIC Data Company Ltd.; Shanghai Bureau of Statistics

- *The real estate market in Shanghai*

The table below illustrates key figures relating to the real estate market in Shanghai for the years indicated:

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Residential</b>												
Total GFA completed (million sq.m.) . . . . .	27.1	28.1	18.7	15.1	14.0	16.5	16.1	14.2	15.4	15.9	15.3	18.6
Total GFA sold (million sq.m.) . . . . .	26.2	32.8	20.1	29.3	16.9	15.0	15.9	20.2	17.8	20.1	20.2	13.4
Average selling price (RMB per sq.m.) . . . . .	7,039	8,253	8,115	12,364	14,290	13,566	13,870	16,192	16,415	21,501	25,910	24,866
<b>Commercial</b>												
Total GFA completed (million sq.m.) . . . . .	2.4	2.6	2.2	2.0	1.8	2.6	1.8	2.5	2.1	3.1	2.7	3.9
Total GFA sold (million sq.m.) . . . . .	1.9	2.0	1.2	1.3	1.3	0.9	1.2	1.2	1.0	1.1	2.1	0.8
Average selling price (RMB per sq.m.) . . . . .	6,479	6,613	6,610	15,237	15,779	19,527	16,218	19,294	22,014	20,043	22,854	26,249

Source: CEIC Data Company Ltd.; Shanghai Bureau of Statistics and National Bureau of Statistics of China

## ***Beijing***

- *Overview*

As the nation's capital, Beijing's economy has developed significantly over the years and this was primarily due to the robust growth of national economy as well as the increasing inflow of foreign direct investments. Beijing has an area of approximately 16,411 sq.km. as of December 31, 2017 and a population of approximately 21.7 million as of December 31, 2017.

The table below sets out selected economic statistics of Beijing for the years/period indicated:

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Nominal GDP</b>												
(RMB in billion) . . . . .	811.8	984.7	1,111.5	1,215.3	1,411.4	1,625.2	1,787.9	1,950.1	2,133.1	2,296.9	2,489.9	2,800.0
Real GDP growth rate (%) .	13.0	14.5	9.1	10.2	10.3	8.1	7.7	7.7	7.3	6.9	6.7	6.7
Per capita GDP (RMB) . . .	51,722	60,096	64,491	66,940	73,856	81,658	87,475	93,213	99,995	106,000	115,000	NA
Per capita disposable income of urban households (RMB) . . . . .	19,978	21,989	24,725	26,738	29,073	32,903	36,469	40,321	43,910	52,859	57,275	62,406

Source: Beijing Bureau of Statistics

- *The real estate market in Beijing*

The table below illustrates key figures relating to the real estate market in Beijing for the years indicated:

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Residential</b>												
Total GFA completed (million sq.m.) . . . . .	21.9	18.5	14.0	16.1	15.0	13.2	15.2	16.9	18.0	13.8	12.8	6.0
Total GFA sold (million sq.m.) . . . . .	22.1	17.3	10.3	18.8	12.0	10.3	14.8	13.6	11.4	11.3	9.9	6.1
Average selling price (RMB per sq.m.) . . . . .	7,375	10,661	11,648	13,224	17,151	15,518	16,553	17,854	18,499	22,300	28,489	34,117
<b>Commercial</b>												
Total GFA completed (million sq.m.) . . . . .	2.9	3.2	3.1	3.2	2.7	2.3	2.4	1.8	2.2	2.6	1.7	1.7
Total GFA sold (million sq.m.) . . . . .	1.1	1.3	1.1	1.6	1.4	1.1	1.1	1.0	0.8	0.8	1.3	0.7
Average selling price (RMB per sq.m.) . . . . .	14,965	17,585	17,148	19,091	22,452	24,920	20,476	26,405	25,414	27,312	29,929	36,370

Source: CEIC Data Company Ltd.; Beijing Bureau of Statistics and National Bureau of Statistics of China

### ***Chongqing***

- *Overview*

Chongqing is one of the four municipalities directly under the administration of the central PRC Government. Chongqing has an area of approximately 82,403 sq.km. as of December 31, 2017 and a population of approximately 31.5 million as of December 31, 2017. The table below sets out selected economic statistics of Chongqing for the years/period indicated:

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Nominal GDP (RMB in billion) . . . . .	390.7	467.6	579.4	653.0	792.6	1,001.1	1,141.0	1,265.7	1,426.5	1,572.0	1,755.9	1,950.0
Real GDP growth rate (%) .	12.4	15.9	14.5	14.9	17.1	16.4	13.6	12.3	10.9	11.0	10.7	9.3
Per capita GDP (RMB) . . .	13,939	16,629	20,490	22,920	27,596	34,500	38,914	42,795	48,032	52,330	57,902	63,689
Per capita disposable income of urban households (RMB) . . . . .	11,570	12,591	14,368	15,749	17,532	20,250	22,968	25,216	25,147	27,259	29,610	32,193

Source: CEIC Data Company Ltd.; Chongqing Bureau of Statistics

- *The real estate market in Chongqing*

The table below illustrates key figures relating to the real estate market in Chongqing for the years indicated:

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Residential</b>												
Total GFA completed (million sq.m.) . . . . .	17.0	17.7	19.5	23.8	21.8	28.3	33.9	28.7	27.7	31.9	30.8	33.2
Total GFA sold (million sq.m.) . . . . .	20.1	33.1	26.7	37.7	39.9	40.6	41.1	43.6	44.2	44.8	51.1	54.5
Average selling price (RMB per sq.m.) . . . . .	2,081	2,588	2,640	3,266	4,040	4,492	4,805	5,238	5,094	5,012	5,162	6,605

Source: CEIC Data Company Ltd.; Chongqing Bureau of Statistics and National Bureau of Statistics of China

### **Tianjin**

- *Overview*

Tianjin is one of the four municipalities directly under the administration of the central PRC government. Tianjin has an area of approximately 11,966 sq.km. as of December 31, 2017 and a population of approximately 15.6 million as of December 31, 2017. The table below sets out selected economic statistics of Tianjin for the years/period indicated:

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Nominal GDP</b>												
(RMB in billion) . . . . .	446.3	525.3	671.9	752.2	922.4	1,130.7	1,289.4	1,437.0	1,572	1,653.8	1,788.5	1,859.5
Real GDP growth rate (%) .	14.7	15.5	16.5	16.5	17.4	16.4	13.9	12.5	10.0	9.3	9.0	3.6
Per capita GDP (RMB) . . .	42,141	47,970	58,656	62,574	72,994	85,213	93,173	99,607	105,202	107,960	115,053	NA
Per capita disposable income of urban households (RMB) . . . . .	14,283	16,357	19,423	21,402	24,293	26,921	29,626	32,658	31,506	34,101	37,110	40,278

Source: CEIC Data Company Ltd.; Tianjin Bureau of Statistics; National Bureau of Statistics of China

- *The real estate market in Tianjin*

The table below illustrates key figures relating to the real estate market in Tianjin for the years indicated:

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Residential</b>												
Total GFA completed (million sq.m.) . . . . .	13.1	14.0	14.9	15.8	16.0	16.5	19.1	21.2	21.3	21.8	21.9	14.3
Total GFA sold (million sq.m.) . . . . .	13.3	14.0	11.4	14.6	13.5	13.7	15.1	17.2	14.8	16.7	25.2	13.4
Average selling price (RMB per sq.m.) . . . . .	4,649	5,576	5,598	6,605	7,913	8,548	8,010	8,390	8,760	9,931	12,870	15,139

Source: CEIC Data Company Ltd.; National Bureau of Statistics of China

## Suzhou

- *Overview*

Suzhou is a city located in the southern part of Jiangsu Province. It has a total area of approximately 8,657 sq.km. as of December 31, 2017 and a population of approximately 10.7 million as of December 31, 2017. The table below illustrates selected economic statistics of Suzhou for the years/period indicated:

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Nominal GDP												
(RMB in billion) . . . . .	482.0	570.0	670.1	774.0	922.9	1,071.7	1,201.2	1,301.6	1,350.0	1,450.0	1,540.0	1,732.0
Real GDP growth rate (%) . . . . .	15.5	16.0	12.5	11.5	13.3	12.0	10.1	9.6	8.0	7.5	7.5	7.1
Per capita GDP (RMB) . . . . .	62,526	69,151	78,875	83,696	93,043	102,129	114,029	120,000	131,500	136,300	145,000	NA

Source: CEIC Data Co. Ltd.; Suzhou Bureau of Statistics

- *The real estate market in Suzhou*

The table below illustrates key figures relating to the real estate market in Suzhou for the years indicated:

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Residential												
Total GFA completed												
(million sq.m.) . . . . .	14.8	14.8	11.3	14.1	12.2	9.2	13.9	12.3	11.3	12.7	14.0	14.7
Total GFA sold												
(million sq.m.) . . . . .	11.9	16.5	8.3	20.1	11.8	9.8	12.6	16.3	14.5	19.4	22.6	16.9
Average selling price												
(RMB per sq.m.) . . . . .	4,194	4,956	5,533	6,331	8,213	9,028	8,980	9,479	9,639	NA	NA	NA

Source: CEIC Data Company Ltd.; Suzhou Bureau of Statistics and Jiangsu Bureau of Statistics

## Hangzhou

- *Overview*

Hangzhou is the capital and largest city of Zhejiang Province in Eastern China. The city grew to become one of the most renowned and prosperous cities in China partly due to its beautiful natural scenery. Hangzhou has an area of approximately 16,596 sq.km. as of December 31, 2017 and a population of approximately 9.5 million as of December 31, 2017. The table below sets out selected economic statistics of Hangzhou for the years/period indicated:

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Nominal GDP												
(RMB in billion) . . . . .	344.2	410.0	478.1	508.8	594.9	701.9	780.2	834.4	920.1	1,005.4	1,105.0	1,255.6
Real GDP growth rate (%) . . . . .	14.3	14.6	11.0	10.0	12.0	10.1	9.0	8.0	8.2	10.2	9.5	8.0
Per capita GDP (RMB) . . . . .	51,878	52,590	60,414	63,333	69,828	101,370	111,758	118,589	103,757	112,268	121,349	NA
Per capita disposable income												
of urban households												
(RMB) . . . . .	19,027	21,689	23,534	26,171	30,035	32,434	35,704	39,310	44,632	48,316	52,185	56,276

Sources: CEIC Data Company Ltd.; Hangzhou Bureau of Statistics; Hangzhou Economic and Social Development Report

The table below illustrates key figures relating to the real estate market in Hangzhou for the years indicated:

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Residential</b>												
Total GFA completed (million sq.m.) . . . . .	6.3	7.7	7.7	6.3	8.0	8.4	6.7	8.5	9.3	NA	11.1	11.7
Total GFA sold (million sq.m.) . . . . .	6.8	10.4	6.8	13.1	8.0	6.0	9.2	9.7	9.5	12.9	18.9	15.2
Average selling price (RMB per sq.m.) . . . . .	5,967	7,432	8,212	10,613	14,259	12,749	13,292	14,679	14,035	14,748	16,211	21,225
<b>Commercial</b>												
Total GFA completed (million sq.m.) . . . . .	0.5	0.8	0.6	0.7	1.0	1.0	0.7	0.8	1.1	1.2	1.5	2.2
Total GFA sold (million sq.m.) . . . . .	0.3	0.4	0.3	0.5	0.7	0.5	0.7	0.5	0.6	0.6	1.3	1.7
Average selling price (RMB per sq.m.) . . . . .	8,931	9,548	8,332	10,355	13,421	16,598	12,549	17,511	17,242	15,192	18,002	20,856

Sources: CEIC Data Company Ltd.: Hangzhou Bureau of Statistics

## Wuhan

- Overview

Wuhan is the capital of Hubei Province and is the most populous city in Central China. The city is recognized as the political, economic, financial, cultural, and educational and transportation centre of central China. Wuhan covers an area of approximately 8,494 sq.km. and a population of 10.6 million as of December 31, 2017. The table below sets out selected economic statistics of Wuhan for the years/ period indicated:

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Nominal GDP</b>												
(RMB in billion) . . . . .	259.1	314.2	396.0	462.1	556.6	676.2	800.4	905.1	1,006.9	1,096.6	1,191.3	1,341.0
Real GDP growth rate (%) .	14.8	15.6	15.1	13.7	14.7	12.5	11.4	10.0	9.7	8.8	7.8	8.0
Per capital GDP (RMB) . . .	29,899	35,582	44,290	51,144	58,961	68,315	79,482	89,000	98,000	104,132	111,469	NA
Per capita disposable income of urban households (RMB) . . . . .	12,360	14,357	16,712	18,385	20,806	23,738	27,061	29,821	33,270	36,436	39,737	43,405

Sources: CEIC Data Company Ltd.; Wuhan Bureau of Statistics; Wuhan Economic and Social Development Report 2013

The table below illustrates key figures relating to the real estate market in Wuhan for the years indicated:

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Residential</b>												
Total GFA completed (million sq.m.) . . . . .	7.7	8.1	7.7	8.2	7.3	9.7	9.0	5.3	6.5	6.5	6.0	6.0
Total GFA sold (million sq.m.) . . . . .	9.1	10.7	6.8	10.4	11.0	11.8	13.9	17.5	19.8	24.1	29.3	30.9
Average selling price (RMB per sq.m.) . . . . .	3,535	4,516	4,681	5,199	5,550	6,676	6,895	7,238	7,399	8,404	9,819	11,453
<b>Commercial</b>												
Total GFA completed (million sq.m.) . . . . .	0.5	0.6	0.4	0.4	1.0	1.0	0.9	0.6	0.5	0.6	0.9	0.8
Total GFA sold (million sq.m.) . . . . .	0.5	0.5	0.2	0.3	0.5	0.8	0.7	1.2	1.6	1.0	1.3	1.9
Average selling price (RMB per sq.m.) . . . . .	8,148	8,370	8,099	11,161	11,576	14,116	13,155	13,903	14,410	14,193	14,660	15,185

Sources: CEIC Data Company Ltd.; Wuhan Bureau of Statistics

## *Hefei*

- *Overview*

Hefei is the capital city of Anhui Province. It has a total area of approximately 11,445 sq.km. and a population of approximately 7.8 million as of December 31, 2017. The table below illustrates selected economic statistics of Hefei for the years/period indicated.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nominal GDP (RMB in billion) . . . . .	112.1	140.2	177.7	210.2	270.3	363.7	416.4	467.3	515.8	566.0	627.4	721.3
Real GDP growth rate (%) . . . . .	17.9	18.7	17.7	17.8	17.5	15.4	13.6	11.5	10.0	10.5	9.8	8.5
Per capita GDP (RMB) . . . . .	23,203	28,134	34,482	41,543	54,796	48,540	55,182	61,555	67,394	73,102	80,136	NA

Source: CEIC Data Company Ltd.; Hefei Bureau of Statistics

- *The real estate market in Hefei*

The table below illustrates key figures relating to the real estate market in Hefei for the years indicated:

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Residential</b>												
Total GFA completed (million sq.m.) . . . . .	4.5	5.1	4.6	4.8	5.8	6.6	7.3	10.7	7.0	7.1	8.6	7.8
Total GFA sold (million sq.m.) . . . . .	5.8	9.5	8.7	11.8	8.6	10.6	11.2	14.5	13.3	12.9	17.1	9.6
Average selling price (RMB per sq.m.) . . . . .	2,874	3,154	3,425	4,095	5,500	5,608	5,754	6,084	6,917	7,512	9,312	11,442

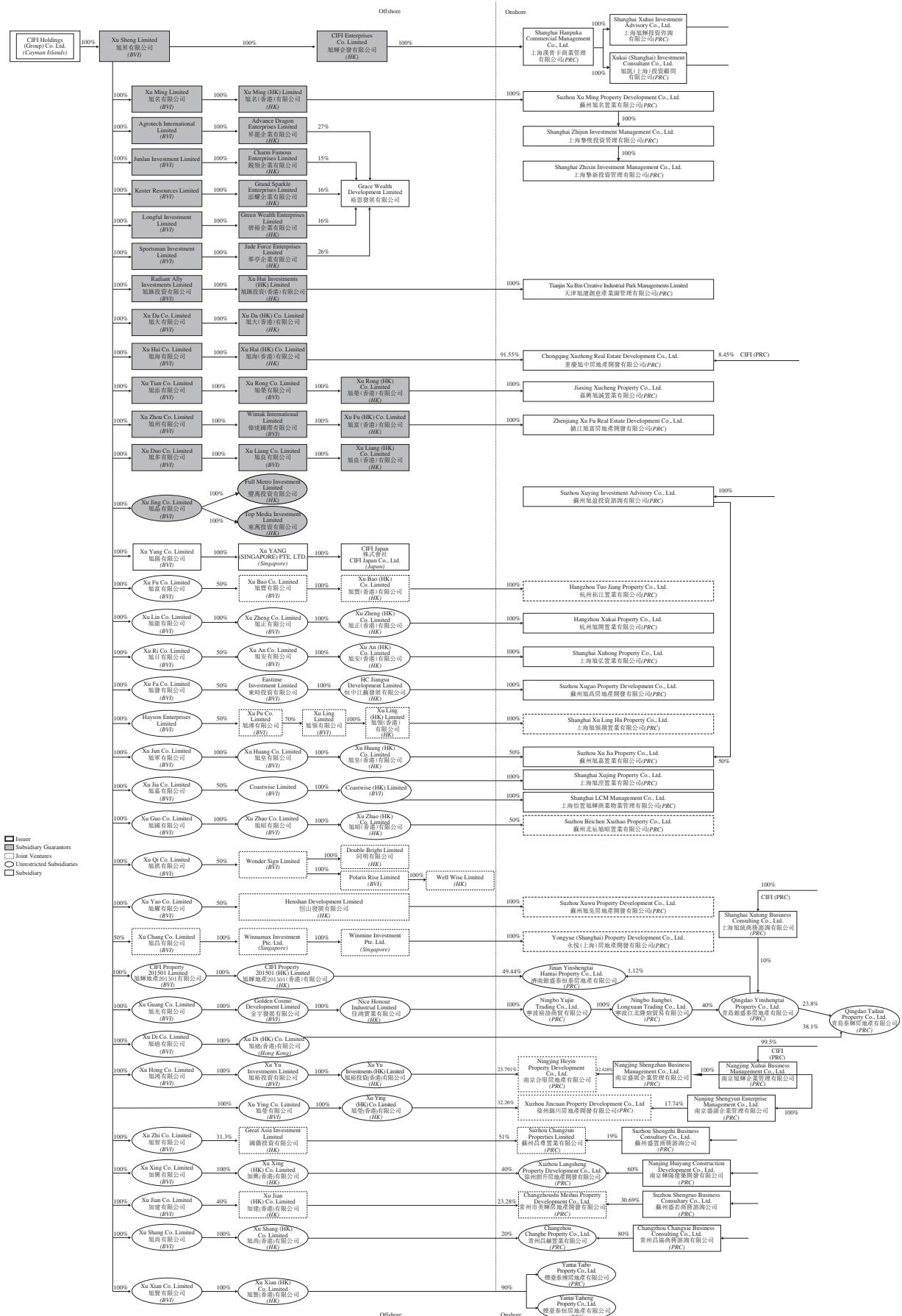
Source: CEIC Data Company Ltd.; China Real Estate Statistics Yearbook 2014 and Hefei Bureau of Statistics

## **Competition in the real estate market of the PRC**

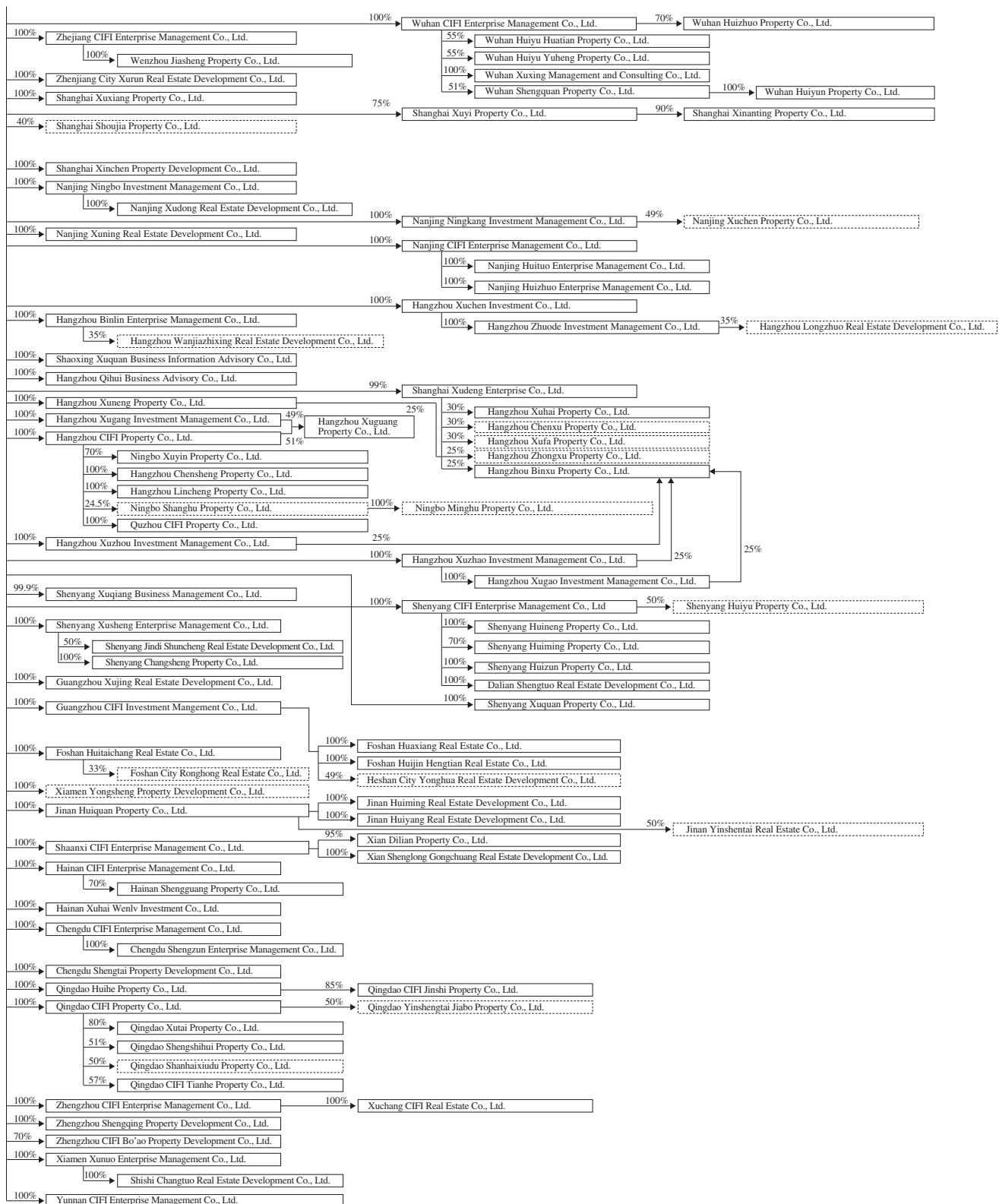
While our Directors believe that there is no reliable and consistent industry source publishing respective market share of major PRC real estate developers over the years, the real estate market in the PRC is highly fragmented. Competition in the real estate market in the PRC has intensified over the past few years. Industry participants in different cities in the PRC include national, regional and local real estate developers. We compete with other real estate developers on the basis of a number of factors, including product quality, service quality, price, financial resources, brand recognition, ability to acquire land and other factors. We believe that the real estate market in the PRC still has large growth potential. Please refer to the section headed “Business — Competition” in this offering memorandum for further details on the competitive landscape of the real estate market in the PRC.

## CORPORATE STRUCTURE

The following chart shows our simplified corporate structure as of the date of this offering circular:







## BUSINESS

### OVERVIEW

Headquartered in Shanghai, we are engaged in property development and property investment business in the PRC. In the six months ended June 30, 2018, in terms of contracted sales amount, we were ranked 17th according to the list of “China Real Estate Enterprises Sales Ranking in the First Half of 2018” published by China Real Estate Information Corporation Information Group.

We principally focus on developing high quality and end-users driven properties in first- and second-tier cities in China. Our development projects cover various properties types including residential, office and commercial complexes. For our residential property development, we mainly develop residential products that offer our end-users comfortable living environment and proximity to good ancillary facilities and transportation links. For our commercial property development, we mainly develop offices and community commercial properties.

We have achieved a nationwide geographical coverage and a strong presence in selected first-tier cities and second-tier cities in China. Our business operations are diversified in terms of geographic locations, which facilitates our future expansion. As of June 30, 2018, we had projects in 53 cities in four geographic regions in the PRC: the Yangtze River Delta Region, which includes Shanghai, Suzhou, Hangzhou, Hefei, Nanjing, Ningbo, Zhenjiang, Yixing, Wuxi, Taicang, Wenzhou, Jiaxing, Jiashan, Pinghu, Changzhou, Quzhou, Xuzhou, Wuhu, Taizhou, Nantong and Nanchang, the Pan Bohai Rim, which includes Beijing, Tianjin, Shenyang, Jinan, Qingdao, Dalian, Shijiazhuang, Linyi, Langfang, Weifang, Zibo and Jining, the Central Western Region, which includes Chongqing, Chengdu, Zhengzhou, Xi'an, Changsha, Wuhan, Guiyang and Xuchang, and the South China Region, which includes Hong Kong, Sanya, Haikou, Guangzhou, Dongguan, Foshan, Zhongshan, Fuzhou, Xiamen, Nanning, Jiangmen and Quanzhou. As of June 30, 2018, we had a land bank with an aggregate total GFA of approximately 40.4 million sq.m. and an aggregate GFA attributable to us of approximately 21.1 million sq.m.

Leveraging our effective business model focused on rapid asset turnover, strong execution capabilities and business strategies developed in line with government policies on China's real estate sector, we are poised to continue our rapid growth and develop into a renowned nationwide property developer.

## **COMPETITIVE STRENGTHS**

We are a strategy-oriented real estate enterprise and our focused operating strategies give us the following competitive strengths:

**We principally focus on developing high quality and end-users driven residential, office and community commercial properties, primarily in first- and second-tier cities in the PRC.**

We believe that having a product positioning in line with government policies and market trends is essential to our success. The main focus of the current government measures is to curb speculative real estate investment, whereas properties targeted at end-users are less susceptible to such policy risk. Since 2010, we have reinforced our development strategies to target end-users' demand in first- and second-tier cities with large population, of substantial market size and with sustainable inflow of residents and investment capital. Our residential products offer end-users with comfortable living environment and proximity to good ancillary facilities and transportation links. Our office-for-sale properties offer a compelling value proposition for small- to medium-size enterprises which are typically seeking properties with the right balance amongst cost, quality and location.

We believe that there are solid end-users' demand for mass-market residential products due to growing new population and for office products with the increasing investment from a diverse range of industries in first- and second-tier cities. This focus in the past years has thus helped to ensure that our overall business operations have been less susceptible to the government policies and real estate-related austerity measures. In addition, we believe our community commercial properties serve to enhance our product structure and to better satisfy our end-users' demand. As of June 30, 2018, projects in first- and second-tier cities in aggregate accounted for approximately 88% of the total GFA of our land bank; while residential and office-for-sale projects in aggregate accounted for approximately 99% of the total GFA of our land bank.

**We adopt a high asset turnover and high sell-through business model with strong execution capabilities that allows us to achieve a development cycle of typically three years, which not only improves our return and operating cash flow but also helps us achieve financial stability.**

We have strong execution capabilities to achieve high asset turnover and high sell-through. These capabilities include:

- Our strategy-driven disciplined approach to land acquisition. In order to achieve high asset turnover and high sell-through, we typically focus on buying land which fulfills our stated product strategies, and we generally do not buy land that has title and planning issues or that requires resettlement. These issues can often take a long time to resolve, resulting in difficulties to ascertain the development schedules of the projects;
- Our efficient project planning and design capabilities, which enable us to determine and implement the positioning and design of projects on a timely basis. With these efficient project planning and design capabilities, we are generally able to obtain project planning and construction approvals within a short period of time after land acquisition;
- Our standardized products and operating procedures covering various phases of our development process, including planning and design, selection of construction contractors and suppliers, construction supervision and quality control, and sales and marketing. With these standardized operating procedures, we are able to (i) commence construction within a short period of time after land acquisition and start pre-sale of the property as soon as

practicable, (ii) sell most of our projects during the pre-sale period, (iii) avoid carrying a large inventory of un-sold projects upon completion, and (iv) achieve a development cycle of typically three years for projects; and

- minimal exposure to low-yielding investment properties.

Our high asset turnover and high sell-through business model not only improves our return and operating cash flow but also helps us achieve financial stability, which in turn helps mitigate adverse effects from market volatilities. In 2015, 2016 and 2017, our average asset turnover rate was approximately 60.4%, 73.4%, 94.5%, respectively. The calculation of average asset turnover rate is based on (a) contracted sales divided by (b) average total asset less investment properties during a financial year.

**We have achieved a nationwide geographical coverage and a solid presence in our selected first- and second-tier cities in the PRC.**

We believe that our established geographical coverage is a key factor supporting our pursuit of sustainable growth in the real estate industry in the PRC. We established our business in Shanghai in 2000 and entered into Beijing in 2001 and have since strengthened our position in these two first-tier cities. We started our national expansion into other second- and third-tier cities as early as in 2006. We began acquiring land in Suzhou and Jiaxing in 2006, in Hefei, Chongqing, Zhenjiang and Changsha in 2007, in Langfang in 2008, in Tianjin in 2011, in Hangzhou, Wuhan and Shenyang in 2013, in Nanjing in 2014, in Guangzhou in 2015, in Ningbo, Foshan, Yixing, Jinan and Sanya in 2016. As of June 30, 2018, our property development projects covered 53 cities in four geographic regions in the PRC: the Yangtze River Delta Region, the Pan Bohai Rim, the Central Western Region and the South China Region. As of June 30, 2018, approximately 8% and 80% of our aggregate total GFA was located in first-tier and second-tier cities, respectively.

Compared with other real estate developers, our early implementation of national geographical coverage has given us a solid foothold in the property markets in the PRC. Over the years, we have accumulated extensive knowledge of the business environment and the distinctive subcultures of the regional real estate markets where we operate, including (i) enhancing our local planning and execution capability, (ii) transplanting our standardized products to shorten project development cycle, and (iii) developing extensive working relationships with the various local governments and local business partners. Our established regional presence gives us a first-mover advantage compared to our competitors without operations in these cities and reduces our future investment risks when we continue to grow in these regional markets.

Overall, our established nationwide coverage and our solid presence in our selected first- and second-tier cities has thus helped to ensure that our overall business operations have been less susceptible to the government policies and real estate-related austerity measures.

**We have a highly disciplined and systematic approach to land acquisitions and have strategically acquired low-cost land reserves in a prudent manner.**

We have adopted a highly disciplined and systematic approach to land acquisition. We aim to capture opportunities in China's fluctuating land market by avoiding acquisitions when the land market overheats and by engaging in land acquisitions when a low cost opportunity becomes available. In order to achieve high asset turnover and high sell-through, we typically focus on buying land which fulfills our stated product strategies, and we generally do not buy land that has title and planning issues or that requires resettlement. These issues can often take a long time to resolve, resulting in difficulties to

ascertain the development schedules of the projects. We generally acquire land based on stringent evaluations on market demand, financial and return criteria. We actively participate in land auctions but bid cautiously with strict price limit to ensure that our acquired land prices are not overly expensive.

We have a policy of building a land bank sufficient for our project developments and well diversified in terms of number of projects and different geographical regions in a prudent manner. Most of our development projects within our existing land bank are single-phase projects. These characteristics of our land bank facilitate quick asset turnover and ensure financial stability.

We acquire most of our land sites through public tenders, auctions and listings-for-sale, but we also diversify our acquisition channels by making private acquisitions, which include (i) investing in or taking over property holding companies, (ii) acquiring construction-in-progress from original project owners, or (iii) establishing joint ventures with other real estate developers for land acquisition. By having joint ventures with other renowned real estate developers for land acquisition, we believe that we are able to create synergies through collaboration, diversify our project risks and enhance our brand value. We believe that such joint ventures also show recognition of our execution capacities and governance standards.

During the six months ended June 30, 2018, we acquired 67 new projects with an aggregate contracted land cost attributable to us of approximately RMB29.2 billion. During such period, we continued to collaborate with joint venture partners to jointly develop a majority of our newly acquired projects. While we continue to focus on first-tier and strong second-tier cities, the land acquisitions we made during this period had an emphasis on laggard second-tier cities, which we believe have a potential for re-rating into a higher tier or stronger second-tier city.

In the past years, we systematically monitored and evaluated hundreds of land acquisition opportunities in cities within our operational coverage. Out of these acquisition opportunities, we pursued selected parcels of land by taking into consideration various criteria including: (i) location, as well as development and growth potential of a particular site, (ii) local governmental planning and development requirements or restrictions applicable to the site, and (iii) local market conditions and consumer behavior.

As of June 30, 2018, the total GFA of our land bank was approximately 40.4 million sq.m. and the attributable GFA of our land bank was approximately 21.1 million sq.m. As of June 30, 2018, average acquisition cost of our overall land bank (excluding Hong Kong) was approximately RMB6,100 per sq.m.

From January 1, 2013 and up to June 30, 2018, we systematically executed our land acquisition plan as follows:

Year	Number of projects	Cities	Total GFA excluding carpark (sq.m.)	Average land acquisition costs (RMB per sq.m.)
2013 . . . . .	21	Shanghai, Suzhou, Hangzhou, Hefei, Jiaxing, Beijing, Tianjin, Shenyang, Changsha, Wuhan and Chongqing	3,800,000	4,050
2014 . . . . .	10	Shanghai, Nanjing, Hefei, Suzhou, Beijing and Zhenjiang	1,302,400	7,480
2015 . . . . .	25	Tianjin, Shanghai, Beijing, Suzhou, Hangzhou, Chongqing, Nanjing, Shenyang, Wuhan, Hefei and Guangzhou	4,419,900	6,680
2016 . . . . .	36	Tianjin, Hangzhou, Shenyang, Hefei, Wuhan, Ningbo, Foshan, Yixing, Beijing, Changsha, Jinan, Chongqing Sanya and Suzhou	6,500,000	3,700
2017 . . . . .	78	Shanghai, Jiaxing, Suzhou, Wuxi, Hangzhou, Ningbo, Hefei, Beijing, Tianjin, Chongqing, Chengdu, Changsha, Zhengzhou, Sanya, Xi'an, Qingdao, Jinan, Linyi, Dalian, Shijiazhuang, Taicang, Jiashan, Pinghu, Wenzhou, Hong Kong, Dongguan, Zhongshan, Nanning, Xiamen	13,163,100	7,975
From January 1 to June 30, 2018 .	67	Hangzhou, Taizhou, Hefei, Zhangjiagang, Shanghai, Beijing, Qingdao, Jinan, Linyi, Jiaxing, Chongqing, Wuhan, Shenyang, Wuxi, Zhengzhou, Ningbo, Zhongshan, Quanzhou, Nantong, Xuchang, Zibo, Nanchang, Zhenjiang, Changzhou, Foshan, Jining, Quzhou, Xuzhou, Jiangmen, Weifang, Nanjing, Xi'an, Wuhu and Wenzhou	8,700,000	6,100

*Notes:*

- (1) Information in the above table is based on the relevant successful land tender auction confirmations, the land grant contracts, the land transfer agreements or the share transfer agreements.
- (2) The number of projects, total GFA excluding carpark, and average land acquisition costs in the above table represent the number of projects, total GFA excluding carpark and average land acquisition costs of projects that we acquired from January 1, 2013 to June 30, 2018.
- (3) The total GFA excluding carpark and the calculation of average land acquisition costs in the above table exclude the GFA of the carpark.
- (4) Figures concerning total GFA excluding carpark use GFA data rounded to the nearest hundred sq.m.
- (5) Information in the above table excludes projects in Hong Kong. In 2017, we acquired two land parcels in Hong Kong.

**We have adopted coherent business and financial strategies which balance solid growth and financial prudence.**

We have adopted coherent strategies in business expansion and cashflow management, which are well balanced for solid growth and financial stability, and enable us to lower risks.

We generate most of our operating cash from property sales. Our strong cash position enables us to strategically acquire land at competitive prices, primarily using our internally generated funds and proceeds from our offshore fundraisings. We have a policy of maintaining sufficient operating cash and saleable resources every month to cover our accumulated debt on loans maturing within one year.

We strive to maintain a prudent financial gearing with sufficient financial resources for our operations and to further improve our debt structure by targeting a longer average duration, a lower proportion of non-bank borrowings, and a lower average cost of borrowings. Following our initial public offering in November 2012, we have substantially lowered our financial gearing. As of June 30, 2018, our net debt-to-equity ratio was approximately 72.0%. Our net debt-to-equity ratio is calculated by our total indebtedness including bank and other borrowings, senior notes, and onshore bonds under IFRS less bank balances and cash including restricted cash and pledged bank deposits as a percentage of total equity at the end of the relevant financial year/period.

**We have a highly experienced senior management team and an efficient management structure between our headquarters and regional companies which support nationwide coverage.**

We have a highly experienced senior management team comprising well-regarded professionals in real estate development, planning, design, finance and other relevant aspects. Our Chairman, Mr. Lin Zhong, has about 27 years of experience in the real estate business. Our Vice Chairman, Mr. Lin Wei, and our Chief Executive Officer, Mr. Lin Feng, have about 22 years and 18 years of experience, respectively, in the real estate business. We have adopted a three-tier management system comprising our board of directors, senior management at the headquarters level and senior management at the regional project company level. This management structure ensures a direct reporting line between our regional project companies and our headquarters, which facilitates the operating efficiency for our expansion and enhances our overall internal control.

## BUSINESS STRATEGIES

We aim to become (i) one of the leading real estate enterprises in the PRC in terms of sales. (ii) a nationally renowned real estate brand name, and (iii) a mainstream real estate company in each city where we have a presence. We plan to implement the following future business strategies to achieve our stated growth objectives:

**We adopt the “balanced development and sustainable growth” strategy to pursue sustainable and quality growth.**

We target an expansion pace higher than growth rates of the industry average and those of the leading developers while stress balance and discipline to avoid radical, high gearing and low margin expansions. We will manage our expansion cautiously by taking into account our sales performance, profitability and shareholders’ return while maintain financial prudence. We will continue to follow our disciplined investment criteria and selectively acquire quality sites as and when suitable opportunities arise in order to maintain sustainable growth in saleable resources and reduce our expansion risk. We will also mitigate our business risks through lowering our exposures using joint ventures, maintaining balanced operating cash flows, lowering our finance costs and developing popular differentiating products in the mainstream end-users’ segment.

**We seek to maintain appropriate pace for land acquisition with precise product positioning and execution of development and sales.**

In the course of expansion, we emphasize on maintaining the appropriate pace for land acquisition with precise product positioning and execution of development and sales. We strive to acquire land parcels at an attractive cost during the appropriate industry cycle and sell our properties when the

market demand is robust. We continue to place strong emphasis in acquiring land to develop two main products: mass-market residential properties and office properties. We will focus on expanding in primarily China's first- and second-tier cities with large populations, of substantial market size, and with sustainable inflow of residents and investment capital. We further plan to place priority on quality sites in locations better suited for products targeted at self-use upgraders, the product segment which offers the best profit margin potential under current market condition.

**We plan to further enhance our brand recognition and improve customer satisfaction and loyalty.**

We are dedicated to improve its product quality and customer service to meet the ever-demanding preferences and needs by consumers. Based on the customer satisfaction survey conducted annually by the third-party consultancy firm engaged by us, we recorded new highs in overall customer satisfaction in property sales in 2015 compared to previous yearly ratings, evidencing that our brand recognition has further strengthened. We aim to further enhance our brand recognition by providing a higher value of our products through better architectural designs and improved landscaping. We plan to allocate more resources to brand management and brand promotion, and to incorporate customers' satisfaction as an integral and significant part of our management evaluation and appraisal system.

**We aim to further improve our product capabilities and apply innovations to our operations.**

We plan to allocate and invest more resources to enhance our product capabilities and innovations. In line with our strategy of tapping into the upgraders' market and improving our profit margin, we are committed to enhance our product capabilities and increase the proportion of our properties that are fully-fitted residential products. In 2014, the "CIFI Product Research Center" commenced operations and began its research and development of standardized fully-fitted residential product modules. Our research center studies the application of a range of construction and fitting materials and simulates the corresponding customer experience on different residential unit layouts and configurations and will strengthen our product capabilities for future development.

We strive to embrace innovations to revolutionize our business process, enhance our sales channels, and improve our product designs and provision of value-added customer services. For example, in 2014, we pioneered the industry trend of utilizing mobile Internet applications and successfully developed and applied our "CIFI Wei-Sales" platform to facilitate third-party agency sales of our properties.

## **OVERVIEW OF OUR PROPERTY DEVELOPMENTS**

As of June 30, 2018, our property portfolio consisted of over 160 property projects under various stages of development located in the Yangtze River Delta Region, the Pan Bohai Rim, the Central Western Region and the South China Region. As of June 30, 2018, approximately 83% of the total GFA of our projects were residential projects while the remaining were office and community commercial projects.

For our residential property development, we principally focus on developing residential units with comfortable living environment and proximity to public transportation networks. We target to sell these residential properties to end-users who are mainly first-time purchasers or upgraders. Within our residential property development, we mainly develop the following types of residential properties:

- high-rise and mid-rise apartments — which are typically buildings higher than nine stories;
- low-rise garden apartments — which are typically low-rise buildings of five to eight stories; and

- townhouses — which typically include connected townhouses, courtyard townhouses and split-level townhouses.

For our office and commercial property development, we principally focus on developing office projects at locations on the outskirts of first-tier cities and in city area locations in second-tier cities. Within our commercial property development, we mainly develop office projects which are office blocks used by enterprises or small or home office units used by individuals. We offer to sell these office properties both on en-bloc basis and on strata-title unit basis. These office projects offer a compelling value proposition for our customers, which are typically seeking property with the right balance amongst cost, product quality, and location.

We also develop community commercial projects, which are integrated city complexes comprising different property elements with residential, office and/or retail components. For these integrated projects, we typically intend to sell the street-level retail areas while retaining the podium retail complex and lease them out as our investment properties.

Our property development projects may be broadly categorized as follows:

- Completed projects — comprising property projects which we have completed and of which we have received the relevant certificates of completion issued by the relevant governmental authorities;
- Projects under development — comprising property projects in respect of which we have received the relevant construction work commencement permits and which or certain phase(s) of which are pending completion; and
- Projects for future development — comprising property projects in respect of which we have (a) received the relevant land use rights certificates, (b) signed the relevant land grant contracts but not yet obtained land use rights certificates, or (c) received the confirmation letter on bidding for granting land use right but not yet signed the relevant land grant contracts and, in each case, construction work has not yet commenced.

Certain of our property development projects comprising multiple phases of development may fall into any one or more of the above categories.

As of June 30, 2018, we had a land bank with an aggregate GFA of approximately 40.4 million sq.m., comprising completed unsold projects with an aggregate GFA of approximately 2.6 million sq.m., projects under development and projects for future development with an aggregate GFA of approximately 51.3 million sq.m.

## PORTRFOLIO OF OUR PROPERTY DEVELOPMENT PROJECTS

The tables below is a summary of our portfolio of property development projects as of June 30, 2018.

<b>Project</b>	<b>Primary intended use of the project</b>	<b>Saleable/Rentable GFA remaining unsold (carpark excluded)</b> <b>(sq.m.)</b>	<b>Interest attributable to us (%)</b>
<b>Completed projects</b>			
<i>Yangtze River Delta</i>			
Shanghai CIFI Pujiang International . . . . .	Office	6,458	100.0
Shanghai CIFI Luxury Courtyard . . . . .	Residential	4,778	100.0
Shanghai CIFI Comfortable Joyous Bay . . . . .	Residential	399	100.0
Shanghai CIFI Pebble Beach . . . . .	Residential	16,327	100.0
Shanghai CIFI Pleasant Garden . . . . .	Residential	3,184	100.0
Shanghai CIFI City . . . . .	Residential	14,108	100.0
Shanghai CIFI Samite Life . . . . .	Residential	5,751	100.0
Shanghai CIFI Jiangwan Mansion . . . . .	Residential	7,722	100.0
Shanghai CIFI U Block . . . . .	Office/Commercial	6,639	100.0
Shanghai CIFI Arthur Shire . . . . .	Residential	5,421	100.0
Shanghai Greenland CIFI E World Center . . . . .	Office/Commercial	11,581	50.0
Shanghai Elite Mansion . . . . .	Residential	10,155	50.0
Shanghai Henderson CIFI Center . . . . .	Residential, Office/Commercial	24,777	50.0
Shanghai CIFI Haishang International . . . . .	Office/Commercial	614	53.0
Shanghai CIFI Haishang International . . . . .	Investment properties	45,400	53.0
Shanghai CIFI Park Mansion West . . . . .	Residential	12,178	67.5
Shanghai CIFI Shilu . . . . .	Residential	1,803	100.0
Shanghai CIFI Pure Center . . . . .	Office/Commercial	4,317	45.0
Shanghai CIFI Pure Center . . . . .	Investment properties	29,663	45.0
Shanghai Shangkun CIFI Villa . . . . .	Residential	3,198	50.0
Shanghai BCL CIFI The Great City . . . . .	Residential	108,876	40.0
Shanghai Lujiazui Yangjing Project . . . . .	Office/Commercial	13,201	50.0
Shanghai Lujiazui Yangjing Project . . . . .	Investment properties	135,377	50.0
Shanghai Changning District, Huashanliyuan Project . . . . .	Residential	10,500	100.0
Suzhou CIFI Canal County . . . . .	Residential	10,923	100.0
Suzhou CIFI Luxury Courtyard . . . . .	Residential	30,826	100.0
Suzhou CIFI Private Mansion . . . . .	Residential	9,440	100.0
Suzhou CIFI Private Mansion Usonian City Villa . . . . .	Residential	11,247	100.0
Suzhou CIFI Elegant City . . . . .	Residential	20,868	100.0
Suzhou CIFI Sunny Life . . . . .	Residential	6,837	100.0
Suzhou CIFI Apple Paradise . . . . .	Residential	46,527	50.0
Suzhou CIFI Park Mansion . . . . .	Residential	2,739	100.0
Suzhou Henderson CIFI City . . . . .	Residential	94,916	50.0
Suzhou North Star CIFI No.1 Courtyard . . . . .	Residential	50,942	50.0
Suzhou CIFI Lake Mansion . . . . .	Residential	66,430	40.0
Hefei CIFI Central Park . . . . .	Residential	1,323	100.0
Hefei CIFI Private Mansion . . . . .	Residential	32,865	100.0
Hefei North Star CIFI Park Mansion Luzhou . . . . .	Residential	191,076	50.0
Hefei CIFI Lake Betsuin . . . . .	Residential	339,142	50.0
Zhenjiang CIFI Times . . . . .	Residential & Office	4,405	100.0
Nanjing CIFI Yincheng Baimalanshan . . . . .	Residential	2,561	51.0
Nanjing CIFI Nine Modern Life . . . . .	Residential	243	100.0
Nanjing CIFI Park Mansion Qinhua . . . . .	Residential	8,385	100.0
Nanjing North Star CIFI Park Mansion Jin Ling . . . . .	Residential	762	49.0
Jiaxing CIFI Square (Commercial) . . . . .	Investment properties	82,600	100.0
Jiaxing CIFI Ronchamp Town . . . . .	Residential	3,501	100.0
Hangzhou Henderson CIFI Palace . . . . .	Residential	13,021	100.0
Hangzhou Greenland CIFI Glorious City . . . . .	Residential	10,170	50.0
Hangzhou Shunfa CIFI Honor Mansion . . . . .	Residential	2,556	30.0
Hangzhou Binjiang CIFI Wanjiazhixing . . . . .	Residential	695	35.0
Hangzhou CIFI Times City . . . . .	Residential/Commercial	73,956	100.0
Hangzhou CIFI Dongfangyuefu . . . . .	Residential	1,759	29.0
Ningbo CIFI Bochenfu . . . . .	Residential/Commercial	9,301	100.0

<b>Project</b>	<b>Primary intended use of the project</b>	<b>Saleable/Rentable GFA remaining unsold (carpark excluded)</b> <b>(sq.m.)</b>	<b>Interest attributable to us (%)</b>
<i>Pan Bohai Rim</i>			
Beijing CIFI Wangxin Commercial Centre . . . . .	Investment properties	4,900	100.0
Beijing CIFI Olympic City . . . . .	Office/Commercial	5,629	100.0
Beijing CIFI International Negotiate Garden . . . . .	Office/Commercial	326	100.0
Beijing CIFI The Upper House . . . . .	Residential	13,602	80.0
Beijing CIFI The Education Park . . . . .	Office/Commercial	82	100.0
Beijing MOMA CIFI Residence . . . . .	Residential	9,644	50.0
Beijing CIFI Yihexiang . . . . .	Office/Commercial	550	59.5
Beijing CIFI N0.26 Block . . . . .	Office/Commercial	127,925	10.0
Beijing Tianheng CIFI No.7 Courtyard . . . . .	Residential/Commercial	165,252	49.0
Beijing Vanke World . . . . .	Office/Commercial	78,177	26.5
Langfang CIFI Path Walf . . . . .	Residential	36,474	100.0
Tianjin CIFI Rosedale . . . . .	Residential	3,993	100.0
Tianjin CIFI Private Mansion . . . . .	Residential	12,587	100.0
Tianjin CIFI Paradise Bay . . . . .	Residential	111,310	25.0
Tianjin CIFI Yannan Garden . . . . .	Residential	93,551	100.0
Tianjin Chengshizhiguang . . . . .	Residential	109,965	25.0
Shenyang CIFI Jin Court . . . . .	Residential	533	100.0
Shenyang Gemdale CIFI Jiuyunfenghua . . . . .	Residential	20,500	50.0
Shenyang CIFI Dongyuecheng . . . . .	Residential/Commercial	248,931	70.0
Shenyang CIFI Fantastic Apartment . . . . .	Residential	250	100.0
Qingdao CIFI Yinshengtai Dejun Fifth Phase Project . . . . .	Residential	39,110	100.0
Qingdao Shuxiang bancheng . . . . .	Residential	2,670	55.0
Jinan Changhe Estate . . . . .	Residential	85,858	20.0
<i>Central Western Region</i>			
Chongqing CIFI Ronchamp Town . . . . .	Residential	59,045	100.0
Chongqing CIFI Langyuejun . . . . .	Residential	774	100.0
Chongqing CIFI Purple City . . . . .	Office/Commercial	39,241	100.0
Chongqing CIFI City . . . . .	Residential	138,026	100.0
Chongqing CIFI City . . . . .	Office/Commercial	95,332	100.0
Chongqing CIFI City . . . . .	Investment properties	46,607	100.0
Chongqing Dongyuan CIFI Jiangshan Yue . . . . .	Residential/Commercial	527,439	30.0
Changsha CIFI Private Mansion . . . . .	Residential	106,026	100.0
Changsha CIFI International Plaza . . . . .	Residential	1,541	100.0
Changsha CIFI International Plaza . . . . .	Office/Commercial	20,921	100.0
Changsha CIFI International Plaza . . . . .	Investment properties	24,243	100.0
Changsha CIFI Dream Mansion . . . . .	Residential	6,531	80.0
Xi'an CIFI Centre (Economic and Technological Development Zone, Ronghua International Project) . . . . .	Office/Commercial	54,495	95.0
Wuhan CIFI Private Mansion . . . . .	Residential	13,585	100.0
Wuhan Yulong CIFI Peninsula . . . . .	Residential/Commercial	221,990	55.0
Wuhan CIFI Tower (Wuchang District, Phoenix Building Project) . . . . .	Office/Commercial	46,624	51.0
<i>Other</i>			
Fuzhou CIFI Riverside . . . . .	Residential	3,700	100.0
Hong Kong Nos. 44, 46, 48 & 50, Chung Hom Kok Road, No.1 Horizon Drive . . . . .	Residential	Net saleable area: 2,450 sq.m. (26,369 sq.ft.)	100.0
Carparks . . . . .		2,045,256	
GRAND TOTAL . . . . .		<b>6,238,088</b>	

*Notes:*

- (1) “Saleable/Rentable GFA remaining unsold (carpark excluded)” figures are rounded to the nearest hundred sq.m.
- (2) “Saleable GFA” represents the GFA of a property which we intend to sell and which does not exceed the multiple of the site area and the maximum permissible plot ratio as specified in the relevant land grant contracts or other approval documents from the local governments relating to the project. “Rentable GFA” refers to GFA that is not for sale and is available for rental purposes.

- (3) The figures for aggregate GFA, total GFA, saleable GFA and rentable GFA that appear in this offering memorandum are based on figures provided in the relevant governmental documents, such as the property ownership certificate, the construction work planning permit, the pre-sale permit, the construction land planning permit or the land use rights certificate. The categories of information contained in this offering memorandum are based on our internal records. Figures for GFA under development and GFA for future development and information regarding planned construction period are estimates only. The information setting out the construction period for completed blocks or phases of our projects in this offering memorandum is based on the relevant governmental documents or our internal records.
- (4) Our effective equity interest in the project refers to our effective equity interest in the project as of the date of this offering memorandum.

Project	Primary intended use of the project	Estimated Completion date	Site Area (sq.m.)	Total GFA under Development and held for Future development (Carpark excluded)			Interest attributable to us %
				(sq.m.)	Pre-sold (sq.m.)		
<b>Property under development and held for future development</b>							
Yangtze River Delta							
Shanghai CIFI La Baie D'Evian	Residential	2019	189,800	24,500	—	100.0	
Shanghai Jiuting Center	Residential/Commercial	2018–2019	83,400	154,560	—	34.0	
Shanghai Jiuting Center	Investment properties	2018–2019		72,540	—	34.0	
Shanghai Baoshan District Luodian Town Meiluo Jiayuan Community No. 01 Project	Office/Commercial	2018	30,185	45,278	—	25.0	
Shanghai Minhang District Xinzhuang Town Min Hang New Town Project	Office/Commercial	2018	15,726	51,895	—	50.0	
Shanghai Putuo District Changshou Community D5-6 Project	Investment properties	2018	11,648	45,427	—	50.0	
Shanghai Huangpu District, Madang Road Project	Office/Commercial	2020	8,600	25,800	—	50.0	
Shanghai Yangpu District, Dinghai Community Project	Office/Commercial	2020	36,500	109,500	—	50.0	
Suzhou CIFI Wujiang Mansion	Residential	2019	96,278	173,300	93,426	50.0	
Suzhou Henderson CIFI Riverside Park	Residential/Commercial	2018	N/A	115,118	81,507	30.0	
Suzhou Henderson CIFI Discovery Island Suzhou Wuzhong District, West Mountain Project	Office/Commercial	2018	N/A	100,416	33,316	30.0	
Suzhou Wuzhong District, Luzhi Project	Residential	2019	161,766	32,353	—	100.0	
Suzhou Wuzhong District, Xukou Project	Residential	2019	28,600	42,900	—	50.0	
Jiaxing CIFI Exquisite Mansion	Residential	2019	48,500	121,300	—	50.0	
Jiaxing Jiashan CIFI M City	Residential	2019	18,000	36,200	—	100.0	
Jiaxing The Landscape of Pinghu	Residential	2019	64,900	142,700	21,705	100.0	
Jiaxing CIFI Star City	Residential	2019	26,000	39,000	—	100.0	
Jiaxing Jiashan County, No. 2012-42 Project	Residential	2019	107,300	214,600	—	100.0	
Jiaxing Jiashan County, No. 2016-7 Project	Residential	2019	25,100	45,200	—	49.0	
Jiaxing CIFI One City	Residential	2020	14,500	29,000	—	49.0	
Jiaxing Jiashan County, No. 34 Project	Residential	2020	58,900	106,000	—	49.0	
Jiaxing Jiashan County, No. 54 Project	Residential	2020	35,600	89,100	—	30.0	
Yixing Grand Lakeview	Residential/Commercial	2018–2021	48,400	120,100	—	29.0	
Hangzhou CIFI Yunheyuezhang	Residential	2018	N/A	485,665	—	50.0	
Hangzhou Vanke CIFI Luna Sea	Residential/Commercial	2018	35,300	90,800	87,281	100.0	
Hangzhou CIFI Hechang Metropolis Mansion	Commercial	2018	57,600	143,900	80,766	33.0	
Hangzhou CIFI Junyuefu	Residential	2018	29,800	86,400	84,602	100.0	
Hangzhou Longfor CIFI Crystal Central	Residential	2018	57,394	114,788	112,051	23.0	
Hangzhou CIFI Powerlong East Lake City	Residential	2018	34,172	95,682	19,525	20.0	
Hangzhou Dongyuan Majestic Mansion	Residential	2018	88,494	203,536	115,829	100.0	
Hangzhou Xiaoshan District, Beigandanyuan Project	Residential/Commercial	2019	93,300	201,000	—	100.0	
Hangzhou Jianggan District, Yuanzhuiyihao Project	Commercial	2020	11,400	37,700	—	100.0	

Project	Primary intended use of the project	Estimated Completion date	Site Area (sq.m.)	Total GFA under Development and held for Future development (Carpark excluded)			Interest attributable to us %
				(sq.m.)	Pre-sold (sq.m.)	%	
Hangzhou Xihu District, Jiang Village Project	Commercial	2020	76,400	183,500	—	49.0	
Hangzhou Haishang Mingyue West	Residential	2019	21,200	46,700	45,595	33.0	
Hangzhou Linan District, Tianmushan Project	Office/Commercial	2021	1,195,200	49,900	—	100.0	
Hangzhou Linan District, Yuqian Project	Office/Commercial	2021	755,400	35,900	—	100.0	
Hangzhou Linan District, Qingshanhu, Keji Cheng Project	Residential	2020	63,500	158,700	—	50.0	
Hangzhou Xiaoshan District, Shushan Project	Residential	2019	26,600	71,800	—	50.0	
Hangzhou Lin'an District, Qingshan Lake Scitech City Light Rail Project	Residential/Commercial	2020	120,800	333,400	—	50.0	
Hefei CIFI Ronchamp Courtyard	Residential	2019	99,972	235,934	246,165	22.5	
Hefei CIFI Xizi Grace City	Residential	2020	104,800	225,200	221,031	15.2	
Hefei CIFI Wonderful Mansion	Residential	2020	139,700	297,600	300,550	20.0	
Hefei CIFI Jiuzhu Mansion	Residential	2019	22,600	56,400	16,261	100.0	
Hefei CIFI Metro Politan	Residential	2020	111,400	245,000	89,972	17.0	
Hefei New Station District, No. 215 Project	Residential	2020	85,500	154,000	—	51.0	
Hefei CIFI Lake Mansion	Residential/Commercial	2020	130,900	295,900	166,979	21.5	
Hefei CIFI Glory Land	Residential	2020	151,400	229,700	108,724	30.0	
Hefei CIFI Jade Seal	Residential/Commercial	2020	178,000	387,100	158,657	25.4	
Hefei Luyang District, No.1704 Project	Residential	2020–2021	92,200	174,200	—	51.0	
Wuxi CIFI Times	Residential	2019	137,900	413,800	136,440	60.0	
Wuxi Jiangyin City Project	Residential	2019	126,300	220,000	—	71.8	
Ningbo CIFI Shanghucheng	Residential	2021	157,100	350,100	207,370	33.0	
Ningbo Powerlong Sanjiang Palace	Residential	2019	51,600	103,200	—	50.0	
Ningbo CIFI Landscape Poetry	Residential	2019–2020	184,200	300,300	—	50.0	
Nanjing Jiangning District, G54 Project	Residential	2019	73,200	80,500	—	49.0	
Nanjing Jiangning District, G56 Project	Residential	2020	84,000	231,500	—	49.0	
Nanjing Jiangning District, G36 Project	Residential/Commercial	2020	54,200	178,200	—	20.0	
Nanjing Jiangning District, G66 Project	Residential	2019	14,700	29,400	—	100.0	
Nanjing Jiangning District, Jiulong Lake G58 Project	Office/Commercial	2020	26,700	133,300	—	33.0	
Wenzhou CIFI future city	Residential	2019	51,400	139,100	102,612	33.0	
Wenzhou Country Garden CIFI Lake mansion	Residential	2019	74,800	149,700	131,706	50.0	
Wenzhou Oujiang River Estuary Area, C-03AE Project	Residential	2020	131,100	219,900	—	34.0	
Wenzhou Oujiang River Estuary Area, C-11FH Project	Residential	2021	148,400	178,100	—	34.0	
Wenzhou Oujiang River Estuary Area, C-05A Project	Residential	2021	141,800	212,700	—	31.0	
Taicang Shaxi Town Project	Residential	2019	56,700	102,000	—	27.9	
Taicang Liuhe Town, Yinhewan Project	Residential	2019	21,200	74,900	—	16.7	
Nanchang CIFI Lingyun Mansion	Residential	2020	28,000	50,400	26,207	34.0	
Nantong Gangzha District, No. R18013 Project	Residential	2020	56,500	78,400	—	51.0	
Changzhou Tianning District, Changgaoji South Project	Residential	2020	68,000	149,600	—	100.0	
Quzhou Kecheng District, Railway Station Wanda East Project	Residential	2020	97,600	182,100	—	50.0	
Taizhou Jiaojiang District, Hongjia Street Project	Residential/Commercial	2020	28,200	57,400	—	100.0	
Wuhu Yijiang District, Yuanmutang Project	Residential/Commercial	2020	124,100	272,900	—	40.0	
Xuzhou Gulou District, Huanghe North Road Project	Residential	2020	62,600	163,500	—	100.0	
Xuzhou Xingshanzi Industrial Park, Dasanjiao Project	Residential/Commercial	2019	57,400	160,800	—	50.0	

Project	Primary intended use of the project	Estimated Completion date	Site Area (sq.m.)	Total GFA under Development and held for Future development (Carpark excluded)		Pre-sold (sq.m.)	Interest attributable to us %
				(sq.m.)	(sq.m.)		
Xuzhou Tongshan District, No.36 Project	Residential	2019	48,000	96,000	7,335	50.0	
Zhangjiagang Nanhu Road, No. 2013-B28-A Project	Residential	2019	69,800	73,300	—	100.0	
Zhangjiagang Jingang Avenue, No. 2013-B27 Project	Residential	2019	27,100	40,600	—	50.0	
Zhenjiang Jurong city, Baohua Mudan Road West Side Project	Residential	2019	52,400	131,000	—	33.0	
<i>Pan Bohai Rim</i>							
Beijing Fangshan District, Gongchen Street, No. 0007 Project	Office/Commercial	2019	10,384	25,960	—	100.0	
Beijing Fengtai District, Zhuangwei B10 Project	Office/Commercial	2019	5,200	15,500	—	100.0	
Beijing Fangshan District, Fangshan Street No.2 Project	Residential	2019	53,600	101,500	—	50.0	
Beijing Chaoyang District, Sunhe Town, Xidian Village, 2902-86 Project	Residential	2019	59,500	89,300	—	25.0	
Beijing Shunyi District, Shaya Town Matouzhuang Project	Residential/Commercial	2020	65,600	120,200	—	24.5	
Beijing Chaoyang District, Dongba Project	Residential	2019	78,000	194,900	—	26.0	
Beijing Chaoyang District, Sunhe Project	Residential	2020	53,500	58,900	—	25.0	
Shijiazhuang Yuhua District, Nanli Village Project	Residential/Commercial	2020	28,700	92,200	—	77.0	
Tianjin CIFI No.6 Courtyard	Residential	2018	96,089	99,900	97,655	70.0	
Tianjin CIFI Tianyuefenghua	Residential	2019	150,241	202,825	89,369	25.0	
Tianjin Binhai New District, Sino-Singapore Tianjin Eco-city, Tourism Area Project	Residential	2019	20,305	49,735	—	35.7	
Tianjin Jinghai District, Tuanboyishan County Project	Residential	2018	55,800	139,400	—	40.0	
Tianjin CIFI The Garden Habitat	Residential	2020	362,500	561,000	96,730	20.0	
Qingdao CIFI Yinshengtai Starry City	Residential	2019	104,900	187,000	163,677	50.0	
Qingdao CIFI Yinshengtai Zhengyang Mansion	Residential	2020	98,600	243,700	—	50.0	
Qingdao Jiaozhou City, Taihu Road Project	Residential/Commercial	2021	156,400	299,200	—	37.5	
Qingdao CIFI Yinshengtai Boguanjinan East	Residential	2019	13,800	21,600	11,711	100.0	
Qingdao CIFI Yinshengtai Boguanjinan West	Residential	2020	63,700	136,200	—	100.0	
Qingdao CIFI Yinshengtai Boguanxinghai First Phase	Residential	2020	18,600	58,700	29,805	100.0	
Qingdao CIFI Yinshengtai Boguanxinghai Second Phase	Residential	2020	24,100	34,900	—	100.0	
Qingdao CIFI Yinshengtai Boguanyipin	Residential/Commercial	2019	32,000	34,700	13,227	100.0	
Jinan Licheng District, Fengshenlu Project	Residential	2019	40,000	112,000	—	100.0	
Jinan CIFI Yinshengtai Jinyu Lanshan	Residential	2019	34,100	102,800	105,036	50.0	
Jinan Licheng District, Hancanghe Project	Residential/Commercial	2021	126,600	278,600	—	43.5	
Jinan Shizhong District, Boguanshanyue Project	Residential	2020	24,900	60,300	—	51.0	
Shenyang CIFI Luxury Mansion	Residential	2020	84,832	186,630	121,133	100.0	
Shenyang Dadong District, Vocational and Technical College South Project	Residential	2019-2022	89,354	196,580	—	50.0	
Shenyang Yuhong District, Xihe Road, No 2 Project	Residential/Commercial	2022	85,600	188,300	—	100.0	
Shenyang CIFI Metropolis A.D.	Residential/Commercial	2021	16,200	113,700	—	20.0	
Shenyang Zhongnan CIFI Harmonious Mansion	Residential/Commercial	2020-2021	99,500	199,100	—	40.0	

Project	Primary intended use of the project	Estimated Completion date	Site Area (sq.m.)	Total GFA under Development and held for Future development (Carpark excluded)		
				(sq.m.)	Pre-sold (sq.m.)	Interest attributable to us %
Shenyang Shenhe District, Tuanjie Road No. 59 Project	Residential	2020	29,400	223,600	—	100.0
Dalian Shahekou District, Police Affairs Training Base Project	Residential/Commercial	2019	16,100	16,300	—	100.0
Linyi Xinghe City	Residential/Commercial	2021	203,100	408,700	151,013	25.5
Linyi CIFI Yinshengtai, Boguanxincheng East	Residential	2019–2020	86,700	153,000	—	70.0
Linyi CIFI Yinshengtai, Boguanxincheng West	Residential	2020	59,900	221,100	—	70.0
Jining High-tech Zone, Fangyuanxinju South Project	Residential	2020	58,400	64,200	—	55.0
Weifang Kuiwen District, Jinma Road Project	Residential	2020	68,800	151,500	—	40.0
Zibo High-tech Zone, Huabei Road Project	Residential	2019	33,600	67,300	—	100.0
<i>Central Western Region</i>						
Chongqing CIFI Prime Orienting	Residential/Commercial	2018–2019	150,519	443,781	147,557	33.3
Chongqing CIFI The essence of river	Residential	2020	26,400	105,600	67,557	100.0
Chongqing CIFI Jiangzhou Impression	Residential	2022	128,000	473,600	91,172	50.0
Chongqing CIFI Waves River	Residential	2021	293,000	759,900	—	33.3
Chongqing Yubei District, Huayu Lijia Project	Residential/Commercial	2022	221,100	601,600	—	30.0
Chongqing Yuzhong District, Shidaitianje Project	Residential	2020	14,400	60,000	—	33.0
Chongqing Jiangbei District, Dashiba Project	Residential	2019	4,500	15,700	—	100.0
Chongqing Shapingba District, F6-1/F7 Project	Residential/Commercial	2019	8,500	27,700	—	50.0
Chongqing Banan District, Yu Dong No. 18032 Project	Residential	2020–2021	200,200	389,500	—	100.0
Chongqing Banan District, Yudong Xiaonanhai 18051 Project	Residential	2020	92,000	230,000	—	35.0
Chongqing CIFI Panorama	Residential/Commercial	2019–2021	323,700	831,900	—	33.3
Chengdu Chenghua District, Jinxiuhuacheng Project	Residential	2019	84,900	169,800	36,547	30.0
Chengdu Chenghua District, Beichengzhongyang Project	Residential/Commercial	2020	42,400	202,300	—	30.0
Chengdu Wuhou District, Hongpailou Project	Residential	2019	10,700	20,200	—	22.5
Chengdu Shuangliu District, 75 Mu Project	Residential/Commercial	2019	49,800	99,600	—	51.0
Changsha Henderson Arch of Triumph	Residential/Commercial	2018–2019	N/A	230,222	226,157	30.0
Changsha Kaifu District, Dadi Project	Residential	2018–2019	518,697	830,356	—	50.0
Changsha Tianxin District, Aoyuan South Project	Residential/Commercial	2019	30,100	90,200	—	70.0
Xi'an Chanba Ecological District Project	Office/Commercial	2019	27,500	151,100	—	70.0
Xi'an New Area District, Daming Palace Residential Project	Residential	2020	30,700	107,500	—	70.0
Xi'an Changning New District 31 mu Project	Residential	2019	20,600	41,200	—	50.8
Wuhan Hanyang District, Hanqiao Village Project Section B	Residential/Commercial	2019–2021	103,822	481,010	—	55.0
Wuhan Hongshan District, Qingling Village K1-2-4 Project	Residential/Commercial	2021	247,500	784,800	—	55.0
Wuhan Hongshan District, Qingling Village, K3 Project	Residential	2021	204,600	658,800	—	51.0
Wuhan Jiangxia District, Qixin Village Project	Residential	2020	70,200	238,400	—	50.0
Zhengzhou CIFI Grand Mansion	Residential	2020	69,400	173,600	81,444	21.0

Project	Primary intended use of the project	Estimated Completion date	Site Area (sq.m.)	Total GFA under Development and held for Future development (Carpark excluded)			Interest attributable to us %
				(sq.m.)	Pre-sold (sq.m.)	%	
Zhengzhou Zhengdong New Area, Baisha 5A Project	Residential	2020	49,800	154,000	—	70.0	
Xuchang Dongcheng District Project	Residential	2020	55,400	159,800	—	100.0	
<i>South China</i>							
Foshan Shunde District, Beijiao No. 005 Project	Residential	2020	81,500	203,600	—	60.0	
Guangzhou Liwan District No. 111, Baihua Road, Bai Hua Xiang Liao Chang Project	Residential	2018	31,900	143,600	—	19.0	
Foshan CIFI Homeland	Residential/Commercial	2019–2020	114,319	285,796	53,207	100.0	
Foshan CIFI City	Residential/Commercial	2019–2020	134,001	268,002	153,083	100.0	
Foshan CIFI New Century	Residential/Commercial	2018	72,964	267,143	95,981	33.3	
Sanya Yalong Bay Project	Office/Commercial	2018	46,930	18,772	5,133	50.0	
Sanya Xin'aoliyang Project	Commercial	2019	200,000	50,000	—	51.0	
Xiamen Xiang'an District, 12 Mu Project	Residential	2020	8,100	19,400	—	100.0	
Nanning Liangqing District, GC2017-095 Project	Residential	2020	25,900	67,500	—	100.0	
Dongguan Shipai Village, No. 25 Project	Residential	2020	33,900	84,700	—	100.0	
Zhongshan Nantou Town, Suixi Village Project	Residential	2020	26,300	65,900	—	100.0	
Zhongshan Nantou Town, Suixi Village No. 162-163 Project	Residential	2020	39,800	99,400	—	33.0	
Zhongshan Nantou Town, Suixi Village No. W02-17-0135 Project	Residential	2021	11,000	33,100	—	33.0	
Zhongshan Nantou Town, Suixi Village No. W02-17-0137 Project	Residential	2020	34,300	85,700	—	22.0	
Jiangmen Heshan City, Fangyuanyuedao Shoufu Project	Residential	2020	51,200	153,700	—	40.0	
Jiangmen Pengjiang District No. 4 Project	Residential	2020	60,500	166,400	—	40.0	
Quanzhou Shishi City, Baogai Town No. 2017S-40 Project	Residential	2020	68,000	169,900	—	100.0	
Net saleable area:							
Hong Kong Yau Tong Sze Shan Street Project	Residential	2020	3,816 sq.m. (41,080 sq.ft.)	21,368 sq.m. (230,000 sq.ft.)	50		
Carpark				6,727,895	330,275		
TOTAL GFA of Properties under development and held for future development							
				34,151,067	4,863,081		
GRAND TOTAL (Completed, under development and for future development)							
				40,389,155			

*Notes:*

- (1) “Saleable/Rentable GFA remaining unsold” figures are rounded to the nearest hundred sq.m.
- (2) The site area information for an entire project is based on the relevant land use rights certificates, land grant contracts or tender documents, depending on which documents are available. If more than one such document is available, such information is based on the most recent document available.

- (3) The figures for aggregate GFA, total GFA, saleable GFA and rentable GFA that appear in this offering memorandum are based on figures provided in the relevant governmental documents, such as the property ownership certificate, the construction work planning permit, the pre-sale permit, the construction land planning permit or the land use rights certificate. The categories of information contained in this offering memorandum are based on our internal records. Figures for GFA under development and GFA for future development and information regarding planned construction period are estimates only. The information setting out the construction period for completed blocks or phases of our projects in this offering memorandum is based on the relevant governmental documents or our internal records.
- (4) Our effective equity interest in the project refers to our effective equity interest in the project as of the date of this offering memorandum.

The table below is a summary of our land bank for property projects as of June 30, 2018 by city and region.

**By City and Region**

	Completed Saleable/ Rentable GFA Remaining Unsold	Under Development and held for future development		Total Land Bank	% of Total Land Bank
		GFA	Total GFA	sq.m.	%
		sq.m.	sq.m.		
<b>Yangtze River Delta</b>					
Hefei . . . . .	564,406	2,301,034	2,865,440		7.1%
Hangzhou . . . . .	102,157	1,879,806	1,981,963		4.9%
Wenzhou . . . . .	—	899,500	899,500		2.2%
Shanghai . . . . .	482,427	529,500	1,011,927		2.5%
Suzhou . . . . .	351,695	585,387	937,082		2.3%
Jiaxing . . . . .	86,101	821,900	908,001		2.2%
Ningbo . . . . .	9,301	753,600	762,901		1.9%
Nanjing . . . . .	11,951	652,900	664,851		1.6%
Wuxi . . . . .	—	633,800	633,800		1.6%
Yixing . . . . .	—	485,665	485,665		1.2%
Xuzhou . . . . .	—	420,300	420,300		1.0%
Wuhu . . . . .	—	272,900	272,900		0.7%
Quzhou . . . . .	—	182,100	182,100		0.5%
Taicang . . . . .	—	176,900	176,900		0.4%
Changzhou . . . . .	—	149,600	149,600		0.4%
Zhenjiang . . . . .	4,405	131,000	135,405		0.3%
Zhangjiagang . . . . .	—	113,900	113,900		0.3%
Nantong . . . . .	—	78,400	78,400		0.2%
Taizhou . . . . .	—	57,400	57,400		0.1%
Nanchang . . . . .	—	50,400	50,400		0.1%
<b>Sub-total</b> . . . . .	<b>1,612,443</b>	<b>11,175,992</b>	<b>12,788,435</b>		<b>31.7%</b>
<b>Pan Bohai Rim</b>					
Beijing . . . . .	406,087	606,260	1,012,347		2.5%
Tianjin . . . . .	331,406	1,052,860	1,384,266		3.4%
Langfang . . . . .	36,474	—	36,474		0.1%
Shenyang . . . . .	270,214	1,107,910	1,378,124		3.4%
Dalian . . . . .	—	16,300	16,300		0.0%
Jinan . . . . .	85,858	553,700	639,558		1.6%
Jining . . . . .	—	64,200	64,200		0.2%
Weifang . . . . .	—	151,500	151,500		0.4%
Zibo . . . . .	—	67,300	67,300		0.2%
Linyi . . . . .	—	782,800	782,800		1.9%
Shijiazhuang . . . . .	—	92,200	92,200		0.2%
Qingdao . . . . .	41,780	1,016,000	1,057,780		2.6%
<b>Sub-total</b> . . . . .	<b>1,171,819</b>	<b>5,511,030</b>	<b>6,682,849</b>		<b>16.5%</b>

\* less than 0.1%

See “— Overview of Our Property Developments” for further details of our property development projects.

## PROPERTY DEVELOPMENT

In developing a project, we follow a process of planning and execution that is systematic in approach while being flexible enough to accommodate new development in the fast-evolving business and regulatory environments of the real estate market in the PRC. Our headquarters and our regional project companies work closely together in developing a project. Our headquarters are responsible for making strategic decisions about project development, while the regional project companies generally oversee the day-to-day operations of the project development. We have adopted a three-tier management system comprising the board of directors, senior management at the headquarters level and senior management at the regional project company level. Our three-tier management system ensures a direct reporting line between the regional project companies and our headquarters, which enhances the overall internal control of our Group. We established this management and project development structure primarily because of the importance of local market conditions and other local factors to the property development industry in the PRC.

We have established key departments at our headquarters, including the Sales and Marketing Center (營銷管理中心), Operation Department (運營管理部), Design Department (設計管理部), Cost Control Department (成本審算管理部), Contract Procurement Department (合約採購管理部), Construction Management Department (工程管理部), Business Development Department (業務拓展部), Chief Executive Officer's Office (總裁辦公室), Human Resources Department (人力資源部), Financial Management Center (財務管理中心) and Legal Department (法務審計部), to oversee, support and facilitate the operations of our project companies. These include city and site selection, product positioning, design, cost planning, public tenders, contract preparation, construction, sales and marketing, financing, legal matters, human resources and other operations.

### **City and Site Selection**

City and site selection is one of the most important and fundamental steps in the property development process. Our Business Development Department is primarily involved in the city and site selection process by identifying and evaluating a range of cities and sites in the PRC for potential property development opportunities. We collect relevant information regarding the potential acquisition opportunity and conduct preliminary feasibility studies and market research to evaluate the potential risks and returns of the investment, potential property demand in that area, preferences of the target customer groups and potential competition from other property developers in the vicinity. If we are satisfied with the result of the feasibility study, we will continue with our due diligence investigations and conduct a more detailed analysis of the potential acquisition. If the due diligence result is satisfactory, we will prepare a detailed project design and investment return analysis. This will then be passed to our Investment Committee, which consists of our Chairman, Mr. Lin Zhong, our Chief Executive Officer, Mr. Lin Feng and senior management including those from our Business Development Department, Operation Department, Design Department, Cost Control Department, Sales and Marketing Center and Financial Management Department, for consideration.

We generally take into consideration various criteria when deciding whether to pursue a site at a particular time, which include: (i) adhering to land sites suitable for our development strategies, and focusing on superior locations, such as areas identified by the PRC government to be the key development areas, (ii) following our disciplined approach to land acquisition, particularly our policy of generally not buying land that has title and planning issues or that requires resettlement, (iii) taking into consideration the real estate-related austerity measures, such as the prevailing national and local governmental policies, (iv) researching on the local market conditions and consumer behaviors, (v) considering the growth potential of a particular site, and (vi) focusing on locations with rapid economic growth and significant property appreciation potential and that offer a comfortable living environment with generous supporting infrastructure and proximity to cultural, leisure and commercial facilities, as well as sites with convenient access to public transportation.

### **Land Acquisition**

We acquire land from the PRC government through public tenders, auctions and listings-for-sale. According to the “Regulations on the Grant of State-owned Land Use Rights by Tender, Auction or Listing-for-Sale” 《招標拍賣掛牌出讓國有建設用地使用權規定》, which were promulgated by the MLR on September 28, 2007 and became effective on November 1, 2007, the PRC government may only grant land use rights in respect of State-owned land for business, tourism, entertainment and residential commodity property development purposes by way of public tenders, auctions or listings-for-sale. Please refer to the section headed “Regulations” for further details of the applicable PRC laws and regulations.

In addition, we may acquire land in the PRC by (i) investing in or taking over property holding companies, (ii) acquiring construction-in-progress from the original project owners, or (iii) establishing joint ventures with other real estate developers for land acquisition. As a property developer focusing on the development and operation of integrated residential and commercial properties, our directors believe that acquiring land at competitive prices is critical to our overall development strategy.

## **Project Planning and Design**

We have standardized operating procedures that cover various phases in our development process, including planning and design. Our efficient and standardized project planning and design capabilities enable us to quickly determine and implement the positioning and design of projects. Our Design Department is responsible for generating the core concepts and master planning for our projects. Once the master design concept of a property development project is established, we outsource the detailed project design work to reputable architectural and design firms. Based on the master design concept, our Design Department collaborates with the selected architectural and design firms to transform the concept into a more detailed design drawing, which must be approved by the relevant PRC governmental authorities. Once approved, the design drawing becomes the basis of the project.

In 2014, we further established the “CIFI Product Research Center”, which focuses on the research and development of standardized fully-fitted residential product modules. Our research center studies the application of a range of construction and fitting materials and simulates the corresponding customer experience on different residential unit layouts and configurations.

## **Construction**

### ***Appointment of Construction Companies***

We outsource substantially all of our construction work to external construction contractors and select the construction contractors through a tender process. From 2010 to 2015, we engaged over 50 construction contractors. We have maintained relationships typically ranging from two to six years with these contractors. We have established a selection procedure to choose our construction contractors in order to ensure compliance with our quality and workmanship standards. We conduct detailed due diligence on the construction contractors during the bidding process. We typically take into account a construction contractor’s professional qualifications, reputation in the industry, track record, prices tendered, financial condition and technical abilities.

The construction contractor is typically obliged to undertake the construction work in strict compliance with our designs and requirements, and to provide regular progress reports to enable us to closely monitor the construction progress. Payments to construction contractors are made in stages in accordance with the terms and conditions stipulated in the construction contract signed between the construction contractors and us. The percentage of each stage payment varies from project to project. Upon signing a construction contract with us, generally, the construction contractor will be required to give us a performance bond of approximately 5% to 10% of the total payment. At closing and settlement, generally, we will settle approximately 95% of the total payment, and retain approximately 5% as retention money. The retention money is used to cover any contingent expenses incurred as a result of any construction defects. The construction contractors are required to provide us with warranties, with warranty periods generally ranging from two to five years, for any losses we incur as a result of not meeting contractually or statutorily specified quality standards. The unused portion of the retention money will be returned to the contractors after the expiry of the warranty period. In general, where the construction schedules are delayed for more than the period of time as stipulated in the contracts, we will be entitled to a pre-determined amount as penalty and, in some cases, we will have the right to terminate the contracts. Our directors believe that the amount of retention money we

withhold under our construction contracts is in line with the industry practice in the PRC and is sufficient to cover the construction warranties we give to our customers under the sale and purchase agreements.

### ***Quality Control and Construction Supervision***

We place a heavy emphasis on quality control and construction supervision of our projects. The construction contracts we enter into with the construction contractors typically contain warranties with respect to quality and timely completion of the construction projects. The following are some important measures or procedures we adopt for quality control and supervision of our property development:

- we require construction contractors to comply with the relevant PRC laws and regulations relating to the quality of construction, such as environmental, labor, social and safety regulations, as well as our own standards and specifications;
- in compliance with the relevant PRC laws and regulations, we engage certified construction supervision companies to monitor certain aspects of our project construction as specified by the relevant PRC laws and regulations. These construction supervision companies conduct quality and safety control checks on all building materials and workmanship on-site. They also monitor the progress of construction, work site safety and the construction completion schedule;
- we generally designate a few reputable suppliers from which our construction contractors can source material; and
- we exercise on-site inspection from time to time.

We did not encounter any material quality problems nor receive any material complaints in this regard nor experience any material adverse losses resulting from quality problems in 2015, 2016 and 2017 and the six months ended June 30, 2018.

### ***Procurement***

We typically procure the construction materials to be used in our projects through our construction contractors. However, in certain circumstances, we are responsible for procuring specialized building materials, such as elevators, windows, doors and interior fixtures, while the construction contractors are responsible for procuring more general construction materials such as cement and steel. In most circumstances, we designate a few reputable suppliers from which our construction contractors can source materials. This is done in order to ensure that the construction materials meet our particular standards and requirements. The construction contractors also procure all equipment necessary for each project in accordance with specifications provided by us.

### **Sales and Marketing**

#### ***Sales and Marketing Plan***

Our Sales and Marketing Center at the headquarters level formulates our nationwide marketing strategies and coordinates our promotion activities with our project companies.

The sales and marketing departments of our regional project companies are responsible for marketing our property products. Our sales and marketing personnel at the headquarters and regional levels co-operate closely to determine the appropriate sales and marketing plans for a particular project. They also conduct comprehensive market research, formulate pre-sale, sales and pricing strategies and plan and organize on-site pre-sale and sales procedures. We market our properties through traditional

advertising channels such as billboard advertisements, newspapers, magazines, model displays, as well as through internet, mobile communication and e-commerce marketing platforms. We utilized customary sales and promotional methods such as price discounts, gifts and lucky draws (with normal gifts), weekend sales events to promote sales. We also employed external professional property sales agencies from time to time to provide sales and marketing services for certain of our property development projects. In 2014, we pioneered the industry trend of utilizing mobile Internet applications and successfully developed and applied our “CIFI Wei-Sales” platform to facilitate third-party agency sales of our properties. In 2015, 2016 and 2017 and the six months ended June 30, 2018, the total selling and marketing expenses that we paid for our property development were RMB370.9 million, RMB524.5 million, RMB609.5 million (US\$92.1 million) and RMB413.2 million (US\$62.4 million), respectively, which represented 2.0%, 2.4%, 1.9% and 2.2% of our revenue for the same period.

The performance of our sales and marketing personnel is assessed throughout the sales and pre-sale process. Personnel who have met their pre-determined sales target have the opportunity to be awarded with monetary bonuses in addition to the monthly salary.

#### ***Pre-sale***

The sales process of our property projects generally begins with pre-sale. There are various PRC laws and regulations governing pre-sale of properties which impose conditions to be fulfilled before the pre-sale of a particular property can commence. These include obtaining the relevant land use rights certificate, the construction work planning permit and the construction work commencement permit. For further details of the laws and regulations governing pre-sale, please refer to the section headed “Regulations.”

The pre-sale/sale contracts for the contracted sales of the Group are based on the standard forms regulated by the relevant land and commercial bureaus and vary from city to city. Such standard pre-sale/sales contract typically requires the purchaser to pay deposits according to a payment schedule stipulated under the pre-sale/sales contract, and also stipulates the penalty in the case of late payments or default payment by the purchasers. In the case of cancelled contracted sales, which are transactions cancelled after the pre-sale contracts have been signed and registered with the relevant government authorities but before the delivery of completed properties, we generally cannot claim any damages against the purchasers under the pre-sale/sales contracts, except for the late payment penalty and the forfeiture of certain portion of monies out of paid deposits as stipulated in the pre-sale/sales contracts. The amount of deposit paid by our customers and the amount forfeited as penalty for cancelled contracted sales are based on pre-sales/sales contracts regulated by the relevant land and commercial bureaus and we are not in the position to govern or determine such amount. The actual forfeited deposit income has not and is not expected to account for a significant percentage of the contracted sales income.

For most of the properties under cancelled contracted sales, we have been able to sell them to new purchasers. As a result, our business, financial condition and operating results have not been materially and adversely affected by these cancelled contracted sales.

#### ***Payment Arrangements***

Our customers, including those purchasing pre-sale properties, can choose between payment by mortgage financing or by cash. The payment terms for pre-sale and sales of properties are substantially identical. We typically require our customers to pay a non-refundable deposit before entering into formal sale and purchase agreements. Generally, this deposit will be forfeited if the customers subsequently decide not to enter into formal sale and purchase agreements with us. Upon executing formal sale and purchase agreements, customers who choose to make cash payments are typically required to make payments in full or by installment (less any non-refundable deposit paid by them) before delivery of the

property. For customers who choose to fund their purchase using mortgage loans provided by mortgage banks, they are typically required to pay at least 30% to 70% of the purchase price as a down payment in full or by installment, and settle the outstanding balance with mortgage loan drawdowns within one to six months from the date of the formal sale and purchase agreement based on the prevailing bank mortgage policies and practices in the PRC. Our customers may need to secure additional funds if the mortgage is insufficient to settle the outstanding balance. Under the relevant PRC laws and regulations, they may obtain mortgage loans with a repayment period of up to 30 years.

In line with the industry practice in the PRC, we assist our customers with mortgage loans and provide guarantees as security for mortgage loans from the banks to our customers. As a guarantor, we are jointly responsible for the payment of amounts due under the mortgage loans. These guarantees are released upon the earlier of (i) the relevant property ownership certificates being obtained and the certificates of other interests with respect to the relevant properties being delivered to the mortgagee banks, or (ii) the settlement of mortgage loans between the mortgagee banks and our customers.

The payment method for customers of our commercial properties is similar to the payment arrangement for our residential properties, the key difference being that the down payment is typically at least 50% of the purchase price, to be paid in full or in installments, as required by the PRC laws and regulations governing commercial properties.

As of June 30, 2018, our outstanding guarantees for our customers' mortgage loans amounted to RMB18,997.8 million (US\$2,871.0 million). See "Risk Factors-Risks Relating to Our Business-The terms on which mortgage loans are available to purchasers of our properties, if at all, may affect our sales" included elsewhere in this offering memorandum.

## **Delivery and After-sales Services**

We have a dedicated customer service department to manage our after-sales services. Telephone hotlines are available to our customers to conveniently express their feedback and complaints about our properties and services. Our customers can also join our membership club, CIFI Property Customers Club (旭客會), and we provide free publications to our members to cultivate a sense of belonging and community.

### ***Delivery of Completed Properties***

We endeavor to deliver our properties to our customers on a timely basis. We closely monitor the progress of construction of our property development projects. The time frame for delivery is set out in the sale and purchase agreements entered into with our customers. Our sales and marketing staff and our construction team will inspect the properties prior to delivery to ensure quality.

Once a property development project has passed the requisite completion and acceptance inspections, we will notify our customers in respect of delivery. If we fail to deliver the property to our customers on the date of delivery stipulated in the sale and purchase agreement, we will be liable to refund a certain percentage of the pre-sale proceeds.

After delivery of completed properties, we are typically required to obtain a general property ownership certificate for each of our completed projects and, in general, will assist our customers in obtaining their property ownership certificates by providing the requisite information to the local title office for registration. Based on our experience, the actual timing for the issuance of property ownership certificates is subject to government administrative procedures and is not within our control (other than the submission of application), and it may take more time for certain cities to issue property ownership

certificates. We are subject to the risk of failing to obtain property ownership certificates. For further information, see “Risk Factors — Risks Relating to Our Business—We may not be able to complete or deliver our development projects on time.”

According to our accounting policies, our revenue is recognized when properties are delivered to our customers. The recognition of our revenue from sales of properties is not subject to the grant of the property ownership certificates to the purchasers.

### **Information Technology System**

We have invested in information technology to make our project development process more efficient and product know-how easy to use and convenient to share. We have implemented information technology systems including office automation, knowledge management, cost management, project planning and human resources. We are also in the process of implementing additional systems to complement our existing ones, such as a customer relationship management system and an enterprise resource planning system. Our human resources system enables our employees to access to our company policies and regulations and handle administrative procedures. Our enterprise resource planning system, upon implementation, will enable us to check the cost status and progress of each project, review contracts and analyze project operations.

### **INVESTMENT PROPERTIES**

Along with our residential property projects, we also develop commercial properties and retain ownership of a portion of our commercial properties for lease. As we intend to hold these properties for long-term investment purposes, they are treated as investment properties. As of June 30, 2018, we held 16 completed or under-development properties with an aggregate GFA of approximately 775,000 sq.m. as investment properties. We plan to selectively increase investment properties located in prime locations that are likely to appreciate in value.

### **PROPERTY MANAGEMENT SERVICES**

We provided property management services to the owners of our residential and commercial properties through Shanghai Yongsheng, our majority-owned subsidiary. The services provided by the above property management companies included security, maintenance of common facilities, gardening, landscaping and other ancillary services. On July 15, 2016, we entered into an equity transfer agreement to sell our majority equity interest in Shanghai Yongsheng, which has become our associated company and ceased to be consolidated into our financial statements.

Under PRC laws and regulations, the home owners of a residential community of a certain scale have the right to change the property management service provider upon consent of a certain percentage of home owners. In 2015 and 2016, we did not experience any incident where the owners of our properties terminated services of our property management companies.

### **SUPPLIERS AND CUSTOMERS**

In 2015, 2016 and 2017, our five largest customers, comprising individual purchasers of our residential properties and commercial properties for sale, in aggregate, accounted for approximately 2.4%, 2.9%, 10.2% of our total revenue, respectively, and our single largest customer accounted for approximately 0.5%, 0.5%, 3.5% of our total revenue in the same years, respectively.

In 2015, 2016 and 2017, our five largest suppliers, primarily comprising construction companies and general contractors, accounted for approximately 3.9%, 4.4%, 9.3% of our total cost of sales, respectively, and our single largest supplier accounted for approximately 1.1%, 1.1%, 2.9% of our cost of sales in the same years, respectively.

None of our directors, their associates and any shareholders (who or which to the knowledge of our directors owns more than 5% of our Company's share capital) has any interest in any of our five largest customers or suppliers.

## **COMPETITION**

Competition in the real estate market in the PRC has intensified over the past few years. We compete against national and regional real estate developers in the PRC. We compete with other real estate developers on the basis of a number of factors, including product quality, service quality, price, financial resources, brand recognition, ability to acquire land and other factors. We believe that the real estate market in the PRC has large growth potential. However, different regions of the PRC have different regulatory restrictions on property development, and consumer preferences typically vary between different regions of the PRC. We believe that, with our solid and strong foothold in a number of cities and our ability to differentiate our products, we are less affected by the changes in market conditions. Furthermore, given our product differentiation, creditworthiness, reputation, quality products and services and our management skills in developing properties in the past decade, we believe we can react promptly to challenges in the real estate market in the PRC. For further information, see "Risk Factors — Risks Relating to Our Business — Intensified competition may materially and adversely affect our business, financial condition and results of operations."

## **INSURANCE**

In accordance with the relevant PRC laws and regulations, we contribute to social welfare insurance for our full-time employees in the PRC, including basic pension insurance, basic medical insurance, unemployment insurance, work-related injury insurance and maternity insurance.

Property developers are not required under PRC national and local laws and regulations to maintain insurance coverage in respect of their property development operations. In general, our construction contractors are required to purchase certain insurance coverage for our properties. Our construction contractors typically have to maintain an all-risk policy for our properties under construction and, in general, cover the insurance of the subcontractors. We do not separately maintain all-risk policies for our properties, whether they are under development or have been completed prior to delivery. We also do not separately carry insurance against personal injury or other liabilities that may occur during the construction of our property development. Our directors consider that the insurance coverage of our Group is adequate and the insurance policy of our Group is in line with the industry standards. There is a risk that we may incur uninsured losses, damage or liabilities. For further information, see "Risk Factors — Risks Relating to Our Business — We may not have adequate insurance to cover our potential losses and claims."

## **EMPLOYEES**

As of June 30, 2018, we had approximately 6,100 full-time employees in Mainland China and in Hong Kong, of whom 5,950 employees worked for our property development business and of whom approximately 150 employees worked for our commercial property leasing and management business.

We remunerate our employees based on their performance, working experience and the prevailing market wage level. As of June 30, 2018, the total remuneration of our employees consisted of basic salary, cash bonus and share-based incentives.

## **LEGAL PROCEEDINGS AND COMPLIANCE**

From time to time, we are involved in legal or other disputes in the ordinary course of our business, primarily disputes with purchasers, construction contractors and employees. See “Risk Factors — Risks Relating to Our Business — We may be involved in disputes, administrative, legal and other proceedings arising out of our operations from time to time and may face significant liabilities or damage to our reputation as a result” for more details.

Save as disclosed above and based on information available to us, in 2015, 2016 and 2017 and the six months ended June 30, 2018, we were not involved in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our directors to be pending or threatened by or against us that may have a material adverse effect on our business, financial condition and operating results.

Property developers in China are subject to a number of environmental laws and regulations including the “PRC Environmental Protection Law” 《中華人民共和國環境保護法》, the “PRC Environmental Impact Assessment Law” 《中華人民共和國環境影響評價法》, the “PRC Prevention and Control of Noise Pollution Law” 《中華人民共和國環境噪聲污染防治法》 and the “PRC Administrative Regulations on Environmental Protection for Development Projects” 《建設項目環境保護管理條例》. Please refer to the section headed “Regulations” for details of these environmental laws and regulations.

We believe we are in compliance in all material respects with applicable environmental laws and regulations in China. In 2015, 2016 and 2017 and the six months ended June 30, 2018, we did not experience any problems in the inspections conducted by the relevant environmental authorities upon delivery of our properties to our customers. See “Risk Factors — We are subject to potential environmental liability that could result in substantial costs.”

All of our PRC subsidiaries have obtained all material licenses, permits or certificates required for our business operations and have been in compliance in all material respects with all relevant PRC laws, regulations and rules in relation to main aspects of our business operations, with the exception of a number of our PRC subsidiaries which are in the process of renewing their Real Estate Enterprise Certificates as of the date of this offering memorandum. We do not expect material legal impediments for them to renew such certificates.

## REGULATION

*Set out below is a summary of certain aspects of PRC legal and regulatory provisions relating to our operations and business. These include laws and regulations relating to land, real estate development, real estate management, hotel operation, foreign investment enterprises, foreign exchange control, overseas listing, taxation, intellectual property and labor protection.*

### **LAND**

#### **Categories of Land**

Land in the PRC is categorized by ownership type or by usage. By ownership type, land can be divided into: (i) State-owned land (“SOL”) owned by the State and (ii) collectively-owned land (“COL”) which is collectively owned, under the Land Administration Law of the PRC 《中華人民共和國土地管理法》 adopted by the Standing Committee of NPC on June 25, 1986, as revised and amended on August 28, 2004. Unless otherwise specified by law, SOL is located in urban areas while COL comprises all land in rural and suburban areas. All land for residential construction and land and hills reserved for farmers in rural and suburban areas are allowed to be retained by farmers. COL is not allowed to be used for non-agricultural construction purposes. COL may be converted into SOL by and such conversion is subject to the approval of the State Council or the local government depending on the size and the original use of the relevant parcel of COL.

According to the Land Administration Law of the PRC 《中華人民共和國土地管理法》, land can also be divided into (i) land designated for agricultural use, (ii) land designated for construction use, and (iii) unutilized land. Land designated for agricultural use refers to land used directly in agricultural production, including cultivated land, wooded land, grassland, land for farmland water conservancy and water surfaces for breeding, etc. Land designated for construction use refers to land on which buildings and structures are built, including land for urban and rural housing and public facilities, land for industrial and mining use, land for building communications and water conservancy facilities, land for tourism and land for building military installations etc. Unutilized land refers to land other than that for agricultural and construction uses. The land user shall use the land in accordance with the approved use.

The land use rights of SOL can be further divided into two categories in terms of acquisition methods pursuant to the Provisional Regulations of the PRC on the Assignment and Transfer of the Right to the Use of the 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》 promulgated by the State Council on May 19, 1990. The first category, “allocated SOL” refers to the SOL which can be acquired by a user without paying compensation in accordance with law. The second category, “granted SOL” refers to the SOL which requires the acquirer to pay a land premium in accordance with law.

Pursuant to the Interim Measures for the Administration of Allocated Land Use Right 《劃撥土地使用權管理暫行辦法》 which became effective on March 8, 1992, an entity or individual that has been granted a parcel of allocated land is required to obtain prior approval from the relevant land authority, go through the land grant procedures, and pay the land premium before transferring, leasing or mortgaging that parcel of allocated land. Otherwise, according to the Provisional Regulations of the PRC on the Assignment and Transfer of the Right to the Use of the 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》, all the income gained from the allocated land shall be confiscated by the relevant land authority. Furthermore, the entity or individual that illegally transfers, leases or mortgages the parcel of allocated land shall be fined in accordance with the seriousness of the case.

On April 1, 2017, the MOHURD and the Ministry of Land and Resources jointly issued the “Circular of Relevant Work on Strengthening the Recent Administration and Control 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》) which provides, among others, that the cities above the prefecture level, the regions where prefecture, state or league is located, or the counties (or county-level cities) that have more than one million inhabitants should make a three-year (2017–2019) plan and a five-year (2017–2021) rolling plan for housing land supply, and publicize such plans by the end of June 2017. The circular further requires that local governments should adjust the size, structure and timing of land supply for residential housing in due course based on the period of depleting commodity residential housing inventory. For example, if the above period is longer than 36 months, no more land is to be supplied; if the said period is over 18 months but shorter than 36 months, land supply shall be reduced in size; if the said period is longer than six months but shorter than 12 months, more land shall be provided; however, if the current inventory could be sold in less than six months, land supply shall increase significantly and the rhythm of land supply shall be accelerated. In addition, the circular stipulates that local authorities should adopt the examination system of land acquisition capital to insure that the property developers use internal funds to acquire lands and that, if the land bid capital originates from a questionable source, the property developers shall be disqualified and prohibited from bidding, auction or listing of land within a certain period of time.

## **REAL ESTATE DEVELOPMENT**

### **Establishment of a Real Estate Development Enterprise**

Pursuant to the PRC Urban Real Estate Administration Law 《中華人民共和國城市房地產管理法》(the “Urban Real Estate Law”) promulgated by the Standing Committee of NPC, which became effective on January 1, 1995 and was revised on August 30, 2007 and August 27, 2009, a “real estate developer” refers to an enterprise which engages in the development and operation of real estate for profit-making purposes. 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 March 19, 2018, an enterprise engaging in real estate development must satisfy the following requirements in addition to other enterprise establishment conditions provided in the relevant laws and administrative regulations:

- its registered capital must be RMB1 million or more; and
- it must have four or more full-time professional real estate/construction technicians and two or more full-time accounting officers, each of whom must hold the relevant qualification certificate. The authorities at provincial level, autonomous region level or municipalities under the direct administration of central PRC governments may impose more stringent requirements regarding the registered capital and professional qualifications of real estate enterprises.

To establish a real estate development enterprise, the developer must apply for registration with the local SAIC at or above the county level, which should, in examining the application for the registration, seek the views of the real estate development authority at the relevant level. The developer must also report its establishment to the department of real estate development in the location of its registration within 30 days of receipt of its business license.

A foreign investor intending to engage in real estate development may establish an equity joint venture, a contractual cooperative joint venture or a wholly foreign owned enterprise in accordance with the PRC laws and regulations regarding foreign-invested enterprises. On June 28, 2017, the MOFCOM and the NDRC promulgated the Catalogue of Industries for Guiding Foreign Investment (2017 Revision), or Catalogue 2017, which took effect on July 28, 2017. The Catalogue 2017 re-classifies the encouraged items subject to limitations on ownership of category, the negative list for the access of

foreign investments, and applies unified restrictive measures. In addition, 11 items are removed from the Catalogue 2017 as the same restrictions apply to both foreign and domestic investments in these items, including, for example, the construction and operation of large-scale theme parks and the construction of villas and golf courses. The Negative list for the access of foreign investment in the Catalogue 2017 is replaced by the Special Administrative Measures (Negative List) for Foreign Investment Access (Edition 2018), or the Negative List 2018, which was promulgated by the MOFCOM and the NDRC on June 28, 2018. Pursuant to the Negative list 2018, the number of items subject to special administrative measures is reduced from 63 to 48 and the real estate developments industry no longer fall within the negative list for access of foreign investment.

### **Qualification of a Real Estate Developer**

Under the Provisions on Administration of Qualifications of Real Estate Developers 《房地產開發企業資質管理規定》(the “Provisions on Administration of Qualifications”) promulgated by the Ministry of Construction on March 29, 2000 and revised on May 4, 2015 and December 13, 2018, a real estate developer must apply for a classification certificate. An enterprise may not engage in property development without a qualification classification certificate for real estate development. The competent authorities of construction under the State Council is in charge of monitoring the qualifications of all real estate developers within the PRC, and local real estate development authorities at or above the county level are in charge of monitoring the qualifications of local real estate developers. Under the Provisions on Administration of Qualifications, real estate developers are divided into four classes:

- Class 1 qualification is subject to preliminary examination by the construction authorities at the provincial level and the final approval of the competent authorities of construction under the State Council. A Class 1 real estate developer is not restricted as to the scale of its real estate projects and may undertake a real estate development anywhere in the country.
- Class 2, 3 or 4 qualifications and provisional qualifications are regulated by the construction authorities at the provincial level. A real estate developer of the Class 2 qualification or lower may undertake a project with a GFA of less than 250,000 sq.m., detailed business scope of the developer of the Class 2 qualification or lower is determined by the construction authorities at the provincial level.

Under the Provisions on Administration of Qualifications, the real estate development authorities will examine applications for registration of qualifications submitted by real estate developers by mainly considering their financial condition, and the length of time they have conducted real estate development business, the professional personnel they employ, the performance and operating results from their past real estate operations and their quality control systems. A real estate developer that passes the qualification examination will be issued a qualification certificate of the relevant class by the qualification examination authority. 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 which is limited to another higher classification. The real estate development authorities perform annual inspections of qualified developers. Developers who fail to meet the qualification requirements or which operate in breach of the requirements may have their qualification classification certificates degraded or revoked.

For a newly established real estate developer, which passes the qualification examination, the real estate development authority will issue a provisional qualification certificate within 30 days of receipt by the authority of the relevant application for filing. The real estate developer must apply to the real estate development authority within one month before the expiry of its provisional qualification certificate for a formal qualification classification certificate. Any failure to obtain the required provisional or formal qualification certificate or a development of a project exceeding the prescribed

scope of the qualification may result in a fine ranging from RMB50,000 to RMB100,000 and, if such failure is not rectified within the prescribed period, the developer's qualification certificate and/or business license may be revoked.

## **Acquisition of Land Use Rights**

Although all land in the PRC is owned by the State or is collectively owned, 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 ways of which are either a grant of land use rights by local land authorities or a transfer of land use rights by land users who have obtained land use rights. The grant of land use rights from local land authorities may be carried out by means of tender, auction or listing-for-sale and subject to the regulations discussed below as applicable, pursuant to agreements entered into directly with the local governments.

### **Grant of Land Use Rights**

Pursuant to the Regulation on the Grant of Land Use Rights Through Bilateral Agreement 《協議出讓國有土地使用權規定》 promulgated by the MLR, which became effective on August 1, 2003, land use rights may be granted by way of a bilateral agreement between the relevant land authority and a grantee other than by means of tender, auction or listing-for-sale as required by laws, regulations or rules. The land premium set out in a bilateral agreement should not be lower than the minimum price set by the central government. For land in areas with standard land prices, the land premium pursuant to any bilateral agreement should not be less than 70% of the standard land price of the relevant land category. If the price guidelines are not adhered to, the land use rights cannot be granted. If there is only one prospective land user on the plot of land to be granted, the land authority may grant the land use rights through a bilateral agreement with the exception of land used for business, tourism, entertainment, residential commodity properties and other purposes for business operations. Upon full payment of the land premium, a land user may register with the land administration authority and obtain a land use rights certificate as evidence of the acquisition of the land use rights. 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 State-owned Land Use Rights by Tender, Auction or Listing-for-Sale 《招標拍賣掛牌出讓國有土地使用權規定》 (the "2002 Regulations"), issued by the MLR in May 2002. The 2002 Regulations specifically provide that the land to be used for operational purposes, including business, tourism, entertainment, and residential commodity properties, or land for which there are two or more prospective land users, must be granted by way of tender, auction or listing-for-sale. A number of measures are provided by the 2002 Regulations to ensure such grant of land use rights for commercial purposes is conducted openly and fairly. On November 1, 2007, the Regulations on the Grant of State-owned Construction Land Use Rights by Tender, Auction or Listing-for-Sale 《招標拍賣掛牌出讓國有建設用地使用權規定》 (the "2007 Regulations"), became effective to further strengthen the 2002 Regulations. The 2007 Regulations also require that the land used for industrial purpose (except land for mining) shall be granted by way of tender, auction or listing-for-sale. The 2007 Regulations further specify that the grantee of State-owned construction land use rights shall pay the premium for the grant of State-owned land use rights fully in accordance with the land grant contract before it could proceed with the relevant procedures for grant of State-owned land use rights registration and apply for a land use rights certificate. No grantee could be granted a land use rights certificate for the land in proportion to the partial payment of the premium that the grantee has paid. According to the Notice on Relevant Issues Concerning the Strengthening of Examination and Approval of Land Use in Urban Construction 《關於加強城市建設用地審查報批工作有關問題的通知》, promulgated by the MLR on September 4, 2003, from the day of promulgation, land use for high-end residential commodity properties shall be stringently controlled, and applications for land use right to build villas shall be stopped.

On May 22, 2014, the MLR issued the Provisions on the Economical and Intensive Use of Land 《節約集約利用土地規定》, which came into effect on September 1, 2014. The provisions require the use and price of commercial land to be determined by tender, auction or listing-for-sale. Compensation for all types of land supply shall not be lower than the lowest standards stipulated by the government. No circumvention of land transferring fees shall be allowed by means of land-exchange projects, return of fees after collection or subsidies.

On March 31, 2004, the MLR and the Ministry of Supervision issued the Notice Regarding Supervision Work of Legal Enforcement Situation of Granting Business Land Use Rights Through Tender, Auction or Listing-for-Sale 《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》, which requires that commencing on August 31, 2004, land designated for the purposes of business operations shall be granted through tender, auction or listing-for-sale and may not be granted pursuant to the bilateral agreements entered into directly with the local land authority for any historical reasons.

The Notice on Issues Relating to the Strengthening of Land Control 《關於加強土地調控有關問題的通知》 promulgated by the State Council on August 31, 2006 sets out the administration of the income and expenditure relating to land premium, modifies the tax policies relating to the land and created a system of the publication of the standards of the lowest price in respect of the grant of the land use rights for SOL for industrial purposes.

On November 18, 2009, five governmental authorities, including the MOF, Ministry of Supervision, National Audit Office of the PRC, MLR and PBOC issued the Notice on Further Strengthening the Management of the Income and Expenditure Relating to Land Grants 《關於進一步加強土地出讓收支管理的通知》 to regulate the management of income and expenditure on land grants. In particular, property developers are required to provide a down payment of no less than 50% of the land premium and are required in principle to pay all of the land premium in installments within one year.

Pursuant to the Notice on Issues relating to Strict Enforcement of Adjustment Policies on Real Estate Land and Improvement of the Healthy Development of Land Market 《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》 promulgated by the MLR on December 19, 2010 and became effective on the same date:

- provincial MLR shall reinforce the examination of public notices relating to the grant of land use rights by way of public tenders, auctions or listings-for-sale, and shall require the municipal and county MLR to withdraw these public notices and formulate a new plan for granting land use rights if any of the following events occur:
  - (i) land use rights granted over a parcel of land where the land area exceeds the size approved by the relevant competent authorities;
  - (ii) more than one parcel of land is granted to the same bidder at the same time;
  - (iii) land use rights granted over a parcel of land where the demolition of buildings erected on such land has not been carried out or the occupants of such land have not been compensated for the demolition and resettlement;
  - (iv) land use rights granted over a parcel of residential land with a plot ratio of less than one;
  - (v) land use rights granted to an unlawful entities; and

- (vi) land use rights granted in other circumstances which will be in contravention of the relevant PRC laws and regulations.
- bidders for the land use rights and their controlling shareholders are not allowed to pass the bidder qualification examination if they, among other things, (i) fraudulently obtain land use rights by falsifying documents, (ii) resell or transfer land use rights illegally, (iii) leave the land idle for more than one year due to the their own acts, and/or (iv) develop land in manners which contravenes the terms of the land use rights contracts. In addition, the bidders and their controlling shareholders are prohibited from participating in the grant of land use rights process before they rectify the above acts.

On January 26, 2011, the General Office of the State Council issued the Notice on Further Adjustment and Control of the Real Estate Market 《國務院辦公廳關於進一步做好房地產市場調控工作有關問題的通知》 to provide stricter management regulations of housing land supply. Among the various requirement set out by the notice, entities and persons participating in the bidding of land shall state the source of capital and provide the relevant evidence.

Pursuant to the Notice on Further Strengthening the Administration of the Costs and Revenues Associated with Land Transfer 《關於進一步加強土地出讓收支管理的通知》, jointly issued by the MOF, the MLR, the PBOC, the Ministry of Supervision and the National Audit Office on November 18, 2009, all payments for land use rights made in installments must be made in full within one year. In certain circumstances the payment term may be extended to two years upon the approval of the competent authorities. In addition, the initial installment payment may not be less than 50% of the total price of the land use rights.

The Emergency Notice on Further Tightening the Administration on Real Estate Land Use and Reinforcing the Control Results of Real Estate Market 《關於進一步嚴格房地產用地管理鞏固房地產市場調控成果的緊急通知》(the “Emergency Notice”) promulgated on July 19, 2012, further emphasized the strict enforcement of current regulations on land grants:

- the plot area ratio for residential land shall not be less than 1.0;
- for all types of housing construction projects, construction work shall be commenced within one year of the date when the land is delivered as set forth in the land grant contract and shall be completed within three years after its commencement date;
- the bidding deposit for a land grant shall not be less than 20% of the base price; and
- the land grant contract shall be signed within 10 working days after a land grant deal is concluded, a down payment of 50% of the land premium shall be made within one month after signing the contract, and the remaining payment shall be made in a timely manner in accordance with the contract and in any event no more than one year.

According to the Circular on the Implementation of the Catalog for Restricted Land Use Projects (2012 Edition) 《限制用地項目目錄(2012年本)》 and the Catalog for Prohibited Land Use Projects (2012 Edition) 《禁止用地項目目錄(2012年本)》 promulgated by the MLR and the NDRC on May 23, 2012, the area of a plot of land to be granted for residential use may not exceed (i) seven hectares for small cities and towns, (ii) 14 hectares for medium-sized cities or (iii) 20 hectares for large cities. The plot area ratio for residential land shall not be lower than 1.0. No land may be granted for “villa” property projects.

Under the Urban Real Estate Law 《中華人民共和國城市房地產管理法》, those who have obtained the land use rights through grant must develop the land in accordance with the terms of use and within the period of commencement prescribed in grant contract for the land use rights.

### Transfer of Real Estate

According to the Provisions on the Administration of Urban Real Estate Transfer 《城市房地產轉讓管理規定》 promulgated by the Ministry of Construction in August 1995, as amended in August 2001, a real estate owner may sell, donate or otherwise legally transfer real estate to another person or entity. When transferring a building, the ownership of the building and the land use rights attached are transferred together. The parties to the transfer must enter into a written real estate transfer contract and register the transfer with the competent real estate authority within 90 days of the execution of the transfer contract.

If the land use rights are initially obtained by way of a grant from a local land authority, the following conditions shall be satisfied when the real estate is transferred:

- the land premium having been paid in full according to the terms of the land grant contract, and land use rights certificate having been obtained;
- where investment and development is carried out in accordance with the terms of the land grant contract if it relates to (i) house construction projects, not less than 25% of the total development project shall be completed; and (ii) development of whole plot of land, the land having been developed and constructed according to the planning, and the construction of the civil infrastructure and public facilities such as water supply, drainage, power supply, heat supply, roads, traffic and communications having been completed, and the conditions for industrial use or construction having been fulfilled; and
- where the building was completed, the property ownership certificate have been obtained. If the land use rights are initially obtained by way of a grant from a local land authority, the term of the land use rights after the real estate transfer will be the remaining portion of the original grant obtained by the original land users.

If the land use rights transferred are initially obtained by way of allocation, the transfer shall be approved by the competent government authorities. Except as provided by relevant laws, the transferee must complete the formalities for the transfer of land use rights and pay the land premium after the transfer approval is obtained.

### Pre-examination of the Construction Sites

Under the Measures for Administration of Examination and Approval for Construction Sites 《建設用地審查報批管理辦法》 promulgated by the MLR on March 2, 1999 and amended on November 30, 2010 and November 29, 2016, and the Measures for Administration of Preliminary Examination of Construction Project Sites 《建設項目用地預審管理辦法》 promulgated by the MLR on November 29, 2008 and became effective on January 1, 2009 which was amended on November 29, 2016 and became effective on January 1, 2017, a real estate developer must make a preliminary application for construction to the relevant land administrative authority when carrying out a feasibility study on a construction project. Upon receipt of a preliminary application, the land administration authority will carry out a preliminary examination of various aspects of the construction project in compliance with the overall zoning plans and land supply policies of the PRC Government, and will issue a preliminary approval if it is satisfied with the result of its examination. The opinions derived from this preliminary examination are requisite documents for the approval of the construction project.

## **Planning Permits and Construction Permits**

Under the Measures for Administration on Planning of Granting and Transfer of Right to Use Urban State-owned Land 《城市國有土地使用權出讓轉讓規劃管理辦法》 promulgated by the Ministry of Construction on December 4, 1992 and which became effective on January 1, 1993 and was amended on January 26, 2011, after obtaining a construction land planning permit, the real estate developer shall organize the necessary planning and design work in accordance with planning and design requirements and apply for a construction work planning permit from the relevant urban planning authority pursuant to the Law of the PRC on Urban and Rural Planning 《中華人民共和國城鄉規劃法》 promulgated by Standing Committee of the NPC in October 2007 and effective on January 1, 2008 and revised on April 24, 2015.

A real estate developer must apply for a construction work commencement permit from the relevant construction administrative authority under the local people's government above the county level pursuant to the Measures for the Administration of a Construction Permit of Construction Projects 《建築工程施工許可管理辦法》 promulgated by the MOHURD on June 25, 2014 and became effective on October 25, 2014 and was amended on September 19, 2018.

The Notice on Forwarding the Opinions of Such Departments as the Ministry of Construction relating to the Adjustment House Supply Control Structure and Stabilizing Property Prices (the “Guo Ban No.37 Document”) 《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》 promulgated by the General Office of the State Council on May 24, 2006 stipulates that since June 1, 2006, with regard to newly approved or constructed residential commodity properties, houses with a construction area of less than 90 sq.m. (including economically affordable houses) shall take up more than 70% of the total area to be constructed. The projects which have received project development approvals prior to the date on which Guo Ban No. 37 Document became effective but have not obtained construction work commencement permits must adjust their planning in order to confirm with the above-mentioned requirement. The Certain Opinions regarding the Implementation of the Ratio Requirements for the Structure of Newly Constructed Residential Properties 《關於落實新建住房結構比例要求的若干意見》 issued by the Ministry of Construction on July 6, 2006 restates that since June 1, 2006, houses in individual cities (or counties) with a construction area of less than 90 sq.m. shall comprise 70% of the total area of commodity houses newly approved and commenced in one year (calculated from June 1). All cities are required to implement the conditions for the planning and design of newly-built residential commodity properties and determine the structural proportion of residential commodity properties strictly in compliance with the above-mentioned requirements, and may not violate such requirement without authorization. The urban planning administration will not issue the construction work planning permit if any entity violates these requirements without authorization. If the planning and design is not in compliance, the examination and approval authorities of the design documents and the construction drawings will not issue the qualification certificate and, consequently, the construction administrative authority shall not issue the construction work commencement permit, and the real estate development authority shall not issue the Pre-sale Permit.

## **Completion of a Real Estate Project**

Construction projects shall be delivered for use only after passing the inspection and acceptance test under Article 61 of the PRC Construction Law 《中華人民共和國建築法》, which became effective on March 1, 1998 and subsequently amended on April 22, 2011.

A real estate development project must comply with various laws and legal requirements concerning planning, construction quality, safety and environment and technical guidance on architecture, design and construction work, as well as provisions contained in the relevant contracts. On January 30, 2000, the State Council promulgated and implemented the Regulation on the Quality Management of Construction Projects 《建設工程質量管理條例》 (revised on October 7, 2017), which

sets out the respective quality responsibilities and liabilities for developers, construction companies, exploration companies, design companies and construction supervision companies. After the construction of a project is complete, the real estate developer must arrange an inspection and acceptance test under the supervision of the relevant competent governmental authorities together with the relevant parties involved in the construction and experts (if necessary) according to the Provisions on Inspection Upon Completion of Buildings and Municipal Infrastructure 《房屋建築和市政基礎設施工程竣工驗收規定》 promulgated by the MOHURD on December 2, 2013. The real estate developer shall submit records for filing to the departments in charge of project construction of the relevant local governmental authorities above the county level in the area where the projects are constructed within 15 days after the projects having successfully passed the completion acceptance inspection, pursuant to the Measures for the Administration on the Filing of Inspection Upon Completion of Buildings and Municipal Infrastructure 《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》, promulgated by the Ministry of Construction on April 4, 2000 and amended by the MOHURD on October 19, 2009.

### **Sale of Commodity Properties**

Under the Measures for Administration of Sale of Commodity Properties 《商品房銷售管理辦法》 promulgated by the Ministry of Construction on April 4, 2001 and became effective on June 1, 2001, the sale of commodity properties can include both sales prior to the completion of the properties and sales after the completion of the properties.

### **Pre-Sale of Commodity Properties**

Any pre-sale of commodity properties must be conducted in accordance with the Measures for Administration of Pre-sale of Commodity Properties 《城市商品房預售管理辦法》 (the “Pre-sale Measures”) promulgated by the Ministry of Construction on November 15 1994, as amended on August 15, 2001 and July 20, 2004. The Pre-sale Measures provide that any pre-sale of commodity properties is subject to specified procedures. The pre-sale of commodity properties shall be subject to a licensing system. If a real estate developer intends to sell commodity properties in advance, it shall apply to the real estate administrative authority to obtain a pre-sale permit. The pre-sale of commodity properties is required to meet the following conditions:

- the related land premium having been fully paid up and a land use rights certificate having been obtained;
- a construction work planning permit and a construction work commencement permit having been obtained; and
- the funds invested in the development of the commodity properties intended for pre-sale representing 25% or more of the total investment in the project and the progress of construction and the completion and delivery dates having been properly determined.

The proceeds of pre-sale of commodity properties must be used to develop the relevant project. Further, the Pre-sale Measures authorizes the real estate administrative authority on the provincial autonomous regional and municipal level to set up their implementation rules in accordance with the Pre-sale Measures.

## **Sales after the Completion of Commodity Properties**

Commodity properties may be put up for post-completion sale only when the preconditions for such sale have been satisfied. Under the Regulatory Measures on the Sale of Commodity Properties 《商品房銷售管理辦法》, the sale of commodity properties after the completion shall meet the following conditions:

- the real estate development enterprise has a business license and a qualification classification certificate for real estate development;
- the land use rights certificates or approval documents of land use having been obtained;
- the construction work planning permit and the construction work commencement permit having been obtained;
- the commodity properties having been completed, inspected and accepted as qualified;
- the relocation of the original residents having been completed;
- the supplementary essential facilities such as the supply of water, electricity, heating and gas, and communications are ready for use, and other public facilities are ready for use, or the schedule of the property management plan is completed; and
- the property management plan shall have been completed.

The Provisions on Sales of Commodity Properties at Clearly Marked Price 《商品房銷售明碼標價規定》 was promulgated by the NDRC on March 16, 2011 and became effective on May 1, 2011. According to the provisions, any real estate developer or real estate agency (“real estate operators”) is required to mark the selling price explicitly and clearly for both newly-build and second-hand commodity properties. The provisions require real estate operators to clearly indicate the prices and relevant fees of commodity properties, as well as other factors affecting the prices of commodity properties to the public. With respect to the estate development projects that have received property pre-sale license or have completed the filing procedures for constructed properties, real estate operators shall announce all the commodity properties available for sales on at once within the specified time limit. Furthermore, with regard to a property that has been sold out, real estate operators are obliged to disclose this information and to disclose the actual transaction price. Real estate operators cannot sell commodity properties beyond the explicit marked price or charge any other fees not explicitly marked. Moreover, real estate operators may neither mislead properties purchasers with false or irregular price marking, nor engage in price fraud by using false or misleading price marking methods.

## **Estate Loan**

In June 2003, the PBOC issued the Notice on Further Strengthening the Management of Real Estate Credit Business 《關於進一步加強房地產信貸業務管理的通知》 to tighten the criteria for banks to issue loans to real estate development enterprises, governmental land reserve institutions, construction enterprises, individual buyers of residential properties and individual buyers of commercial properties.

On August 30, 2004, the CBRC issued the Guidance on Risk Management of Property Loans Granted by Commercial Banks 《商業銀行房地產貸款風險管理指引》. Pursuant to this guidance, commercial banks: (i) may not grant land reserve loans to borrowers whose capital funds are not in place or are seriously inadequate or whose operational management is non-standard; (ii) shall not grant loans in any form to projects that have not obtained the land use rights certificate, the construction land

planning permit, the construction work planning permit or the construction work commencement permit; and (iii) shall require that the capital ratio of development projects of real estate enterprises applying for loans be not less than 35%.

On September 27, 2007, the PBOC and the CBRC promulgated the Notice on Strengthening the Credit Management of Commercial Real Estate 《關於加強商業性房地產信貸管理的通知》, with a supplemental notice issued on December 5, 2007, aiming to tighten the control over real-estate loans from commercial banks to prevent excessive credit granting. The measures adopted include:

- If the loan is used for the purchase of a first self-use residential property with a GFA not larger than 90 sq.m., the proportion of down payment to the loan (including loans denominated in RMB and foreign currencies) shall not be less than 20%.
- If the loan is used for the purchase of a first self-use residential property with a GFA larger than 90 sq.m., the proportion of down payment to the loan shall not be less than 30%; if a borrower has already purchased a house with a loan and applies to purchase another one, the proportion of down payment to the loan shall not be less than 40%, and the loan interest rate shall not be less than 1.1 times that of the corresponding benchmark interest rate over the same corresponding period released by the PBOC.
- Commercial banks shall not issue housing mortgage loans where the loan amount fluctuates with the appraised value of the real estate and the usage is not clearly specified. For a house purchased with a mortgage, before the purchaser of such property repays the loan in full, its re-appraised net value shall not be used as the mortgage for additional loans.
- Houses for commercial use that are purchased with loans shall be houses of which the construction has been completed and accepted. The proportion of down payment for purchasing houses for commercial use shall not be less than 50%, with the loan period not exceeding ten years and the loan interest rate not less than 1.1 times that of the corresponding benchmark interest rate over the same corresponding period released by the PBOC.
- If a borrower applies for loans for houses to be used for both commercial and residential purposes, the proportion of down payment shall not be less than 45% and the provisions governing the administration of loans for houses for commercial use shall apply with regard to the loan period and interest rate level.
- Commercial banks shall not issue loans to real estate development enterprises that have been found by relevant governmental authorities to be hoarding land and houses.

In addition, commercial banks shall not issue loans to the real estate development enterprises with a capital ratio of development projects of less than 35%, or the real estate development enterprises that fail to obtain the land use rights certificate, construction land planning permits, construction work planning permits and construction work commencement permits. Commercial banks shall not accept commodity properties that have been vacant for more than three years as collateral for loans. In principle, real estate loans provided by commercial banks should only be used for projects in the areas where the commercial banks are located. Commercial banks shall not provide loans to real estate development enterprises to finance their payments for land premiums.

On July 29, 2008, the PBOC and CBRC promulgated the Notice on Financially Promoting Saving and Intensification of Use of Land 《關於金融促進節約集約用地的通知》, which, among other things, has the effect of:

- prohibiting commercial banks from granting loans to real estate developers for the purpose of paying land premiums;
- regulating secured loans for land reserves in various respects, including the requirements to obtain a land use rights certificate, to secure up to 70% value of the security's appraised valuation, and to limit the length of maturity to no more than two years;
- requiring lenders to be cautious in granting or extending loans to any property developer that (i) delays the commencement of development date specified in the land grant contract by more than one year, and (ii) has not finished one-third of the land area for the intended project, or (iii) has not invested a quarter of the intended total project investment amount; and
- prohibiting the grant of loans to the property developer for land which is recognized as being idle for over two years by the PRC land and resources authorities and the acceptance of such idle land as security for loans.

On October 22, 2008, the PBOC issued the Notice on Several Issues Regarding the Expansion of Downward Floating Interest Rate for Individual Commercial Housing Loans 《關於擴大商業性個人住房貸款利率下浮幅度等有關問題的通知》 to reduce the down payment requirements to 20% of the purchase price, and to lower the lending rate for residential properties of a commercial nature for individuals to 70% of the benchmark lending rate.

On May 25, 2009, the State Council issued the Notice on Adjusting Capital Ratio of Fixed Asset Investment Projects 《關於調整固定資產投資項目資本金比例的通知》, which sets out the minimum capital ratio for ordinary residential property development projects and social security housing development projects as 20%, and the minimum capital ratio for other property development projects as 30%.

On January 7, 2010, the General Office of the State Council promulgated the Notice on Promoting the Stable and Sound Development of the Real Estate Market 《關於促進房地產市場平穩健康發展的通知》, which, among other things, provides that family units (including the borrower, the borrower's spouse and minors) with outstanding mortgage loans intending to buy second residential properties for themselves are required to pay a down payment of no less than 40% of the purchase price for these second residential properties, and the applicable interest rate shall be set strictly based upon the associated risk level.

On April 17, 2010, the State Council also issued the Notice on Strict Control of the Escalation of Property Prices in Certain Cities 《關於堅決遏制部分城市房價過快上漲的通知》, which further increased the minimum down payment in respect of mortgage loans on purchases of a second residential property by individuals to 50% of the purchase price and provides that the applicable mortgage rate must be at least 1.1 times that of the corresponding benchmark interest rate over the same corresponding period released by the PBOC. The minimum down payment in respect of mortgage loans on purchases of a third or a further residential property by individuals may be substantially increased at the commercial bank's discretion and based on its risk control policies. The notice also specifies that the down payment for first self-used residential properties with a GFA of more than 90 sq.m. must be at least 30% of the purchase price. In addition, in those areas where property prices have escalated and property supply is tight, commercial banks may, depending on the level of risk, suspend granting

mortgage loans to buyers purchasing a third or a further residential property or to those non-local residents who fail to provide certificates evidencing their payment for over one year of local tax or social insurance.

On September 29, 2010, the PBOC and CBRC promulgated the Notice on Promoting Differentiated Housing Credit Policy 《關於完善差別化住房信貸政策有關問題的通知》, which, among other things:

- prohibits commercial banks from granting or extending loans to property developers that violate laws and regulations such as:
  - (i) holding idle land;
  - (ii) changing the land use and nature;
  - (iii) delaying the commencement and completion of development; and
  - (iv) intentionally holding back the sale of properties in the market for the purpose of selling these properties at a higher price in the future;
- prohibits commercial banks from granting housing loans to families that purchase three or more houses or non-local residents who fail to provide certificates evidencing their payment for over one year of local tax or social insurance; and
- increases the minimum of down payment to at least 30% for all first home purchases with mortgage loans.

On November 2, 2010, the MOHURD, the MOF, the PBOC and the CBRC jointly promulgated the Notice on Relevant Issues Concerning Policies of Regulation of Housing Provident Fund for Individual Housing Loan 《關於規範住房公積金個人住房貸款政策有關問題的通知》, which provided that, among other things:

- where a first-time home buyer (including the borrower, the borrower's spouse and minors) uses the housing provident fund for individual housing loans to buy an ordinary residential property for self-use, the minimum down payment shall be at least:
  - (i) 20%, if the GFA of the property is equal to or less than 90 sq.m.;
  - (ii) 30%, if the GFA of the property is more than 90 sq.m.;
- for a second-time home buyer that uses housing provident fund for individual housing loans, the minimum down payment shall be at least 50% and the minimum lending interest rate shall be 110% of the lending interest rate of a first-time home buyer of the same corresponding period;
- the second housing provident fund for individual housing loan will only be available to families whose per capita housing area is below the average in locality and such loan must only be used to purchase an ordinary house for self-use to improve residence conditions; and
- the housing provident fund for individual housing loans to families for their third or further residential property will be suspended.

On January 26, 2011, the General Office of the State Council issued the Notice on Further Adjustment and Control of Real Estate Market 《國務院辦公廳關於進一步做好房地產市場調控工作有關問題的通知》. According to this notice, second residential property purchasers are required to pay a

down payment of no less than 60% of the purchase price for these second residential properties and the applicable mortgage rate must be at least 1.1 times that of the corresponding benchmark interest rate. Local branches of the PBOC may raise the down payment ratio and interest rate on loans for second residential properties based on the following factors: the price control target set by the local government for newly constructed residential properties and policy requirements, as well as national unified credit policies.

On February 26, 2013, the General Office of the State Council issued the Notice on Continuing Adjustment and Control of Property Markets 《關於繼續做好房地產市場調控工作的通知》 which reaffirmed the above measures.

On September 29, 2014, PBOC and CBRC issued the Notice on Further Improvement of Housing Finance Service 《關於進一步做好住房金融服務工作的通知》, which states that, among other things:

- For the family to purchase its first residential property for private use with an individual loan, the down payment of the purchase shall be 30% of the total purchase price and the minimum of the interest rate of the loan is 70% of the base interest rate, and the specific rate may be determined by the bank at its discretion based on the risk.
- For the family which has already owned one residential property and paid up the relevant loan, should it apply for loan again for the second residential property to improve its living conditions, the bank can treat it as the first residential property for its loan application.
- In cities where the measures of “restrictions on house buying” are lifted or not imposed, for the family who has already owned two or more residential properties and paid up the relevant loans, should it apply for loan again for another residential property, the bank shall decide on the percentage of down payment and interest rate by prudently considering the borrower's solvency and credit status.

Banks may approve loan applications submitted by non-residents who satisfy the relevant policies and qualifications based on local urbanization development plans.

On March 30, 2015, the PBOC, CBRC and the MOHURD jointly issued the Notice on Issues of Individual Mortgage Loans Policies 《關於個人住房貸款政策有關問題的通知》 to lower the minimum down payment to 40% for a family that owns a residential property and has not paid off its existing mortgage loan applying for a new mortgage loan to purchase another ordinary residential property to improve living conditions and allow banks at their own discretion to decide the down payment ratio and loan interest rate taking into consideration the solvency and credit standing of the borrowers.

Where the family of a worker who pays housing provident fund contributions uses a housing provident fund commission loan to purchase the first residential property to be used as the purchaser's residence, the minimum down payment ratio is 20%; where the family of a worker who already owns one residential property, of which relevant housing loan has been settled, files a new application for a housing provident fund commission loan for purchasing of another residential property as the purchaser's residence for the purpose of improving its living conditions, the minimum down payment ratio is 30%.

On March 25, 2016, the General Office of Shenzhen Municipal People's Government of Guangdong Province issued the Opinions on Consummating Housing Security System and Promoting the Development of Real Estate Market Stably and Healthily 《深圳市人民政府辦公廳關於完善住房保障體系促進房地產市場平穩健康發展的意見》, which requires every District People's Government of Shenzhen and all units directly under the Shenzhen Municipal Government to increase multi-channel housing supply, improve the housing security system, implement the differentiated housing credit policy, improve the housing purchase policy, regulate the real estate market order and strengthen the prevention and control of the real estate financial risks.

On March 24, 2016, the General Office of Shanghai Municipal People's Government forwarded the Circular of Several Opinions of Shanghai Housing Urban and Rural Construction Management Committee and Other Three Departments on Further Consummating Housing Security System and Promoting the Development of Real Estate Market Stably and Healthily 《上海市人民政府辦公廳轉發市住房城鄉建設管理委等四部門關於進一步完善本市住房市場體系和保障體系促進房地產市場平穩健康發展若干意見的通知》, which requires relevant units under the Shanghai Municipal Government to establish the real estate market supervision joint meeting, increase land supply for housing, implement the housing purchase restriction policy strictly, implement the differentiated housing credit policy, strengthen the market supervision and law enforcement inspection, promote the low-rent housing and public rental housing, increase the talent apartment housing, consummate the establishment, supply and management of common property security housing, and promote the transformation of old areas and “villages in the city”.

From September 30, 2016 to date, Shanghai, Suzhou, Wuhan, Beijing, Hangzhou and other cities have issued new property market control policies, including restoring the restriction on purchases of residential properties and tightening credit policy. On October 10, 2016, the MOHURD issued the Circular on Further Regulating Operations of Real Estate Developers to Safeguard the Real Estate Market Order (關於規範房地產開發企業經營行為維護房地產市場市場秩序的通知), which requires that improper operations of real estate developers shall be investigated and punished according to law. The improper operations include releasing or spreading false housing information and advertisements, maliciously pushing higher and artificially inflating housing prices by fabricating or spreading information on rising property price and other operations.

On August 11, 2016, Suzhou Municipal People's Government issued the Notice on Further Strengthening the Implementation of Real Estate Market Management in Suzhou City (關於進一步加強蘇州市區房地產市場管理的實施意見的通知), or the Notice 119, which formulates several opinions, among others, to increase the supply of land market, adjust the land supply conditions, improve the real estate pre-sale management, strengthen the price management of commercial housing, consummate the differential housing credit policy. According to the Notice 119, for any family which has owned a residential property with unsettled individual commercial housing loan, the family is required to pay a down payment of no less than 50% of the purchase price in Suzhou city; and for any family which has owned at least two residential properties with unsettled individual commercial housing loan, the family is prohibited from borrowing the housing loan.

On November 14, 2016, Wuhan Municipal People's Government General Office issued the Opinions on Further Promoting the Development of Real Estate Market Stably and Healthily 《關於進一步促進我市房地產市場持續平穩健康發展的意見》, which requires to strengthen the housing transaction restricted measures, increase the supply of the real estate, prevent the land price from raising too fast, improve the real estate pre-sale management, strengthen the supervision of the real estate market and develop the information disclosure and public opinion guidance.

On November 25, 2016, the Shanghai Housing Urban and Rural Construction Management Committee, People's Bank of China Shanghai Branch and China Banking Regulatory Commission Shanghai Regulatory Bureau promulgated the Notice on Promoting the Stable, Healthy and Orderly

Development of Shanghai's Real Estate Market and Further Consummating the Differential Housing Credit Policy 《關於促進本市房地產市場平穩健康有序發展進一步完善差別化住房信貸政策的通知》(the "Circular 1062"), which, among other things, provides that:

- each housing administrative authority shall strengthen the housing transaction supervision, verify the housing status and information of the purchasers and issue the inspection results according to relevant rules and regulations;
- for any family which purchases its first residential property (namely, the family has no residential property in Shanghai nor any record of commercial housing loan or housing provident fund loan) with individual commercial housing loan, the family is required to pay a down payment of no less than 35% of the purchase price;
- if any of the following conditions is met, for any family which purchases an ordinary residential property with individual commercial housing loan, the family is required to pay a down payment of no less than 50% of the purchase price, and for any family which purchases a non-ordinary residential property with individual commercial housing loan, the family is required to pay a down payment of no less than 70% of the purchase price:
  - a) The family has no residential property in Shanghai but has record(s) of commercial housing loan or housing provident fund loan; or
  - b) The family has one residential property in Shanghai.

On November 28, 2016, the Shanghai Housing Provident Fund Management Committee issued the Circular on Adjusting the Policies of Shanghai Municipality on Housing Provident Fund for Individual Loan 《關於調整本市住房公積金個人貸款政策的通知》(the "Circular 18"), which, among other things:

- provides that, for any family which has no residential property in Shanghai nor any record of housing provident fund loan, the residential property bought by such family shall be treated as the first residential property for its loan application and the credit policy remains unchanged.
- provides that, for any family which has no residential property in Shanghai but has one loan record, or has one residential property and intends to purchase the second residential property to improve its living conditions, the residential property bought by such family shall be treated as the second residential property for improving living conditions for its loan application. Under such circumstances:
  - a) the interest rate of housing provident fund for individual loans is adjusted to 110% of the lending interest rate of a first-time residential property purchaser of the same period;
  - b) the maximum loan amount is adjusted to RMB800,000 (or RMB1,000,000 if additional housing fund is applicable) for a family and RMB400,000 (or RMB500,000 if additional housing fund is applicable) for an individual; and
  - c) the down payment shall be no less than 50% of the purchase price for an ordinary residential property and no less than 70% of the purchase price for a non-ordinary residential property.
- prohibits the Shanghai Housing Provident Fund Management Center from providing a loan to any applicant if:
  - a) the family already has two loan records;

- b) the purpose of purchasing a second residential property by the family is not for improving living conditions.

On March 17, 2017, Beijing Municipal Housing and Urban Construction Committee, People's Bank of China Business Administration Department, China Banking Regulatory Commission Beijing Regulatory Authority, Beijing housing provident fund management center issued the Notice on Perfecting Commercial Housing Sales and Differentiated Credit Policy (關於完善商品住房銷售和差別化信貸政策的通知), which suspended the personal housing loans (including housing provident fund loans) with the term more than 25 years and required that:

- for any family which has no residential property in Beijing nor any record of housing provident fund loan and the commercial housing loans, the ordinary self-housing bought by such family shall be treated as the first residential property and its down payment is no less than 35%; and such family is required to pay a down payment of no less than 40% for the non-ordinary self-housing.
- for any family which has one residential property in Beijing and any family which has no residential property in Beijing but has record of housing provident fund loan or the commercial housing loans, the family is required to pay a down payment of no less than 60% for ordinary self-housing and no less than 80% for non-ordinary self-housing.

On March 28, 2017, Hangzhou Housing Security and Real Estate Administration issued the Notice on Further Improving Housing Restrictions on Sale and Sale (關於進一步完善住房限購及銷售監管措施的通知), which required that: the city adult residents who are single (including divorced residences) should only purchase a set of housing in the restricted area (including the new commercial housing and second-hand housing); and the family which immigrated in Tonglu, Jiande, Lin'an, Chun'an from other place should purchase the housing since the date of immigration with full two years in the restricted area (including the new commercial housing and second-hand housing).

## **Trust Financing**

Pursuant to the Measures on Administration of Trust Companies 《信託公司管理辦法》(the “Trust Measures”), which became effective on March 1, 2007, “trust companies” shall mean the financial institutions which are incorporated in accordance with the Company Law of the People’s Republic of China and are engaged mainly in trust business in the PRC. “Trust business” shall mean the business operation that the trust company undertakes as a trustee of a trust and handles the trust matters under a fiduciary capacity for the purpose of operating business and receiving remunerations. The minimum amount of registered capital of a trust company shall be RMB300 million or the equivalent value in a freely convertible currency.

Pursuant to the Notice on Strengthening the Supervision of Trust Companies’ Real Estate Business 《關於加強信託公司房地產信託業務監管有關問題的通知》 promulgated by the General Office of CBRC on February 11, 2010, trust companies may not offer loans for land acquisitions or early-stage land development and may only grant loans to eligible property developers who satisfy specific requirements set out in the notice.

On November 12, 2010, the CBRC issued the Notice on Risk Alert for Trust Companies’ Real Estate Business 《關於信託公司房地產信託業務風險提示的通知》 to require all trust companies to conduct self-examination immediately on the compliance risk of the real estate trust business. Business compliance and risk exposure shall be analyzed on a case-by-case basis, including whether the real estate development projects to which loans were issued by trust companies have satisfied the conditions such as the availability of all the “Four Permits” (namely, the land use rights certificate, construction land planning permit, construction work planning permit and construction work commencement permit),

whether the real estate developer or its controlling shareholder have obtained Class 2 qualification, and whether capital ratio of the project has reached the national minimum requirement. All banking regulatory bureaus shall strengthen compliance supervision and risk control over real estate business of trust companies within their jurisdiction. If problems are discovered during self-examination and inspection, measures shall be taken immediately to order the trust company for rectification and non-compliance behavior shall be penalized in accordance with the relevant rules and regulations.

### **Investment in Real Estate Developers and Projects**

On February 14, 2017, the Asset Management Association of China issued the Administrative Rules for the Filing of Private Equity and Asset Management Plans by Securities and Futures Institutions No. 4 — Investment in Real Estate Developers and Projects by Private Equity and Asset Management Plans (證券期貨經營機構私募資產管理計劃備案管理規範第4號-私募資產管理計劃投資房地產開發企業、項目) (the “Rule Four”). According to the Rule Four, any private equity and asset management plan that is adopted to make either direct or indirect investment into any ordinary residential property projects located in any of 16 specified cities, including Beijing, Shanghai, Guangzhou, Shenzhen and Xiamen, where the property prices are rising too fast, shall temporarily not be allowed to file for recording purposes. The Rule 4 requires that the asset manager fulfill its obligations in a downward penetrating examination. Also, the Rule 4 provides that a private equity and asset management plan shall not be used to finance any real estate developer, whether in the form of bank entrusted loans, trust plans or transfers of beneficial interests in assets, for the purpose of acquiring land use rights or supplementing working capital, or for use, directly or indirectly, to facilitate any illegal margin loans for down payments.

### **Leases of Buildings**

Under the Urban Real Estate Law 《中華人民共和國城市房地產管理法》 and the Measures for Administration of Leases of Commodity Properties 《商品房屋租賃管理辦法》, promulgated by the MOHURD on December 1, 2010 and became effective on February 1, 2011, parties to a building lease should enter into a written lease contract and register the lease with the relevant real estate administrative authority. Whenever a lease is signed, amended, extended or terminated, the parties are required to register the details with the relevant real estate administrative authority. Parties that fail to do so, even after being ordered by the relevant authorities, will be subject to a fine.

### **Mortgages of Real Estate**

The mortgage of real estate is mainly governed by the Property Law 《中華人民共和國物權法》, Security Law of the PRC 《中華人民共和國擔保法》, the Urban Real Estate Law and the Measures for Administration of Mortgages of Urban Real Estate 《城市房地產抵押管理辦法》. According to these laws and regulations, land use rights, the buildings and other attachments on the ground may be mortgaged. To create a mortgage interest, the parties concerned shall conclude a mortgage contract in writing and register the mortgage. The mortgage interest is created as of the date of registration. Where a building is mortgaged, the land use rights within the area occupied by the building shall be mortgaged along with the building. Where the land use rights are mortgaged, the buildings on the land shall be mortgaged along with such rights. However, the newly-built houses on the land that is already mortgaged shall not be included in the mortgaged property. Where it is necessary to auction the mortgaged real estate, the newly-built houses on the land may be auctioned, according to law, together with the mortgaged property, but the mortgagee shall have no right to enjoy the priority of having his claim satisfied by the proceeds from auction of the newly-built houses. Where a piece of property of which a property ownership certificate has been obtained in accordance with the law is mortgaged, the relevant registration authority shall record the additional types of ownership on the original property ownership certificate, which shall subsequently be kept by the mortgagor. A Certificate of Other Rights of Property shall be issued to the mortgagee. Where pre-sale commodity properties or construction in

process is mortgaged, the registration authorities shall specify the circumstances on the mortgage contract. Where construction of the mortgaged property is completed during the period of mortgage, the parties concerned shall, following acquirement of a property ownership certificate by the mortgagor, undertake a new mortgage registration.

## Idle Land

The concern of the MLR on handling of idle land began in 1999. On April 26, 1999, the MLR promulgated the Measures on Handling of Idle Land 《閑置土地處置辦法》 which determine the scope and definition of idle land and set out the corresponding punishment measures, including payment of idle land fee and repossession of idle land without compensation, and in most recent years, the MLR, and the State Council have taken further measures to supervise and handle idle land, such as the Notice on Strengthening the Handling of Idle Land 《關於加大閑置土地處置力度的通知》 promulgated on September 8, 2007, the Notice on Promoting Saving and Intensification of Use of Land 《關於促進節約集約用地的通知》 issued on January 3, 2008 and the Notice on Further Strengthening Land Use and Construction Management Control of Real Estate 《關於進一步加強房地產用地和建設管理調控的通知》 jointly promulgated by the MOHURD and the MLR on September 21, 2010, On June 1, 2012, the MLR revised and promulgated the Measures for the Disposal of Idle Land 《閑置土地處置辦法》 which further clarified the scope and definition of idle land, and the corresponding punishment measures compared to the old version. Pursuant to the new Measures for the Disposal of Idle Land, under the following circumstances, a parcel of land shall be defined as “idle land”:

- any State-owned land for construction use, of which the holder of the land use right fails to start the construction and development thereof within one year after the commencement date of the construction and development work as agreed upon and prescribed in the contract for fee-based use of State-owned land for construction use, or the decision on allocation of State-owned land for construction use;
- any State-owned land for construction use of which the construction and development have been started but the area of land that is under construction and development is less than one third of the total area of land that should have been under construction and development or the invested amount is less than 25% of the total investment, and the construction and development of which has been suspended for more than one year;
- if a parcel of land is deemed as idle land by competent department of land and resources, unless otherwise prescribed by the new Measures for the Disposal of Idle Land, the land shall be disposed of in the following ways:
  - where the land has remained idle for more than one year, the competent department of land and resources at the municipal or county level shall, with the approval of the people's government at the same level, issue the Decision on Collecting Charges for Idle Land to the holder of the right to use the land and collect the charges for idle land at the rate of 20% of the land assignment or allocation fee; and the said charges for idle land shall not be included in the production cost by the holder of the land use right;
  - where the land has remained idle for more than two years, the competent department of land and resources at the municipal or county level shall, with the approval of the people's government having the jurisdiction to approve thereof, issue a Decision on Taking Back the Right to Use the State-owned Land for Construction Use to the holder of the right to use the land and take back the right to use the land without compensation; and if any mortgage is created on the idle land, a copy of the Decision on Taking Back the Right to Use the State-owned Land for Construction Use shall be sent to each mortgagee thereof.

## **Environment**

The laws and regulations governing the environmental protection requirements for real estate development in the PRC mainly include the PRC Environmental Protection Law 《中華人民共和國環境保護法》, the PRC Environmental Impact Assessment Law 《中華人民共和國環境影響評價法》, the PRC Prevention and Control of Noise Pollution Law 《中華人民共和國環境噪聲污染防治法》 and the PRC Administrative Regulations on Environmental Protection for Construction Projects 《建設項目環境保護管理條例》. Pursuant to these laws and regulations, depending on the impact of the project on the environment, an environmental impact report, an environmental impact analysis table or an environmental impact registration form must be submitted by real estate developer before the relevant authorities grant approval for the commencement of the construction of the property development. In addition, upon completion of the property development, the relevant environmental authorities will also inspect the property to ensure compliance with the applicable environmental protection standards and regulations before the property can be delivered to the purchasers.

## **LAWS AND REGULATIONS RELATING TO HOTEL OPERATIONS**

### **Laws Governing Security and Fire Control**

Pursuant to the Provisions on the Administration of Fire Safety of State Organs, Organizations, Enterprises and Institutions 《機關、團體、企業、事業單位消防安全管理規定》 which was promulgated by the Ministry of Public Security of the PRC on November 14, 2001, became effective on May 1, 2002 and revised on May 21, 2009, hotels are classified as key administrative units of fire control safety. In April 1998, the Standing Committee of NPC promulgated the PRC Fire Prevention Law 《中華人民共和國消防法》, which was amended in October 2008. The PRC Fire Prevention Law 《中華人民共和國消防法》 requires that public gathering places, including hotels, shall pass a fire prevention safety inspection by the local public security fire-fighting department prior to the commencement of business.

### **Consumer Protection**

In October 1993, China adopted the Law on the Protection of the Rights and Interests of Consumers 《中華人民共和國消費者權益保護法》(the “Consumer Protection Law”) which was revised on October 25, 2013. Under the Consumer Protection Law, a business operator providing a commodity or service to a consumer is subject to a number of requirements, including the following:

- ensuring that commodities and services meet with certain safety requirements;
- disclosing serious defects of a commodity or a service and adopting preventive measures against damage occurrence;
- providing consumers with accurate information and refraining from conducting false advertising;
- not setting unreasonable or unfair terms for consumers or alleviating or releasing itself from civil liability for harming the legal rights and interests of consumers by means of standard contracts, circulars, announcements, shop notices or other means; and
- not insulting or slandering consumers or conducting searches on consumers or articles carried by consumers or infringing upon the personal freedom of a consumer.

Business operators may be subject to civil liabilities for failing to fulfill the obligations discussed above. These liabilities include restoring the consumer’s reputation, eliminating the adverse effects suffered by the consumer, and offering an apology and compensation for any loss incurred. The following penalties may also be imposed upon business operators for the breach of these obligations:

issuance of a warning, confiscation of any illegal income, imposition of a fine, an order to cease business operations, revocation of business license or imposition of criminal liabilities under circumstances that are specified in laws and statutory regulations.

## REAL ESTATE MANAGEMENT

According to the Regulation on Property Management 《物業管理條例》, enacted by the State Council on June 8, 2003 and enforced on September 1, 2003, as amended on March 19, 2018 and February 6, 2016 and effective on the same day, the state implements a qualification scheme system in monitoring the property management enterprises. According to the Decision of the State Council on Canceling the Third Batch of Administrative Licensing Items Designated by the Central Government for Implementation by Local Governments (國務院關於第三批取消中央指定地方實施行政許可事項的決定) (GF [2017] No. 7) issued by the State Council on January 12, 2017 and came into effect on the same day, the qualifications for province and city level property management companies with second or below classifications were canceled.

According to the Decision of the State Council on Canceling a Group of Administrative Licensing Items (國務院關於取消一批行政許可事項的決定) (GF [2017] No. 46) issued by the State Council on September 22, 2017 which came into effect on the same day, qualification accreditation for property management enterprises of Level One was canceled.

According to the Notice of the General Office of Ministry of Housing and Urban-Rural Development on Effectively Implementing the Work of Canceling the Qualification Accreditation for Property Management Enterprises (住房城鄉建設部辦公廳關於做好取消物業服務企業資質核定相關工作的通知) (Jianbanfang [2017] No. 75) issued by the General Office of Ministry of Housing and Urban Rural Development on December 15, 2017 and came into effect on the same day, pursuant to which the application, change, renewal or re-application of the qualifications of property management enterprises shall not be accepted, and the qualifications obtained will no longer be required for property management enterprises to undertake new property management projects.

On March 19, 2018, the State Council issued Decision of the State Council to Amend and Repeal Certain Administrative Regulations (2018) (國務院關於修改和廢止部分行政法規的決定(2018)) (Order of the State Council No. 698), according to which the Regulations on Property Management (物業管理條例) was amended. The Regulations on Property Management (2018 revision) (物業管理條例(2018年修正)) has removed all the qualification requirements for the property management enterprises.

## NEW RULES OF FOREIGN INVESTMENT IN THE REAL ESTATE MARKET IN THE PRC

On July 11, 2006, the Ministry of Construction, MOFCOM, NDRC, PBOC, SAIC and SAFE jointly promulgated the Regulation on the Access to and Administration of Foreign Investment in the Real Estate Market 《關於規範房地產市場外資准入和管理的意見》(the “171 Opinion”), which was amended and became effective on August 19, 2015. Under the 171 Opinion, a foreign investor investing in real estate in the PRC must establish an FIREE and if its total investment amount is over US\$10 million, the registered capital of the FIREE has to be at least 50% of the total investment amount. A real estate FIREE is not allowed to obtain loans (domestic or overseas) unless its registered capital has been fully paid off, the land use rights certificate has been obtained or at least 35% of the total project investment has been injected as the initial capital funding of the project. The 171 Opinion also contains restrictions on the purchase of properties located in the PRC by foreign individuals and entities. It provides that branches and representative offices (except for those that are approved to conduct real estate business) of foreign institutions in the PRC and foreign individuals who work or study in the PRC for more than one year may purchase commercial housing to satisfy their personal or institutional needs but not for any other purpose. Foreign institutions with no branches or representative offices in the PRC or foreign individuals who work or study in the PRC for less than one year are prohibited from buying

any commercial housing in the PRC. Residents of Hong Kong, Macau and Taiwan and overseas Chinese are not subject to the one-year residency requirement and may purchase commercial housing within a limited GFA in the PRC for their own residential use.

On May 23, 2007, MOFCOM and SAFE jointly promulgated the Notice on Further Reinforcing and Regulating the Approval and Supervision on 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》, which was amended and took effect on October 28, 2015. The notice provides stricter controlling measures as follows:

- foreign investment in the real estate market in the PRC relating to high-end properties is to be strictly controlled;
- prior to obtaining approval for the establishment of an FIREE, either (i) both the land use rights certificates and property ownership certificates must have been obtained, or (ii) contracts for obtaining land use rights or property ownership must have been entered into. If the above requirements have not been satisfied, the approval authority will not approve the application;
- a foreign-invested enterprise needs to obtain approval before expanding its business scope into the real estate sector and an FIREE which has been established for real estate development purposes needs to obtain approvals to engage a new real estate development project;
- acquisition or investment in domestic real estate enterprises by means of round trip investment (including by the same actual controlling person) is to be strictly regulated. Overseas investors shall not circumvent the necessity of securing approvals for foreign investment in real estate by way of changing the actual controlling person of a domestic real estate enterprise. If the foreign exchange authority finds that the FIREE has been established by providing false representation, action will be taken against the enterprise for its evasion of foreign exchange;
- investors of an FIREE are prohibited from engaging in a fixed return agreement or any agreements of a similar nature; and
- the local SAFE administrative authority and designated foreign exchange banks may not perform the foreign exchange purchase and settlement process for any FIREE which fails to satisfy the filing requirement of MOFCOM.

On June 18, 2008, MOFCOM promulgated the Notice on Better Implementation of the Filing of Foreign Investment in the Real Estate Industry 《關於做好外商投資房地產業備案工作的通知》, under which MOFCOM authorizes the provincial departments in charge of commerce to verify record-filing materials of FIREEs. After local commercial departments approving matters relating to foreign real estate investments (including establishment of an enterprise, increase of capital, issuance of new shares, equity transfer, merger and acquisition, and other relevant matters), local departments should submit the materials to the relevant provincial commercial departments for verification. After the verification, the provincial departments will file the record filing form of FIREE with MOFCOM.

On November 22, 2010, the General Office of MOFCOM promulgated the Notice on Reinforcing the Approval and Filing Management of the FIREEs 《關於加強外商投資房地產業審批備案管理的通知》. The notice provides, among other things, that:

- FIREEs are prohibited from making profit gains by purchasing completed and non-completed real estate properties in China and subsequently selling these properties;
- local MOFCOM shall approve the establishment of foreign-invested investment enterprises (外商投資的投資性公司) in China strictly in accordance with the relevant PRC laws and regulations, and shall not approve the establishment of foreign-invested investment enterprises (外商投資的投資性公司) engaging in real estate business; and
- local MOFCOM shall inspect real estate enterprises in China that are involved in round-trip investments and strictly control the establishment of these enterprises.

On June 24, 2014, MOFCOM and SAFE jointly issued the Circular of MOFCOM and SAFE on Improving the Record-filing for Foreign Investment in Real Estate 《商務部外匯局關於改進外商投資房地產備案工作的通知》, which came into effect on August 1, 2014, to enhance the government control of record-filing in China's real estate industry.

On November 6, 2015, MOFCOM and SAFE jointly issued the Circular of the Ministry of Commerce and the State Administration of Foreign Exchange on Further Improving the Filing of Foreign Investments in Real Estate 《商務部、外匯局關於進一步改進外商投資房地產備案工作的通知》, which was effective on the same day, to further simplify the administrative procedures for foreign-invested real estate enterprises and cancel the record-filing publication procedure on the MOFCOM website.

On October 8, 2016, the MOFCOM issued the Interim Measures for Record-filing Administration for the Incorporation and Alteration of Foreign-invested Enterprises 《外商投資企業設立及變更備案管理暫行辦法》 ("Circular 3") (revised on July 30, 2017 and June 30, 2018) which took effect on the same day. According to the Circular 3, if the incorporation and change of a foreign-invested enterprise does not involve special access administrative measures prescribed by relevant PRC authorities, the examination and approval of such foreign-invested enterprise is changed to the record-filing administration.

## **FOREIGN EXCHANGE CONTROL**

On January 29, 1996, the State Council promulgated the PRC Regulations on the Control of Foreign Exchange 《中華人民共和國外匯管理條例》 which became effective on April 1, 1996 and was amended on January 14, 1997 and August 5, 2008. This regulation classifies all international payments and transfers into current account items and capital account items. Current account items are no longer subject to SAFE approval, but the conversion of Renminbi into other currencies and remittance of the converted foreign currency outside the PRC for the purpose of capital account items, such as direct equity investments, loans and repatriation of investment, require prior approval from SAFE or its local counterparts. Payments for transactions that take place within the PRC must be made in Renminbi. Unless otherwise approved, PRC companies must repatriate foreign currency payments received from abroad.

On June 20, 1996, the PBOC promulgated the Regulations on Administration of Settlement, Sale and Payment of Foreign Exchange 《結匯、售匯及付匯管理規定》 which became effective on July 1, 1996. These regulations superseded the relevant provisional regulations and repealed the remaining restrictions on convertibility of foreign exchange in respect of current account items while retaining the

existing restrictions on foreign exchange transactions in respect of capital account items. Foreign-invested enterprises may retain foreign exchange in current accounts with designated foreign exchange banks subject to a cap set by SAFE or its local counterparts.

In July 2014, SAFE issued the Circular 37 and its implementation guidelines, which abolishes and supersedes the Circular 75 and its related implementation rules and guidelines. Pursuant to the Circular 37 and its implementation guidelines, PRC residents (including PRC institutions and individuals) must register with local branches of SAFE in connection with their direct or indirect offshore investment in an overseas SPV directly established or indirectly controlled by PRC residents for the purposes of offshore investment and financing with their legally owned assets or interests in domestic enterprises, or their legally owned offshore assets or interests. Such PRC residents are also required to amend their registrations with SAFE when there is a significant change to the SPV, such as changes of the PRC individual resident's increase or decrease of its capital contribution in the SPV, or any share transfer or exchange, merger, division of the SPV. Failure to comply with the registration procedures set forth in the Circular 37 may result in restrictions being imposed on the foreign exchange activities of the relevant onshore company, including the payment of dividends and other distributions to its offshore parent or affiliate, the capital inflow from the offshore entities and settlement of foreign exchange capital, and may also subject relevant onshore company or PRC residents to penalties under PRC foreign exchange administration regulations.

On August 5, 2008, the State Council further amended the PRC Regulations on the Control of Foreign Exchange 《中華人民共和國外匯管理條例》, under which several provisions have been revised, including:

- removing the compulsory requirement to repatriate foreign currency payments received from abroad by permitting the foreign currency payments to be repatriated back or deposited abroad in accordance with the required conditions and periods;
- removing the compulsory requirement to convert the foreign currency proceeds in the current account into RMB by permitting those proceeds in the current account to be reserved or sold to financial institutions in accordance with the rules;
- allowing domestic institutions and individuals to invest abroad directly or indirectly, subject to the foreign exchange registration and approval or filing as provided by other laws and regulations; and
- adopting the market-determined and managed floating RMB exchange rates system.

Pursuant to the Circular of the State Administration of Foreign Exchange on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises 《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》 promulgated by SAFE on March 30, 2015, which became effective on June 1, 2015 and the Circular of the State Administration of Foreign Exchange on Reforming and Regulating the Management Policies Regarding the Settlement under Capital Account 《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》 which was promulgated and became effective on June 9, 2016, the foreign exchange capital of foreign-invested enterprises shall be subject to the discretionary foreign exchange settlement, which refers to that the foreign exchange capital in the capital account of foreign-invested enterprises for which the confirmation of rights and interests of monetary contribution by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) has been handled can be settled at the banks based on the actual operation needs of the enterprises. The proportion of discretionary settlement of foreign exchange capital of foreign-invested enterprises is temporarily determined as 100%. SAFE can adjust the aforementioned proportion in due time based on the situation of international balance of payments. In addition, the circulars facilitate foreign-invested enterprises in carrying out, among others,

domestic equity investment with the capital obtained from foreign exchange settlement. The use of capital by foreign-invested enterprises shall follow the principles of authenticity and self-use, be within the business scope of the enterprises, and shall not be for the following purposes: i) payments beyond the scope of business of the enterprises or prohibited by laws and regulations, ii) investments in bonds or other types of investments (principal-guaranteed bank products excluded), iii) loans to non-related enterprises unless explicitly permitted by the scope of business and iv) payments related to construction or purchase of real estate properties not for self-use (real estate enterprises excluded).

## **REGULATIONS RELATING TO EMPLOYEE STOCK OPTIONS**

Pursuant to the Implementation Rules of the Administrative Measures for Individual Foreign Exchange 《個人外匯管理辦法實施細則》 promulgated by SAFE on January 5, 2007 and became effective on February 1, 2007, which was amended on May 29, 2016, and the Notice on Certain Issues of Foreign Exchange Administration regarding PRC Individuals' Participation in Employee Share Incentive Plans and Employee Stock Option Plans of Overseas Listed Companies 《關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》 promulgated by SAFE on February 15, 2012 and came into force on the same day, PRC citizens who are granted shares or share option by an overseas listed company under its employee share option or share incentive plan are required, through the PRC subsidiary of such overseas listed company which the employee is belonging to, to mandate uniformly one qualified PRC agency to register with SAFE and complete certain other procedures relating to the share option or other share incentive plan.

## **ADMINISTRATIVE RULES ON STABILIZING PRICES OF REAL ESTATE MARKET**

To stabilize Housing Prices and promote stable development of real estate market, the Chinese government has promulgated comprehensive regulatory and control policies from varies aspects, including land supply, tax policies, setting entry thresholds for foreign investors, commercial facility policies and credit supports.

On January 7, 2010, the General Office of the State Council issued the Notice on Promoting the Stable 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》 to further regulate the real estate market. The notice provides for 11 measures addressing the following objectives:

- effectively increasing the supply of social welfare housing and ordinary residential commodity properties;
- directing consumers to make reasonable purchases of residential properties and discouraging investment and speculation in the housing market;
- strengthening credit risk management for real estate projects and market supervision;
- speeding up the construction of social welfare housing projects; and
- setting or clarifying the responsibilities of provincial and local governments.

On April 17, 2010, the State Council also issued the Notice on Strict Control of the Escalation of Property Prices in Certain Cities 《關於堅決遏制部分城市房價過快上漲的通知》, which further increased the minimum down payment in respect of mortgage loans on purchases of a second residential properties by individuals to 50% of the purchase price and provides that the applicable mortgage rate must be at least 1.1 times that of the corresponding benchmark interest rate over the same corresponding period published by the PBOC. The minimum down payment in respect of mortgage loans on purchases of a third or a further residential property by individuals may be substantially increased at the

commercial bank's discretion and based on its risk control policies. The notice also specifies that the down payment for first self-used residential properties with a GFA of more than 90 sq.m. must be at least 30% of the purchase price. In addition, in those areas where property prices have escalated and property supply is tight, commercial banks may, depending on the level of risk, suspend granting mortgage loans to buyers purchasing a third or a further residential property or to those non-local residents who fail to provide certificates evidencing their payment for over one year of local tax or social insurance.

Pursuant to the Notice on Further Standardizations of the Administration of Housing Purchase by Offshore Institutions and Individuals 《關於進一步規範境外機構和個人購房管理的通知》 promulgated by the MOHURD and SAFE on November 4, 2010, an offshore individual is only permitted to purchase a house for self-use in the PRC and an offshore institution which has branches or representative offices in the PRC is only permitted to purchase non-residential houses for office use in the cities where they are registered.

On September 29, 2010, the MOF, the MOHURD and the SAT promulgated the Notice on the 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》, which provides that, effective from October 1, 2010, deed tax rate is reduced to 1% for a first time individual buyer who purchases an ordinary residential property with a GFA less than 90 sq.m. as the family's sole property.

On January 26, 2011, the General Office of the State Council issued the Notice on Further Adjustment and Control of Real Estate Market 《國務院辦公廳關於進一步做好房地產市場調控工作有關問題的通知》, which provides, among other things, that:

- each municipal government shall issue its annual housing price control target in respect of newly constructed residential properties in the first quarter of 2011 after taking into account the local economic development, the increase rate of per capita disposal income and the capability to pay for residential properties;
- the management of social security housing and the increase of the supply of public leasing residential properties are reinforced;
- the supervision and inspection of LAT collection in respect of property development projects where the prices of properties developed are higher than properties in the vicinity are strengthened;
- real estate development enterprises are encouraged to build a certain proportion of public leasing residential properties together with the development of ordinary residential properties, and hold, operate or sell these public leasing residential properties to the PRC Government;
- second residential property purchasers are required to pay a down payment of no less than 60% of the purchase price for these second residential properties and the applicable mortgage rate must be at least 1.1 times that of the corresponding benchmark interest rate;
- any transfer of residential properties by individuals within five years of purchase shall be subject to a business tax calculated based on the entire sale proceeds from such transfer;
- entities and persons participating in the bidding of land shall state the source of capital and provide the relevant evidence;

- land use rights granted over a parcel of land where a construction work commencement permit has not been obtained within two years shall be revoked and a fine will be imposed on the land which has been idle for more than one year;
- no land or any development project on the land shall be transferred in any way whatsoever if the total project development investment is less than 25%;
- each local authority shall increase the supply of land and ensure that at least 70% of the total developed area of residential projects must be used for developing social security housing, residential properties built as part of shanty town redevelopment and small- to medium-sized residential properties;
- each municipality, provincial capital and cities with soaring housing prices shall implement and enforce measures restricting the purchase of residential properties. In principle:
  - (i) families having local household registration and owning one residential property or families not having local household registration but are able to provide evidence of tax payment or social insurance payment within a certain period are allowed to purchase one additional residential property (including newly constructed residential commodity properties and second-hand residential properties); and
  - (ii) real estate development enterprises shall suspend any sale of their properties to families having local household registration and owning two or more residential properties, or families owning one or more residential property but not having local household registration and are not able to provide certain proof of local tax payment or social insurance payment, and
- if:
  - (iii) a local authority fails to issue its annual housing price control target in respect of newly constructed residential properties on a timely basis; or
  - (iv) a local authority fails to comply with the obligation in achieving the target of social security housing; or
  - (v) the housing prices of newly constructed residential properties exceed the relevant annual price control target of these properties, the relevant local authority shall report to the State Council and the responsible persons of such local authority may be held accountable by the Ministry of Supervision, the Ministry of Construction and other departments in accordance with the relevant PRC laws and regulations.

On February 20, 2013, the executive meeting of the State Council chaired by Former Premier Wen Jiabao issued a document emphasizing the strict implementation of tightening measures for the real estate market. The measures include completing a government responsibility system for stabilizing housing prices; restraining purchases of residential housing for investment and speculation purposes; expanding the supply of both ordinary commodity housing and land; accelerating construction of affordable housing projects; and strengthening market supervision and regulation.

On February 26, 2013, General Office of the State Council issued the Notice on Continuing Adjustment and Control of Property Markets 《關於繼續做好房地產市場調控工作的通知》 which requires, among other restrictive measures:

- (i) Improving the government responsibility system for stabilizing housing prices. Municipalities directly under the central government, cities listed on state plans and provincial capitals (excluding Lhasa) must set an annual objective for controlling housing prices and publish annual new commodity housing price control target in the first quarter of the year;
- (ii) Firmly restraining purchases of residential housing for investment and speculation purposes. Municipalities directly under the central government, cities listed on state plans and provincial capitals which have implemented restrictions on the real estate market are required to cover all administrative areas of the cities as restricted areas, and restricted housing shall include new commodity housing and second-hand housing. Non-local residents who possess one or more residential properties and fail to provide one-year or longer tax payment certificates or social insurance payment certificates are to be barred from purchasing any residential properties located in the administrative areas. For cities where housing prices are increasing at an excessively high rate, local branches of the PBOC may further raise the down-payment rate and mortgage interest rate for the purchase of a second residential property. In addition, a 20% individual income tax on property sale profits will be strictly enforced;
- (iii) Expanding ordinary commodity housing units and increasing the supply of land. The overall housing land supply in 2013 shall not be lower than the average actual land supply in the past five years. Financial institutions, subject to credit requirements, are to prioritize requests for loans for ordinary commodity housing construction projects in which medium and small housing units constitute 70% or more of the total units in such construction projects.

On March 30, 2015, the MOF and the SAT issued the Notice on Adjusting the Business Tax Policy on Transfers of Residential Properties by Individuals 《關於調整個人住房轉讓營業稅政策的通知》 to discourage speculative activities in the secondary real estate market and control soaring housing prices. For example, effective from March 31, 2015:

- transfers of residential properties by individuals who have held them for less than two years are subject to business tax calculated on a gross basis;
- transfers of non-residential properties by individuals who have held them for two years or more are subject to business tax calculated on a net basis; and
- transfers of residential properties by individuals who have held them for two years or more are exempted from business tax.

On October 10, 2016, the MOHURD issued the Circular on Further Regulating Operations of Real Estate Developers to Safeguard the Real Estate Market Order 《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》 ("Circular 223"), which requires that improper operations of real estate developers shall be investigated and punished according to law. The improper operations include releasing or spreading false housing information and advertisements, maliciously pushing higher and artificially inflating housing prices by fabricating or spreading information on rising property price and other operations. For real estate developers which commit any of those operations, competent real estate authorities at all levels shall intensify their law enforcement and handle relevant cases severely according to law. If the improper operations fall within the jurisdiction of other department authorities, the cases shall be handed over to relevant department authorities for further handling. In particular, any cases involving entities or individuals accused of committing a related crime shall be transferred to

judicial authorities to pursue criminal liability according to law. The Circular 223 requires competent real estate authorities, considering the seriousness of the case, to take any of the five measures in the Circular 223 against those real estate developers concerned, which include placing the enterprises on the list of real estate developers with serious violations and dishonest acts.

From September 30, 2016 to date, many cities have issued new real estate market control policies, among others, including restoring the restriction on purchases of residential properties and tightening credit policy. For example, on September 30, 2016, General Office of the People's Government of Beijing Municipality promulgated the Measures on Accelerating the Stable and Smooth Development of Real Estate Market 《關於促進本市房地產市場平穩健康發展的若干措施》 which was formulated by Beijing Urban and Rural Construction Committee and other authorities. On the same day, General Office of the People's Government of Tianjin Municipality promulgated the Implementation Opinion on Accelerating the Stable and Smooth Development of Real Estate Market 《關於進一步促進我市房地產市場平穩健康發展的實施意見》. On October 3, 2016, Suzhou People's Government issued the Circular of the Opinion on Further Strengthening the Administration and Control of the Urban Real Estate Market 《關於進一步加強全市房地產市場調控的意見的通知》.

## **PROPERTY RIGHTS**

Pursuant to the Property Law 《中華人民共和國物權法》 promulgated by the NPC on March 16, 2007 and became effective on October 1, 2007, the property rights of the State and collectives, individuals or other right holders shall be under the protection of law, and no entity or individual may infringe such rights.

The varieties and contents of property rights shall be stipulated by law, and the creation, change, transfer or elimination of the property rights of property shall be registered according to law. Except otherwise prescribed by law, the creation, change, transfer or elimination of the property rights of property shall become effective only after it is registered according to law.

## **REAL ESTATE REGISTRATION**

On November 24, 2014, the State Council promulgated the Circular on Interim Regulations on Real Estate Registration 《不動產登記暫行條例》. According to the circular, a uniform registration system over real estate is implemented. Relevant department of land and resources of the State Council shall, in cooperation with other related departments, establish an uniform database for real estate registration and its information management. On January 1, 2016, in order to regulate the real estate registration, refine the uniform registration system, offer convenience for the public in registration and protect the legal rights and benefits of right holders, according to the Interim Regulations on Real Estate Registration, the MLR issued the Implementing Rules of the Interim Regulations on Real Estate Registration 《不動產登記暫行條例實施細則》 which became effective on the same day.

## **PRC TAXATION**

### **Our Operations in the PRC**

As our business operations are in the PRC and we carry out these business operations through our operating subsidiaries organized under PRC law, our PRC operations and our operating subsidiaries in the PRC are subject to PRC tax laws and regulations.

## **Corporate Income Tax**

Under the EIT Law effective on January 1, 2008 and amended on February 24, 2017 and December 29, 2018, domestic enterprises and foreign invested enterprises are subject to the same corporate income tax law and the same corporate income tax rate of 25%. Pre-tax deduction methods and criteria for domestic and foreign invested enterprises have been made uniform and standardized.

Under the EIT Law, enterprises are classified as either “resident enterprises” or “non-resident enterprises.” Pursuant to the EIT Law and the EIT Rules, in addition to enterprises established within the PRC, enterprises established outside China whose “de facto management bodies” are located in China are considered “resident enterprises” and subject to the uniform 25% enterprise income tax rate on their global taxable income. According to the EIT Rules, “de facto management body” refers to a managing body that exercises, in substance, overall management and control over the production and business, personnel, accounting and assets of an enterprise. It is not clear whether we would be deemed as “resident enterprises” or not. In addition, dividends from PRC subsidiaries to their shareholders that are treated as resident enterprises are exempted from withholding tax.

Under the EIT Law and EIT Rules issued by the State Council, a PRC withholding tax at the rate of 10% is applicable to dividends or interest payable to investors that are “non-resident enterprises” (and that do not have an establishment or place of business in the PRC, or that have such establishment or place of business but the relevant income is not effectively connected with such establishment or place of business) to the extent such dividends or interest have their source within the PRC unless there is an applicable tax treaty between the PRC and the jurisdiction in which an overseas holder resides which reduces or exempts the relevant tax. Any gain realized on the transfer of shares or debt instruments by such investors is subject to 10% PRC income tax if such gain is regarded as income derived from sources within the PRC.

Pursuant to the Arrangement between the PRC and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income 《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》 signed on August 21, 2006 and entered into force on August 21, 2006, when an enterprise in the PRC distributes dividends to Hong Kong residents who are eligible for receiving such dividends, the Hong Kong residents, if holding more than 25% equity interest in such enterprise, are generally subject to a 5% taxation of the total dividends received. According to the Announcement of the State Administration of Taxation on Issues Relating to “Beneficial Owner” in Tax Treaties (國家稅務總局關於稅收協議中「受益所有人」有關問題的公告) (State Administration of Taxation Announcement [2018] No. 9), which was issued by State Administration of Taxation on February 3, 2018 and came into effect on April 1, 2018, a beneficial ownership analysis will be used based on a substance-over form principle to determine whether or not to grant tax treaty benefits.

On February 20, 2009, the SAT issued the Notice on Issues Regarding the Implementation of Dividend Provisions in Tax Treaties 《國家稅務總局關於執行稅收協定股息條款有關問題的通知》, which, among other things, (i) requires the non-resident taxpayer or the withholding agent to provide a host of documentary evidence to prove that the recipient of the dividends meets the relevant requirements for enjoying a lower withholding tax rate under a tax treaty and (ii) empowers the tax authorities with the discretion to adjust the preferential tax rate for which an offshore entity would otherwise be eligible if the main purpose of an offshore arrangement is to obtain a preferential tax treatment.

According to the Announcement of the SAT on Promulgating the Administrative Measures for Tax Convention Treatment for Non-resident Taxpayers 《非居民納稅人享受稅收協定待遇管理辦法》 promulgated by SAT on August 27, 2015, any non-resident taxpayer meeting conditions for enjoying convention treatment (i.e. deduction of or exemption from enterprise income tax or individual income

tax obligations) under the Tax Conventions or International Transportation Conventions may be entitled to the convention treatment itself/himself when filing a tax return or making a withholding declaration through a withholding agent, and subject to the subsequent administration by the tax authorities.

Under this notice, tax prepayments in respect of income generated from pre-sale before completion of the construction of the buildings for residential, commercial use or other uses shall be paid upon the calculation of the estimated quarterly or monthly profit according to the preset estimated profit rate, which shall be readjusted according to the actual profit after the completion of the construction of the buildings and settlement of the taxable cost.

On March 6, 2009, the SAT promulgated the Measures for the Treatment of Enterprise Income Tax on Real Estate Development and Operation Businesses 《房地產開發經營業務企業所得稅處理辦法》, which 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.

#### ***Deed tax***

Under the PRC Provisional Regulations on Deed Tax 《中華人民共和國契稅暫行條例》 promulgated by the State Council on July 7, 1997 and implemented on October 1, 1997, a deed tax is chargeable to transferees of land use rights and/or property ownership within the territory of China. The deed tax rate is between 3% and 5% subject to determination by local governments at the provincial level in light of local conditions.

#### ***Business tax***

According to the Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax (關於全面推開營業稅改徵增值稅試點的通知) (revised on July 1, 2017) which was promulgated by SAT and MOF, the pilot program of the collection of value-added tax in lieu of business tax shall be promoted nationwide in a comprehensive manner as of May 1, 2016. All taxpayers of business tax engaged in the building industry, the real estate industry, the financial industry and the life service industry shall be included in the scope of the pilot program with regard to payment of value-added tax instead of business tax. Entities and individuals engaged in sales of real property within the territory of the PRC are value-added taxpayers, and shall pay value-added tax rather than business tax according to these measures.

#### ***Land Appreciation Tax***

Under the Provisional Regulations of the PRC on Land Appreciation Tax 《中華人民共和國土地增值稅暫行條例》 promulgated by the State Council on December 13, 1993, which became effective on January 1, 1994 and was revised on January 8, 2011, and its implementing rules which were promulgated by the MOF on January 27, 1995, the LAT applies to both domestic and foreign investors in real estate in China, irrespective of whether they are corporate entities or individuals. The tax is payable by a taxpayer on the appreciation value derived from the transfer of land use rights, buildings or other facilities on such land, after deducting certain “deductible items” that include the following:

- payment made to acquire land use rights;
- costs and charges incurred in connection with land development;
- construction costs and charges in the case of newly constructed buildings and facilities;
- assessed value in the case of old buildings and facilities;

- taxes paid or payable in connection with the transfer of land use rights, buildings or other facilities on such land; and
- other items allowed by the MOF.

The tax rate is progressive and ranges from 30% to 60% of the appreciation value net of the “deductible items”.

On December 28, 2006, the SAT promulgated the Notice on the Settlement Management of Land Appreciation Tax on Real Estate Enterprises 《關於房地產開發企業土地增值稅清算管理有關問題的通知》, effective on February 1, 2007 and revised on June 15, 2018. According to the notice, the LAT assessment amount shall be derived from the entire value of the real estate development project if the project was approved by the relevant authority as a unit; and for a project developed in stages, the LAT assessment amount shall be derived from the value of each individual stage of the project.

A taxpayer should pay the LAT if one of the following circumstances occurs:

- a construction project has been completed and its commodity houses have been sold;
- an uncompleted real estate development project is transferred; or
- a direct transfer of a land use right.

The tax authority may require the taxpayer to pay the LAT in one of the following circumstances:

- the GFA of the real estate sold is in excess of 85% of the saleable GFA of the entire project or, if the proportion is less than 85%, the residual saleable GFA has been leased out or is held for self-use;
- the pre-sale permit has been held for three years, but not all of the commodity houses of the project have been sold;
- the taxpayer applies for cancellation of tax registration but has yet to carry out the procedures for the LAT settlement; or
- other circumstances provided by tax authorities at the provincial level.

On May 12, 2009, the SAT issued the Regulations of Land Appreciation Tax Settlement Administration 《土地增值稅清算管理規程》, effective on June 1, 2009 with the aim of strengthening the imposition of the LAT by specifically regulating the acceptance, review of LAT settlement and tax imposition procedures.

On May 19, 2010, the SAT promulgated the Notice on Issues Regarding Land Appreciation Tax Settlement 《關於土地增值稅清算有關問題的通知》, which provides further clarifications and guidelines on LAT Settlement, income recognition, deductible expenses and other related issues.

On May 25, 2010, the SAT promulgated the Notice on Strengthening the Levy and Administration of Land Appreciation Tax 《關於加強土地增值稅徵管工作的通知》 to impose further requirements on the collection of LAT. The notice provides that, except for social security housing, the minimum LAT prepayment rate shall be no less than 2% for properties in Eastern China, no less than 1.5% for properties in Central and Northeastern China and no less than 1% for properties in Western China. The LAT prepayment rate shall be determined by the local authorities based on different property types in the locality.

On June 20, 2013, the SAT issued the Notice on Further Improving the Collection and Administration of Value-Added Tax on Land 《關於進一步做好土地增值税徵管工作的通知》. According to the notice, the SAT will standardize collection and administration of Value-added Tax on Land and further strengthen the administration over the Value-added Tax on Land inquisition in the areas including examination of deductible items, reduction in the assessment and collection items and other aspects.

#### ***Urban Land Use Tax***

Pursuant to the Provisional Regulations of the PRC on Urban Land Use Tax 《中華人民共和國城鎮土地使用稅暫行條例》 promulgated by the State Council in September 1988, urban land use tax is levied according to the area of the urban land plot and the annual tax rate on urban land was set at between RMB0.2 and RMB10 per sq.m. The Provisional Regulations of the PRC on Urban Land Use Tax were amended by the State Council on December 31, 2006, January 8, 2011, and December 7, 2013. As of January 1, 2007, on the basis of the amended regulations, the urban land use tax is charged at a rate three times higher than the previous rate and foreign-invested enterprises are no longer exempt.

#### ***Property Tax***

Under the Provisional Regulations of the PRC on Property Tax 《中華人民共和國房產稅暫行條例》 promulgated by the State Council on September 15, 1986 and amended on January 8, 2011, property tax applicable to domestic enterprises is 1.2% if it is calculated on the basis of the residual value of a property and 12% if it is calculated on the basis of the rental income of the property.

#### ***Stamp Duty***

Under the Provisional Regulations of the PRC on Stamp Duty 《中華人民共和國印花稅暫行條例》 promulgated by the State Council on August 6, 1988 and amended on January 8, 2011 applying to building property transfer instruments, including property ownership transfer instruments, the duty rate is 0.05% of the amount stated therein. For permits and certificates relating to rights, including property ownership certificates and land use rights certificates, stamp duty is levied on an item-by-item basis at a rate of RMB5 per item.

#### ***Municipal Maintenance Tax and Education Surcharge***

Under the Provisional Regulations of the PRC on Municipal Maintenance Tax 《中華人民共和國城市維護建設稅暫行條例》 promulgated by the State Council in 1985, and revised on January 8, 2011 any taxpayer, whether an individual or otherwise, that is required to pay consumption tax, value-added tax or business tax is also required to pay municipal maintenance tax. The tax rate is 7% for a taxpayer whose domicile is in an urban area, 5% for a taxpayer whose domicile is in a county or a town, and 1% otherwise.

Under the Interim Provisions on Imposition of Education Surcharge 《徵收教育費附加的暫行規定》 promulgated by the State Council in April 1986 and revised on June 7, 1990, August 20, 2005 and January 8, 2011, respectively, any taxpayer, whether an individual or otherwise, that is required to pay value-added tax, business tax or consumption tax is also required to pay an education surcharge, unless such taxpayer is required to pay a rural area education surcharge.

On October 18, 2010, the State Council issued the Notice on Unification of the Application of Municipal Maintenance Tax and Education Surcharge by Domestic and Foreign Enterprises and Individuals 《國務院關於統一內外資企業和個人城市維護建設稅和教育費附加制度的通知》. According to the notice, starting from December 1, 2010, municipal maintenance tax and education surcharge are also applicable to foreign-invested enterprises, foreign enterprises and foreign individuals. Pursuant to the Notice on Relevant Issues of Imposition of Municipal Maintenance and Education Surcharge on Foreign-invested Enterprises 《關於對外資企業徵收城市維護建設稅和教育費附加有關問題的通知》, promulgated by the MOF and the SAT on November 4, 2010, foreign-invested enterprises, foreign enterprises and foreign individuals are to pay municipal maintenance tax at a certain rate on the amount of value-added tax, consumption tax and business tax paid by the taxpayer and to pay education surcharge at a 3% rate on the amount of value-added tax, consumption tax and business tax paid by the taxpayer.

## **REGULATION OF OVERSEAS LISTINGS**

On August 8, 2006, six PRC regulatory agencies, including MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the SAT, SAIC, CSRC, and SAFE, jointly promulgated the Provisions on the Mergers and Acquisitions of Domestic Enterprises by Foreign Investors 《關於外國投資者併購境內企業的規定》, which became effective on September 8, 2006 and as amended on June 22, 2009. This regulation provides that an offshore special purpose vehicle established for listing purposes and controlled directly or indirectly by PRC companies or individuals shall obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's bonds on an overseas stock exchange.

## **INTELLECTUAL PROPERTY LAWS AND REGULATIONS**

China has adopted legislations related to intellectual property rights, including trademarks, patents and copyrights. China is a signatory party to the major intellectual property conventions, including the Paris Convention for the Protection of Industrial Property, the Madrid Agreement concerning the International Registration of Marks and Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, the Patent Cooperation Treaty, the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure, and the Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPs").

### **Regulations on Trademarks**

The Trademark Law of the PRC 《中華人民共和國商標法》 was promulgated in August 1982 (later amended on February 22, 1993, October 27, 2001 and August 30, 2013) and Implementation Regulations on the Trademark Law of the PRC 《中華人民共和國商標法實施條例》 was promulgated on August 3, 2002 by the State Council, as amended on April 29, 2014. These laws and regulations provide the basic legal framework for the regulations of trademarks in China. In China, registered trademarks include commodity trademarks, service trademarks, collective marks and certificate marks.

The Trademark Office under the SAIC is responsible for the registration and administration of trademarks throughout the country. Trademarks are granted on a term of ten years. Twelve months prior to the expiration of the ten-year term, an applicant can renew the application and reapply for trademark protection.

Under the Trademark Law, any of the following acts may be regarded as an infringement of the exclusive right to use of a registered trademark:

- use of a trademark that is identical with a registered trademark on the same kind of commodities without the authorization of the trademark registrant;

- use of a trademark that is similar to a registered trademark on the same kind of commodities, or use of a trademark that is identical with or similar to a registered trademark on similar kind of commodities, which may cause a likelihood of confusion, without the authorization of the trademark registrant;
- sale of commodities infringing upon the exclusive right to use a registered trademark;
- counterfeiting or making, without authorization, representations of a registered trademark, or sale of such representation of a registered trademark;
- altering the registered trademark of the registrant without authorization and selling commodities bearing such altered trademark;
- providing convenience for, or assisting, other person or entity to infringe the exclusive right to use a registered trademark intentionally;
- otherwise infringing upon another person's exclusive right to use a registered trademark and cause damages.

Violation of the Trademark Law may result in the imposition of fines, confiscation and destruction of the infringing commodities.

### **Regulations on Domain Names**

The Administrative Measures for Internet Domain Names《互聯網域名管理辦法》was promulgated by the Ministry of Industry and Information Technology on August 24, 2017 and became effective on November 1, 2017. These measures regulate the registration of domain names in Chinese with the Internet country code of “.cn”.

The Measures on Domain Names Dispute Resolution《中國互聯網絡信息中心域名爭議解決辦法》were promulgated by the China Internet Network Information Centre which was implemented since September 1, 2014. These measures require domain name disputes to be submitted to institutions authorized by the China Internet Network Information Centre for resolution.

### **LABOR PROTECTION**

The PRC Labor Contract Law《中華人民共和國勞動合同法》was promulgated on June 29, 2007 and became effective on January 1, 2008, as amended on December 28, 2012, and the PRC Labor Contract Law Implementation Rules《中華人民共和國勞動合同法實施條例》was promulgated on September 18, 2008. These labor laws and rules set out specific provisions in relation to the execution, contents and terms of employment contracts and the rights and obligations of employees and employers. To establish an employment relationship, a written employment contract shall be signed. In the event that no written employment contract was signed at the time that an employment relationship is formed, a written employment contract shall be signed within one month after the date on which the employer first engaged the employee.

Employers in China are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance, maternity insurance, and housing provident funds. These payments are made to local administrative authorities and an employer who fails to contribute may be ordered to make-up for the missed contributions. The various laws and regulations that govern the employers' obligation to contribute to the social security funds include PRC Social Insurance Law 《中華人民共和國社會保險法》, which were promulgated by the Standing Committee of the NPC on October 28, 2010 and became effective July 1, 2011 and was amended on December 29, 2018; the Interim Regulations on the Collection and Payment of Social Security Funds 《社會保險費徵繳暫行條例》, which were promulgated by the State Council and became effective on January 22, 1999; the Interim Measures concerning the Maternity Insurance 《企業職工生育保險試行辦法》, which were promulgated by the Ministry of Labor on December 14, 1994 and became effective on January 1, 1995; the Regulations on Occupational Injury Insurance 《工傷保險條例》, which were promulgated by the State Council on April 27, 2003 and became effective on January 1, 2004 and then amended on December 20, 2010; and the Regulations on Management of the Housing Provident Fund 《住房公積金管理條例》, which were promulgated and became effective on April 3, 1999 and then amended on March 24, 2002.

## MANAGEMENT

### DIRECTORS

Our board of directors is responsible and has general powers for the management and conduct of our business. The table below shows certain information in respect of the members of our board:

<b>Directors</b>	<b>Age</b>	<b>Position</b>
LIN Zhong (林中) . . . . .	50	Chairman and executive director
LIN Wei (林偉) . . . . .	46	Vice-chairman and executive director
LIN Feng (林峰) . . . . .	43	Chief executive officer and executive director
CHEN Dongbiao (陳東彪) . . . . .	51	Executive director
YANG Xin (楊欣) . . . . .	45	Executive director
WANG Wei (王威) . . . . .	50	Non-executive Director
GU Yunchang (顧雲昌) . . . . .	74	Independent non-executive director
ZHANG Yongyue (張永岳) . . . . .	64	Independent non-executive director
TAN Wee Seng (陳偉成) . . . . .	63	Independent non-executive director

### Executive Directors

**Mr. LIN Zhong (林中)**, aged 50, our founder, is our executive director and chairman. Mr. Lin Zhong has about 27 years of experience in the real estate business. He was appointed as director on May 20, 2011 and is the chairman of our Nomination Committee and a member of our Remuneration Committee and also our substantial shareholder and a director of certain subsidiaries. Mr. Lin Zhong is also the chairman and a director of Shanghai Yongsheng Property Service Co., Ltd. (“Shanghai Yongsheng”, NEEQ stock code: 871385), the shares were quoted on National Equities Exchange and Quotations (“NEEQ”) from April 14, 2017 to March 9, 2018, and an executive director, the chairman of the board of directors, the chairman of the nomination committee, the chairman of the strategy committee and a member of remuneration committee of Ever Sunshine Lifestyle Services Group Limited (SEHK stock code: 1995), the shares of which are listed on the Main Board of the Stock Exchange since 17 December 2018 and is the holding company of Shanghai Yongsheng. Mr. Lin Zhong was appointed as the vice chairman of Shanghai Population Welfare Foundation (上海市人口福利基金會副會長) in 2013, the deputy chief council member of the Eighth Term of Council of Shanghai Real Estate Association (上海市房地產行業協會第八屆理事會副會長), the rotating chairman of Shanghai Entrepreneur Association (新滬商聯合會輪值主席) in 2014, an honorary chairman of Fujian Chamber of Commerce in Shanghai (上海市福建商會名譽會長) and the chairman of Xiamen Chamber of Commerce in Shanghai (上海市廈門商會會長) in 2016. Mr. Lin Zhong graduated from Xiamen University (廈門大學) with a bachelor’s degree in economics. He further pursued and obtained an executive master of business administration degree from Cheung Kong Graduate School of Business (長江商學院). Mr. Lin Zhong is a brother of Mr. Lin Wei and Mr. Lin Feng. Mr. Lin Zhong is a director of Rosy Fortune Investments Limited (“Rosy Fortune”) and Ding Chang Limited (“Ding Chang”), substantial shareholders of the Company.

**Mr. LIN Wei (林偉)**, aged 46, is our executive director and vice-chairman. He was appointed as director on May 20, 2011. He is also our substantial shareholder and a director of certain subsidiaries. Mr. Lin Wei has about 22 years of experience in the real estate business. He laid the foundation of our Group’s development with Mr. Lin Zhong. Mr. Lin Wei is a brother of Mr. Lin Zhong and Mr. Lin Feng. Mr. Lin Wei is a director of Rosy Fortune and Eminent Talent Limited, substantial shareholders of the Company.

**Mr. LIN Feng** (林峰), aged 43, is our executive director and chief executive officer. He is also a substantial shareholder of the Company and a director of certain subsidiaries of the Group. Mr. Lin Feng has about 18 years of experience in the real estate business. He joined us in 2001 and was appointed as director on May 20, 2011. He is also a substantial shareholder of the Company and a director of certain subsidiaries of the Group. Mr. Lin Feng is also a director of Shanghai Yongsheng (NEEQ stock code: 871385), the shares of which were quoted on NEEQ from April 14, 2017 to March 9, 2018, and a non-executive director, the deputy chairman of the board of directors, a member of the audit committee and a member of the strategy committee of Ever Sunshine Lifestyle Services Group Limited (SEHK stock code: 1995), the shares of which are listed on the Main Board of the Stock Exchange since 17 December 2018 and is the holding company of Shanghai Yongsheng. Mr. Lin Feng is currently the vice chairman of China Real Estate Chamber of Commerce (全國工商聯房地產商會副會長), the council member of All-China Youth Federation (中華全國青年聯合會委員), the executive council member of Shanghai Youth Federation (上海市青年聯合會常務委員), the executive council member of Shanghai Federation of Industry and Commerce (Commerce Chamber) (上海市工商聯合會(商會)執行委員會委員), the council member of Shanghai Changning District Association of Industry and Commerce (Commerce Chamber) (上海市長寧區工商業聯合會(商會)常務委員), the executive council member of Shanghai Putuo District Youth Federation (上海市普陀區青年聯合會常務委員), the representative of the Shanghai Putuo District People's Congress (上海市普陀區人大代表), the rotating chairman of the executive council of China Urban Realty Association (中國城市房地產開發商業策略聯盟總裁聯席會輪主席) and the director of CIFI Charity Foundation (旭輝慈善基金常務董事). Mr. Lin Feng graduated from Xiamen University (廈門大學) with a bachelor's degree in economics and further obtained a master of business administration degree from the University of Dundee. Mr. Lin Feng is a brother of Mr. Lin Zhong and Mr. Lin Wei. Mr. Lin Feng is a director of Rosy Fortune, a substantial shareholder of the Company.

**Mr. CHEN Dongbiao** (陳東彪), aged 51, is our executive director and executive president. He is responsible for management of brand, customer relationship, operations, construction, and procurement and cost. Mr. Chen joined us in August 2013 and was appointed as Director on December 18, 2017. He is currently a director of certain subsidiaries of the Group. Prior to joining us, Mr. Chen worked for China Vanke Co., Ltd. as the director of engineering and general manager and chairman of Shanghai Vanke Real Estate Co., Ltd. Mr. Chen was a representative of Shanghai Pudong District People's Congress (上海浦東新區人大代表) from 1997 to 2002 and the rotating chairman of Shanghai Real Estate Trade Association (上海市房地產行業協會輪席會長) from 2011 to 2012. Mr. Chen graduated from Shanghai City Construction Institute (上海城市建設學院) with a bachelor's degree in engineering, and further obtained a master of business administration degree from China Europe International Business School (中歐國際工商學院).

**Mr. YANG Xin** (楊欣), aged 45, is our executive director, vice president assistant and general manager of finance center. Mr. Yang will become the Chief Financial Officer of the Group from March 30, 2019. Mr. Yang joined us in July 2010 and was appointed as Director on December 18, 2017. He is currently a director of certain subsidiaries of the Group. He has experience in banking and finance. Prior to joining us, he worked in various management positions at Agricultural Bank of China Limited. Mr. Yang had been a director of Shanghai Yongsheng (NEEQ Stock Code: 871385), the shares of which were quoted on NEEQ from April 14, 2017 to March 9, 2018, and resigned on December 11, 2017. Mr. Yang graduated from Shanghai Jiao Tong University with a bachelor's degree in international finance and a master of business administration degree. He further obtained a master's degree in accounting from Shanghai National Accounting Institute. Mr. Yang also holds the Senior International Finance Manager qualification issued by International Financial Management Association.

## **Non-executive Director**

**Mr. WANG Wei** (王威), aged 50, was appointed as our non-executive Director on November 25, 2018. He has been the Managing Director of Strategic Investment with Group Asset Management (集團資產管轄中心) at Ping An Insurance (Group) Company of China, Ltd. since August 2018. Before being appointed to the said position, he had been the Managing Director of Ping An Real Estate Capital Ltd. (平安不動產資本有限公司) since early 2013. Prior to joining Ping An, Mr. WANG was a Managing Director and China head for Forum Partners, a Vice President and the CFO of Sunshine 100 China and a member of the Group China Management Committee, Managing Director and co-head of China Fixed Income & Derivatives at UBS Group in Hong Kong. Between 1994 and 2005, Mr. WANG was an Associate, Vice President and Senior Vice President in Fixed Income and Equity Capital Markets at JP Morgan in New York, Singapore and Hong Kong. From 1991 to 1994, Mr. WANG started his career in the Treasury Department of the Bank of China's headquarter, in Beijing, and focused on international debt capital markets and derivatives. He is currently a non-executive director of China Fortune Land Development Co., Ltd. (SSE stock code: 600340) and acts as a director of Sasseur Cayman Holding Limited (SGX stock code: CRPU). Mr. Wang was a non-executive director of Hydoo International Holding Limited (SEHK stock code: 1396) from January 2015 to September 2016 and Wuzhou International Holdings Limited (SEHK stock code: 1369) from September 2014 to June 2018, respectively. Mr. WANG Wei graduated from Columbia University School of Business with a master degree in business administration.

## **Independent Non-executive Directors**

**Mr. GU Yunchang** (顧雲昌), aged 74, was appointed as our independent non-executive director on October 9, 2012. Mr. Gu is a member of our Audit Committee and Nomination Committee. Mr. Gu was the vice chairman of the China Real Estate Research Association from 2006 to May 2013 and had also been the vice chairman and secretary-general of the China Real Estate Association from 1998 to 2006. He is currently the Chairman of National Real Estate Chamber of Commerce (全國房地產商會).

Mr. Gu formerly served at different positions in the Ministry of Construction of the PRC, including the deputy director at Policy Research Centre of Ministry of Construction from 1988 to 1998; the person-in-charge of the City and Township Residence Research Center of Ministry of Construction from 1986 to 1988; and the deputy division head and division head at Urban Residence Bureau of Ministry of Construction from 1979 to 1986.

Mr. Gu specializes in theory and policy research, market research and analysis concerning the China real estate industry. In the 1980s, he participated in the policy research and formulation of China's city and village residential construction techniques, carrying on a State key project "2000 China," and won the First Class National Science Technology Advance Award in China twice. After joining the China Real Estate Association in 1998, he has been involved in promoting the development of the China real estate industry as well as undertaking the research and analysis of the national real estate market. He is also the main organizer and writer of the China Real Estate Market Report, an annual analysis report issued by the China Real Estate Association. Mr. Gu was an independent non-executive director of Shimao Property Holdings Limited (SEHK stock code: 813) from April 2006 to May 2011, was an independent non-executive director of E-House (China) Holdings Limited (NYSE stock code: EJ) from August 2008 to March 2014, and was an independent non-executive director of Sino-Ocean Group Holding Limited (formerly known as Sino Ocean Land Holdings Limited) (SEHK stock code: 3377) from June 2007 to March 2016, and was an independent director of COFCO Property (Group) Co., Ltd. (SZSE stock code: 000031) from April 2012 to June 2018. Mr. Gu is currently an independent non-executive director and a member of the audit committee and nomination committee of Jiayuan International Group Limited (SEHK stock code: 2768), an independent non-executive director of

Sunshine 100 China Holdings Ltd (SEHK Stock Code: 2608), and an independent director of Zhejiang Yasha Decoration Co., Ltd. (SZSE stock code: 002375). Mr. Gu obtained a bachelor's degree in urban planning from Tongji University.

**Mr. ZHANG Yongyue** (張永岳), aged 64, was appointed as our independent non-executive director on October 9, 2012 and is the chairman of our Remuneration Committee and a member of our Audit Committee and Nomination Committee. Mr. Zhang obtained a bachelor's degree in economics from East China Normal University (華東師範大學) where he taught since his graduation and he had become a professor of the Business School at the same university since 1998 until he retired in 2017. He is currently a tenured professor at East China Normal University, and the Dean of Shanghai E-house China R&D Institute, concurrently as the vice president of the China Institute of Real Estate Appraisers and Agents, the supervisor of Shanghai Real Estate Economy Society, as well as council member of China Real Estate Association. Mr. Zhang was an independent director of Shanghai Wanye Enterprises Co. Ltd. (SSE Stock Code: 600641) from May 2010 to August 2015 and is currently an independent director of Shanghai Industrial Development Co., Ltd. (SSE stock code: 600748).

**Mr. TAN Wee Seng** (陳偉成), aged 63, was appointed as our independent non-executive director on October 9, 2012 and is the chairman of our Audit Committee and a member of our Remuneration Committee. Mr. Tan is a professional in value and business management consultancy. He is currently an independent non-executive director and the chairman of the audit committee of Xtep International Holdings Limited (SEHK stock code: 1368), an independent non-executive director and chairman of audit committee of Sa Sa International Holdings Limited (SEHK stock code: 178), an independent non-executive director, and the chairman of remuneration committee of Health and Happiness (H&H) International Holdings Limited (formerly known as Biostime International Holdings Limited) (SEHK stock code: 1112) and an independent non-executive director, the chairman of audit committee and a member of strategy and investment committee of Sinopharm Group Co. Ltd. (SEHK stock code: 1099), and an independent non-executive director, and the chairman of audit committee and remuneration committee of Shineroad International Holdings Limited (SEHK Stock Code: 1587), the shares of all of which are listed on the Main Board of the Stock Exchange, an independent director and chairman of audit committee (appointed as the chairman of the audit committee with effect from March 8, 2016) of ReneSola Ltd. (NYSE stock code: SOL), the shares of which are listed on the New York Stock Exchange. He is also a board member and the chairman of the finance and operation committee of Beijing City International School, an academic institution in Beijing. Mr. Tan had been an independent director of 7 Days Group Holdings Limited whose shares were listed on the New York Stock Exchange, between November 2009 and July 2013 until the group was privatized and was the chairman of the special committee for privatization from October 2012 to July 2013. Mr. Tan has over 34 years of financial management, corporate finance, merger and acquisition, business management and strategy development experience. He has also held various management and senior management positions in a number of multinational and Chinese corporations. From 2003 to 2008, he was an executive director, chief financial officer and company secretary of Li Ning Company Limited, the shares of which are listed on the Main Board of the Stock Exchange (SEHK stock code: 2331). From 1999 to 2002, he was a senior vice president of Reuters for the China, Mongolia and North Korea regions, and the chief representative of Reuters in China. Prior to that, he had served as the managing director of AFE Computer Services Limited, a Reuters subsidiary in Hong Kong which was a company mainly engaged in domestic equity and financial information services, and as director of Infocast Pty Limited, a Reuters subsidiary in Australia and as the regional finance manager of Reuters East Asia.

Mr. Tan is a professional accountant and fellow member of the Chartered Institute of Management Accountants, United Kingdom and a fellow member of the Hong Kong Institute of Directors.

## SENIOR MANAGEMENT

**Mr. YAU Sze Ka (Albert)** (游思嘉), aged 47, has been our Chief Financial Officer of the Group since July 2011 and will leave his position from March 30, 2019. Mr. Yau has over 23 years of experience in real estates, capital markets and corporate management. He has substantial experience in a wide range of capital markets transactions including initial public offerings, equity and bond issues, syndicated loans, project financings, mergers and acquisitions and corporate restructuring. He was ranked the “Best CFO — Overall Number 1” in the “Property” category of “All-Asia Executive Team” of 2017 and 2018 rankings published by Institutional Investor, the global finance magazine. He joined the Group in July 2011. Before joining us, he had held senior positions at Lai Sun Group of Hong Kong and a number of international investment banks. Mr. Yau graduated from the University of California at Berkeley with a bachelor of science degree. He is also a holder of Chartered Financial Analyst. Effective on March 30, 2019, Mr. YAU will become Senior Adviser of the Group and will leave his position as Chief Financial Officer.

**Ms. FAN Yiting** (范逸汀), aged 46, is our vice president (design). Ms. Fan joined us in October 2015. Prior to joining us, Ms. Fan worked for China Overseas Grand Oceans Group Limited as assistant president and vice chief architect from 2011 to 2015. She held the positions of director, design director (Eastern China), design director (Northern China), general manager of planning and design management center and deputy manager of Shenzhen branch for China Overseas Property Group Co., Ltd. from 2000 to 2011. Ms. Fan worked for Beijing Architectural Design Institute of China Construction as an architect from 1993 to 1997. Ms. Fan graduated from South China University of Technology with a master’s degree in architecture and obtained a bachelor’s degree in architecture from Chang'an University (長安大學) (formerly known as The Northwest Institute of Construction Engineering). She is also a certified architect with professional qualification.

**Mr. PAN Taoyuan** (潘道原), aged 51, is our vice president and general manager of investment center of the Group. Mr. Pan joined us in February 2008 and was previously our general manager of sales and marketing management center. Before joining us, Mr. Pan worked in Shanghai P & R Real Estate Consultant Co., Ltd (上海普潤房地產顧問有限公司) as the deputy general manager from October 2004 to January 2007. Mr. Pan graduated from the National Taichung Institute of Technology majoring in Japanese language.

**Mr. GE Ming** (葛明), aged 39, is our vice president and general manager of human development center of the Group. He joined us in April 2012 and has various experience in human resources management. Prior to joining us, Mr. Ge worked at Oriental Cambridge Education Group as the director of human resources and a member of the executive committee. Prior to that, he worked at Shanghai Tuosheng Associates and Longfor Properties. Mr. Ge is currently a non-executive director of Ever Sunshine Lifestyle Services Group Limited (SEHK stock code: 1995), the shares of which are listed on the Main Board of the Stock Exchange since 17 December 2018. Mr. Ge graduated from the Fudan University (復旦大學) with a bachelor’s degree in economics, majoring in international finance.

**Mr. LEUNG Yuk Ming (Lawrence)** (梁旭明), aged 44, has been our director of investor relations and will become the Head of Capital Markets and Investor Relations from March 30, 2019. He has extensive experience in investor relationships, investment banking, Listing Rules compliance and accounting. In his career, Mr. Leung worked for Powerlong Real Estate Holdings Limited, Macquarie Capital (Hong Kong) Limited, DBS Asia Capital Limited, the Listing Division of the Stock Exchange of Hong Kong and Ernst & Young. Mr. Leung received his bachelor’s degree in commerce and LLB from the University of Calgary and the University of London, respectively. He is a holder of the Chartered Financial Analyst, a member of Hong Kong Society of Financial Analysts and member of the Hong Kong Institute of Certified Public Accountants. He joined us in June 2013.

**Mr. LIU Feng** (劉峰), aged 43, is our director of general manager of the operation center. Mr. Liu joined us in August 2011. Prior to joining us, Mr. Liu worked for China Resources Land (Shanghai) Co., Ltd. from 2003 to 2011 and held the position of contact manager, Shanghai and Zhejiang area contract responsible officer. Prior to that, he worked for Shanghai Vanke Real Estate Co., Ltd. as head of procurement in engineering management department. Mr. Liu graduated from the Zhejiang University (浙江大學) majoring in civil engineering, with a master's degree in engineering.

**Mr. WANG Zheng** (王正), aged 36, is the Deputy General Manager of Sales and Marketing Center of the Group. Mr. Wang joined the Group in November 2005 and held senior positions at Investment Center and Sales and Marketing Center of the Group. Mr. Wang graduated from East China Jiaotong University with a bachelor's degree in economics.

**Mr. DING Zhaohui** (丁朝輝), aged 46, is our director of legal and risk. Mr. Ding joined us in September 2014. Prior to joining us, Mr. Ding worked for China Vanke Co., Ltd. from October 2000 to September 2014 and held the positions of deputy general manager and general manager of legal department of China Vanke Co., Ltd. Mr. Ding graduated from East China Normal University with a bachelor's degree in history and later obtained a master of laws degree from Renmin University of China (人民大學).

## **COMPANY SECRETARY**

**Mr. LO Tai On** (羅泰安), aged 63, was appointed as our company secretary in October 2012. Mr. Lo is a member of the Hong Kong Institute of Certified Public Accountants. He has over 29 years of experience in the field of company secretarial services and is now a director of Fair Wind Secretarial Services Ltd., a secretarial company rendering secretarial services. Mr. Lo is also the company secretary of several companies listed on the Stock Exchange, including AAC Technologies Holdings Inc. (SEHK stock code: 2018), Pak Fah Yeow International Limited (SEHK stock code: 239), and Good Friend International Holdings Inc. (SEHK stock code: 2398).

## **BOARD COMMITTEES**

### **Audit Committee**

We established an audit committee in October 2012 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules. The primary duties of the audit committee are to provide our board with an independent review of the effectiveness of our financial reporting process, risk management and internal control systems, to oversee the audit process and to perform other duties and responsibilities as assigned by our board. The audit committee consists of three independent non-executive directors, Mr. Tan Wee Seng (as chairman of the audit committee), Mr. Gu Yunchang and Mr. Zhang Yongyue.

### **Remuneration Committee**

We established a remuneration committee in October 2012 with written terms of reference in compliance with paragraph B.1 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules. The primary duties of the remuneration committee include (but without limitation): (a) making recommendations to the Board on our policy and structure for all remuneration of our directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (b) making recommendations on the terms of the specific remuneration package of our directors and senior management; and (c) reviewing and approving performance-based remuneration with reference to corporate goals and objectives resolved by our directors from time to

time. The remuneration committee consists of three members, being Mr. Zhang Yongyue (as chairman of the remuneration committee), our independent non-executive director, Mr. Lin Zhong, our executive director and chairman, and Mr. Tan Wee Seng, our independent non-executive director.

### **Nomination Committee**

We established a nomination committee in October 2012 with written terms of reference in compliance with paragraph A.5 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules. The primary duties of the nomination committee are to review the structure, size and composition of the board, and select and make recommendations to our board on the appointment of directors, re-appointment of directors, succession planning for directors and assesses the independence of independent non-executive directors. The nomination committee consists of three members, being Mr. Lin Zhong (as chairman of the nomination committee), our executive director and chairman, Mr. Gu Yunchang and Mr. Zhang Yongyue, our independent non-executive directors.

### **COMPENSATION OF DIRECTORS**

Each Mr. Lin Zhong, Mr. Lin Wei and Mr. Lin Feng, being the executive directors has entered into a service contract with us commencing from November 23, 2012, the date of our initial public offering, for a period of three years respectively and shall continue thereafter until being terminated by either party by serving on the other party a prior written notice of not less than six months (in case of Mr. Lin Zhong, Mr. Lin Wei and Mr. Lin Feng, being executive directors) or three months (in case of independent non-executive directors). The aggregate amount of remuneration (including basic salaries and allowances and retirement benefit contribution) we paid to our directors in 2017 amounted to RMB23.7 million (US\$3.6 million). Each of Mr. Chen Dongbiao and Mr. Yang Xin, being executive directors, has entered into a service contract and Mr. Zhou Yimin, being non-executive director, has entered into an appointment letter with us commencing from December 18, 2017, the date of their appointment, for a period of three years respectively and shall continue thereafter until being terminated by either party by serving on the other party a prior written notice of not less than three months (in case of Mr. Chen Dongbiao and Mr. Yang Xin, being executive directors, and Mr. Zhou Xinmin, being non-executive director). Mr. Zhou Yimin ceased to act as a non-executive director with effect from November 25, 2018. Mr. Wang Wei, being non-executive director, has entered into an appointment letter with us commencing from November 25, 2018, the date of his appointment, for a period of three years and shall continue thereafter until being terminated by either party by serving on the other party a prior written notice of not less than three months.

### **Share Option Schemes**

We adopted a share option scheme (the “2012 Share Option Scheme”) in October 2012 to motivate our directors, senior management and employees to optimize their future contributions to us and reward them for their past contribution. Pursuant to such share option scheme, in February 2013, we granted a total of 152,400,000 share options of which 150,000,000 share options were granted to the employees of the Group who are not directors of the Company and 2,400,000 share options were granted to three independent non-executive directors of the Company. In October 2013, we granted a total of 150,000,000 share options of which 144,900,000 share options were granted to the employees of the Group who are not directors of the Company, 3,000,000 share options were granted to Mr. Lin Feng, our executive director and chief executive officer and 2,100,000 share options were granted to three independent non-executive directors of the Company. In July 2015, we granted a total of 100,000,000 share options of which 95,400,000 share options were granted to the employees of the Group who are not directors of the Company and 1,800,000 share options were granted to three independent non-executive directors of the Company and 2,800,000 share options were granted to Mr. Lin Feng, our executive director and chief executive officer of the Company. In January 2016, we granted a total of 100,000,000 share options, all of which was granted to employees. In April 2016, we adopted a new

share option scheme (the “2016 Share Option Scheme”). Pursuant to the 2016 Share Option Scheme, the maximum number of shares which may be issued upon exercise of all options to be granted under such scheme and any other of our share option schemes shall not, in aggregate exceed 666,640,390 shares, representing 10% of the total number of shares in issue as of the date of adoption of the 2016 Share Option Scheme, unless we obtain an approval from our shareholders to refresh the limit. In October 2017, we granted a total of 220,000,000 share options of which 217,900,000 share options were granted to the employees of the Group who are not directors of the Company, 1,100,000 share options were granted to Mr. Lin Feng, our executive director and chief executive officer and 1,000,000 share options were granted to three independent non-executive directors of the Company pursuant to the 2016 Share Option Scheme. As of the date of the appointment of Mr. Chen Dongbiao, 16,930,000 share options had been granted to him pursuant to the 2012 Share Option Scheme and 7,500,000 share options had been granted to him pursuant to the 2016 Share Option Scheme. As of the date of the appointment of Mr. Yang Xin, 3,950,000 share options had been granted to him pursuant to the 2012 Share Option Scheme and 6,000,000 share options had been granted to him pursuant to the 2016 Share Option Scheme. As at June 30, 2018, a total of 8,187,432 share options were lapsed pursuant to the 2012 Share Option Scheme.

### **Share Award Scheme**

We adopted a share award scheme (the “Share Award Scheme”) in December 2017 to recognize the contributions by our directors, senior management and employees and to provide them with incentives in order to retain them for the continual operation and development of the Group. In August 2018, we granted 2,930,000 shares under the Share Award Scheme to Mr. Lin Feng, our executive director and chief executive officer of the Company.

## Directors' and Chief Executives' Interests

As of June 30, 2018, the interests or short positions of our directors and our chief executives in our shares, underlying shares and debentures and our associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which (a) were required to be notified to us and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO), or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to us and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

<u>Name of Director</u>	<u>Name of Corporation</u>	<u>Capacity/Nature of interest</u>	<u>Number of shares/underlying shares</u>	<u>Approximate percentage of interest</u>
Lin Zhong . . . . .	the Company	Founder of a discretionary trust <sup>(1)</sup>	1,180,177,671	15.24%
	the Company	Co-founder of a discretionary trust <sup>(2)</sup>	2,291,855,975	29.59%
	the Company	Beneficial owner <sup>(3)</sup>	6,766,000	0.09%
	Shanghai Lingyu Apartment Management Co., Ltd.	Interest of controlled corporation <sup>(11)</sup>	40,000,000	40%
	Shanghai Yongsheng Property Service Co., Ltd.	Interest of controlled corporation <sup>(12)</sup>	44,000,000	39.3%
	Shanghai Yipixi Construction Technology Co., Ltd.	Interest of controlled corporation <sup>(13)</sup>	40,000,000	40%
Lin Wei . . . . .	the Company	Interest of controlled corporation <sup>(4)</sup>	451,952,559	5.83%
	the Company	Interest of his child under 18 years of age <sup>(15)</sup>	200,000,000	2.58%
	the Company	Co-founder of a discretionary trust <sup>(2)</sup>	2,291,855,975	29.59%
Lin Feng . . . . .	the Company	Founder of a discretionary trust <sup>(5)</sup>	207,170,580	2.67%
	the Company	Co-founder of a discretionary trust <sup>(2)</sup>	2,291,855,975	29.59%
	the Company	Beneficial owner <sup>(6)</sup>	6,900,000	0.09%
	Shanghai Yongsheng Property Service Co., Ltd.	Interest of controlled corporation <sup>(14)</sup>	11,000,000	9.8%
Chen Dongbiao . .	the Company	Beneficial owner <sup>(7)</sup>	17,848,000	0.23%
	the Company	Beneficial owner <sup>(6)</sup>	13,300,000	0.17%
Yang Xin . . . . .	the Company	Beneficial owner <sup>(8)</sup>	6,973,254	0.09%
	the Company	Beneficial owner and interest of spouse <sup>(9)</sup>	1,000,000	0.01%
	the Company	Beneficial owner <sup>(6)</sup>	6,975,000	0.09%
Gu Yunchang . . .	the Company	Beneficial owner <sup>(6)</sup>	2,400,000	0.03%
Zhang Yongyue . .	the Company	Beneficial owner <sup>(6)</sup>	900,000	0.01%
	the Company	Beneficial owner	700,000	0.01%
Tan Wee Seng . . .	the Company	Beneficial owner <sup>(10)</sup>	975,000	0.01%
	the Company	Beneficial owner <sup>(6)</sup>	700,000	0.01%

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*Notes:*

- (1) These shares are held by Ding Chang. The entire issued share capital of Ding Chang is wholly owned by Eternally Success International Limited (“Eternally Success”), the entire issued share capital of which is in turn held by Standard Chartered Trust (Singapore) Limited (“Standard Chartered Trust”) as the trustee of the Sun Success Trust via SCTS Capital Pte. Ltd. (“SCTS Capital”). The Sun Success Trust is a discretionary trust set up by Mr. Lin Zhong as settlor and Standard Chartered Trust as trustee on May 11, 2012. The beneficiary objects of the Sun Success Trust include certain family members of Mr. Lin Zhong. Mr. Lin Zhong as founder of the Sun Success Trust is taken to be interested in the 1,180,177,671 shares held by Ding Chang pursuant to Part XV of the SFO.
- (2) These shares are held by Rosy Fortune. The entire issued share capital of Rosy Fortune is wholly owned by Gentle Beauty Assets Limited (“Gentle Beauty”), the entire issued share capital of which is in turn held by Standard Chartered Trust as the trustee of the Lin’s Family Trust via SCTS Capital. The Lin’s Family Trust is a discretionary trust set up jointly by Mr. Lin Zhong, Mr. Lin Wei and Mr. Lin Feng as settlors and Standard Chartered Trust as trustee on May 11, 2012. The beneficiary objects of the Lin’s Family Trust include certain family members of Mr. Lin Zhong and Mr. Lin Feng. Each of Mr. Lin Zhong, Mr. Lin Wei and Mr. Lin Feng as a co-founder of the Lin’s Family Trust is taken to be interested in the 2,275,855,975 shares held by Rosy Fortune pursuant to Part XV of the SFO.
- (3) These shares are directly held by Mr. Lin Zhong.
- (4) These shares are held by Eminent Talent Limited (“Eminent Talent”). The entire issued share capital of Eminent Talent is wholly owned by Mr. Lin Wei.
- (5) These shares are held by Rain-Mountain Limited (“Rain-Mountain”). The entire issued share capital of Rain-Mountain is wholly owned by Beauty Fountain Holdings Limited (“Beauty Fountain”), the entire issued share capital of which is in turn held by Standard Chartered Trust as the trustee of the Sun-Mountain Trust via SCTS Capital. The Sun-Mountain Trust is a discretionary trust set up by Mr. Lin Feng as settlor and Standard Chartered Trust as trustee on May 11, 2012. The beneficiary objects of the Sun-Mountain Trust include certain family members of Mr. Lin Feng. Mr. Lin Feng as founder of the Sun-Mountain Trust is taken to be interested in the 205,670,580 shares held by Rain-Mountain pursuant to Part XV of the SFO.
- (6) The relevant directors were granted options to subscribe for such number of shares under the 2012 share option scheme adopted by the Company on October 9, 2012 and the 2016 share option scheme adopted by the Company on April 27, 2016 share option scheme (collectively, “Share Option Schemes”).
- (7) These Shares are directly held by Mr. Chen Dongbiao.
- (8) These Shares are directly held by Mr. Yang Xin.
- (9) These Shares are directly held by Mr. Yang Xin and his spouse.
- (10) These shares are directly held by Mr. Tan Wee Seng.
- (11) These shares of Shanghai Lingyu Apartment Management Co., Ltd. (“Lingyu Apartment Rental”) are held by Shanghai Xuhui Enterprise Development Co., Ltd. (“Shanghai Xuhui Enterprise”) of which Mr. Lin Zhong is regarded to have control by virtue of the SFO.
- (12) These shares of Shanghai Yongsheng Property Service Co., Ltd. (“Yongsheng Property Service”) are held by Shanghai Xuhui Enterprise of which Mr. Lin Zhong is regarded to have control by virtue of the SFO.
- (13) These shares of Shanghai Yipixi Construction Technology Co., Ltd. (“EPC Construction Services”) are held by Shanghai Xuhui Enterprise of which Mr. Lin Zhong is regarded to have control by virtue of the SFO.
- (14) These shares of Yongsheng Property Service are held by Shanghai Jingjun Enterprise Management Limited Partnership of which Mr. Lin Feng is a general partner.
- (15) These Shares are held by a trust, the beneficiaries of which include Mr. LIN Wei’s children under 18 years of age. Therefore, Mr. LIN Wei is deemed to be interested in these 200,000,000 Shares pursuant to Part XV of the SFO.

## PRINCIPAL SHAREHOLDERS

As of December 31, 2017, the following persons or institutions have beneficial interests or short positions in any of our shares or underlying shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, Cap 571 of the Laws of Hong Kong, or who are directly and/or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any of our other members:

<b>Name of interested party<sup>(6)</sup></b>	<b>Capacity/Nature of interest</b>	<b>Total number of Shares<sup>(1)</sup></b>	<b>Approximate percentage of the issued share capital of our Company</b>
Gentle Beauty . . . . .	Interest of controlled corporation <sup>(2)</sup>	2,291,855,975	29.59%
Rosy Fortune . . . . .	Beneficial owner <sup>(2)</sup>	2,291,855,975	29.59%
Eternally Success . . . . .	Interest of controlled corporation <sup>(3)</sup>	1,180,177,671	15.24%
Ding Chang . . . . .	Beneficial owner <sup>(3)</sup>	1,180,177,671	15.24%
Eminent Talent . . . . .	Beneficial owner <sup>(4)</sup>	451,952,559	5.83%
Standard Chartered Trust . . . . .	Trustee <sup>(2), (3), (5)</sup>	3,679,204,226	47.50%
SCTS Capital . . . . .	Interest of controlled corporation <sup>(2), (3), (5)</sup>	3,679,204,226	47.50%
Ping An Life Insurance Company of China, Ltd. . . . .	Beneficial owner <sup>(6)</sup>	746,654,000	9.64%
Ping An Insurance (Group) Company of China, Ltd. . . . .	Interest in controlled corporation <sup>(6)</sup>	746,654,000	9.64%
Ping An of China Asset Management (Hong Kong) Company Limited . . . . .	Investment manager <sup>(6)</sup>	545,000,000	7.04%

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*Notes:*

- (1) Figures represent shareholders' long position in such securities or underlying securities.
- (2) The entire issued share capital of Rosy Fortune is wholly owned by Gentle Beauty, the entire issued share capital of which is in turn held by Standard Chartered Trust as the trustee of the Lin's Family Trust via SCTS Capital. The Lin's Family Trust is a discretionary trust set up jointly by Mr. Lin Zhong, Mr. Lin Wei and Mr. Lin Feng as settlors and Standard Chartered Trust as trustee on May 11, 2012. The beneficiary objects of the Lin's Family Trust include certain family members of Mr. Lin Zhong and Mr. Lin Feng.
- (3) The entire issued share capital of Ding Chang is wholly owned by Eternally Success, the entire issued share capital of which is in turn held by Standard Chartered Trust as the trustee of the Sun Success Trust via SCTS Capital. The Sun Success Trust is a discretionary trust set up by Mr. Lin Zhong as settlor and Standard Chartered Trust as trustee on May 11, 2012. The beneficiary objects of the Sun Success Trust include certain family members of Mr. Lin Zhong.
- (4) The entire issued share capital of Eminent Talent is wholly owned by Mr. Lin Wei.
- (5) These include 2,259,037,975 shares held by Rosy Fortune, 1,175,675,671 shares held by Ding Chang and 205,670,580 shares held by Rain-Mountain. The entire issued share capital of Rain-Mountain is wholly owned by Beauty Fountain, the entire issued share capital of which is in turn held by Standard Chartered Trust as the trustee of the Sun-Mountain Trust via SCTS Capital. The Sun-Mountain Trust is a discretionary trust set up by Mr. Lin Feng as settlor and Standard Chartered Trust as trustee on May 11, 2012. The beneficiary objects of the Sun-Mountain Trust include certain family members of Mr. Lin Feng.
- (6) On July 27, 2017, we entered into a subscription agreement with Ping An of China Asset Management (Hong Kong) Company Limited ("Ping An Investment Manager") and Ping An Life Insurance Company of China, Ltd. ("Ping An Investor"), pursuant to which we have conditionally agreed to issue and allot 545,000,000 new shares of the Company ("Ping An Subscription Shares") to Ping An Investment Manager at a price of HK\$3.50 per share (the "Ping An Subscription"). On July 28, 2017, we entered into an agreement to conditionally issue and allot 135,000,000 shares to Ding Chang Limited ("Ding Chang") at a price of HK\$3.82 per share, and Citigroup Global Markets Limited agreed to act as the placing agent for Ding Chang and procure placees to purchase the 135,000,000 shares. The Ping An Subscription was completed on August 10, 2017. The net proceeds from the Ping An Subscription were approximately HK\$1,907.5 million.

The placing and subscription of the shares to Ding Chang was completed on August 9, 2017. The net proceeds from the placing and subscription were approximately HK\$500.0 million. As of August 10, 2017, Ping An Investor held approximately 9.93% of the issued share capital of the Company, and Ding Chang held approximately 15.66% of the issued share capital of the Company. As of December 31, 2017, these 746,654,000 Shares are held by Ping An Investor, the holding company of which is Ping An Insurance (Group) Company of China, Ltd. (“Ping An Group”). Accordingly, Ping An Group is deemed to be interested in these 746,654,000 Shares under the SFO. Ping An Investor Manager acted as the investment manager of Ping An Investor relating to 545,000,000 Ping An Subscription Shares issued by the Company.

Save as disclosed above, as of June 30, 2018, no other person had interest or short position in our shares and underlying shares which were required, pursuant to Section 336 of the SFO, to be recorded into the register referred to therein.

## RELATED PARTY TRANSACTIONS

The following discussion describes certain material related party transactions in 2015, 2016 and 2017 and the six months ended June 30, 2018 between us and our related parties.

The following table summarizes our related party transactions for the years indicated.

Related parties	Relationship	Transactions	For the year ended December 31,				For the six months ended June 30,		
			2015 RMB'000	2016 RMB'000	2017 RMB'000	US\$'000	2017 RMB'000	2018 RMB'000	US\$'000
Mr. Lin Feng . . . . .	Our controlling shareholder and director	Consideration received from pre-sales of properties	6,600	2,815	—	—	—	—	—
Mr. Lin Wei . . . . .	Our controlling shareholder and director	Consideration received from pre-sales of properties	—	1,000	—	—	—	—	—
Mr. Lin Xiang Lin . . . . .	Close family member of Lin Zhong, Mr. Lin Wei and Mr. Lin Feng	Consideration received from pre-sales of properties	5,801	—	—	—	—	—	—
Shanghai Huaichi Industrial Development Co., Ltd (上海懷馳實業發展有限公司) . . .	A related company controlled by close family member of Mr. Lin Zhong	Consideration received from pre-sales of properties	12,230	—	—	—	—	—	—
Shanghai Jianpu Investment Management Co., Ltd. (上海建浦投資管理有限公司) . . . . .	A related company controlled by Mr. Lin Zhong, Mr. Lin Wei and Mr. Lin Feng	Consideration received from pre-sales of properties Rental income	3,022	—	—	—	—	—	—
Shanghai Xujing Property Co. Ltd. (上海旭涇置業有限公司) . . . . .	A wholly-owned subsidiary of Coastwise Limited, our joint venture	Project management fee	287,134	—	—	—	—	—	—
Shanghai Yongsheng Property Management Co., Ltd (上海永升物業管理有限公司) . . . . .	Associate	Project management services expense	—	16,743	154,426	23,337	82,493	60,026	9,071
Shanghai Lingyu Apartment Management Co., Ltd. (上海領昱公寓管理有限公司) . . . . .	Associate	Apartment leasing and renovation services income	—	—	28,870	4,463	—	6,773	1,024
Shanghai Yipixi Construction Technology Co., Ltd. (上海毅匹璽建築科技有限公司) . . . . .	Associate	Prefabricated construction materials supply and related installation and technical services expense	—	—	1,771	268	—	197	30

In addition, as of December 31, 2015, 2016 and 2017 and the six months ended June 30, 2018, we had the following significant balances with our related parties:

	As of December 31,				As of June 30,	
	2015		2016		2017	
	RMB'000	RMB'000	RMB'000	US\$'000	RMB'000	US\$'000
Amounts due from joint ventures and associates .	2,593,242	4,620,932	17,451,791	2,637,378	27,044,066	4,086,997
Amounts due to joint ventures and associates .	6,985,062	14,419,441	10,741,602	1,623,310	14,015,963	2,118,143

We have not had any significant related party transactions since June 30, 2018.

## SALES OF PROPERTIES TO OUR DIRECTOR

We sold certain properties we developed to Mr. Lin Feng, our controlling shareholder and director, pursuant to a property purchase scheme which is offered to eligible employees in our Group, who may purchase such properties at a discount. The scheme provides that the discounted purchase price cannot be lower than the cost. In 2015, 2016 and 2017 and the six months ended June 30, 2018, the amount of sales of property to Mr. Lin Feng amounted to nil, RMB39.2 million, nil and nil, respectively.

## AMOUNTS DUE FROM RELATED COMPANIES AND OUR DIRECTORS

As of December 31, 2015, 2016 and 2017 and the six months ended June 30, 2018, we had amounts due from related companies of RMB2,610.2 million, RMB4,620.9 million, RMB17,452.0 million (US\$2,637 million) and RMB27,044.1 million (US\$4,087.0 million), respectively. We, as lessor, entered into a lease agreement with Jiaxing Xucai Department Store Co., Ltd. (嘉興旭彩百貨有限公司) ("Jiaxing Xucai") for a term of 15 years with respect to an investment property in June 2011. We received RMB17.0 million, nil, nil and nil as rental deposits on December 31, 2015, 2016 and 2017 and the six months ended June 30, 2018, respectively. Jiaxing Xucai is wholly owned by Shanghai Jianpu Investment Management Co., Ltd. (上海建浦投資管理有限公司), which is controlled by Mr. Lin Zhong, Mr. Lin Wei and Mr. Lin Feng. Under the lease agreement, Jiaxing Xucai pays us monthly rental fees and management fees for the property management services we provide. Except for the foregoing, other amounts due from related companies and our directors were non-trade in nature, unsecured, interest-free and repayable on demand.

## AMOUNTS DUE TO RELATED COMPANIES AND OUR DIRECTORS

As of December 31, 2015, 2016 and 2017 and the six months ended June 30, 2018, we had amounts due to related companies of RMB6,895.1 million, RMB14,419.4 million, RMB10,741.6 million (US\$1,623.2 million) and RMB14,016.0 million (US\$2,118.1 million), respectively. We had amounts due to non-controlling interests of approximately RMB21,553.5 million (US\$3,257.2 million) as of June 30, 2018, which are unsecured, interest-free and repayable on demand.

## KEY MANAGEMENT PERSONNEL REMUNERATION

The following table summarizes our directors' remuneration for the years/periods indicated.

Remuneration type	For the year ended December 31,			
	2015 RMB'000	2016 RMB'000	2017 RMB'000	2017 US\$'000
Directors' fees . . . . .	676	737	770	116
Other emoluments for non-executive directors and independent non-executive directors . . . . .	471	510	260	39
Other emoluments for executive directors . . . . .				
Basic salaries and allowances . . . . .	7,481	7,769	11,235	1,698
Equity-settled share based payment . . . . .	341	579	599	91
Bonus . . . . .	1,124	1,611	10,740	1,623
Retirement benefit contributions . . . . .	303	320	354	53
	10,396	11,526	23,667	3,577

## **DESCRIPTION OF OTHER MATERIAL INDEBTEDNESS AND OBLIGATIONS**

To fund our existing property projects and to finance our working capital requirements, we have entered into financing agreements with various financial institutions. As of June 30, 2018, our total bank and other borrowings under IFRS (not including senior notes, convertible bonds and onshore bonds) amounted to RMB44,653.4 million (US\$6,748.2 million). We also had outstanding Existing Notes, the First Tranche of 2015 Onshore Bonds, the Second Tranche of 2015 Onshore Bonds, the First Tranche of 2016 Onshore Bonds, the Second Tranche of 2016 Onshore Bonds, the 2018 Onshore Bonds, the August 2017 Perpetual Securities, the December 2017 Perpetual Securities with carrying amounts of RMB25,906.0 million (US\$3,915.0 million) and amounts due to non-controlling interests of RMB21,533.5 million (US\$3,254.2 million). Subsequent to June 30, 2018, we issued 5.46% public domestic corporate bonds due 2021 in the aggregate principal amount of RMB2,500,000,000 and 6.39% public domestic corporate bonds due 2022 in the aggregate principal amount of RMB875,000,000, respectively. Since June 30, 2018, we also issued the September 2018 Notes in the aggregate principal amount of RMB1,000,000,000, the additional 5.5% senior notes due 2022 in the aggregate principal amount of US\$300,000,000, the January 2019 Notes in the aggregate principal amount of US\$400,000,000 and February 2019 Notes in the aggregate principle amount of US\$300,000,000. Set forth below is a summary of the material terms and conditions of these loans and other indebtedness.

### **PRC BANK LOAN AGREEMENTS**

Certain of our PRC subsidiaries have entered into loan agreements with local branches of various PRC banks and financial institutions. These loans include project loans to finance the construction of our projects and loans to finance our working capital requirements. They have terms ranging from approximately one to ten years. As of June 30, 2018, the aggregate outstanding amount under these loans totaled approximately RMB27,667.7 million (US\$4,181.2 million), of which RMB5,141.8 million (US\$777.0 million) was due within one year and RMB22,525.9 million (US\$3,404.2 million) was due after one year. Our PRC loans are typically secured by land use rights and properties as well as guaranteed by certain of our other PRC subsidiaries.

#### **Interest**

The principal amounts outstanding under the PRC loans generally bear interest at floating rates calculated with reference to the PBOC benchmark interest rate. Floating interest rates are generally subject to annual or quarterly review by the lending banks. 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 June 30, 2018, the effective interest rate of our bank loans ranged from 1.5% to 10%.

#### **Covenants**

Under these PRC loans, many of our subsidiary borrowers have agreed, among other things, not to take the following actions without obtaining the relevant lender's prior consent:

- paying dividends unless conditions specified in the agreements are satisfied;
- creating encumbrances on any part of their property or assets or dealing with their assets in a way that may adversely affect their ability to repay their loans;
- granting guarantees to any third parties that may adversely affect their ability to repay their loans;
- making any major changes to their corporate structures, such as entering into joint ventures, mergers, acquisitions and reorganizations;

- altering the nature or scope of their business operations in any material respect;
- transferring part or all of their liabilities under the loans to a third party;
- prepaying the loans;
- selling or disposing of assets; and
- incurring other indebtedness that may adversely affect their ability to repay their loans.

### **Events of Default**

The PRC loan agreements contain certain customary events of default, including failure to pay the amount payable on the due date, unauthorized use of loan proceeds, failure to obtain the lender's approval for an act that requires the latter's approval, and material breach of the terms of the loan agreement. The banks 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 and financial institutions in connection with some of the PRC loans pursuant to which these subsidiaries have guaranteed all liabilities of the subsidiary borrowers under these loans. Further, as of December 31, 2017, all of our PRC loans were secured by land use rights and properties held by the subsidiary borrowers and/or our other PRC subsidiaries.

### **2015 NOTES**

On June 5, 2015, we entered into an indenture (as amended or supplemented from time to time, the "2015 Indenture"). Pursuant to the 2015 Indenture, we issued an aggregate principal amount of US\$400,000,000 of the 2015 Notes on June 5, 2015. The 2015 Notes are unsecured. As of the date of this offering memorandum, a total of US\$400,000,000 principal amount of the 2015 Notes is outstanding.

#### **Guarantee**

The obligations pursuant to the 2015 Notes are guaranteed by our existing subsidiaries (the "2015 Subsidiary Guarantors") other than (i) those organized under the laws of the PRC and (ii) certain other subsidiaries specified in the 2015 Indenture. Each of the 2015 Subsidiary Guarantors, jointly and severally, guarantees the due and punctual payment of the principal of, any premium (if any) and interest on, and all other amounts payable under, the 2015 Notes.

#### **Interest**

The 2015 Notes bear an interest rate of *7.75% per annum*, payable semi-annually in arrears.

#### **Covenants**

Subject to certain conditions and exceptions, the 2015 Indenture and each of the relevant subsidiary guarantees contain certain covenants, restricting us and each of the relevant 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;
- 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 agreements that restrict the related restricted subsidiaries' ability to pay dividends;
- transfer assets or make intercompany loans;
- entering into transactions with shareholders or affiliates; and
- effecting a consolidation or merger.

### **Events of Default**

The 2015 Indenture contains certain customary events of default, including default in the payment of principal of (or any premium on) the 2015 Notes when such payments become due, default in payment of interest which continues for 30 days and other events of default. If an event of default occurs and is continuing, the trustee under the 2015 Indenture or the holders of at least 25% of the outstanding 2015 Notes may declare the principal of the 2015 Notes plus a premium and any accrued and unpaid interest to be immediately due and payable.

### **Change of Control**

Upon the occurrence of certain events of change of control and a rating decline, we are required to make an offer to repurchase all outstanding 2015 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 2015 Notes is June 5, 2020.

At any time and from time to time on or after June 5, 2018, we may redeem the 2015 Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth in the table below if redeemed during each period indicated below, plus any accrued and unpaid interest to the redemption date, if redeemed during the twelve month period beginning on June 5 of each year set forth below:

<b>Period</b>	<b>Redemption Price</b>
2018 .....	103.8750%
2019 .....	101.9375%

At any time and from time to time prior to June 5, 2018, we may redeem the 2015 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2015 Notes, plus a premium and any accrued and unpaid interest to the redemption date.

At any time and from time to time prior to June 5, 2018, we may redeem up to 35% of the aggregate principal amount of the 2015 Notes at a redemption price equal to 107.75% of the principal amount of the 2015 Notes, plus any accrued and unpaid interest with the proceeds from sales of certain kinds of the Company's capital stock, subject to certain conditions.

Additionally, if we or a subsidiary guarantor under the 2015 Indenture would become obligated to pay certain additional amounts as a result of certain changes in specified tax law, we may redeem the 2015 Notes at a redemption price equal to 100% of the principal amount of the 2015 Notes, plus any accrued and unpaid interest, subject to certain exceptions.

## **2017 NOTES**

On January 23, 2017, we entered into an indenture (as amended or supplemented from time to time, the "2017 Indenture"). Pursuant to the 2017 Indenture, we issued an aggregate principal amount of US\$285,000,000 of the 2017 Notes on January 23, 2017 and an aggregate principle amount of US\$300,000,000 of the 2017 Notes on October 5, 2018. The 2017 Notes are unsecured. As of the date of this offering memorandum, a total of US\$585,000,000 principal amount of the 2017 Notes is outstanding.

### **Guarantee**

The obligations pursuant to the 2017 Notes are guaranteed by our existing subsidiaries (the "2017 Subsidiary Guarantors") other than (i) those organized under the laws of the PRC and (ii) certain other subsidiaries specified in the 2017 Indenture. Each of the 2017 Subsidiary Guarantors, jointly and severally, guarantees the due and punctual payment of the principal of, any premium (if any) and interest on, and all other amounts payable under, the 2017 Notes.

### **Interest**

The 2017 Notes bear an interest rate of 5.5% *per annum*, payable semi-annually in arrears.

### **Covenants**

Subject to certain conditions and exceptions, the 2017 Indenture and each of the relevant subsidiary guarantees contain certain covenants, restricting us and each of the relevant 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;
- 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 agreements that restrict the related restricted subsidiaries' ability to pay dividends;
- transfer assets or make intercompany loans;
- entering into transactions with shareholders or affiliates; and
- effecting a consolidation or merger.

### **Events of Default**

The 2017 Indenture contains certain customary events of default, including default in the payment of principal of (or any premium on) the 2017 Notes when such payments become due, default in the payment of interest which continues for 30 consecutive days and other events of default. If an event of default occurs and is continuing, the trustee under the 2017 Indenture or the holders of at least 25% of the outstanding 2017 Notes may declare the principal of the 2017 Notes plus a premium and any accrued and unpaid interest to be immediately due and payable.

### **Change of Control**

Upon the occurrence of certain events of change of control and a rating decline, we are required to make an offer to repurchase all outstanding 2017 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 2017 Notes is January 23, 2022.

At any time and from time to time on or after January 23, 2020, we may redeem the 2017 Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth in the table below if redeemed during each period indicated below, plus any accrued and unpaid interest to the redemption date, if redeemed during the twelve month period beginning on January 23 of each year set forth below:

<b>Period</b>	<b>Redemption Price</b>
2020 .....	102.75%
2021 .....	101.375%

At any time and from time to time prior to January 23, 2020, we may redeem the 2017 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2017 Notes plus a premium and any accrued and unpaid interest (if any) to the redemption date.

At any time and from time to time prior to January 23, 2020, we may redeem up to 35% of the aggregate principal amount of the 2017 Notes at a redemption price equal to 105.5% of the principal amount of the 2017 Notes redeemed, plus accrued and unpaid interest (if any) to the redemption date with proceeds from sales of certain kinds of our capital stock, subject to certain conditions.

Additionally, if we or a subsidiary guarantor under the 2017 Indenture would become obligated to pay certain additional amounts as a result of certain changes in specified tax law, we may redeem the 2017 Notes at a redemption price equal to 100% of the principal amount of the 2017 Notes plus any accrued and unpaid interest, subject to certain conditions.

## JANUARY 2018 NOTES

On January 23, 2018, we entered into an indenture (as amended or supplemented from time to time, the “January 2018 Indenture”). Pursuant to the January 2018 Indenture, we issued an aggregate principal amount of US\$300,000,000 of the January 2018 Notes on January 23, 2018. The January 2018 Notes were unsecured. As of the date of this offering memorandum, US\$300,000,000 principal amount of the January 2018 Notes is outstanding.

### Guarantee

The obligations pursuant to the January 2018 Notes are guaranteed by our existing subsidiaries (the “January 2018 Subsidiary Guarantors”) other than (i) those organized under the laws of the PRC and (ii) certain other subsidiaries specified in the January 2018 Indenture. Each of the January 2018 Subsidiary Guarantors, jointly and severally, guarantees the due and punctual payment of the principal of, any premium (if any) and interest on, and all other amounts payable under, the January 2018 Notes.

### Interest

The January 2018 Notes bear an interest rate of *5.5% per annum*, payable semi-annually in arrears.

### Covenants

Subject to certain conditions and exceptions, the January 2018 Indenture and each of the relevant subsidiary guarantees contain certain covenants, restricting us and each of the relevant 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;
- 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 agreements that restrict the related restricted subsidiaries’ ability to pay dividends;
- transfer assets or make intercompany loans;
- entering into transactions with shareholders or affiliates; and
- effecting a consolidation or merger.

## **Events of Default**

The January 2018 Indenture contains certain customary events of default, including default in the payment of principal of (or any premium on) the January 2018 Notes when such payments become due, default in the payment of interest which continues for 30 consecutive days and other events of default. If an event of default occurs and is continuing, the trustee under the January 2018 Indenture or the holders of at least 25% of the outstanding January 2018 Notes may declare the principal of the January 2018 Notes plus a premium and any accrued and unpaid interest to be immediately due and payable.

## **Change of Control**

Upon the occurrence of certain events of change of control and a rating decline, we are required to make an offer to repurchase all outstanding January 2018 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 January 2018 Notes is January 23, 2023.

At any time and from time to time on or after January 23, 2021, we may redeem the January 2018 Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth in the table below if redeemed during each period indicated below, plus any accrued and unpaid interest to the redemption date, if redeemed during the twelve month period beginning on January 23 of each year set forth below:

<u>Period</u>	<u>Redemption Price</u>
2021 .....	102.75%
2022 .....	101.375%

At any time and from time to time prior to January 23, 2021, we may redeem the January 2018 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the January 2018 Notes plus a premium and any accrued and unpaid interest (if any) to the redemption date.

At any time and from time to time prior to January 23, 2021, we may redeem up to 35% of the aggregate principal amount of the January 2018 Notes at a redemption price equal to 105.5% of the principal amount of the January 2018 Notes redeemed, plus accrued and unpaid interest (if any) to the redemption date with proceeds from sales of certain kinds of our capital stock, subject to certain conditions.

Additionally, if we or a subsidiary guarantor under the January 2018 Indenture would become obligated to pay certain additional amounts as a result of certain changes in specified tax law, we may redeem the January 2018 Notes at a redemption price equal to 100% of the principal amount of the January 2018 Notes plus any accrued and unpaid interest, subject to certain conditions.

## **APRIL 2018 NOTES**

On April 23, 2018, we entered into an indenture (as amended or supplemented from time to time, the “April 2018 Indenture”). Pursuant to the April 2018 Indenture, we issued an aggregate principal amount of US\$500,000,000 of the April 2018 Notes on April 23, 2018. The April 2018 Notes are unsecured. As of the date of this offering memorandum US\$500,000,000 principal amount of the April 2018 Notes is outstanding.

## **Guarantee**

The obligations pursuant to the April 2018 Notes are guaranteed by our existing subsidiaries (the “April 2018 Subsidiary Guarantors”) other than (i) those organized under the laws of the PRC and (ii) certain other subsidiaries specified in the April 2018 Indenture. Each of the April 2018 Subsidiary Guarantors, jointly and severally, guarantees the due and punctual payment of the principal of, any premium (if any) and interest on, and all other amounts payable under, the April 2018 Notes.

## **Interest**

The April 2018 Notes bear an interest rate of 6.875% *per annum*, payable semi-annually in arrears.

## **Covenants**

Subject to certain conditions and exceptions, the April 2018 Indenture and each of the relevant subsidiary guarantees contain certain covenants, restricting us and each of the relevant 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;
- 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 agreements that restrict the related restricted subsidiaries’ ability to pay dividends;
- transfer assets or make intercompany loans;
- entering into transactions with shareholders or affiliates; and
- effecting a consolidation or merger.

## **Events of Default**

The April 2018 Indenture contains certain customary events of default, including default in the payment of principal of (or any premium on) the April 2018 Notes when such payments become due, default in the payment of interest which continues for 30 consecutive days and other events of default. If an event of default occurs and is continuing, the trustee under the April 2018 Indenture of the holders of at least 25% of the outstanding April 2018 Notes may declare the principal of the April 2018 Notes plus a premium any and accrued and unpaid interest to be immediately due and payable.

## **Change of Control**

Upon the occurrence of certain events of change of control and a rating decline, we are required to make an offer to repurchase all outstanding April 2018 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 April 2018 Notes is April 23, 2021.

At any time and from time to time on or after April 23, 2020, we may redeem the Notes, in whole or in part, at a redemption price equal to 102% of the principal amount of the Notes redeemed plus accrued and unpaid interest (if any) to (but not including) the redemption date.

At any time and from time to time prior to April 23, 2020, we may redeem up to 35% of the aggregate principal amount of the April 2018 Notes at a redemption price equal to 106.875% of the principal amount of the April 2018 Notes redeemed, plus accrued and unpaid interest (if any) to the redemption date with proceeds from sales of certain kinds of our capital stock, subject to certain conditions.

Additionally, if we or a subsidiary guarantor under the April 2018 Indenture would become obligated to pay certain additional amounts as a result of certain changes in specified tax law, we may redeem the April 2018 Notes at a redemption price equal to 100% of the principal amount of the April 2018 Notes plus any accrued and unpaid interest, subject to certain conditions.

## **MAY 2018 NOTES**

On May 2, 2018, we entered into an indenture (as amended or supplemented from time to time, the “May 2018 Indenture”). Pursuant to the May 2018 Indenture, we issued an aggregate principal amount of US\$300,000,000 of the May 2018 Notes on May 2, 2018. The May 2018 Notes are unsecured. As of the date of this offering memorandum US\$300,000,000 principal amount of the May 2018 Notes is outstanding.

## **Guarantee**

The obligations pursuant to the May 2018 Notes are guaranteed by our existing subsidiaries (the “May 2018 Subsidiary Guarantors”) other than (i) those organized under the laws of the PRC and (ii) certain other subsidiaries specified in the May 2018 Indenture. Each of the May 2018 Subsidiary Guarantors, jointly and severally, guarantees the due and punctual payment of the principal of, any premium (if any) and interest on, and all other amounts payable under, the May 2018 Notes.

## **Interest**

The May 2018 Notes bear an interest rate of 6.375% per annum, payable semi-annually in arrears.

## **Covenants**

Subject to certain conditions and exceptions, the May 2018 Indenture and each of the relevant subsidiary guarantees contain certain covenants, restricting us and each of the relevant 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;
- 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 agreements that restrict the related restricted subsidiaries' ability to pay dividends;
- transfer assets or make intercompany loans;
- entering into transactions with shareholders or affiliates; and
- effecting a consolidation or merger.

### **Events of Default**

The May 2018 Indenture contains certain customary events of default, including default in the payment of principal of (or any premium on) the May 2018 Notes when such payments become due, default in the payment of interest which continues for 30 consecutive days and other events of default. If an event of default occurs and is continuing, the trustee under the May 2018 Indenture of the holders of at least 25% of the outstanding May 2018 Notes may declare the principal of the May 2018 Notes plus a premium any and accrued and unpaid interest to be immediately due and payable.

### **Change of Control**

Upon the occurrence of certain events of change of control and a rating decline, we are required to make an offer to repurchase all outstanding May 2018 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 May 2018 Notes is May 2, 2020.

At any time and from time to time on or after May 2, 2020, we may redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus accrued and unpaid interest (if any) to (but not including) the redemption date.

At any time and from time to time prior to May 2, 2020, we may redeem up to 35% of the aggregate principal amount of the May 2018 Notes at a redemption price equal to 106.375% of the principal amount of the May 2018 Notes redeemed, plus accrued and unpaid interest (if any) to the redemption date with proceeds from sales of certain kinds of our capital stock, subject to certain conditions.

Additionally, if we or a subsidiary guarantor under the May 2018 Indenture would become obligated to pay certain additional amounts as a result of certain changes in specified tax law, we may redeem the May 2018 Notes at a redemption price equal to 100% of the principal amount of the May 2018 Notes plus any accrued and unpaid interest, subject to certain conditions.

## **SEPTEMBER 2018 NOTES**

On September 20, 2018, we entered into an indenture (as amended or supplemented from time to time, the “September 2018 Indenture”). Pursuant to the September 2018 Indenture, we issued an aggregate principal amount of CNY1,000,000,000 of the September 2018 Notes on September 20, 2018. The September 2018 Notes are unsecured. As of the date of this offering memorandum CNY1,000,000,000 principal amount of the September 2018 Notes is outstanding.

### **Guarantee**

The obligations pursuant to the September 2018 Notes are guaranteed by our existing subsidiaries (the “September 2018 Subsidiary Guarantors”) other than (i) those organized under the laws of the PRC and (ii) certain other subsidiaries specified in the September 2018 Indenture. Each of the September 2018 Subsidiary Guarantors, jointly and severally, guarantees the due and punctual payment of the principal of, any premium (if any) and interest on, and all other amounts payable under, the September 2018 Notes.

### **Interest**

The September 2018 Notes bear an interest rate of 7.75% per annum, payable semi-annually in arrears.

### **Covenants**

Subject to certain conditions and exceptions, the September 2018 Indenture and each of the relevant subsidiary guarantees contain certain covenants, restricting us and each of the relevant 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;
- 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 agreements that restrict the related restricted subsidiaries’ ability to pay dividends;
- transfer assets or make intercompany loans;
- entering into transactions with shareholders or affiliates; and
- effecting a consolidation or merger.

## **Events of Default**

The September 2018 Indenture contains certain customary events of default, including default in the payment of principal of (or any premium on) the September 2018 Notes when such payments become due, default in the payment of interest which continues for 30 consecutive days and other events of default. If an event of default occurs and is continuing, the trustee under the September 2018 Indenture of the holders of at least 25% of the outstanding September 2018 Notes may declare the principal of the September 2018 Notes plus a premium any and accrued and unpaid interest to be immediately due and payable.

## **Change of Control**

Upon the occurrence of certain events of change of control and a rating decline, we are required to make an offer to repurchase all outstanding September 2018 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 September 2018 Notes is September 20, 2020.

At any time and from time to time prior September 20, 2020, we may redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus accrued and unpaid interest (if any) to (but not including) the redemption date.

At any time and from time to time prior to September 20, 2020, we may redeem up to 35% of the aggregate principal amount of the September 2018 Notes at a redemption price equal to 107.75% of the principal amount of the September 2018 Notes redeemed, plus accrued and unpaid interest (if any) to the redemption date with proceeds from sales of certain kinds of our capital stock, subject to certain conditions.

Additionally, if we or a subsidiary guarantor under the September 2018 Indenture would become obligated to pay certain additional amounts as a result of certain changes in specified tax law, we may redeem the September 2018 Notes at a redemption price equal to 100% of the principal amount of the September 2018 Notes plus any accrued and unpaid interest, subject to certain conditions.

## **JANUARY 2019 NOTES**

On January 2, 2019, we entered into an indenture (as amended or supplemented from time to time, the “January 2019 Indenture”). Pursuant to the January 2019 Indenture, we issued an aggregate principal amount of US\$400,000,000 of the January 2019 Notes on January 2, 2019. The January 2019 Notes are unsecured. As of the date of this offering memorandum, US\$400,000,000 principal amount of the January 2019 Notes is outstanding.

## **Guarantee**

The obligations pursuant to the January 2019 Notes are guaranteed by our existing subsidiaries (the “January 2019 Subsidiary Guarantors”) other than (i) those organized under the laws of the PRC and (ii) certain other subsidiaries specified in the January 2019 Indenture. Each of the January 2019 Subsidiary Guarantors, jointly and severally, guarantees the due and punctual payment of the principal of, any premium (if any) and interest on, and all other amounts payable under, the January 2019 Notes.

## **Interest**

The January 2019 Notes bear an interest rate of 7.625% per annum, payable semi-annually in arrears.

## **Covenants**

Subject to certain conditions and exceptions, the January 2019 Indenture and each of the relevant subsidiary guarantees contain certain covenants, restricting us and each of the relevant 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;
- 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 agreements that restrict the related restricted subsidiaries' ability to pay dividends;
- transfer assets or make intercompany loans;
- entering into transactions with shareholders or affiliates; and
- effecting a consolidation or merger.

## **Events of Default**

The January 2019 Indenture contains certain customary events of default, including default in the payment of principal of (or any premium on) the January 2019 Notes when such payments become due, default in the payment of interest which continues for 30 consecutive days and other events of default. If an event of default occurs and is continuing, the trustee under the January 2019 Indenture of the holders of at least 25% of the outstanding January 2019 Notes may declare the principal of the January 2019 Notes plus a premium any and accrued and unpaid interest to be immediately due and payable.

## **Change of Control**

Upon the occurrence of certain events of change of control and a rating decline, we are required to make an offer to repurchase all outstanding January 2019 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 January 2019 Notes is March 2, 2021.

At any time and from time to time prior March 2, 2021, we may redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus accrued and unpaid interest (if any) to (but not including) the redemption date.

At any time and from time to time prior to March 2, 2021, we may redeem up to 35% of the aggregate principal amount of the January 2019 Notes at a redemption price equal to 107.625% of the principal amount of the January 2019 Notes redeemed, plus accrued and unpaid interest (if any) to the redemption date with proceeds from sales of certain kinds of our capital stock, subject to certain conditions.

Additionally, if we or a subsidiary guarantor under the January 2019 Indenture would become obligated to pay certain additional amounts as a result of certain changes in specified tax law, we may redeem the January 2019 Notes at a redemption price equal to 100% of the principal amount of the January 2019 Notes plus any accrued and unpaid interest, subject to certain conditions.

## **FEBRUARY 2019 NOTES**

On February 28, 2019, we entered into an indenture (as amended or supplemented from time to time, the “February 2019 Indenture”). Pursuant to the February 2019 Indenture, we issued an aggregate principal amount of US\$300,000,000 of the February 2019 Notes on February 28, 2019. The February 2019 Notes are unsecured. As of the date of this offering memorandum, US\$300,000,000 principal amount of the February 2019 Notes is outstanding.

### **Guarantee**

The obligations pursuant to the February 2019 Notes are guaranteed by our existing subsidiaries (the “February 2019 Subsidiary Guarantors”) other than (i) those organized under the laws of the PRC and (ii) certain other subsidiaries specified in the February 2019 Indenture. Each of the February 2019 Subsidiary Guarantors, jointly and severally, guarantees the due and punctual payment of the principal of, any premium (if any) and interest on, and all other amounts payable under, the February 2019 Notes

### **Interest**

The February 2019 Notes bear an interest rate of 7.625% per annum, payable semi-annually in arrears.

### **Covenants**

Subject to certain conditions and exceptions, the February 2019 Indenture and each of the relevant subsidiary guarantees contain certain covenants, restricting us and each of the relevant 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;
- 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 agreements that restrict the related restricted subsidiaries' ability to pay dividends;
- transfer assets or make intercompany loans;
- entering into transactions with shareholders or affiliates; and
- effecting a consolidation or merger.

### **Events of Default**

The February 2019 Indenture contains certain customary events of default, including default in the payment of principal of (or any premium on) the February 2019 Notes when such payments become due, default in the payment of interest which continues for 30 consecutive days and other events of default. If an event of default occurs and is continuing, the trustee under the February 2019 Indenture of the holders of at least 25% of the outstanding February 2019 Notes may declare the principal of the February 2019 Notes plus a premium any and accrued and unpaid interest to be immediately due and payable.

### **Change of Control**

Upon the occurrence of certain events of change of control and a rating decline, we are required to make an offer to repurchase all outstanding February 2019 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 February 2019 Notes is February 28, 2023.

At any time and from time to time on or after February 28, 2021, we may redeem the February 2019 Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth in the table below if redeemed during each period indicated below, plus any accrued and unpaid interest to the redemption date, if redeemed during the twelve month period beginning on February 28 of each year set forth below:

<u>Period</u>	<u>Redemption Price</u>
2021 .....	103.8125%
2022 .....	101%

At any time and from time to time prior to February 28, 2021, we may redeem the February 2019 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the February 2019 Notes plus a premium and any accrued and unpaid interest (if any) to the redemption date.

At any time and from time to time prior to February 28, 2021, we may redeem up to 35% of the aggregate principal amount of the February 2019 Notes at a redemption price equal to 107.625% of the principal amount of the February 2019 Notes redeemed, plus accrued and unpaid interest (if any) to the redemption date with proceeds from sales of certain kinds of our capital stock, subject to certain conditions.

Additionally, if we or a subsidiary guarantor under the February 2019 Indenture would become obligated to pay certain additional amounts as a result of certain changes in specified tax law, we may redeem the February 2019 Notes at a redemption price equal to 100% of the principal amount of the February 2019 Notes plus any accrued and unpaid interest, subject to certain conditions.

## **OFFSHORE BILATERAL FACILITY AGREEMENTS**

We have entered into bilateral facility agreements with various offshore banks and financial institutions. As of the date of this offering memorandum, the aggregate outstanding amount under these loans totaled approximately US\$362 million. Our bilateral offshore facilities have terms ranging up to three years. Our bilateral offshore bank loans are typically secured by our certain subsidiaries which are incorporated outside of the PRC or by standby letters of credit or require our onshore subsidiaries to maintain a deposit balance equivalent to the outstanding amount of the loan.

### **Interest**

The principal amounts outstanding under the bilateral offshore bank loans generally bear interest at floating rates typically calculated with reference to the Hong Kong Interbank Offered Rate, HASE RMB Prime Rate or London Interbank Offered Rate.

### **Covenants**

Under these facility agreements, we have agreed, among others, to certain customary covenants and restrictions, including financial covenants relating to our consolidated tangible net worth and consolidated net borrowings and interest coverage ratios. We have also agreed not to declare or pay any dividend payment or income distribution in excess of a certain percentage of our consolidated net profit after tax in any financial year.

### **Events of Default**

The bilateral offshore facilities contain certain customary events of default, including insolvency and breaches of the terms of the agreements. If an event of default occurs, the lenders are entitled to terminate all or any part of the total commitment and/or declare all or part of any amounts outstanding immediately due and payable.

## **2016 CLUB LOAN FACILITIES**

On March 11, 2016, we entered into a facility agreement with a greenshoe option in connection with multi-currency term loan facilities, including a US\$340.0 million facility and a HK\$624.0 million facility, with a syndicate of original lenders and with Standard Chartered Bank (Hong Kong) Limited acting as mandated lead arranger, facility agent and security agent. On March 15, 2016 and March 18, 2016, various additional lenders signed Additional Lender Accession Letters (as defined under the 2016 Club Loan Facilities) for a total of US\$155.0 million and HK\$195.0 million. The proceeds of the 2016 Club Loan Facilities were used primarily to redeem our 12.25% senior notes due 2018 issued in 2013. We have drawn down the 2016 Club Loan Facilities in full.

As of the date of this offering memorandum, US\$247.5 million and HK\$409.5 million are outstanding under the 2016 Club Loan Facilities.

### **Interest**

Under the facility agreement for the 2016 Club Loan Facilities, the interest rate applicable for an interest period is LIBOR, in the case of a U.S. dollar loan, or HIBOR, in the case of a Hong Kong dollar loan, in each case, plus a margin of 4.00% *per annum*. If we fail to pay the sum due on its

payment date, interest shall accrue on the unpaid sum from the due date up to the date of actual payment, and interest on an overdue amount (provided that such overdue amount is not a principal amount of the loan) is payable at a rate determined by the facility agent to be *2% per annum* above the rate which would have been payable.

### **Maturity and Prepayment**

The 2016 Club Loan Facilities are repayable in three installments and in the amounts as follows: (i) on the date falling 24 months after the first utilization date, 25% of the loan facilities outstanding as of the last day of the availability period (the “Balance”); (ii) on the date falling 30 months after the first utilization date, 25% of the Balance; and (iii) on the date falling 36 months after the first utilization date, 50% of the Balance. We have the right to prepay the facilities by giving not less than 14 days’ prior written notice (or such shorter period as the majority lenders may agree), subject to certain conditions.

## **2017 CLUB LOAN FACILITIES**

On December 30, 2016, we entered into a facility agreement with a greenshoe option in connection with multi-currency term loan facilities (the “2017 Club Loan Facilities”) with a group of financial institution lenders. The 2017 Club Loan Facilities include RMB term loan facilities (“RMB Tranche”) with an aggregate amount of RMB1,980 million with final maturity of 36 months after the first utilization date of the RMB Tranche and HK dollar/US dollar term loan facilities (“HKD/USD Tranche”) with an aggregate amount of HK\$1,916.3 million with final maturity of 48 months after the first utilization date of the HKD/USD Tranche. On January 25, 2017, we received relevant lenders’ letter of consent, under which the onshore sub-tranche of the RMB Tranche under the 2017 Club Loan Facilities of RMB1,180.0 million was cancelled. On February 8, 2017 and March 22, 2017, various additional lenders signed Additional Lender Accession Letters (as defined under the 2017 Club Loan Facilities) for a total of HK\$1,004.0 million. As of the date of this offering memorandum, a total amount of HK\$2,623.8 million and RMB720.0 million are outstanding under the 2017 Club Loan Facilities. The proceeds of the 2017 Club Loan Facilities are to be used primarily to refinance existing indebtedness and for general corporate funding purposes.

### **Interest**

Under the facility agreement for the 2017 Club Loan Facilities, the interest rate applicable for the HKD/USD Tranche is LIBOR, in the case of a U.S. dollar loan, or HIBOR, in the case of a Hong Kong dollar loan, in each case, plus a margin of 3.70% per annum. Under the facility agreement for the 2017 Club Loan Facilities, the interest rate applicable for the RMB tranche is the official lending rate per annum as promulgated and announced by the PBOC for term loans with a tenor of one to five years on either January 1 or July 1 which occurs immediately prior to the last day of the interest period. If we fail to pay the sum due on its payment date, interest shall accrue on the unpaid sum from the due date up to the date of actual payment, and the interest on an overdue amount (provided that such overdue amount is not a principal amount of the loan) is payable at a rate determined by the facility agent to be *2% per annum* higher than the rate which would have been payable.

### **Maturity and Prepayment**

The 2017 Club Loan Facilities are repayable in five installments and in the amounts as follows: (i) 10% of the loan facilities outstanding as of the last day of the availability period (the “Balance”) is due 24 months after the first utilization date; (ii) another 10% of the Balance is due 30 months after the first utilization date; (iii) 15% of the Balance is due 36 months after the first utilization date; (iv) 15% of the Balance is due 42 months after the first utilization date and (v) 50% of the Balance is due 48 months after the first utilization date.

## **Guarantee and Indemnity**

Our obligations under the facility agreement are guaranteed by our certain subsidiaries which are incorporated outside the PRC.

## **Covenants**

Pursuant to the facility agreement, we agreed to the following financial covenants:

- our consolidated tangible net worth as of the end of our financial period (the “Relevant Period,” defined as any 12-month period ended on the last day of our financial year (i.e. December 31) or the first six months of our financial year (i.e. June 30), is not less than RMB11,000.0 million;
- the ratio of our consolidated net borrowings to the consolidated tangible net worth does not, for any Relevant Period, exceed 85%;
- the ratio of our consolidated onshore borrowings to the consolidated total assets does not, for any Relevant Period, exceed 40%; and
- the ratio of our consolidated EBITDA to consolidated interest expense will not, for any Relevant Period, be less than 3.0.

We have further agreed, among other things, that we will not (i) declare or pay any dividends or make any other distribution in the form of cash to our shareholders in excess of 35% of our consolidated net profit after tax in any financial year; or (ii) create or allow to exist any mortgage, charge, pledge, lien or other security interest or enter into any other arrangement or transaction primarily as a method of raising financial indebtedness or of financing the acquisition of an asset, unless such security interest falls under certain exceptions, or is at creation extended rateably and equally to the lenders under the facility agreement, or is consented to by the lenders in writing.

## **Events of Default**

The facility agreement contains certain customary events of default, including insolvency and breaches of the terms of the facility agreement. The facility agent, as directed by the majority lenders, is entitled to terminate all or any part of the total commitment and/or declare that all or part of any amounts outstanding immediately due and payable and/or payable on demand by the facility agent acting on the instructions of the majority lenders.

## **SEPTEMBER 2017 CLUB LOAN FACILITIES**

On September 4, 2017, we entered into a facility agreement in connection with a US\$135,000,000 facility with a syndicate of original lenders and with Standard Chartered Bank (Hong Kong) Limited acting as coordinator, mandated lead arranger, bookrunner, facility agent and security agent. In December 2017 and January 2018, certain banks signed Additional Lender Accession Letters (as defined under the September 2017 Club Loan Facilities) for a total of US\$154.7 million.

The proceeds of the September 2017 Club Loan Facilities are to refinance our existing indebtedness or for general corporate purposes. We have drawn down the September 2017 Club Loan Facilities in full. As of the date of this offering memorandum, a total amount of US\$289.7 million is outstanding under the September 2017 Club Loan Facilities.

## **Interest**

Under the facility agreement, the interest rate applicable for an interest period is LIBOR plus a margin of 3.3% per annum. If we fail to pay the sum due on its payment date, interest shall accrue on the unpaid sum from the due date up to the date of actual payment, and interest on an overdue amount (provided that such overdue amount is not a principal amount of the loan) is payable at a rate determined by the facility agent to be 2% per annum above the rate which would have been payable.

## **Maturity and Prepayment**

The loan facility is repayable in three installments and in the amounts as follows: (i) on the date falling 24 months after the date of the facility agreement, 20% of the loan facility outstanding as of the last day of the availability period (the “Balance”); (ii) on the date falling 30 months after the date of the facility agreement, 20% of the Balance; and (iii) on the date falling 36 months after the date of the facility agreement, 60% of the Balance. We have the right to prepay the facility by giving not less than 14 days’ prior written notice (or such shorter period as the majority lenders may agree), subject to certain conditions.

## **Guarantee and Indemnity**

Our obligations under the facility agreement are guaranteed by our certain subsidiaries which are incorporated outside of the PRC.

## **Covenants**

Pursuant to the facility agreement, we agreed to the following financial covenants:

- our consolidated tangible net worth shall not at any time be less than RMB13,000,000,000;
- the ratio of consolidated net borrowings to consolidated tangible net worth will not, for any “Relevant Period,” defined as any 12-month period ended on the last day of our financial year (December 31) or the first six months of our financial year (June 30), exceed 95%;
- the ratio of our consolidated onshore borrowings to consolidated tangible total assets will not, for any Relevant Period, exceed 40%; and
- the ratio of our consolidated EBITDA to consolidated interest expense will not, for any Relevant Period, be less than 2.75:1.0.

We have further agreed, among other things, that we will not (i) declare or pay any dividends or make any other distribution in the form of cash to our shareholders in excess of 35% of our consolidated net profit after tax in any financial year; or (ii) create or allow to exist any mortgage, charge, pledge, lien or other security interest or enter into any other arrangement or transaction primarily as a method of raising financial indebtedness or of financing the acquisition of an asset, unless such security interest falls under certain exceptions, or is at creation extended rateably and equally to the lenders under the facility agreement, or is consented to by the lenders in writing.

## **Events of Default**

The facility agreement contains certain customary events of default, including insolvency and breaches of the terms of the facility agreement. The facility agent, as directed by the majority lenders, is entitled to terminate all or any part of the total commitment and/or declare that all or part of any amounts outstanding immediately due and payable and/or payable on demand by the facility agent acting on the instructions of the majority lenders.

## **MARCH 2018 CLUB LOAN FACILITIES**

On March 28, 2018, we entered into a facility agreement with an accession option in connection with transferable US dollar and HK dollar term loan facilities (the “March 2018 Club Loan Facilities”) with a group of financial institution lenders. The March 2018 Club Loan Facilities have an aggregate initial amount of HK\$500 million (with an accession option of additional US\$440 million from other accession lenders) with final maturity of 42 months after the first utilization date. On June 29, 2018 and February 1, 2019, various additional lenders signed Additional Lender Accession Letters (as defined under the March 2018 Club Loan Facilities) for a total of HK\$1,130 million and US\$34 million.

The proceeds of the March 2018 Club Loan Facilities are to be used primarily to refinance the existing indebtedness and for general corporate funding purposes. As of the date of this offering memorandum, a total amount of HK\$1,630 million and USD34 million are outstanding under the March 2018 Club Loan Facilities.

### **Interest**

Under the facility agreement, the interest rate applicable for an interest period is LIBOR, in the case of a U.S. dollar loan, or HIBOR, in the case of a Hong Kong dollar loan, in each case, plus a margin of 3.32% per annum. If we fail to pay the sum due on its payment date, interest shall accrue on the unpaid sum from the due date up to the date of actual payment, and interest on an overdue amount (provided that such overdue amount is not a principal amount of the loan) is payable at a rate determined by the facility agent to be 2% per annum above the rate which would have been payable.

### **Maturity and Prepayment**

The loan facility is repayable in three installments and in the amounts as follows: (i) on the date falling 24 months after the date of the facility agreement, 10% of the loan facility outstanding as of the last day of the availability period (the “Balance”); (ii) on the date falling 30 months after the date of the facility agreement, 10% of the Balance; (iii) on the date falling 36 months after the date of the facility agreement, 15% of the Balance; and (iv) on the date falling 42 months after the date of the facility agreement, 65% of the Balance. We have the right to prepay the facility by giving not less than 14 days’ prior written notice (or such shorter period as the majority lenders may agree), subject to certain conditions.

### **Guarantee and Indemnity**

Our obligations under the facility agreement are guaranteed by our certain subsidiaries which are incorporated outside of the PRC.

### **Covenants**

Pursuant to the facility agreement, we agreed to the following financial covenants:

- our consolidated tangible net worth shall not at any time be less than RMB20,000,000,000;
- the ratio of consolidated net borrowings to consolidated tangible net worth will not, for any “Relevant Period,” defined as any 12-month period ended on the last day of our financial year (December 31) or the first six months of our financial year (June 30), exceed 95%;
- the ratio of our consolidated onshore borrowings to consolidated tangible total assets will not, for any Relevant Period, exceed 40%; and

- the ratio of our consolidated EBITDA to consolidated interest expense will not, for any Relevant Period, be less than 2.75:1.0.

We have further agreed, among other things, that we will not (i) declare or pay any dividends or make any other distribution in the form of cash to our shareholders in excess of 35% of our consolidated net profit after tax in any financial year; or (ii) create or allow to exist any mortgage, charge, pledge, lien or other security interest or enter into any other arrangement or transaction primarily as a method of raising financial indebtedness or of financing the acquisition of an asset, unless such security interest falls under certain exceptions, or is at creation extended rateably and equally to the lenders under the facility agreement, or is consented to by the lenders in writing.

### **Events of Default**

The facility agreement contains certain customary events of default, including insolvency and breaches of the terms of the facility agreement. The facility agent, as directed by the majority lenders, is entitled to terminate all or any part of the total commitment and/or declare that all or part of any amounts outstanding immediately due and payable and/or payable on demand by the facility agent acting on the instructions of the majority lenders.

## **2017 PERPETUAL SECURITIES**

On August 24, 2017, we issued an aggregate principal amount of US\$300,000,000 perpetual capital securities (the “August 2017 Perpetual Securities”). As of the date of this offering memorandum, we had a total of US\$300,000,000 aggregate principal amount of the August 2017 Perpetual Securities outstanding.

### **Distribution**

The August 2017 Perpetual Securities confer a right to securities holders a right to receive distributions semi-annually in arrear, on February 24 and August 24 in each year, at the following distribution rates:

- (i) an initial distribution rate of 5.375% per annum from and including the issue date to and excluding the first reset date of August 24, 2022, and
- (ii) in respect of the periods, (a) from and including the first reset date to and excluding the immediately following reset date and (b) from and including each reset date falling after the first reset date to and excluding the immediately following reset date, the U.S. treasury rate with respect to the relevant reset date plus the initial spread plus the step-up margin per annum.

We have the option to redeem the securities upon the occurrence of a change of control triggering event. If we do not elect to redeem, the applicable distribution rate will increase by 5% per annum beginning from the next distribution payment date.

Subject to certain conditions, we may elect to defer a distribution which is otherwise scheduled to be paid on a distribution payment date to the next distribution payment date.

### **Maturity and Redemption**

There is no fixed maturity date for the August 2017 Perpetual Securities. We may redeem the Perpetual Capital Securities, in whole, but not in part on the first reset date or any business day after the first reset date.

The August 2017 Perpetual Securities may be redeemed at our option in whole, but not in part, at any time, at their principal amount together with all outstanding arrears of distribution and additional distribution amount (if any) and any distribution accrued to the date fixed for redemption, upon the occurrence of certain changes in, or amendment to, the laws or regulations of the Cayman Islands or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations requiring the payment of additional tax amounts and such obligation cannot be avoided by us taking reasonable measures available to it.

We may at our option, at any time, redeem in whole, but not in part, the August 2017 Perpetual Securities at their principal amount together with any distribution accrued to the date fixed for redemption (including any arrears of distribution and any additional distribution amount), provided that prior to the date of such notice at least 80% in principal amount of the August 2017 Perpetual Securities originally issued has already been redeemed or purchased and cancelled.

We may also at our option, at any time, subject to certain conditions, to redeem, in whole but not in part, the August 2017 Perpetual Securities at (i) 101% of their principal amount together with any distribution accrued to the date fixed for redemption (including any arrears of distribution and additional distribution amount) if such redemption occurs prior to the first reset date or (ii) their principal amount together with any distribution accrued to the date fixed for redemption (including any arrears of distribution and additional distribution amount) if such redemption occurs on or after the first reset date, if (a) an equity disqualification event or (b) a change of control triggering event, has occurred and is continuing.

## **DECEMBER 2017 PERPETUAL SECURITIES**

On December 19, 2017, we issued an aggregate principal amount of US\$300,000,000 perpetual capital securities (the “**December 2017 Perpetual Securities**”). As of the date of this offering memorandum, we had a total of US\$300,000,000 aggregate principal amount of the December 2017 Perpetual Securities outstanding.

### **Distribution**

The December 2017 Perpetual Securities confer a right to securities holders a right to receive distributions semi-annually in arrear, on February 28 and August 28 in each year, at the following distribution rates:

- (i) an initial distribution rate of 5.375% per annum from and including the issue date to and excluding the first reset date of August 28, 2021, and
- (ii) in respect of the periods, (a) from and including the first reset date to and excluding the immediately following reset date and (b) from and including each reset date falling after the first reset date to and excluding the immediately following reset date, the U.S. treasury rate with respect to the relevant reset date plus the initial spread plus the step-up margin per annum.

We have the option to redeem the securities upon the occurrence of a change of control triggering event. If we do not elect to redeem, the applicable distribution rate will increase by 5% per annum beginning from the next distribution payment date.

Subject to certain conditions, we may elect to defer a distribution which is otherwise scheduled to be paid on a distribution payment date to the next distribution payment date.

## **Maturity and Redemption**

There is no fixed maturity date for the December 2017 Perpetual Securities. We may redeem the Perpetual Capital Securities, in whole, but not in part on the first reset date or any business day after the first reset date.

The December 2017 Perpetual Securities may be redeemed at our option in whole, but not in part, at any time, at their principal amount together with all outstanding arrears of distribution and additional distribution amount (if any) and any distribution accrued to the date fixed for redemption, upon the occurrence of certain changes in, or amendment to, the laws or regulations of the Cayman Islands or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations requiring the payment of additional tax amounts and such obligation cannot be avoided by us taking reasonable measures available to it.

We may at our option, at any time, redeem in whole, but not in part, the December 2017 Perpetual Securities at their principal amount together with any distribution accrued to the date fixed for redemption (including any arrears of distribution and any additional distribution amount), provided that prior to the date of such notice at least 80% in principal amount of the December 2017 Perpetual Securities originally issued has already been redeemed or purchased and cancelled.

We may also at our option, at any time, subject to certain conditions, to redeem, in whole but not in part, the December 2017 Perpetual Securities at (i) 101% of their principal amount together with any distribution accrued to the date fixed for redemption (including any arrears of distribution and additional distribution amount) if such redemption occurs prior to the first reset date or (ii) their principal amount together with any distribution accrued to the date fixed for redemption (including any arrears of distribution and additional distribution amount) if such redemption occurs on or after the first reset date, if (a) an equity disqualification event or (b) a change of control triggering event has occurred and is continuing.

## **ONSHORE BONDS**

### **First Tranche of 2015 Onshore Bonds**

In 2015, we issued two tranches of public domestic corporate bonds in the PRC. On October 15, 2015, we issued First Tranche of 2015 Onshore Bonds in the aggregate principal amount of RMB3.495 billion with a coupon rate of 4.95% *per annum* with a maturity of five years, with a right to adjust the coupon rate and a right of redemption exercisable by holders at the end of the first three-year period. As of the date of this offering memorandum, the entire principal amount of the First Tranche of 2015 Onshore Bonds has been fully repaid.

### **Second Tranche of 2015 Onshore Bonds**

On November 12, 2015, we issued the Second Tranche of 2015 Onshore Bonds in the aggregate principal amount of RMB500 million with a coupon rate of 5.96% *per annum* with a maturity of five years. As of the date of this offering memorandum, the entire principal amount of the Second Tranche of 2015 Onshore Bonds is outstanding.

### **Second Tranche of 2016 Onshore Bonds**

We issued our 4.99% non-public domestic corporate bonds due 2018 issued on January 22, 2016 in the aggregate principal amount of RMB2,000,000,000. We have fully redeemed the First Tranche of 2016 Onshore Bonds as of the date of this offering memorandum.

In September 2016, we issued the second tranche of our non-public domestic corporate bonds in the PRC. On September 26, 2016, we issued the Second Tranche of 2016 Onshore Bonds in the aggregate amount of RMB4.0 billion comprising: (i) a principal amount of RMB3.5 billion at a coupon rate of 4.30% *per annum* and a tenure of five years. At the end of the third year after the issuance, we have the right to adjust the coupon rate and investors have the option to require the issuer, our wholly-owned subsidiary incorporated in the PRC, to repurchase the bonds, and (ii) a principal amount of RMB500.0 million at a coupon rate of 5.50% *per annum* and a tenure of five years. The proceeds from the issuance of the Second Tranche of 2016 Onshore Bonds will be used for repayment of debts and replenishment of our general working capital. The Second Tranche of 2016 Onshore Bonds are listed on the Shanghai Stock Exchange. As of the date of this offering memorandum, the entire principal amount of the Second Tranche of 2016 Onshore Bonds is outstanding.

## **2018 Onshore Bonds**

On March 22, 2018, we issued the 2018 Onshore Bonds in the aggregate amount of RMB3.5 billion comprising: (i) a principal amount of RMB0.8 billion at a coupon rate of 6.50% per annum and a tenure of four years. At the end of the second year after the issuance, we have the right to adjust the coupon rate and investors have the option to require the issuer, our wholly owned subsidiary incorporated in the PRC, to repurchase the bonds, and (ii) a principal amount of RMB2.7 billion at a coupon rate of 6.80% per annum and a tenure of five years. At the end of the third year after the issuance, we have the right to adjust the coupon rate and investors have the option to require the issuer, our wholly owned subsidiary incorporated in the PRC, to repurchase the bonds. The proceeds from the issuance of the 2018 Onshore Bonds will be used for repayment of loans. The 2018 Onshore Bonds are listed on the Shanghai Stock Exchange. As of the date of this offering memorandum, the entire principal amount of the 2018 Onshore Bonds is outstanding.

## **First and Second Tranches of 2018 Onshore Corporate Bonds**

On August 8, 2018, we issued the First Tranche of 2018 Onshore Corporate Bonds in the aggregate principal amount of RMB2,500,000,000 with a coupon rate of 5.46% per annum and a tenure of three years. As of the date of this offering memorandum, the entire principal amount of the First Tranche of 2018 Onshore Corporate Bonds is outstanding.

On September 19, 2018, we issued the Second Tranche of 2018 Onshore Corporate Bonds in the aggregate principal amount of RMB875,000,000 with a coupon rate of 6.39% per annum and a tenure of four years. As of the date of this offering memorandum, the entire principal amount of the Second Tranche of 2018 Corporate Bonds is outstanding.

## **Covenants**

Under the terms of these Onshore Bonds, we have agreed, among others, to undertake certain measures if we are or expect to be unable to repay the principal of the bonds or any interests, including:

- no distribution of profits to shareholders;
- suspension of major external investments, mergers and acquisitions and other capital expenditure projects;
- reduction or suspension of wages and bonuses of directors and senior management; and
- prohibition of resignation or transfer of primary responsible person.

## **Events of Default**

The Onshore Bonds contain certain events of default, including but not limited to, i) breach of the bond issue offering circular, fiduciary management agreement, information disclosure obligations and laws and regulations and ii) failure to repay the payable interest and principal on due date. Upon the occurrence of an event of default, bond holders are entitled to declare the interest and principal immediately due and payable in writing through the meeting of bond holders upon the satisfaction of certain conditions specified in the bond issue offering circular.

## **LOAN GUARANTEES**

We have provided guarantees to our joint ventures and associates for their onshore and/or offshore bank loans. As of June 30, 2018, our aggregate amount of such guarantees provided in respect of the bank loans made by the joint ventures and associates amounted to RMB4,440.9 million (US\$671.1 million).

## **DESCRIPTION OF THE NOTES**

For purposes of this “Description of the Notes,” the term “Company” refers only to CIFI Holdings (Group) Co. Ltd., and any successor obligor on the Notes, and not to any of its Subsidiaries. Each Subsidiary of the Company which guarantees the Notes is referred to as a “Subsidiary Guarantor”, and each such Guaranteee is referred to as a “Subsidiary Guarantee.” Each Subsidiary of the Company that in the future provides a JV Subsidiary Guarantee (as defined below) is referred to as a “JV Subsidiary Guarantor”.

The Notes are to be issued under an indenture (the “Indenture”), to be dated as of       , 2019, among the Company, the Subsidiary Guarantors and China Construction Bank (Asia) Corporation Limited, as trustee (the “Trustee”).

The following is a summary of the material provisions of the Indenture, the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees. This summary does not purport to be complete, and is subject to, and is qualified in its entirety by reference to, all of the provisions of the Indenture, the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees. 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 upon prior request on or after the Original Issue Date at the corporate trust office of the trustee at 20/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong.

### **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 2015 Notes, the 2017 Notes, the January 2018 Notes, the April 2018 Notes, the May 2018 Notes, the September 2018 Notes, the January 2019 Notes, the February 2019 Notes and all other unsecured, unsubordinated Indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated Indebtedness pursuant to applicable law);
- guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors, if any, on a senior basis, subject to the limitations described below under the caption “— The Subsidiary Guarantees and the JV Subsidiary Guarantees” and in “Risk Factors — Risks Relating to the Subsidiary Guarantees and the JV Subsidiary Guarantees” of this offering memorandum;
- effectively subordinated to the secured obligations of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor; and
- effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries (as defined below).

The Notes will mature on       , 20     , unless earlier redeemed pursuant to the terms thereof and the Indenture.

The Notes will bear interest at       % 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       and       of each year (each an “Interest Payment Date”), commencing       , 2019. Interest on the Notes will be paid to the Holders of record at the close of business on       or

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 Note 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” and “— Redemption for Taxation Reasons” below 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 the 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 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 Principal Paying and Transfer Agent of the Notes, currently located at c/o 20/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong), and the Notes may be presented for registration of transfer or exchange at such office; *provided* that, at the option of the Company, payment of interest may instead be made by wire transfer to a U.S. account maintained by or on behalf of the Holder and notified in writing to the Principal Paying and Transfer Agent. 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.

### **The Subsidiary Guarantees and the JV Subsidiary Guarantees**

The initial Subsidiary Guarantors that will execute the Indenture on the Original Issue Date will include all of the Company’s Restricted Subsidiaries other than (i) those Restricted Subsidiaries organized under the laws of the PRC (the “PRC Non-Guarantor Subsidiaries”) and (ii) Initial Other Non-Guarantor Subsidiaries.

The initial Subsidiary Guarantors are holding companies that do not have significant operations. None of the existing or future Restricted Subsidiaries organized under the laws of the PRC will provide a Subsidiary Guarantee or JV Subsidiary Guarantee on the Original Issue Date or at any time in the future.

In the case of a Restricted Subsidiary that is, or is proposed by the Company or any Restricted Subsidiary to be, established after the Original Issue Date or any entity in respect of which the Company or any Restricted Subsidiary (x) in the case of a Restricted Subsidiary, is proposing to sell, whether through the sale of existing shares or the issuance of new shares, no less than 20% and no more than 49.9% of the Capital Stock of such Restricted Subsidiary or (y) in the case of any other entity, is proposing to purchase no less than 50.1% of the Capital Stock of an Independent Third Party such that it becomes a non-Wholly Owned Subsidiary of the Company and designate such entity as a Restricted Subsidiary, the Company may (in each case, to the extent such new Restricted Subsidiary is not incorporated under the laws of the PRC or an Exempted Subsidiary), concurrently with or as soon as practicable after the consummation of such establishment, sale or purchase, cause (a) such new Restricted Subsidiary and (b) the Restricted Subsidiaries of such new Restricted Subsidiary that are organized in any jurisdiction other than the PRC (other than Exempted Subsidiaries) to provide a JV Subsidiary Guarantee (as defined below) instead of a Subsidiary Guarantee, if the following conditions, in the case of both (a) and (b), are satisfied:

- as of the date of execution of the JV Subsidiary Guarantee (as defined below), no document exists that is binding on the Company or the relevant Restricted Subsidiary that would have the effect of (a) prohibiting the Company or such Restricted Subsidiary from causing such JV Subsidiary Guarantee to be provided or (b) requiring the Company or such Restricted Subsidiary to deliver or keep in place a guarantee on terms that are more favorable to the recipients of such guarantee than the JV Subsidiary Guarantee;
- such sale or issuance of Capital Stock (where applicable) is made to an Independent Third Party at a consideration that is not less than the Fair Market Value of such Capital Stock (or, as the case may be, such purchase of Capital Stock (where applicable) is made from an Independent Third Party at a consideration that is not more than the Fair Market Value of such Capital Stock); *provided* that no such appraisal is required if the sale, issuance or purchase of Capital Stock is made within 180 days after land use rights are acquired by such JV Subsidiary Guarantor or any Restricted Subsidiary of such JV Subsidiary Guarantor;
- all capital contributions (by way of transfer of cash or other property or any payment for property or services for the use of others or otherwise) to be made into a JV Subsidiary Guarantor from the date of the sale of existing Capital Stock or issuance of new Capital Stock as referred to above shall be made directly or by contribution of assets or services having an equivalent Fair Market Value by (i) the Company and its Restricted Subsidiaries and (ii) such Independent Third Party that purchased or subscribed for Capital Stock in the JV Subsidiary Guarantor in proportion to their respective direct or indirect ownership percentages of the Capital Stock of such JV Subsidiary Guarantor or on a basis more favorable to the Company;

- concurrently with providing the JV Subsidiary Guarantee, the Company shall or shall cause such JV Subsidiary Guarantor to deliver to the Trustee:
  - (i) (A) a duly executed Guarantee of such JV Subsidiary Guarantor (the “JV Subsidiary Guarantee”) and each Restricted Subsidiary (if any) of such JV Subsidiary Guarantor that is not organized under the laws of the PRC or an Exempted Subsidiary, and (B) a duly executed supplemental indenture to the Indenture pursuant to which such JV Subsidiary Guarantor will guarantee the payment of the Notes, each of which provides, among other things, that the aggregate claims of the Trustee under such JV Subsidiary Guarantee and all JV Subsidiary Guarantees provided by the Restricted Subsidiaries and shareholders of such JV Subsidiary Guarantor will be limited to the JV Entitlement Amount;
  - (ii) an Officers’ Certificate certifying a copy of the Board Resolution to the effect that such JV Subsidiary Guarantee has been approved by a majority of the disinterested members of the Board of Directors; and
  - (iii) a legal opinion by a law firm of recognized international standing confirming that under New York law such JV Subsidiary Guarantees are valid, binding and enforceable against the JV Subsidiary Guarantors providing such JV Subsidiary Guarantees (subject to customary qualifications and assumptions).

*The Subsidiary Guarantee of each Subsidiary Guarantor:*

- is a general obligation of such Subsidiary Guarantor;
- is effectively subordinated to the secured obligations of such Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor;
- is senior in right of payment to all future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such Subsidiary Guarantee; and
- ranks at least *pari passu* in right of payment with the subsidiary guarantee of such Subsidiary Guarantor for the 2015 Notes, the 2017 Notes, the January 2018 Notes, the April 2018 Notes, the May 2018 Notes, the September 2018 Notes, the January 2019 Notes, the February 2019 Notes and all other unsecured and unsubordinated Indebtedness of such Subsidiary Guarantor (subject to any priority rights of such unsecured and unsubordinated Indebtedness pursuant to applicable law).

If any is provided, the JV Subsidiary Guarantee of each JV Subsidiary Guarantor:

- will be a general obligation of such JV Subsidiary Guarantor;
- will be enforceable only up to the JV Entitlement Amount;
- will be effectively subordinated to the secured obligations of such JV Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor;
- will be limited to the JV Entitlement Amount, and will be senior in right of payment to all future obligations of such JV Subsidiary Guarantor expressly subordinated in right of payment to such JV Subsidiary Guarantee; and

- will be limited to the JV Entitlement Amount, and will rank at least *pari passu* with all other unsecured and unsubordinated Indebtedness of such JV Subsidiary Guarantor (subject to any priority rights of such unsecured and unsubordinated Indebtedness pursuant to applicable law).

The Company will cause each of its future Restricted Subsidiaries (other than Persons organized under the laws of the PRC, Exempted Subsidiaries or Listed Subsidiaries), as soon as practicable (and in any event within 30 days) after such Person becomes a Restricted Subsidiary or ceases to be an Exempted Subsidiary or a Listed Subsidiary, to execute and deliver to the Trustee a supplemental indenture to the Indenture pursuant to which such Restricted Subsidiary will Guarantee the payment of the Notes as either a Subsidiary Guarantor or a JV Subsidiary Guarantor. Notwithstanding the foregoing sentence, the Company may elect to have any future Restricted Subsidiary organized outside the PRC (that is not an Exempted Subsidiary or a Listed Subsidiary) not provide a Subsidiary Guarantee or a JV Subsidiary Guarantee (such Restricted Subsidiaries that do not provide a Subsidiary Guarantee or a JV Subsidiary Guarantee in accordance with the Indenture, the “New Non-Guarantor Subsidiaries,” and together with the Initial Other Non-Guarantor Subsidiaries, the “Other Non-Guarantor Subsidiaries”) at the time such entity becomes a Restricted Subsidiary or ceases to be an Exempted Subsidiary or a Listed Subsidiary; *provided* that, after giving effect to the Consolidated Assets of such Restricted Subsidiary, the Consolidated Assets of all Restricted Subsidiaries organized outside the PRC (other than Exempted Subsidiaries and Listed Subsidiaries) that are not Subsidiary Guarantors or JV Subsidiary Guarantors do not account for more than 30% of Total Assets.

Each Restricted Subsidiary that guarantees the Notes after the Original Issue Date other than a JV Subsidiary Guarantor is referred to as a “Future Subsidiary Guarantor” and upon execution of the applicable supplemental indenture to the Indenture will be a “Subsidiary Guarantor.” The Other Non-Guarantor Subsidiaries, together with the PRC Non-Guarantor Subsidiaries, Exempted Subsidiaries and Listed Subsidiaries, are referred to herein as the “Non-Guarantor Subsidiaries.”

Although the Indenture contains limitations on the amount of additional Indebtedness that Non-Guarantor Subsidiaries (including Restricted Subsidiaries organized under the laws of the PRC) may incur, the amount of such additional Indebtedness could be substantial. In the event of a bankruptcy, liquidation or reorganization of any Non-Guarantor Subsidiary, the Non-Guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Company.

As of June 30, 2018, the Company and its consolidated subsidiaries had total debt of approximately RMB70,559.4 million (US\$10,663.2 million), of which approximately RMB32,601.9 million (US\$4,926.9 million) was secured debt of the Company or a Subsidiary Guarantor.

As of June 30, 2018, the Non-Guarantor Subsidiaries had total liabilities of approximately RMB155,110.3 million (US\$23,533.7 million) and the Non-Guarantor Subsidiaries had capital commitments of approximately RMB9,847.3 million (US\$1,488.2 million) and contingent liabilities of approximately RMB18,997.8 million (US\$2,871.0 million).

Under the Indenture, and any supplemental indenture to the Indenture, as applicable, each of the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) will jointly and severally Guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes; *provided* that any JV Subsidiary Guarantor will be limited to the JV Entitlement Amount. The Subsidiary Guarantors and the JV Subsidiary Guarantors will (1) agree that their respective obligations under the Subsidiary Guarantees and the JV Subsidiary Guarantees, as the case may be, will be enforceable irrespective of any invalidity, irregularity or unenforceability of the Notes or the Indenture and (2) waive their right to require the Trustee to pursue or exhaust its legal or equitable remedies against the Company prior to exercising its rights under the Subsidiary Guarantees

and the JV Subsidiary Guarantees, as the case may be. Moreover, if at any time any amount paid under a Note or the Indenture is rescinded or must otherwise be repaid or restored, the rights of the Holders under the Subsidiary Guarantees and the JV Subsidiary Guarantees, as the case may be, will be reinstated with respect to such payment as though such payment had not been made. All payments under the Subsidiary Guarantees and the JV Subsidiary Guarantees, as the case may be, are required to be made in U.S. dollars.

Under the Indenture, and any supplemental indenture to the Indenture, as applicable,

- each Subsidiary Guarantee will be limited to an amount not to exceed the maximum amount that can be Guaranteed by the applicable Subsidiary Guarantor without rendering the Subsidiary Guarantee, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally; and
- each JV Subsidiary Guarantee will be limited to an amount which is the lower of (i) the JV Entitlement Amount and (ii) an amount not to exceed the maximum amount that can be Guaranteed by the applicable JV Subsidiary Guarantor without rendering the JV Subsidiary Guarantee, as it relates to such JV Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

If a Subsidiary Guarantee or JV Subsidiary Guarantee were to be rendered voidable, it could be subordinated by a court to all other Indebtedness (including guarantees and other contingent liabilities) of the applicable Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, and, depending on the amount of such Indebtedness, a Subsidiary Guarantor's liability on its Subsidiary Guarantee or a JV Subsidiary Guarantor's liability on its JV Subsidiary Guarantee, as the case may be, could in each case be reduced to zero.

The obligations of each Subsidiary Guarantor under its Subsidiary Guarantee may be limited, or possibly invalid, under applicable laws. Similarly, the obligations of each JV Subsidiary Guarantor under its JV Subsidiary Guarantee may be limited, or possibly invalid, under applicable laws. See "Risk Factors — Risks Relating to the Subsidiary Guarantees and the JV Subsidiary Guarantees — The Subsidiary Guarantees or JV Subsidiary Guarantees may be challenged under applicable insolvency or fraudulent transfer laws, which could impair the enforceability of the Subsidiary Guarantees or JV Subsidiary Guarantees" of this offering memorandum.

#### ***Release of the Subsidiary Guarantees or JV Subsidiary Guarantees***

A Subsidiary Guarantee given by a Subsidiary Guarantor and a JV Subsidiary Guarantee given by a JV Subsidiary Guarantor may be released in certain circumstances, including:

- upon repayment in full of the Notes;
- upon a defeasance as described under "— Defeasance — Defeasance and Discharge";
- upon the designation by the Company of a Subsidiary Guarantor or a JV Subsidiary Guarantor, as the case may be, as an Unrestricted Subsidiary in compliance with the terms of the Indenture;
- upon the sale, merger or disposition of a Subsidiary Guarantor or a JV Subsidiary Guarantor, as the case may be, in compliance with the terms of the Indenture (including the covenants described under the captions "— Certain Covenants — Limitation on Sales and Issuances of

Capital Stock in Restricted Subsidiaries,” “— Certain Covenants — Limitation on Asset Sales” and “— Consolidation, Merger and Sale of Assets”) resulting in such Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, no longer being a Restricted Subsidiary, so long as (1) such Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, is simultaneously released from its obligations in respect of any of the Company’s other Indebtedness or any Indebtedness of any other Restricted Subsidiary and (2) the proceeds from such sale, merger or disposition are used for the purposes permitted or required by the Indenture;

- in the case of a Subsidiary Guarantee, upon the replacement of a Subsidiary Guarantee with a JV Subsidiary Guarantee; or
- in the case of a Subsidiary Guarantor that becomes a New Non-Guarantor Subsidiary, in compliance with the terms of the Indenture.

In the case of a Subsidiary Guarantor with respect to which the Company or any Restricted Subsidiary is proposing to sell, whether through the sale of existing shares or the issuance of new shares, no less than 20% of the Capital Stock of such Subsidiary Guarantor, the Company may concurrently with the consummation of such sale or issuance of Capital Stock, instruct the Trustee to release the Subsidiary Guarantees provided by such Subsidiary Guarantor and each of its Restricted Subsidiaries organized outside the PRC, and upon such release such Subsidiary Guarantor and its Restricted Subsidiaries organized outside the PRC will become New Non-Guarantor Subsidiaries (such that each New Non-Guarantor Subsidiary will no longer Guarantee the Notes); *provided* that, after the release of such Subsidiary Guarantees, the Consolidated Assets of all Restricted Subsidiaries organized outside the PRC that are not Subsidiary Guarantors or JV Subsidiary Guarantors (including such New Non-Guarantor Subsidiaries and excluding Exempted Subsidiaries and Listed Subsidiaries) do not account for more than 30% of Total Assets. A Subsidiary Guarantee of a Subsidiary Guarantor may only be released pursuant to this paragraph if, as of the date of such proposed release, no document exists that is binding on the Company or any of the Restricted Subsidiary that would have the effect of (a) prohibiting the Company or such relevant Restricted Subsidiary from permitting the release of such Subsidiary Guarantee or (b) requiring the Company or such Subsidiary Guarantor to deliver or keep in place a guarantee of other Indebtedness of the Company by such Subsidiary Guarantor.

#### ***Replacement of Subsidiary Guarantees with JV Subsidiary Guarantees***

A Subsidiary Guarantee given by a Subsidiary Guarantor may be released following the sale or issuance by the Company or any Restricted Subsidiary of Capital Stock in (a) such Subsidiary Guarantor or (b) any other Subsidiary Guarantor that, directly or indirectly, owns a majority of the Capital Stock of such Subsidiary Guarantor, in each case where such sale or issuance, whether through the sale of existing shares or the issuance of new shares, is for no less than 20% and no more than 49.9% of the issued Capital Stock of the relevant Subsidiary Guarantor, *provided* that the following conditions are satisfied or complied with:

- as of the date of such proposed release, no document exists that is binding on the Company or any of the Restricted Subsidiary that would have the effect of (a) prohibiting the Company or such relevant Restricted Subsidiary from permitting the release of such Subsidiary Guarantee, (b) prohibiting the Company or such relevant Restricted Subsidiary from permitting the provision of a JV Subsidiary Guarantee as described below, or (c) requiring the Company or such relevant Restricted Subsidiary to cause to deliver or keep in force a replacement guarantee on terms that are more favorable to the recipients of such guarantee than the JV Subsidiary Guarantee;

- such sale is made to an Independent Third Party at a consideration that is not less than the appraised value of such Capital Stock by an independent appraisal firm of recognized international standing appointed by the Company;
- all capital contributions (by way of transfer of cash or other property or any payment for property or services for the use of others or otherwise) to be made into a JV Subsidiary Guarantor from the date of the sale of existing Capital Stock or issuance of new Capital Stock as referred to above shall be made directly or by contribution of assets or services having an equivalent Fair Market Value by (i) the Company and its Restricted Subsidiaries and (ii) such Independent Third Party that purchased or subscribed for Capital Stock in the JV Subsidiary Guarantor in proportion to their respective direct or indirect ownership percentages of the Capital Stock of such JV Subsidiary Guarantor or on a basis more favorable to the Company;
- concurrently with the release of such Subsidiary Guarantee, the Company shall or shall cause such JV Subsidiary Guarantor to deliver to the Trustee:
  - (i) (A) a duly executed JV Subsidiary Guarantee of such JV Subsidiary Guarantor and each Restricted Subsidiary (if any) of such JV Subsidiary Guarantor that is not organized under the laws of the PRC or an Exempted Subsidiary and (B) a duly executed supplemental indenture to the Indenture pursuant to which such JV Subsidiary Guarantor will Guarantee the payment of the Notes, each of which provides, among other things, that the aggregate claims of the Trustee under such JV Subsidiary Guarantee and all JV Subsidiary Guarantees provided by the Restricted Subsidiaries and shareholders of such JV Subsidiary Guarantor will be limited to the JV Entitlement Amount;
  - (ii) an Officers' Certificate certifying a copy of a Board Resolution to the effect that such JV Subsidiary Guarantee has been approved by a majority of the disinterested members of the Board of Directors; and
  - (iii) a legal opinion by a law firm of recognized international standing confirming that under New York law such JV Subsidiary Guarantee is valid, binding and enforceable against the JV Subsidiary Guarantor providing such JV Subsidiary Guarantee (subject to customary qualifications and assumptions).

Notwithstanding the foregoing paragraph, any such sale or issuance of the Capital Stock of the relevant Subsidiary Guarantor (including where such sale results in the relevant Subsidiary Guarantor ceasing to be a Restricted Subsidiary) will need to comply with the other covenants set forth in the Indenture, including, without limitation, the covenants described under the captions “— Certain Covenants — Limitation on Asset Sales” and “— Certain Covenants — Limitation on Restricted Payments.”

Any Net Cash Proceeds from the sale or issuance of such Capital Stock shall be applied by the Company (or any Restricted Subsidiary) in accordance with the covenant described under the caption “— Certain Covenants — Limitation on Asset Sales.”

As of the date of the Indenture, all of the Company's Subsidiaries other than Hayson Enterprises Limited, Xu Fa Co. Limited, Xu Fu Co. Limited, Xu Jia Co. Limited, Xu Jun Co. Limited, Xu Lin Co. Limited, Xu Guo Co. Limited, Xu Ri Co. Limited, Xu Jing Co. Limited, Xu Qi Co. Limited, Xu Yao Co. Limited, Xu Guang Co. Limited, Xu Hong Co. Limited, Xu Ying Co. Limited, Xu Di Co. Limited, Xu Zhi Co. Limited, Xu Jian Co. Limited, Xu Shang Co. Limited, Xu Xing Co. Limited, CIFI Property 201501 Limited, Xu Xian Co. Limited and their respective Subsidiaries will be “Restricted

Subsidiaries.” Under the circumstances described below under the caption “— Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries,” the Company will be permitted to designate more Subsidiaries as “Unrestricted Subsidiaries.” The Company’s Unrestricted Subsidiaries will generally not be subject to the restrictive covenants in the Indenture. The Company’s Unrestricted Subsidiaries will not be required to Guarantee the Notes.

### **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 (including the benefit of the Subsidiary Guarantees and the JV Subsidiary Guarantees, if any) 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 covenant described under the caption “— Certain Covenants —“Limitation on Indebtedness and Preferred Stock” below.

### **Optional Redemption**

At any time and from time to time on or after       , 20     , the Company may redeem the Notes, in whole or in part, at a redemption price equal to the percentage of the principal amount of the Notes redeemed set forth below plus accrued and unpaid interest (if any) to (but not including) the redemption date, if redeemed during the twelve-month period beginning on       of each year set forth below:

<b>Period</b>	<b>Redemption Price</b>
20        . . . . .	%
20        . . . . .	%

At any time and from time to time prior to       , 20     , 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 the Principal Paying and Transfer Agent is responsible for calculating or verifying the Applicable Premium.

At any time and from time to time prior to       , 20     , 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       % of the principal amount of the Notes redeemed, 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.

## ***Selection and Notice***

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, in compliance with the requirements of the principal national securities exchange on which the Notes are listed or if the Notes are held through any clearing systems, in compliance with the requirements of the clearing systems through which the Notes are held; or
- (2) if the Notes are not listed on any national securities exchange, on a pro rata basis, by lot or by such method as the Trustee in its sole and absolute discretion deems fair and appropriate unless otherwise required by law.

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 the 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 (see the definition of "Offer to Purchase").

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 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 and the Subsidiary Guarantors' 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 upon a Change of Control Triggering Event" of this offering memorandum.

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.

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.

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 a Change of Control Triggering trend has occurred and shall not be liable to any person for any failure to do so.

### **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, premium (if any) and interest on the Notes or under the Subsidiary Guarantees and the JV Subsidiary Guarantees 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, a Surviving Person (as defined under the caption “— Consolidation, Merger and Sale of Assets”) or an applicable Subsidiary Guarantor or JV Subsidiary Guarantor 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 the jurisdiction through which payments are made or any political subdivision or taxing authority thereof or therein (each, together with a Relevant Jurisdiction, a “Taxing Jurisdiction”), 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, a Surviving Person or the applicable Subsidiary Guarantor or JV Subsidiary Guarantor, 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 Taxing Jurisdiction, other than merely holding such Note or the receipt of payments thereunder or under a Subsidiary Guarantee or JV Subsidiary Guarantee, including, without limitation, such Holder or beneficial owner being or having been a national, domiciliary or resident of such Taxing 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, a Surviving Person, any Subsidiary Guarantor or any JV Subsidiary Guarantor, addressed to the Holder, to provide information concerning such Holder's or its beneficial owner's nationality, residence, identity or connection with any Taxing Jurisdiction, 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 Taxing Jurisdiction, 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 intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, any law, regulation or other official guidance enacted in any jurisdiction implementing such an intergovernmental agreement or 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 Taxing Jurisdiction, 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 or under any Subsidiary Guarantee or JV Subsidiary Guarantee, 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 and the Trustee (which notice shall be irrevocable), 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 becomes effective (or in the case of an official position, is announced) (i) with respect to the Company or any initial Subsidiary Guarantor, on or after the Original Issue Date, or (ii) with respect to any Future Subsidiary Guarantor, JV Subsidiary Guarantor or Surviving Person, on or after the date such Future Subsidiary Guarantor, JV Subsidiary Guarantor or Surviving Person becomes a Subsidiary Guarantor, JV Subsidiary Guarantor or Surviving Person, with respect to any payment due or to become due under the Notes or the Indenture, the Company, a Surviving Person or a Subsidiary Guarantor or JV Subsidiary Guarantor, 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, a Surviving Person, a Subsidiary Guarantor or JV Subsidiary Guarantor, 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, a Surviving Person, a Subsidiary Guarantor or a JV Subsidiary Guarantor, 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 such 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 and is entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it shall be conclusive and binding on the Holders.

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 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 and any Subsidiary Guarantor may Incur Indebtedness (including Acquired Indebtedness) and any Restricted Subsidiary (other than a Subsidiary Guarantor) 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 2.5 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 or a Subsidiary Guarantor, 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 and each Subsidiary Guarantee and JV Subsidiary Guarantee);
  - (b) any Pari Passu Subsidiary Guarantees by any Subsidiary Guarantor or any JV Subsidiary Guarantor;
  - (c) Indebtedness of the Company or any Restricted Subsidiary outstanding on the Original Issue Date excluding Indebtedness permitted under clause (d) (together with refinancings thereof); *provided* that such Indebtedness of Restricted Subsidiaries shall be included in the calculation of Permitted Subsidiary Indebtedness (other than any such Indebtedness described in clauses (a) and (b) above and clauses (d), (f), (g), (m) and (o) below);
  - (d) Indebtedness of the Company or Indebtedness or Preferred Stock of any Restricted Subsidiary owed to or held by 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 none of the Subsidiary Guarantors and the JV Subsidiary Guarantors are the obligee on such Indebtedness, such Indebtedness must be unsecured and expressly be subordinated in right of payment to the Notes, and if a Subsidiary Guarantor or a JV Subsidiary Guarantor is the obligor on such Indebtedness and none of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors are the obligee on such Indebtedness, such Indebtedness must be unsecured and expressly subordinated in right of payment to the Subsidiary Guarantee of such Subsidiary Guarantor or the JV Subsidiary Guarantee of such JV Subsidiary Guarantor, as the case may be; *provided further* that any Preferred Stock issued by a Subsidiary Guarantor and held by the Company or another Restricted Subsidiary must by the terms thereof or by operation of law be subordinated in right of payment to the Subsidiary Guarantee of such Subsidiary Guarantor or the JV Subsidiary Guarantee of such JV Subsidiary Guarantor;
  - (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 clause (a), (b), (c), (h), (n), (p), (q), (r), (s), (t) or (u) 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 or a Subsidiary Guarantee or a JV Subsidiary Guarantee 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 or a Subsidiary Guarantee or a JV Subsidiary Guarantee, as the case may be, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is outstanding, is expressly made *pari passu* with, or subordinate in right of payment to, the remaining Notes or such Subsidiary Guarantee or such JV Subsidiary Guarantee, as the case may be, or (B) in case the Indebtedness to be refinanced is subordinated in right of payment to the Notes or a Subsidiary Guarantee or a JV Subsidiary Guarantee, as the case may be, 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 or such Subsidiary Guarantee or such JV Subsidiary Guarantee, as the case may be, at least to the extent that the Indebtedness to be refinanced is subordinated to the Notes or such Subsidiary Guarantee or such JV Subsidiary Guarantee, (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, (iii) in no event may Indebtedness of the Company, or any Subsidiary Guarantor or any JV Subsidiary Guarantor be refinanced pursuant to this clause by means of any Indebtedness of any Restricted Subsidiary that is not a Subsidiary Guarantor or a JV Subsidiary Guarantor, and (iv) in no event may Indebtedness of the Company or any Subsidiary Guarantor be refinanced pursuant to this clause by means of any Indebtedness of any JV Subsidiary Guarantor;

- (f) Indebtedness Incurred by the Company or any Restricted Subsidiary pursuant to Hedging Obligations to reduce or manage the exposure of the Company or any of its Restricted Subsidiaries to fluctuations in interest rates, currencies or the price of commodities;
- (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, including any such purchase through the acquisition of Capital Stock of any Person that owns such assets, 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; *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 property 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 aggregate principal amount outstanding of all such Indebtedness Incurred under this clause (h) (together with refinancings thereof and the aggregate principal amount outstanding of Indebtedness and Preferred Stock Incurred under clauses (p), (q), (s), (t) and (u) below

and the refinancings thereof, but excluding any Contractor Guarantee or Guarantee Incurred under such clauses and this clause (h) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 35% 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 in the nature of such Guarantee shall at no time exceed the gross proceeds actually received from the sale 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* that such Indebtedness is extinguished within five Business Days of Incurrence;
- (m) 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, subject to the covenant described under the caption "— Limitation on Issuances of Guarantees by Restricted Subsidiaries";
- (n) Indebtedness of the Company or any Restricted Subsidiary with a maturity of one year or less used by the Company or any Restricted Subsidiary for working capital; *provided* that, the aggregate principal amount of Indebtedness permitted by this clause (n) at any time outstanding (together with refinancings thereof) does not exceed US\$50.0 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 Person 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 such Staged Acquisition Agreement;
- (p) Indebtedness Incurred or Preferred Stock or Disqualified Stock issued by any Restricted Subsidiary arising from any Investment made by a Trust Company Investor in a Restricted Subsidiary, and Indebtedness of the Company or a Restricted Subsidiary

constituting a Guarantee by, or grant of a Lien on the assets of, the Company or a Restricted Subsidiary in favor of a Trust Company Investor with respect to the obligation to pay a guaranteed or preferred return to such Trust Company Investor on Capital Stock of such Restricted Subsidiary held by such Trust Company Investor, *provided* that on the date of such Incurrence of all such Indebtedness and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness and Preferred Stock Incurred under this clause (p) (together with refinancings thereof and the aggregate principal amount outstanding of Indebtedness that was Incurred under clause (h) above and clauses (q), (s), (t) and (u) below and the refinancings thereof, but excluding any Contractor Guarantee or Guarantee Incurred under such clauses and this clause (p) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount), does not exceed an amount equal to 35% of Total Assets;

- (q) 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 aggregate principal amount outstanding of all such Indebtedness Incurred under this clause (q) (together with refinancings thereof and the aggregate principal amount outstanding of Indebtedness and Preferred Stock Incurred under clauses (h) and (p) above and clauses (s), (t) and (u) below and the refinancings thereof, but excluding any Contractor Guarantee or Guarantee Incurred under such clauses and this clause (q) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 35% of Total Assets;
- (r) 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\$75.0 million (or the Dollar Equivalent thereof);
- (s) 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 such Indebtedness and after giving effect thereto, the aggregate of all Indebtedness Incurred under this clause (s) (together with financing thereof and the aggregate principal amount outstanding of Indebtedness and Preferred Stock Incurred under clauses (h), (p) and (q) above and clauses (t) and (u) below and the refinancings thereof, but excluding any Contractor Guarantee or Guarantee Incurred under such clauses and this clause (s) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 35% of Total Assets;
- (t) 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 such Indebtedness and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to this clause (t) (together with financing thereof and the aggregate principal amount outstanding of Indebtedness and Preferred Stock Incurred under clauses (h), (p), (q) and (s) above and clause (u) below and the refinancings thereof, but excluding any Contractor Guarantee

or Guarantee Incurred under such clauses and this clause (t) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 35% of Total Assets; and

- (u) Indebtedness Incurred by the Company or any Restricted Subsidiary which is secured by Investment Properties and Guarantees thereof by the Company or any Restricted Subsidiary, *provided* that on the date of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to this clause (u) (together with refinancing thereof and the aggregate principal amount outstanding of Indebtedness and Preferred Stock Incurred under clauses (h), (p), (q), (s) and (t) above and the refinancings thereof, but excluding any Contractor Guarantee or Guarantee Incurred under such clauses and this clause (u) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 35% of Total Assets.
- (3) For purposes of determining compliance with this 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 the first paragraph, the Company, in its sole discretion, shall classify, and from time to time may reclassify, such item of Indebtedness in one or more types of Indebtedness described above.
- (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 Wholly Owned 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 Wholly Owned Restricted Subsidiary other than (i) the purchase of Capital Stock of a Restricted Subsidiary pursuant to a Staged Acquisition Agreement or (ii) the purchase of Capital Stock of a Restricted Subsidiary held by any Trust Company Investor;
- (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 or any of the Subsidiary Guarantees or any of the JV Subsidiary Guarantees (excluding any intercompany Indebtedness between or among the Company and any of its Wholly Owned Restricted Subsidiaries); 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 the first paragraph of the covenant described under the caption “— Limitation on Indebtedness and Preferred Stock,” *provided, however*, that this clause (b) shall not apply to any Restricted Payment consisting solely of (i) the declaration or payment of dividends on the Common Stock of the Company or (ii) the redemption, repurchase or other acquisition of shares of Common Stock of the Company, in an aggregate amount not to exceed, with respect to any fiscal year, 35.0% of the consolidated “profit for the year” of the Company calculated in accordance with GAAP for such fiscal year; or
- (c) such Restricted Payment, together with the aggregate amount of all Restricted Payments made by the Company and its Restricted Subsidiaries after the Measurement Date, shall exceed the sum of:
  - (i) 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 April 1, 2013 (being the first day of the fiscal quarter during which the Measurement Date occurred) 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 best efforts to compile in a timely manner) are available (which may include internal consolidated financial statements); plus
  - (ii) 100% of the aggregate Net Cash Proceeds received by the Company after the Measurement Date as 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
  - (iii) the amount by which Indebtedness of the Company or any Restricted Subsidiary is reduced on the Company’s consolidated balance sheet 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
  - (iv) 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, (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, or (E) any Person becoming a Restricted Subsidiary (whereupon all Investments made by the Company or any Restricted Subsidiary in such Person since the Measurement Date shall be deemed to have been made pursuant to clause (1) of the definition of “Permitted Investment”) but only to the extent such Investments by the Company or any Restricted Subsidiary in such Person was a Restricted Payment made to the extent permitted under this paragraph (c); plus

- (v) US\$30.0 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 or any of the Subsidiary Guarantors or JV Subsidiary Guarantors 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 or any Subsidiary Guarantor or any JV Subsidiary Guarantor (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 the Capital Stock (other than Disqualified Stock) of the Company or any Subsidiary Guarantor (or options, warrants or other rights to acquire such Capital Stock); *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, *provided however* that any item that has been excluded pursuant to clause (c)(ii) of the preceding paragraph will not be excluded again as a result of the proviso in this clause (3);
- (4) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any of the Subsidiary Guarantors or JV Subsidiary Guarantors 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 or any of the Subsidiary Guarantors or JV Subsidiary Guarantors (or options, warrants or other rights to acquire such Capital Stock); *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, *provided however* that any item that has been excluded pursuant to clause (c)(ii) of the preceding paragraph will not be excluded again as a result of the proviso in this clause (4);

- (5) the declaration and 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; *provided* that, with respect to a Restricted Subsidiary of which less than a majority of the Voting Stock is directly or indirectly owned by the Company, such dividend or distribution shall be declared, paid or made on a pro rata basis or on a basis more favorable to the Company, as determined by the ownership of the Voting Stock;
- (6) dividends paid to, or the purchase of Capital Stock of any Restricted Subsidiary held by, any Trust Company Investor in respect of any Indebtedness or Preferred Stock outstanding on the Original Issue Date or permitted to be Incurred under paragraph (2)(p) of the covenant described under the caption “— Limitation on Indebtedness and Preferred Stock”;
- (7) the declaration and payment of dividends on the Common Stock of the Company by the Company in an aggregate amount not to exceed 20% of the Consolidated Net Income of the Company for the fiscal year ended December 31, 2012;
- (8) the redemption, repurchase or other acquisition of Capital Stock of any Restricted Subsidiary holding any real estate project; *provided* that not less than 70% of the aggregate gross planned floor area of the real estate projects held by such Restricted Subsidiary has been sold or pre-sold;
- (9) cash payments in lieu of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Company, *provided, however*, that any such cash payments shall not be for the purpose of evading the limitation of this covenant (as determined in good faith by the Board of Directors of the Company); or
- (10) 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 (x) such purchase occurs within 12 months after such Restricted Subsidiary acquires the real property or land use rights it was formed to acquire and (y) 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) or (4) 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.

Each 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 covenant 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 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 (10) above), 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 covenant were computed, together with a copy of any fairness opinion or appraisal required by the Indenture.

For purposes of determining compliance with this covenant, in the event that an item of Investment meets the criteria of both the first paragraph of this covenant and paragraph (17) of the definition of "Permitted Investment" at any time, the Company, in its sole discretion, shall classify, and from time to time may reclassify, such item of Investment in either or both of such paragraphs.

***Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries***

- (1) Except as provided below, the Company will not, and 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 distributions 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.
- (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 Subsidiary Guarantees, the JV Subsidiary Guarantees, the Indenture, or under any Pari Passu Subsidiary Guarantee of any Subsidiary Guarantor or any JV Subsidiary Guarantor or any Indebtedness Guaranteed by such Pari Passu Subsidiary Guarantee, 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) existing with respect to any Person or the property or assets of such Person acquired by the Company or any Restricted Subsidiary, 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, or (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 the 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 covenants described under the captions “— Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries,” “— Limitation on Indebtedness and Preferred Stock” and “— Limitation on Asset Sales”;
- (f) with respect to any Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the Incurrence of Indebtedness or issuance of Preferred Stock or Disqualified Stock of the type described under clause (2)(h), 2(o), (2)(p), 2(q), 2(s), 2(t) or 2(u) or permitted under clause (2)(n) or (2)(r) of the covenant described under the caption “— Limitation on Indebtedness and Preferred Stock” 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, with respect to Indebtedness of the type described in clause 2(h), 2(o), (2)(p), 2(q), 2(s), 2(t) or 2(u) or permitted under (2)(n) or (2)(r), 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 shareholders agreement, joint venture agreements and other similar agreements permitted under the Indenture, to the extent such encumbrance or restriction relates to the activities or assets of 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 shareholder, 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 (x) the ability of the Company to make the required payments on the Notes, or (y) any Subsidiary Guarantor or JV Subsidiary Guarantor to make required payments under its Subsidiary Guarantee or JV Subsidiary Guarantee; 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 Unrestricted Subsidiary or its subsidiaries or the property or assets of such Unrestricted 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 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;
- (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 covenant described under the caption "— Limitation on Restricted Payments" if made on the date of such sale or issuance and *provided* that the Company complies with the covenant described under the caption "— Limitation on Asset Sales"; or
- (4) the sale or issuance of Capital Stock of a Restricted Subsidiary (which remains a Restricted Subsidiary after any such sale or issuance); *provided* that the Company or such Restricted Subsidiary applies the Net Cash Proceeds of such sale or issuance in accordance with the covenant described under the caption "— Limitation on Asset Sales."

### ***Limitation on Issuances of Guarantees by Restricted Subsidiaries***

The Company will not permit any Restricted Subsidiary which is not a Subsidiary Guarantor or a JV Subsidiary Guarantor, directly or indirectly, to Guarantee any Indebtedness ("Guaranteed Indebtedness") of the Company or any Subsidiary Guarantor or JV Subsidiary Guarantor, unless (1)(a) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for an unsubordinated Subsidiary Guarantee (in the case of a Subsidiary Guarantor) or JV Subsidiary Guarantee (in the case of a JV Subsidiary Guarantor) 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 its Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be, until the Notes have been paid in full or (2) such Guarantee is permitted by clause (2)(c), (2)(d) or (2)(q) (in the case of clause (2)(q), with respect to the Guarantee provided by the Company or any Restricted Subsidiary through the pledge of bank accounts, deposits or other assets to secure any Bank Deposit Secured Indebtedness), under the caption "— Limitation on Indebtedness and Preferred Stock."

If the Guaranteed Indebtedness (1) ranks *pari passu* in right of payment with the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee, then the Guarantee of such Guaranteed Indebtedness shall rank *pari passu* in right of payment with, or subordinated to, the Subsidiary Guarantee or the JV Subsidiary Guarantee, as the case may be, or (2) is subordinated in right of payment to the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee, then the Guarantee of such Guaranteed Indebtedness shall be subordinated in right of payment to the Subsidiary Guarantee or the JV Subsidiary Guarantee, as the case may be, at least to the extent that the Guaranteed Indebtedness is subordinated to the Notes, the Subsidiary Guarantee or the JV Subsidiary Guarantee.

### ***Limitation on Transactions with Shareholders and Affiliates***

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into, renew or extend any transaction or arrangement (including, without limitation, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with (x) any holder (or any Affiliate of such holder) of 10% or more of any class of Capital Stock of the Company or (y) any Affiliate of the Company (each an “Affiliate Transaction”), unless:

- (1) the Affiliate Transaction is on fair and reasonable terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable arm’s length transaction by the Company or the relevant Restricted Subsidiary with a Person that is not an Affiliate of the Company; and
- (2) the Company delivers to the Trustee:
  - (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US\$5.0 million (or the Dollar Equivalent thereof), a Board Resolution set forth in an Officers’ Certificate certifying that such Affiliate Transaction complies with this covenant and such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors; and
  - (b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US\$10.0 million (or the Dollar Equivalent thereof), in addition to the Board Resolution required in clause 2(a) above, an opinion as to the fairness to the Company or the relevant Restricted Subsidiary of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of recognized international standing.

The foregoing limitation does not limit, and shall not apply to:

- (1) the payment of reasonable and customary regular fees and other compensation for the service as board members to directors of the Company or any Restricted Subsidiary who are not employees of the Company or any Restricted Subsidiary;
- (2) transactions between or among the Company and any of its Wholly Owned Restricted Subsidiaries or between or among Wholly Owned Restricted Subsidiaries;
- (3) any Restricted Payment of the type described in clause (1) or (2) of the first paragraph of the covenant described under the caption “— Limitation on Restricted Payments” if permitted by that covenant;
- (4) any sale of Capital Stock (other than Disqualified Stock) of the Company;
- (5) the payment of compensation to officers and directors of the Company or any Restricted Subsidiary pursuant to an employee stock or share option scheme, so long as such scheme is in compliance with the listing rules of the Hong Kong Stock Exchange, which as of the Original Issue Date require a majority shareholder approval of any such scheme;
- (6) any transaction between (A) the Company or any Restricted Subsidiary and (B) any entity in a Qualified Spin-off Group entered into in connection with a proposed restructuring in preparation for a Qualified Spin-off IPO, including but not limited to transactions entered into for purposes of any reorganization in connection with such proposed restructuring and

Qualified Spin-off IPO and the entry into, and the performance thereof, of any underwriting agreement or other transaction documents in connection with such proposed restructuring and Qualified Spin-off IPO; or

- (7) any transaction between (A) the Company or any Restricted Subsidiary and (B) any entity in a Qualified Spin-off Group entered into in the ordinary course of business, on fair and reasonable terms and disclosed in the offering document issued in connection with a proposed Qualified Spin-off IPO, or any amendment, modification, extension or replacement thereof, so long as such amendment, modification, extension or replacement is not more disadvantageous to the Company and its Restricted Subsidiaries than the original transaction described in the offering document issued in connection with such proposed Qualified Spin-off IPO and in compliance with the rules of The Stock Exchange of Hong Kong Limited or any other recognized exchange on which the Company's ordinary shares are then listed for trading.

In addition, the requirements of clause (2) of the first paragraph of this covenant shall not apply to (i) Investments (including Permitted Investments that are permitted under paragraph (17) of the definition of "Permitted Investments" but otherwise excluding any other Permitted Investments) not prohibited by the covenant described under the caption "— Limitation on Restricted Payments," (ii) transactions pursuant to agreements in effect on the Original Issue Date and described in this offering memorandum, or any amendment or modification or replacement thereof, so long as such amendment, modification or replacement is not more disadvantageous to the Company and its Restricted Subsidiaries than the original agreement in effect on the Original Issue Date and (iii) any transaction (A) between or among the Company, any Wholly Owned Restricted Subsidiary and any Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary, (B) between or among Restricted Subsidiaries that are not Wholly Owned Restricted Subsidiaries, or (C) between or among the Company or a Restricted Subsidiary on the one hand and any Jointly Controlled Entity, Associate or Unrestricted Subsidiary on the other; *provided* that in the case of clause (iii) (a) such transaction is entered into in the ordinary course of business, (b) in the case of a non-Wholly-Owned Restricted Subsidiary, none of the minority shareholders or minority partners of or in such Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary is a Person described in clauses (x) or (y) of the first paragraph of this covenant (other than by reason of such minority shareholder or minority partner being an officer or director of such Restricted Subsidiary) or by reason of being a Subsidiary, Jointly Controlled Entity or Associate of the Company and (c) in the case of a transaction with a Jointly Controlled Entity, an Associate or an Unrestricted Subsidiary, none of the shareholders or partners (other than the Company or a Restricted Subsidiary) of such Jointly Controlled Entity, Associate or Unrestricted Subsidiary is a Person described in clause (x) or (y) of the first paragraph of this covenant (other than by reason of such shareholder or partner being a director or officer of such Jointly Controlled Entity, Associate or Unrestricted Subsidiary or by reason of being a Subsidiary, Jointly Controlled Entity or Associate of the Company).

#### ***Limitation on Liens***

The Company will not, and will not permit any of its Restricted Subsidiaries 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 equally and ratably secured by such Lien.

### ***Limitation on Sale and Leaseback Transactions***

The Company will not, and will not permit any of its Restricted Subsidiaries 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 first paragraph of the covenant described above under “— Limitation on Indebtedness and Preferred Stock” and (b) incurred a Lien to secure such Indebtedness pursuant to the covenant described above 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 that 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 that 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 below under the caption “— Limitation on Asset Sales.”

### ***Limitation on Asset Sales***

The Company will not, and 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\$50.0 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 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 balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee) 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 a Subsidiary Guarantor or any Indebtedness of a Restricted Subsidiary that is not a Subsidiary Guarantor (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; or
- (2) acquire properties and assets that replace the properties and assets that were the subject of such Asset Sale or in properties or assets (other than current assets that are not land use rights, properties under development or completed property held for sale) that will be used in the businesses of the Company or any Restricted Subsidiary (“Replacement Assets”).

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\$20.0 million (or the Dollar Equivalent thereof) will be carried forward and accumulated. When accumulated Excess Proceeds exceeds US\$20.0 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 of the Notes 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 those 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 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 by lot or such other method the Trustee determines in its sole and absolute discretion. Upon completion of each Offer to Purchase, the amount of Excess Proceeds will be reset at zero.

### ***Use of Proceeds***

The Company will not, and 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 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

(other than any Guarantee in compliance with clause (6) of this paragraph) for the Indebtedness of such Restricted Subsidiary; (3) such Restricted Subsidiary has no outstanding Indebtedness that could trigger a cross-default to the Indebtedness of the Company; (4) 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”; (5) 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 (6) 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 “— Limitation on Restricted Payments.”

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”; (4) such Unrestricted Subsidiary is not a Subsidiary of another Unrestricted Subsidiary (that is not concurrently being designated as a Restricted Subsidiary); and (5) if such Restricted Subsidiary is not organized under the laws of the PRC, such Restricted Subsidiary shall upon such designation execute and deliver to the Trustee a supplemental indenture to the Indenture by which such Restricted Subsidiary shall become a Subsidiary Guarantor or a JV Subsidiary Guarantor to the extent required under “— The Subsidiary Guarantees and the JV Subsidiary Guarantees.”

#### ***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 businesses of the Company and the Restricted Subsidiaries; (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, any Subsidiary Guarantor or any JV Subsidiary Guarantor to perform its obligations under the Notes, the relevant Subsidiary Guarantee, the relevant JV Subsidiary Guarantee or the Indenture.

#### ***Anti-Layering***

The Company will not Incur, and will not permit any Subsidiary Guarantor or JV Subsidiary Guarantor to Incur, any Indebtedness if such Indebtedness is contractually subordinated in right of payment to any other Indebtedness of the Company, such Subsidiary Guarantor or such JV Subsidiary Guarantor, as the case may be, unless such Indebtedness is also contractually subordinated in right of payment to the Notes, the applicable Subsidiary Guarantee or the applicable JV Subsidiary Guarantee,

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 two of the three 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 any of the Rating Agencies, 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”; and
- (8) “— Certain Covenants — Limitation on Asset Sales.”

During any period that the foregoing covenants have been suspended, the Board of Directors may not designate any of the Restricted Subsidiaries as Unrestricted Subsidiaries pursuant to the covenant summarized under the caption “— Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries” or the definition of “Unrestricted Subsidiary.”

Such covenants will be reinstated 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 summarized under “— 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 10 calendar days after they are filed with the Hong Kong Stock Exchange or any other recognized exchange on which the Company’s ordinary shares are at any time listed for trading, true and correct copies of any financial or other report in the English language 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 stock 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 English language) in respect of such financial year (including a statement of income, balance sheet 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 financial quarter of the Company, copies of its financial statements (on a consolidated basis and in English language) in respect of such half-year period (including a statement of income, balance sheet 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 financial quarter of the Company, copies of its unaudited financial statements (on a consolidated basis and in English language), including a statement of income, balance sheet 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, an Officers' Certificate stating the Fixed Charge Coverage Ratio with respect to the four most recent fiscal quarters 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 certification if its external auditors refuse to provide such certification as a result of a policy of such external auditors not to provide such certification; and (b) as soon as possible and in any event within 30 days after the Company becomes aware or should reasonably become aware of the occurrence of a Default, an Officers' Certificate setting forth the details of the 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 “— Consolidation, Merger and Sale of Assets,” 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\$30.0 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 of its Restricted Subsidiaries 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\$30.0 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 Subsidiary (or any group of Restricted Subsidiaries that together would constitute a Significant 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 Subsidiary (or any group of Restricted Subsidiaries that together would constitute a Significant Subsidiary) or for any substantial part of the property and assets of the Company or any Significant Subsidiary (or any group of Restricted Subsidiaries that together would constitute a Significant 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 Subsidiary (or any group of Restricted Subsidiaries that together would constitute a Significant Subsidiary) under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;
- (8) the Company or any Significant Subsidiary (or any group of Restricted Subsidiaries that together would constitute a Significant 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 Subsidiary (or any group of Restricted Subsidiaries that together would constitute a Significant Subsidiary) or for all or substantially all of the property and assets of the Company or any Significant Subsidiary (or any group of Restricted Subsidiaries that together would constitute a Significant Subsidiary) or (c) effects any general assignment for the benefit of creditors; or

- (9) any Subsidiary Guarantor or JV Subsidiary Guarantor denies or disaffirms its obligations under its Subsidiary Guarantee or JV Subsidiary Guarantee or, except as permitted by the Indenture, any Subsidiary Guarantee or JV Subsidiary Guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect.

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 written request of such Holders shall, subject to receiving indemnity and/or security to its satisfaction, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest 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 Significant Subsidiary (or any group of Restricted Subsidiaries that together would constitute a Significant 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 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 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 to 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 conflicts with law or the Indenture, that may involve the Trustee in personal liability, or that is unduly prejudicial to the rights of Holders not joining in the giving of such direction and may take any other action that is not inconsistent with any such direction received from Holders. The Trustee shall not be required to expend its funds in following such direction it does not reasonably believe that reimbursement or indemnity and/or security is assured to it.

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 direction that is inconsistent with the written 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.

If the Trustee collects any money pursuant to the Indenture, it shall pay out the money in the following order:

*First*, to the Trustee and the Agents to the extent necessary to reimburse the Trustee and the Agents for any expenses incurred in connection with the collection or distribution of such amounts held or realized and any reasonable fees and expenses incurred in connection with carrying out its functions under the Indenture (including any indemnity payments due to the Trustee and the Agents and properly incurred legal fees and expenses);

*Second*, to the Trustee for the benefit of Holders; and

*Third*, any surplus remaining after such payments will be paid to the Company or to whomever may be lawfully entitled thereto.

Officers of the Company must certify to the Trustee in writing, 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 and that the Company has 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 “— Certain Covenants — Provision of Financial Statements and Reports.”

### **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), 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, Hong Kong or the British Virgin Islands 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, 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 the first paragraph of the covenant described under the caption “— Certain Covenants — 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;
- (6) each Subsidiary Guarantor and JV Subsidiary Guarantor, unless such Subsidiary Guarantor or JV Subsidiary Guarantor is the Person with which the Company has entered into a transaction described under this caption, shall execute and deliver a supplemental indenture to the Indenture confirming that its Subsidiary Guarantee or JV Subsidiary Guarantee, as applicable, shall apply to the obligations of the Company or the Surviving Person in accordance with the Notes and the Indenture; and
- (7) no Rating Decline shall have occurred.

No Subsidiary Guarantor or JV Subsidiary Guarantor will 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 (other than the Company or another Subsidiary Guarantor or, in the case of a JV Subsidiary Guarantor, other than to another JV Subsidiary Guarantor, the Company or a Subsidiary Guarantor), unless:

- (1) such Subsidiary Guarantor or JV Subsidiary Guarantor 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 shall be the Company, another Subsidiary Guarantor or shall become a Subsidiary Guarantor concurrently with the transaction (or, in the case of a JV Subsidiary Guarantor, another JV Subsidiary Guarantor, the Company or a Subsidiary Guarantor); and shall expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of such Subsidiary Guarantor or JV Subsidiary Guarantor 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 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 could incur at least US\$1.00 of Indebtedness under the first paragraph of the covenant described under the caption “— Certain Covenants — 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 covenant described under the caption “— Certain Covenants — Limitation on Asset Sales” or any Subsidiary Guarantor or JV Subsidiary Guarantor whose Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be, is unconditionally released in accordance with the provisions described under “— The Subsidiary Guarantees and the JV Subsidiary Guarantees — Release of the Subsidiary Guarantees and the JV Subsidiary Guarantees.”

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.

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 or any Subsidiary Guarantor or JV Subsidiary Guarantor that may adversely affect Holders.

#### **No Payments for Consents**

The Company will not, and 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, the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee 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.

## **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 or any 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 for such payments in accordance with the terms of the Indenture and the Notes and (b) delivers 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.

In the case of either discharge or defeasance of the Notes the Subsidiary Guarantees and the JV Subsidiary Guarantees will terminate.

### ***Defeasance of Certain Covenants***

The Indenture further will provide that (i) 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,” and (ii) 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 clause (i) above, clause (4) under “— Events of Default” with respect to such other covenants in clause (i) above 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, 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 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, the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) 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 Subsidiary Guarantor or JV Subsidiary Guarantor, or any Subsidiary Guarantee or JV Subsidiary Guarantee, or release any Subsidiary Guarantor or JV Subsidiary Guarantor from any Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be, as provided or permitted by the terms of the Indenture;
- (5) provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture;
- (6) add any collateral to secure the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee;
- (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 securities depository;
- (9) make any other change that does not materially and adversely affect the rights of any Holder; or
- (10) conform the text of the Indenture, the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees 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, the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees.

### ***Amendments With Consent of Holders***

The Indenture, the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) 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 a majority in aggregate principal amount of the outstanding Notes or the Trustee may amend or waive future compliance by the Company with any provision thereof; *provided, however,* that no such modification, 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 place, currency or time 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, any Subsidiary Guarantee or any JV Subsidiary Guarantee;
- (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) release any Subsidiary Guarantor or JV Subsidiary Guarantor from its Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be, except as provided in the Indenture;
- (8) 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;
- (9) amend, change or modify any Subsidiary Guarantee or JV Subsidiary Guarantee in a manner that adversely affects the Holders;
- (10) 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;
- (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, any Subsidiary Guarantor or any JV Subsidiary Guarantor 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, any Subsidiary Guarantee or any JV Subsidiary Guarantee 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, any of the Subsidiary Guarantors or any of the JV Subsidiary Guarantors in the Indenture, or in any of the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees, 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, any of the Subsidiary Guarantors or JV Subsidiary Guarantors, 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, the Subsidiary Guarantees and the JV Subsidiary Guarantees. Such waiver may not be effective to waive liabilities under the federal securities laws.

## **Concerning the Trustee and the Agents**

China Construction Bank (Asia) Corporation Limited will be appointed as Trustee under the Indenture. China Construction Bank (Asia) Corporation Limited will be appointed as registrar (the “Registrar”) and principal paying and transfer agent (the “Principal Paying and Transfer Agent” and together with the Registrar, the “Agents”) with regard to the Notes. Except during the continuance of a 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 or any of the Subsidiary Guarantors or JV Subsidiary Guarantors 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 such Holders have offered to the Trustee indemnity and/or security satisfactory to the Trustee against any loss, liability or expense.

Furthermore, each Holder, by accepting the Notes agrees, for the benefit of the Trustee, that it is solely responsible for its own independent appraisal of and investigation into all risks arising under or in connection with the offering of the Notes and has not relied on and will not at any time rely on the Trustee in respect of such risks.

## **Book-Entry; Delivery and Form**

The Notes will be represented by a global note in registered form without interest coupons attached (the “Initial 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. Any additional Notes will be represented by additional global notes in registered form without interest coupons attached (the “Additional Global Notes” and, together with the Initial Global Note, the “Global Notes”).

### **Global Notes**

Ownership of beneficial interests in the Global Notes (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 Notes 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 Subsidiary Guarantors, the JV Subsidiary Guarantors (if any), the Trustee or any of the 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 Notes**

Payments of any amounts owing in respect of the Global Notes (including principal, premium, interest and Additional Amounts) will be made to the Principal Paying and Transfer Agent in U.S. dollars. The Principal Paying and Transfer 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. Each of the Company and the Subsidiary Guarantors 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, any Subsidiary Guarantor, any JV Subsidiary Guarantor, the Trustee and the Agents will treat the registered holder of the Global Notes (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 Subsidiary Guarantors, the JV Subsidiary Guarantors, the Trustee or any of the 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

- 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 Notes**

In the event any 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 of Notes only at the direction of one or more participants to whose account the book-entry interests in a 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. If there is an Event of Default under the Notes, however, each of Euroclear and Clearstream reserves the right to exchange the Global Note for individual definitive notes in certificated form, and to distribute such individual definitive notes to their participants.

### **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 Notes will be subject to the restrictions on transfer discussed under "Transfer Restrictions" of this offering memorandum.

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 applicable settlement procedures applicable. Book-entry interests will be credited to the securities custody accounts of Euroclear and Clearstream participants 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 same-day 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 Subsidiary Guarantors, the JV Subsidiary Guarantors, the Trustee or any of the 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 by the Company 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, Euroclear, Clearstream 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 Notes 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 for delivery to Holders. Persons exchanging interests in a 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 or any Subsidiary Guarantor) addressed to the Company or such Subsidiary Guarantor, (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 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 and each of the Subsidiary Guarantors 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, any Subsidiary Guarantee, any JV Subsidiary Guarantee, 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, the Subsidiary Guarantees, the JV Subsidiary Guarantees (if any) 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.

"2015 Notes" means the 7.75% Senior Notes due 2020 originally issued by the Company in June 2015.

"2017 Notes" means the 5.5% Senior Notes due 2022 originally issued by the Company in January 2017.

"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 \_\_\_\_\_, 20\_\_\_\_\_, 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, whether now or in the future; (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 redemption price of such Note at \_\_\_\_\_, 20\_\_\_\_\_ (such redemption price being set forth in the table appearing above under the caption “— Optional Redemption”, plus (y) all required remaining scheduled interest payments due on such Note through \_\_\_\_\_, 20\_\_\_\_\_ (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.

“April 2018 Notes” means the 6.875% Senior Notes due 2021 originally issued by the Company in April 2018.

“Asset Acquisition” means (1) an investment by the Company or any of its Restricted Subsidiaries 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 of its Restricted Subsidiaries; or (2) an acquisition by the Company or any of its Restricted Subsidiaries of the property and assets of any Person other than the Company or any of its Restricted Subsidiaries 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 of its Restricted Subsidiaries (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 of its Restricted Subsidiaries.

“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 of its Restricted Subsidiaries to any Person; *provided* that “Asset Sale” shall not include:

- (1) sales 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 covenant described under the caption “— Certain Covenants — Limitation on Restricted Payments”;
- (3) sales, transfers or other dispositions of assets with a Fair Market Value not in excess of US\$1 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 or 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 covenant described under the caption “— Consolidation, Merger and Sale of Assets”; and
- (7) any sale, transfer or other disposition by the Company or any of its Restricted Subsidiaries, 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.

“Attributable Indebtedness” means, in respect of a Sale and Leaseback Transaction, 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.

“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 bank accounts, deposits or other assets of the Company or a Restricted Subsidiary 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 effect exchanges of foreign currencies into Renminbi or vice versa or to remit Renminbi or any foreign currency into or outside the PRC.

“Board of Directors” means the board of directors elected or appointed by the board or shareholders 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.

“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 of such Person.

“Capitalized Lease Obligations” means the discounted present value of the rental obligations under a Capitalized Lease.

“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.

“Change of Control” means the occurrence of one or more of the following events:

- (1) the merger, amalgamation or consolidation of the Company with or into another Person (other than one or more Permitted Holders) or the merger or amalgamation of another Person (other than one or more Permitted Holders) with or into the Company, or the sale of all or substantially all the assets of the Company to another Person;
- (2) the Permitted Holders are the beneficial owners of less than 40.0% of the total voting power of the Voting Stock of the Company;
- (3) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the U.S. Exchange Act) is or becomes the “beneficial owner” (as such term is used in Rule 13d-3 of the U.S. Exchange Act), directly or indirectly, of total voting power of the Voting Stock of the Company greater than such total voting power held beneficially by the Permitted Holders;
- (4) individuals who on the Original Issue Date constituted the board of directors of the Company, together with any new directors whose election by the board of directors was approved by a vote of at least two-thirds 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; or
- (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, *provided* that the Notes are rated by at least one Rating Agency, a Rating Decline.

“Clearstream” means Clearstream Banking S.A.

“Commodity Hedging Agreement” means any spot, forward or option commodity price protection agreements or other similar agreement or arrangement designed to reduce or manage exposure to 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 at the date of the Indenture, 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 , 20 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 , 20 .

“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 that Restricted Subsidiary 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 and its Restricted Subsidiaries (which the Company shall use its best efforts to compile on a timely manner) are available (which may be 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, 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, 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 of its Restricted Subsidiaries and (2) in the case of any future 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 to 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, (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 Person (other than the Company or any Restricted Subsidiary) that is Guaranteed by, or secured by a Lien on any asset of, the Company or any Restricted Subsidiary (other than Pre-Registration Mortgage Guarantees and Liens on any Capital Stock of a Person that is not a Restricted Subsidiary), only to the extent such interest has become due and payable by the Company or any Restricted Subsidiary and (7) any capitalized interest; *provided* that 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.

“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 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); 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 of its Restricted Subsidiaries or all or substantially all of the property and assets of such Person are acquired by the Company or any of its Restricted Subsidiaries;
- (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;
- (7) any gains and losses arising from changes in the fair value of trust loans related derivatives, as determined in conformity with GAAP; and
- (8) any net after-tax extraordinary or non-recurring gains.

“Consolidated Net Worth” means, at any date of determination, stockholders’ equity as set forth on the most recently available quarterly, semi-annual or annual consolidated balance sheet (which may be an internal consolidated balance sheet) 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 of its Restricted Subsidiaries, 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 assets, real or personal property or equipment to be used 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.

“Core Businesses” means the acquisition and development of residential property in the PRC.

“Currency Agreement” means any foreign exchange forward contract, currency swap agreement or other similar agreement or arrangement designed to reduce or manage exposure to 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 covenants described under the captions “— Certain Covenants — Limitation on Asset Sales” and “— Repurchase of Notes upon a Change of Control Triggering Event” 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 covenants described under the captions “— Certain Covenants — Limitation on Asset Sales” and “— Repurchase of Notes upon a Change of Control Triggering Event.”

“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 balance sheet 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 placing price; *provided* that any offering or placing 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.

“Exempted Subsidiary” means any Restricted Subsidiary organized in any jurisdiction other than the PRC that is prohibited by applicable law or regulation to provide a Subsidiary Guarantee or a JV Subsidiary Guarantee; *provided* that (x) the Company shall have failed, upon using commercially reasonable efforts, to obtain any required governmental or regulatory approval or registration with respect to such Subsidiary Guarantee or JV Subsidiary Guarantee, to the extent that such approval or registration is available under any applicable law or regulation and (y) such Restricted Subsidiary shall cease to be an Exempted Subsidiary immediately upon such prohibition ceasing to be in force or apply to such Restricted Subsidiary or upon the Company having obtained such applicable approval or registration.

“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, except in the case of a determination of Fair Market Value of total assets for the purposes of determining a JV Entitlement Amount, in which case such price shall be determined by an accounting, appraisal or investment banking firm of recognized international standing appointed by the Company.

“February 2019 Notes” means the 7.625% Senior Notes due 2023 originally issued by the Company in February 2019.

“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 quarter periods 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 (which may be internal consolidated financial statements) (the “Four Quarter Period”) 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, Disqualified Stock 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, Disqualified Stock 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, Disqualified Stock 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 sentence 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 quarter periods 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 generally accepted accounting principles in Hong Kong 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 Hedging 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, the accrual of interest, the accrual of dividends, the payment of interest in the form of additional Indebtedness and the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock 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 prior to 180 days after the Stated Maturity of the Notes shall be deemed “Indebtedness.”

Notwithstanding the foregoing, Indebtedness shall not include any capital commitments, deferred payment obligations, pre-sale receipts in advance from customers 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) or Entrusted Loans; *provided* that such Indebtedness is not reflected on the consolidated balance sheet of the Company as borrowings or indebtedness (contingent obligations and commitments referred to in a footnote to financial statements and not otherwise reflected as borrowings on the balance sheet will not be deemed to be reflected on such balance sheet).

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

- (1) that 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) that 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) that the amount of Indebtedness with respect to any Hedging Obligation shall be: (i) zero if Incurred pursuant to clause (2)(f) of the covenant described under the caption “—Certain Covenants-Limitation on Indebtedness and Preferred Stock,” and (ii) equal to the net amount payable by such Person if such Hedging Obligation terminated at that time if not Incurred pursuant to such paragraph.

“Independent Third Party” means any Person that is not an Affiliate of the Company.

“Initial Other Non-Guarantor Subsidiaries” means, Lida Resources Limited, Spectron Enterprises Limited, Xu Bing Co. Limited, Xu Bing (HK) Co. Limited, Xu Jie Co. Limited, Xu Lin (HK) Co. Limited, Xu Sen Co. Limited, Xu Sen (HK) Co. Limited, Xu Ting Co. Limited, Xu Ting (HK) Co. Limited, Xu Yang Co. Limited, Xu Yang (Singapore) Pte. Ltd., CIFI Japan Co., LTD, CIFI Development (HK) Co. Limited, CIFI Property 201502 Limited, CIFI Property 201502 (HK) Limited, CIFI Property 201503 Limited, CIFI Property 201503 (HK) Limited, CIFI Property 201504 Limited, CIFI Property 201504 (HK) Limited, CIFI Property 201505 Limited, CIFI Property 201505 (HK) Limited, CIFI Property 201801 Limited, CIFI Property 201801 (HK) Limited, CIFI Property 201802 Limited, CIFI Property 201802 (HK) Limited, CIFI Property 201803 Limited, CIFI Property 201803

(HK) Limited, CIFI Property 201804 Limited, CIFI Property 201804 (HK) Limited, CIFI Property 201805 Limited, CIFI Property 201805 (HK) Limited, Carsone Investment Limited, Niceton Investment Limited, Sanbo Investment Limited, Topping Resources Limited, Wellstone Resources Limited, CIFI Property 201901 Limited, CIFI Property 201901 (HK) Limited, CIFI Property 201902 Limited, CIFI Property 201902 (HK) Limited, CIFI Property 201903 Limited, CIFI Property 201903 (HK) Limited, CIFI Property 201904 Limited, CIFI Property 201904 (HK) Limited, CIFI Property 201905 Limited, CIFI Property 201905 (HK) Limited, unless any of such Restricted Subsidiaries has after the Original Issue Date executed a Subsidiary Guarantee or a JV Subsidiary Guarantee in accordance with the terms of the Indenture.

“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 reduce or manage exposure to 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.

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 “BBB,” as modified by a “+” or “-” indication, or an equivalent rating representing one of the four highest rating categories, by S&P or any of its successors or assigns, a rating of “Aaa,” or “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 S&P, Moody’s or Fitch or two or three of them, as the case may be.

“Investment Property” means any property that is held by the Company or any Restricted Subsidiary primarily for rental yields or for capital appreciation or both, or any hotel owned or held by the Company or any Restricted Subsidiary from which the Company or any Restricted Subsidiary derives or expects to derive operating income.

“January 2018 Notes” means the 5.50% Senior Notes due 2023 originally issued by the Company in January 2018.

“January 2019 Notes” means the 7.625% Senior Notes due 2021 originally issued by the Company in January 2019.

“Jointly Controlled Entity” means any corporation, association or other business entity of which 20% or more of the voting power of the outstanding Capital Stock is owned, directly or indirectly, by the Company or a Restricted Subsidiary and which corporation, association or other business entity is treated as a “jointly controlled entity” in accordance with GAAP, and such Jointly Controlled Entity’s Subsidiaries.

“JV Entitlement Amount” means, with respect to any JV Subsidiary Guarantor and its Subsidiaries, an amount that is equal to the product of (i) the Fair Market Value of the total assets of such JV Subsidiary Guarantor and its Subsidiaries, on a consolidated basis (without deducting any Indebtedness or other liabilities of such JV Subsidiary Guarantor and its subsidiaries) as of the date of the last fiscal year end of the Company; and (ii) a percentage equal to the direct equity ownership percentage of the Company and/or its Restricted Subsidiaries in the Capital Stock of such JV Subsidiary Guarantor and its Subsidiaries.

“JV Subsidiary Guarantee” has the meaning set forth under the caption “— The Subsidiary Guarantees and the JV Subsidiary Guarantees.”

“JV Subsidiary Guarantor” means a Restricted Subsidiary that executes a JV Subsidiary Guarantee.

“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 Restricted Subsidiary any class of Voting Stock of which is listed on a Qualified Exchange and any Restricted Subsidiary of a Listed Subsidiary; *provided* that such Restricted Subsidiary shall cease to be a Listed Subsidiary immediately upon, as applicable, (x) the Voting Stock of such Restricted Subsidiary ceasing to be listed on a Qualified Exchange, or (y) such Restricted Subsidiary ceasing to be a Restricted Subsidiary of a Listed Subsidiary.

“May 2018 Notes” means the 6.375% Senior Notes due 2020 originally issued by the Company in May 2018.

“Measurement Date” means April 15, 2013.

“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 bankers) 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.

“Non-Core Businesses” means any business other than the Core Businesses.

“Non-Core Entity” means any Restricted Subsidiary which is primarily engaged, directly or indirectly, in a Non-Core Business.

“Offer to Purchase” means an offer to purchase Notes by the Company from the Holders commenced by the Company 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 Principal Paying and Transfer 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 Principal Paying and Transfer Agent receives, not later than the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date, a facsimile transmission or letter 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.

One Business Day prior to the Offer to Purchase Payment Date, the Company shall deposit with the Principal Paying and Transfer Agent money sufficient to pay the purchase price of all Notes or portions thereof tendered pursuant to an Offer to Purchase. 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 Principal Paying and Transfer Agent shall promptly mail to the Holders of Notes so accepted payment in an amount equal to the purchase price, and the Trustee 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 Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable, in the event that the Company is required to repurchase Notes pursuant to an Offer to Purchase.

To the extent that the provisions of any securities laws or regulations of any jurisdiction conflict with the provisions of the Indenture governing any Offer to Purchase, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such compliance. The Company will not be required to make an Offer to Purchase if a third party makes the Offer to Purchase in compliance with the requirements set forth in the Indenture applicable to an Offer to Purchase made by the Company and purchases all Notes properly tendered and not withdrawn under the Offer to Purchase.

The offer is 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 or, in the case of a Subsidiary Guarantor or JV Subsidiary Guarantor, one of the directors or officers of such Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be.

“Officers’ Certificate” means a certificate signed by two Officers; *provided, however*, with respect to the Officers’ Certificate required to be delivered by any Subsidiary Guarantor under this Indenture, Officers’ Certificate means a certificate signed by one Officer if there is only one Officer in such Subsidiary Guarantor at the time such certificate is required to be delivered.

“Opinion of Counsel” means a written opinion from legal counsel who is reasonably acceptable to the Trustee.

“Original Issue Date” means the date on which the Notes are originally issued under the Indenture. “Pari Passu Subsidiary Guarantee” means a guarantee by any Subsidiary Guarantor or any JV Subsidiary Guarantor of Indebtedness of the Company (including Additional Notes) or another Subsidiary Guarantor or JV Subsidiary Guarantor; *provided* that (1) the Company, or such Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, 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 any outstanding Subsidiary Guarantee of such Subsidiary Guarantor, or with any outstanding JV Subsidiary Guarantee of such JV Subsidiary Guarantor, as the case may be.

“Payment Default” means (1) any default in the payment of interest on any Note when the same becomes due and payable, (2) any 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, (3) the failure by the Company to make or consummate a Change of Control Offer in the manner described under the caption “— Repurchase of Notes upon a Change of Control Triggering Event,” or an Offer to Purchase in the manner described under the caption “— Certain Covenants — Limitation on Asset Sales” or (4) any Event of Default specified in clause (5) of the definition of Events of Default.

“Permitted Holders” means any or all of the following:

- (1) (x) Mr. Lin Zhong, Mr. Lin Wei and Mr. Lin Feng, (y) Beauty Fountain Holdings Limited, Eternally Success International Limited and Gentle Beauty Assets Limited and (z) any family trust set up by any Person listed in sub-clause (x) of this clause (1);
- (2) any Affiliate (other than an Affiliate as defined in clause (2) or (3) of the definition of Affiliate) of the Persons specified in clause (1); and
- (3) 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% by Persons specified in clauses (1) and (2).

“Permitted Investment” means:

- (1) any Investment in the Company or a Restricted Subsidiary, directly or indirectly through one or more other Restricted Subsidiaries, or a Person which will, upon the making of such Investment, become a Restricted Subsidiary 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;
- (2) any Investment in cash or 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 to reduce or manage the exposure of the Company or any Restricted Subsidiary to fluctuations in commodity prices, interest rates or foreign currency exchange rates;
- (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 under the caption “— Certain Covenants — 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 “— Certain Covenants — 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 balance sheet;
- (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 of its Restricted Subsidiaries and prepayments made in connection with the direct or indirect acquisition of real property or land use rights or personal property (including without limitation, Capital Stock) by the Company or any of its Restricted Subsidiaries (including, without limitation, by way of acquisition of Capital Stock of a Person), in each case in the ordinary course of business;
- (16) Guarantees permitted under clause (2)(p) or (2)(s) of the covenant described under the caption “— Certain Covenants — Limitation on Indebtedness and Preferred Stock”;

(17) any Investment by the Company or any Restricted Subsidiary in any corporation, association or other business entity of which at least 20% of the Capital Stock and Voting Stock is (or upon the making of such Investment, will be) owned, directly or indirectly, by the Company or any Restricted Subsidiary (such corporation, association or other business entity, an “Associate”); *provided* that:

- (i) the aggregate of all Investments made under this clause (17) since the Measurement 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 (17) since the Measurement Date resulting from:

(A) payments of interest on Indebtedness, dividends or repayments of loans or advances made under this clause (17), 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 Measurement Date under this clause of an obligation of any such Associate,

(C) to the extent that an Investment made after the Measurement Date under this clause (17) 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,

(D) redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries not to exceed, in each case, the amount of Investments made pursuant to this clause (17) by the Company or any Restricted Subsidiary after the Measurement Date in any such Person, or

(E) any such Person becoming a Restricted Subsidiary (whereupon all Investments made by the Company or any Restricted Subsidiary in such Person since the Measurement Date shall be deemed to have been made pursuant to clause (1) of this definition), not to exceed, in each case, the amount of Investments made by the Company or a Restricted Subsidiary after the Measurement Date in any such Person pursuant to this clause (17),

- (ii) if any of the other shareholders or partners in such Associate in which such Investment was made pursuant to this clause (17) is a Person described in clause (x) or (y) of the first paragraph of the covenant described under the caption “— Certain Covenants — Limitation on Transactions with Shareholders and Affiliates” (other than by reason of such shareholder or partner being an officer or director of the Company or a Restricted Subsidiary or by reason of being a Subsidiary, Jointly Controlled Entity or Associate of the Company), such Investment shall comply with the requirements of that covenant;

- (iii) no Default has occurred and is continuing or would occur as a result of such Investment; and

- (iv) in the case of any Investments by the Company or any Restricted Subsidiary in a Person of which less than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by the Company or any of its Restricted Subsidiaries, the

Company could Incur at least US\$1.00 of Indebtedness under the proviso in the first paragraph of the covenant described under the caption “— Certain Covenants — Limitation of Indebtedness and Preferred Stock”; *provided* that, this paragraph (iv) shall not apply if such Investment would otherwise have been permitted under this clause (17) and such Investment, together with the aggregate amount of all Investments made after the Original Issue Date in reliance on this proviso, shall not exceed 5% of Total Assets;

For the avoidance of doubt, the value of each Investment made pursuant to this clause (17) shall be valued at the time such Investment is made.

- (18) any Investment deemed to have been made by the Company or any Restricted Subsidiary in any Non-Core Entity of a Qualified Spin-off Group upon the designation of such Non-Core Entity as an Unrestricted Subsidiary; and
- (19) any Investment by the Company or any Restricted Subsidiary in any trust, fund or asset management plan primarily engaged, directly or indirectly, in the investment in any real estate project acquired, developed, managed or operated by the Company or any Restricted Subsidiary; *provided* that none of the other holders of any interest of such trust, fund or asset management plan (other than holders that beneficially own in the aggregate no more than 10% of the Capital Stock of such trust, fund or asset management plan) is a Person described in clause (x) or (y) of the first paragraph of the covenant described under “— Certain Covenants — Limitation on Transactions with Shareholders and Affiliates” (other than by reason of such holder being a director or officer of the Company or a Restricted Subsidiary or by reason of being a Subsidiary, Jointly Controlled Entity or Associate of the Company).

“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 “— Certain Covenants — 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 (e) of the second paragraph of the covenant described under the caption “— Certain Covenants — 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 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 “— Certain Covenants — Limitation on Indebtedness and Preferred Stock”;
- (15) 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;
- (16) 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 “— Certain Covenants — 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 reflected in the most recent available consolidated financial statements of the Company (which may be internal consolidated financial statements) or, 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 (16) does not exceed 130% of the aggregate principal amount of Indebtedness secured by such Liens;

- (17) 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;
- (18) 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;
- (19) Liens on deposits made in order to secure the performance of the Company or any of its Restricted Subsidiaries in connection with the acquisition of real property or land use rights or personal property (including without limitation, Capital Stock) by the Company or any of its Restricted Subsidiaries in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary;
- (20) Liens granted by the Company or a Restricted Subsidiary in favor of a Trust Company Investor in respect of, and to secure, the Indebtedness permitted under paragraph (2)(p) of the covenant described under “— Certain Covenants — Limitation on Indebtedness and Preferred Stock”;
- (21) Liens securing Indebtedness permitted under clause (2)(n) of the covenant described under “— Certain Covenants — Limitation on Indebtedness and Preferred Stock”;
- (22) Liens on the Capital Stock of the Person that is to be acquired under the relevant Staged Acquisition Agreement securing Indebtedness permitted to be Incurred under clause (2)(o) of the covenant described under “— Certain Covenants — Limitation on Indebtedness and Preferred Stock”;
- (23) Liens incurred on bank accounts, deposits or other assets made to secure Bank Deposit Secured Indebtedness;
- (24) Liens securing Indebtedness permitted under clause (2)(s) of the covenant described under “— Certain Covenants — Limitation on Indebtedness and Preferred Stock”;
- (25) Liens incurred or deposits made to secure Entrusted Loans; and
- (26) Liens on Investment Properties securing Indebtedness of the Company or any Restricted Subsidiary permitted to be Incurred under clause (2)(u) of the covenant described under “— Certain Covenants — Limitation on Indebtedness and Preferred Stock.”

“Permitted Subsidiary Indebtedness” means Indebtedness of, and all Preferred Stock issued by, the Restricted Subsidiaries, taken as a whole (excluding any Indebtedness of the Subsidiary Guarantors); *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 any Public Indebtedness and any Indebtedness of any Restricted Subsidiary permitted under

clauses 2(a), (b), (d), (f), (g), (m) and (o) of the covenant described under “— Certain Covenants — Limitation on Indebtedness and Preferred Stock”) does not exceed an amount equal to 15% of Total Assets.

“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 Special Administrative Region and Taiwan.

“PRC CJV” means any Subsidiary that is a Sino-foreign cooperative joint venture enterprise with limited liability, established in the PRC pursuant to the Law of the People’s Republic of China on Sino-foreign Cooperative Joint Ventures adopted on April 13, 1988 (as most recently revised on November 4, 2017 and effective November 5, 2017) and the Detailed Rules for the Implementation of the Law of the People’s Republic of China on Sino-foreign Cooperative Joint Ventures promulgated on September 4, 1995 (as most recently amended in November 17, 2017 by the Decision of the State Council on Abolishing and Amending Some Administrative Regulations), as such laws 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. “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 shares of Capital Stock of any other class of such Person.

“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, the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the Taiwan Stock Exchange or (2) a national securities exchange (as such term is defined in Section 6 of the U.S. Exchange Act) or a designated offshore securities market (as such term is defined in Rule 902(b) under the U.S. Securities Act).

“Qualified IPO” means a listing (or a deemed new listing pursuant to the rules of the relevant stock exchange or governing body) of ordinary shares 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 U.S. Exchange Act) or a designated offshore securities market (as such term is defined in Rule 902(b) under the U.S. Securities Act), such listing shall result in a public float of no less than the percentage required by the applicable listing rules.

“Qualified Spin-off Group” means, collectively, (i) any Non-Core Entity the Voting Stock of which is, or is expected to be pursuant to a definitive plan, listed on a Qualified Exchange in a Qualified Spin-off IPO, and (ii) the Subsidiaries of such Non-Core Entity.

“Qualified Spin-off IPO” means any Qualified IPO of a Non-Core Entity; *provided* that the Board of Directors of the Company has determined in good faith that the designation of such Non-Core Entity and its Subsidiaries as Unrestricted Subsidiaries is desirable to obtain approval from a Qualified Exchange for such Qualified IPO.

“Rating Agencies” means (1) S&P, (2) Moody’s and (3) Fitch, *provided* that if S&P, Moody’s or Fitch, two of any of the three or all three of them 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 S&P, Moody’s, Fitch, two of any of the three or all three of them, as the case may be.

“Rating Category” means (1) with respect to S&P, any of the following categories: “BB,” “B,” “CCC,” “CC,” “C” and “D” (or equivalent successor categories); (2) with respect to Moody’s, any of the following categories: “Ba,” “B,” “Caa,” “Ca,” “C” and “D” (or equivalent successor categories); (3) with respect to Fitch, any of the following categories: “BB,” “B,” “CCC,” “CC,” “C” and “D” (or equivalent successor categories); and (4) the equivalent of any such category of S&P, 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 (“+” and “–” for S&P; “1,” “2” and “3” for Moody’s; “+” and “–” for Fitch; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P, 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, or 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 any of the Rating Agencies) 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 any of the Rating Agencies that such proposed actions will result in any of the events listed below:

- (a) in the event the Notes are rated by all three of the Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by any two of the three Rating Agencies shall be below Investment Grade;
- (b) in the event the Notes are rated by any two, but not all three, of the three Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by any of such two Rating Agencies shall be below Investment Grade;
- (c) in the event the Notes are rated by one, and only one, of the three Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by such Rating Agency shall be below Investment Grade; or

- (d) in the event the Notes are rated by three or less than three Rating Agencies and are rated below Investment Grade by all such Rating Agencies on the Rating Date, the rating of the Notes by any 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 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. (New York City time) on the third Business Day preceding such redemption date.

“Restricted Subsidiary” means any Subsidiary of the Company other than an Unrestricted Subsidiary.

“S&P” means Standard & Poor’s Ratings 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.

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“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 (a) in respect of the Company, the Notes, (b) in respect of any Restricted Subsidiary that is a Subsidiary Guarantor, its Subsidiary Guarantee, or (c) in respect of any Restricted Subsidiary that is a JV Subsidiary Guarantor, its JV Subsidiary Guarantee; *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.

“September 2018 Notes” means the 7.75% Senior Notes due 2020 originally issued by the Company in September 2018.

“Significant Subsidiary” means a Restricted Subsidiary, when consolidated with its Restricted Subsidiaries, that would be a “significant subsidiary” using the conditions specified in the definition of significant subsidiary in Article 1, Rule 1-02(w) of Regulation S-X, promulgated pursuant to the U.S. Securities Act, as such Regulation is in effect on the date of the Indenture, if any of the conditions exceeds 5%.

“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 a 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 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, any Subsidiary Guarantor or any JV Subsidiary Guarantor which is contractually subordinated or junior in right of payment to the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee, as applicable, pursuant to a written agreement to such effect.

“Subsidiary” means, with respect to any Person, any corporation, association or other business entity (i) of which 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) of which 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 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 an Investment by such Person in such entity.

“Subsidiary Guarantee” means any Guarantee of the obligations of the Company under the Indenture and the Notes by any Subsidiary Guarantor.

“Subsidiary Guarantor” means any initial Subsidiary Guarantor named herein and any other Restricted Subsidiary which guarantees the payment of the Notes pursuant to the Indenture and the Notes; *provided* that Subsidiary Guarantor will not include (a) any Person whose Subsidiary Guarantee has been released in accordance with the Indenture and the Notes or (b) any JV Subsidiary Guarantor.

“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) demand or 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 Rule 436 under the Securities 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; and
- (7) time deposit accounts, certificates of deposit, overnight or call deposits, money market deposits and structured deposit products with a term not exceeding six months that are principal protected, in each case with any bank or financial institution organized under the laws of the PRC, Hong Kong or any other jurisdiction the Company conducts business.

“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 best efforts to compile on a timely manner) are available (which may be internal consolidated financial statements); *provided* that:

- (1) only with respect to clause (2)(h) of the covenant described under the caption “— 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 of its Restricted Subsidiaries to the bank or other similar financial institutional lender providing such Indebtedness;
- (2) only with respect to clause (2)(t) of the covenant described under the caption “— Certain Covenants — Limitation on Indebtedness and Preferred Stock” covenant, with respect to the Incurrence of any Acquired Indebtedness as a result of any Person becoming a Restricted Subsidiary, Total Assets shall be calculated after giving pro forma effect to include the consolidated assets of such Restricted Subsidiary and any other change to the consolidated assets of the Company as a result of such Person becoming a Restricted Subsidiary; and
- (3) only with respect to any Person becoming a New Non-Guarantor Subsidiary, pro forma effect shall at such time be given to the consolidated assets of such New Non-Guarantor Subsidiary (including giving pro forma effect to any other change to the consolidated assets of the Company, in each case as a result of such Person becoming a New Non-Guarantor Subsidiary).

“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 bank, financial institution, insurance company, trust company, fund management company, asset management company organized under the laws of the PRC, Hong Kong Special Administrative Region, Macau Special Administrative Region or any overseas countries or territories or an Affiliate thereof, that Invests in any Capital Stock of a Restricted Subsidiary.

“Unrestricted Subsidiary” means (1) subject to any redesignation under the caption “— Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries”, each of Hayson Enterprises Limited, Xu Fa Co. Limited, Xu Fu Co. Limited, Xu Jia Co. Limited, Xu Jun Co. Limited, Xu Lin Co. Limited, Xu Guo Co. Limited, Xu Ri Co. Limited, Xu Jing Co. Limited, Xu Qi Co. Limited, Xu Yao Co. Limited, Xu Guang Co. Limited, Xu Hong Co. Limited, Xu Ying Co. Limited, Xu Di Co. Limited, Xu Zhi Co. Limited, Xu Jian Co. Limited, Xu Shang Co. Limited, Xu Xing Co. Limited, CIFI Property 201501 Limited and Xu Xian Co. Limited; (2) 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 (3) 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, British Virgin Islands, Hong Kong and PRC tax consequences of the purchase, ownership and disposition of Notes is based upon applicable laws, regulations, rulings and decisions in effect 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 dispose of the Notes and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of Notes should consult their own tax advisors 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

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, principal or redemption premium on the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest, principal or redemption 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 tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

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. Where any Global Certificate evidencing the Notes contains a promise to pay, it will be stampable if it is executed in or brought into the Cayman Islands.

We have been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, have obtained an undertaking from the Governor in Cabinet of the Cayman Islands as to tax concessions under the Tax Concessions Law (1999 Revision). In accordance with the provision of section 6 of the Tax Concessions Law (1999 Revision), the Governor in Cabinet undertakes with us:

- that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to us or our 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, (i) on or in respect of our shares, debentures or other obligations, or (ii) by way of the withholding, in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision); and

These concessions shall be for a period of 20 years from June 7, 2011.

## **BRITISH VIRGIN ISLANDS**

There is no income or other tax of the British Virgin Islands imposed by withholding or otherwise on any payment to be made to or by the Subsidiary Guarantors incorporated in the British Virgin Islands pursuant to the execution, delivery, performance or enforcement of the Subsidiary Guarantees provided that the payment is not made to persons who are residents in the British Virgin Islands.

If neither the Company nor any subsidiary holds an interest in real estate in the British Virgin Islands, no stamp duty is payable in respect of the issue of the Notes or on an instrument of transfer in respect of the Notes.

## **HONG KONG**

**Withholding Tax.** No withholding tax is payable in Hong Kong on payments of principal (including any premium payable on redemption of the Notes) or distributions 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) (the “Inland Revenue Ordinance”). As it is currently applied, Hong Kong profits tax may be charged on revenue profits arising on the sale, disposal, exchange or redemption of the Notes where such sale, disposal, exchange or redemption is or forms part of a trade, profession or business carried on in Hong Kong. Interest payments on the Notes will be subject to Hong Kong profits tax where such payments have a Hong Kong source, and are received by or accrue to:

- a financial institution (as defined in the Inland Revenue Ordinance) and the income that arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- 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 distributions are 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 of a Note (for so long as the register of holders of the Notes is maintained outside Hong Kong).

## **PRC**

**Taxation on Interests and Capital Gains.** Under the EIT Law and implementation regulations issued by the State Council, PRC income tax at the rate of 10% must be withheld from interest paid to investors that are “non-resident enterprises” and that do not have an establishment or place of business in the PRC, or that have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business if we are deemed to be a PRC “resident enterprise” and the distribution is deemed as PRC-source income. In the case of “non-resident individual” investors, the PRC income tax on interest may be imposed and withheld at a rate of 20%. Any gain realized on the transfer of the Notes by “non-resident enterprise” investors would be subject to a 10% PRC income tax, or 20% PRC income tax for “non-resident individual” investors, if such gain is regarded as income derived from sources within the PRC in the case that we are treated as a PRC “resident enterprise.” Any PRC tax liability described above may be reduced to the extent provided under applicable tax treaties. As advised by Commerce & Finance Law Offices, our PRC legal advisors,

there is uncertainty as to whether we will be treated as a PRC “resident enterprise” for the purpose of the EIT Law. If we are treated as a PRC “resident enterprise,” the payments of interest we make in respect of the Notes, and the gain any investor may realize from the transfer of the Notes, may be treated as income derived from sources within the PRC and may be subject to PRC tax (including withholding tax in the case of interest payments), as described in “Risk Factors — Risks Relating to the PRC — We may be deemed to be a PRC tax resident enterprise under the EIT Law, which could result in unfavorable tax consequences to us and our non-PRC holders of the Notes.”

***Stamp duty.*** No PRC stamp tax will be chargeable upon the issue or transfer of a Note (for so long as the register of holders of the Notes is maintained outside the PRC).

## PLAN OF DISTRIBUTION

Standard Chartered Bank is acting as the Initial Purchaser. Subject to the terms and conditions stated in the purchase agreement dated the date of this offering memorandum, the Initial Purchaser has agreed to purchase, and we have agreed to sell to the Initial Purchaser, the principal amount of the Notes.

The purchase agreement provides that the obligations of the Initial Purchaser to purchase the Notes are subject to approval of legal matters by counsel and to other conditions. The Initial Purchaser must purchase all the Notes if they purchase any of the Notes.

The Initial Purchaser proposes to resell the Notes at the offering price set forth on the cover page of this offering memorandum only outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S. See “Transfer Restrictions.” The price at which the Notes are offered may be changed at any time without notice. In addition, we have agreed with the Initial Purchaser that certain private banks will be paid a commission in connection with the purchase of the Notes by their private bank clients.

The Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantee (if any) 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 or to, or for the account or benefit of, U.S. persons except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See “Transfer Restrictions.”

In addition, until 40 days after the commencement of this offering, an offer or sale of Notes within the United States or to, or for the account or benefit of, U.S. persons by a dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act.

We have agreed that, during the period beginning on the date hereof and continuing to and including the date on which the Notes are issued, without the prior written consent of the Initial Purchaser, we will not offer, sell, contract to sell, or otherwise dispose of, directly or indirectly, or announce the offering of, any debt securities issued or guaranteed by us that are substantially similar to the Notes. The Initial Purchaser in its sole discretion may release any of the securities subject to the foregoing restrictions at any time without notice.

Application will be made to the Hong Kong Stock Exchange for the listing of the Notes by way of debt issues to Professional Investors only. However, we cannot assure you that the prices at which the Notes will sell in the market after this offering will not be lower than the initial offering price or that there will be an active trading market for the Notes. The Initial Purchaser has advised us that they currently intend to make, or continue to make a market in the Notes. However, the Initial Purchaser is not obligated to do so and it may discontinue any market-making activities with respect to the Notes at any time without notice. Accordingly, we cannot assure you as to the liquidity of, or the trading market for, the Notes.

The Initial Purchaser may engage in stabilizing transactions, syndicate covering transactions and penalty bids to the extent permitted by applicable laws and regulations. Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Covering transactions involve purchase of the Notes in the open market after the distribution has been completed in order to cover short positions. Penalty bids permit the Initial Purchaser to reclaim a selling concession from a dealer when the Notes originally sold by such dealer are purchased in a stabilizing transaction or a covering transaction to cover short positions. Neither the Company nor the Initial Purchaser 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 the Company nor the Initial Purchaser makes any representation that the Initial Purchaser will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

We expect to deliver the Notes against payment for the Notes on or about the date specified in the last paragraph of the cover page of this offering memorandum. Under Rule 15c6-1 of the United States Exchange Act, trades in the secondary market generally settle in two business days; purchasers who wish to trade Notes on the date of pricing or the next succeeding business days prior to the expected delivery date of the Notes will be required, by virtue of the fact that the Notes initially will settle in T + , to specify alternative settlement arrangements to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes on the date of pricing or the next succeeding business days prior to the expected delivery date of the Notes should consult their own advisor.

The Initial Purchaser or its affiliates have performed commercial banking, investment banking or advisory services for us from time to time for which they have received customary fees and reimbursement of expenses. The Initial Purchaser or its affiliates may, from time to time, engage in transactions with and perform services for us in the ordinary course of business for which they may receive customary fees and reimbursement of expenses. We may enter into hedging or other derivative transactions as part of our risk management strategy with the Initial Purchaser, which may include transactions relating to our obligations under the Notes.

In connection with this offering of the Notes, the Initial Purchaser or its affiliate(s) may act as an investor for its own account and may take up Notes in the offering and in that capacity may retain, purchase or sell for its own account such securities and any securities of the Company or related investments and may offer or sell such securities or other investments otherwise than in connection with the offering of the Notes. Accordingly, references herein to the Notes being offered should be read as including any offering of the Notes to the Initial Purchaser or its affiliates acting in such capacity. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

We and the Subsidiary Guarantors have agreed to indemnify the Initial Purchaser against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the Initial Purchaser may be required to make because of any of those liabilities.

## **Selling Restrictions**

### ***General***

No action has been taken or will be taken in any jurisdiction by the Company or the Initial Purchaser that would permit a public offering of the Notes, or the possession, circulation or distribution of this offering memorandum or any other material relating to the Notes or this offering, in any jurisdiction where action for that purpose 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. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchaser or any affiliate of the Initial Purchaser is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Initial Purchaser or such affiliate on behalf of the Issuer in such jurisdiction.

## ***United States***

The Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) 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 or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See “Transfer Restrictions.”

In addition, until 40 days after the commencement of this offering, an offer or sale of the Notes within the United States by a dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in compliance with an available exemption from registration under the Securities Act.

## ***European Economic Area***

### *Prohibition of Sales to EEA Retail Investors*

The Notes have not been and will not be offered, sold or otherwise made available 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 MiFID II; or
  - (ii) a customer within the meaning of 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 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.

## ***United Kingdom***

Any invitation or inducement to engage in investment activity (within the meanings of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) in connection with the issue or sale of the Notes may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply to the Company or the subsidiary Guarantors. All applicable provisions of the FSMA must be complied in respect to anything done or to be done by the persons in relation to any Notes in, from or otherwise involving the United Kingdom.

## ***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, the Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, the 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, the 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 Securities and Futures Ordinance (Cap. 571, the Laws of Hong Kong) and any rules made thereunder.

### ***Japan***

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948) (as amended) (the “FIEL”), and disclosure under the FIEL has not been made with respect to the Notes. Accordingly, the Notes may not be offered or sold, directly or indirectly in Japan or to, or for the account of, any resident of Japan, or to others for re-offering or resale, directly or indirectly in Japan or to, or for the benefit of, any resident of Japan, except pursuant to any exemption from the registration requirements of the FIEL and otherwise in compliance with the FIEL and other applicable provisions of Japanese laws and regulations. As used in this paragraph, “resident of Japan” means any person residing in Japan, including any corporation or other entity organized under the laws of Japan.

### ***Singapore***

This offering memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (the “MAS”). Accordingly, this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased in reliance on an exemption under Sections 274 or 275 of the SFA, the Notes shall not be sold within the period of six months from the date of the initial acquisition of the Notes, except to any of the following persons:

- (a) an institutional investor (as defined in Section 4A of the SFA);
- (b) a relevant person (as defined in Section 275(2) of the SFA); or
- (c) any person pursuant to an offer referred to in Section 275(1A) of the SFA, unless expressly specified otherwise in Section 276(7) of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’

rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor (as defined in Section 4A of the SFA), or to a relevant person (as defined in Section 275(2) of the SFA) and in accordance with the conditions specified in Section 275 of the SFA;
- (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law; or
- as specified in Section 276(7) of the SFA.

#### ***PRC***

The Initial Purchaser has acknowledged that this offering memorandum does not constitute a public offer of the Notes, whether by way of sale or subscription, in the PRC. The Initial Purchaser has severally represented and agreed that, except to the extent consistent with applicable laws and regulations 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 in the PRC, with the exception to the extent consistent with applicable laws and regulations 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.

#### ***Cayman Islands***

No invitation whether directly or indirectly may be made to the public in the Cayman Islands to subscribe for the Notes unless the Company is listed on the Cayman Islands Stock Exchange.

#### ***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.

## **TRANSFER RESTRICTIONS**

Because of the following restrictions, we encourage you to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Notes.

The Notes are subject to restrictions on transfer as summarized below. By purchasing the Notes, you will be deemed to have made the following acknowledgements, representations to, and agreements with, us and the Initial Purchaser:

1. You understand and acknowledge that:
  - the Notes have not been registered under the Securities Act or any other applicable securities laws;
  - the Notes are being offered for resale in transactions that do not require registration under the Securities Act or any other securities laws;
  - the Notes are being offered and sold only to non-U.S. persons outside the United States in offshore transactions in reliance on Rule 903 of Regulation S under the Securities Act; and
  - unless so registered, the Notes may not be sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws.
2. You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of ours, that you are not acting on our behalf and that you are not a U.S. person (as defined in Regulation S under the Securities Act) or purchasing for the account or benefit of a U.S. person, other than a distributor, and you are purchasing the Notes in an offshore transaction in accordance with Regulation S.
3. You acknowledge that neither we nor the Initial Purchaser nor any person representing us or the Initial Purchaser has made any representation to you with respect to us or the offering of the Notes, other than the information contained in this offering memorandum. You represent that you are relying only on this offering memorandum in making your investment decision with respect to the Notes. You agree that you have had access to such financial and other information concerning us and the Notes as you have deemed necessary in connection with your decision to purchase the Notes including an opportunity to ask questions of and request information from us.
4. You represent that you are purchasing the Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the Notes in violation of the Securities Act.

5. You also acknowledge that: each Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

6. You acknowledge that we, the Initial Purchaser, the Principal Paying and Transfer Agent and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of the Notes is no longer accurate, you will promptly notify us, the Initial Purchaser and the Principal Paying and Transfer Agent. If you are purchasing any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.

## RATINGS

The Notes are expected to be rated “BB” by Fitch Ratings and “BB-” by Standard & Poor’s Ratings Services. The rating reflects the rating agency’s assessment of the likelihood of timely payment of the principal of and distributions on the Notes. The ratings 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. Each such rating should be evaluated independently of any other rating on the Notes, on other securities of ours, or on us. Additionally, we are assigned a long-term issuer default rating of “BB” with a stable outlook by Fitch Ratings, a long-term corporate credit rating of “BB” with a stable outlook by Standard & Poor’s Ratings Services and a corporate family rating of “Ba3” with a positive outlook by Moody’s Investors Service. 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 and Hong Kong law, Commerce & Finance Law Office as to matters of PRC law and Maples and Calder (Hong Kong) LLP as to matters of Cayman Islands law and British Virgin Islands law.

Certain legal matters will be passed upon for the Initial Purchaser by Davis Polk & Wardwell as to matters of United States federal and New York law and Jingtian & Gongcheng as to matters of PRC law.

## INDEPENDENT ACCOUNTANTS

The consolidated financial statements as of and for the years ended December 31, 2016 and 2017 included in this offering memorandum have been audited by Deloitte Touche Tohmatsu, certified public accountants, as stated in their reports appearing herein. The consolidated financial statements as of and for the year ended December 31, 2015 are included as comparative information within the consolidated financial statements as of and for the year ended December 31, 2016. Our unaudited interim condensed consolidated financial information as of and for the six months ended June 30, 2018 reproduced in this offering memorandum has been reviewed by Deloitte Touche Tohmatsu, certified public accountants, as stated in their report appearing herein.

## GENERAL INFORMATION

### **Consents**

The Company and the Subsidiary Guarantors have obtained all necessary consents, approvals and authorizations in the Cayman Islands, the British Virgin Islands and Hong Kong in connection with the issue and performance of the Notes and the Subsidiary Guarantees. The issue of the Notes and the Subsidiary Guarantees have been authorized by the board resolutions of the Company and the Subsidiary Guarantors dated , 2019.

### **Litigation**

Except as disclosed in this offering memorandum, there are no legal or arbitration proceedings against or affecting us, any of our subsidiaries or any of our assets, nor are we aware of any pending or threatened proceedings, which are or might be material in the context of this issue of the Notes.

### **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 June 30, 2018 that is material in the context of the issue of the Notes.

### **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 upon prior written request and proof of holding.

For so long as any of the Notes is outstanding, copies of the accountants' reports and/or our published financial statements, if any, including the accountants' report set out in the section entitled "Index to Consolidated Financial Statements" in this offering memorandum, may be obtained during normal business hours on any weekday (except public holidays) at the registered office of the Company.

### **Clearing Systems and Settlement**

The Notes have been accepted for clearance through the facilities of Euroclear and Clearstream. Certain trading information with respect to the Notes is set forth below:

	<b>ISIN</b>	<b>Common Code</b>
Notes . . . . .	XS1969792800	196979280

Only Notes evidenced by a Global Certificate have been accepted for clearance through Euroclear and Clearstream.

## **Listing of the Notes**

Application will be made to the Hong Kong Stock Exchange for the listing of the Notes by way of debt issues to Professional Investors only. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this offering memorandum, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this offering memorandum. The Securities will be traded on the Hong Kong Stock Exchange subject to a minimum board lot size requirement of the equivalent of HK\$500,000 for so long the Securities are listed on the Hong Kong Stock Exchange and the rules of the Hong Kong Stock Exchange so require.

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### **Unaudited interim condensed consolidated financial information for the six months ended June 30, 2018**

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### **Audited consolidated financial statements as of and for the year ended December 31, 2017**

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### **Audited consolidated financial statements as of and for the year ended December 31, 2016**

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Page references included in the audited consolidated financial statements as of and for each of the years ended December 31, 2017, 2016 and 2015 set forth below refer to pages in such audited consolidated financial statements as appeared in our annual reports for the years ended December 31, 2017 and 2016. These annual reports are not incorporated by reference herein and do not form part of this offering memorandum.

Page references included in the unaudited interim condensed consolidated financial information for the six months ended June 30, 2018 and the audited consolidated financial statements for each of the years ended December 31, 2017 and 2016 set forth below refer to pages in such unaudited interim condensed consolidated financial information or audited consolidated financial statements as appeared in our interim report for the six months ended June 30, 2018 or annual reports for the years ended December 31, 2017 and 2016, as the case may be. These interim report and annual reports are not incorporated by reference herein and do not form part of this offering memorandum.

## ANNUAL RESULTS

The Board of Directors (the “Board”) of CIFI Holdings (Group) Co. Ltd. (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2018 with comparative figures for the preceding financial year, are as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	NOTES	2018 <i>RMB'000</i>	2017 <i>RMB'000</i>
<b>Revenue</b>	2	<b>42,367,647</b>	31,824,288
Cost of sales and services		<b>(31,754,818)</b>	(23,202,799)
<b>Gross profit</b>		<b>10,612,829</b>	8,621,489
Other income, gains and losses	3	<b>2,065,884</b>	795,935
Change in fair value of investment properties		<b>106,385</b>	657,791
Selling and marketing expenses		<b>(1,153,089)</b>	(609,505)
Administrative expenses		<b>(2,121,731)</b>	(1,267,838)
Share of results of joint ventures		<b>725,068</b>	1,405,864
Share of results of associates		<b>1,450,388</b>	699,766
Finance costs	4	<b>(368,741)</b>	(262,340)
<b>Profit before taxation</b>		<b>11,316,993</b>	10,041,162
<b>Income tax expense</b>	5	<b>(4,198,668)</b>	(3,892,645)
<b>Profit for the year</b>	6	<b>7,118,325</b>	6,148,517
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value gain on investments in equity instruments			
at fair value through other comprehensive income		<b>312,665</b>	—
Income tax relating to items that will not be reclassified		<b>(186)</b>	—
		<b>312,479</b>	—
<b>Total comprehensive income for the year</b>		<b>7,430,804</b>	6,148,517
Profit for the year attributable to:			
Equity owners of the Company		<b>5,408,991</b>	4,828,105
Owners of perpetual capital instruments		<b>215,078</b>	—
Non-controlling interests		<b>1,494,256</b>	1,320,412
		<b>7,118,325</b>	6,148,517

	<i>NOTE</i>	<b>2018</b> <i>RMB'000</i>	<b>2017</b> <i>RMB'000</i>
Total comprehensive income for the year attributable to:			
Equity owners of the Company		<b>5,721,470</b>	4,828,105
Owners of perpetual capital instruments		<b>215,078</b>	–
Non-controlling interests		<b>1,494,256</b>	1,320,412
		<b><u>7,430,804</u></b>	<b><u>6,148,517</u></b>
<b>Earnings per share, in RMB:</b>			
<b>Basic</b>	8	<b>0.70</b>	0.68
<b>Diluted</b>	8	<b>0.68</b>	0.66

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 31 DECEMBER 2018**

	NOTES	2018 <i>RMB'000</i>	2017 <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Investment properties		<b>16,147,400</b>	14,402,350
Property, plant and equipment		<b>134,143</b>	84,981
Prepaid lease payments		–	32,742
Interests in associates		<b>5,779,492</b>	2,823,602
Interests in joint ventures		<b>8,511,247</b>	5,802,549
Investments in property projects		<b>582,722</b>	622,143
Available-for-sale investments (“AFS”)		–	623,630
Financial assets at fair value through profit or loss (“FVTPL”)		<b>564,553</b>	–
Equity instruments at fair value through other comprehensive income (“FVTOCI”)		<b>919,274</b>	–
Deferred taxation assets		<b>1,021,876</b>	502,637
Deposits paid for acquisitions of equity interests		<b>50,000</b>	641,496
Long-term deposit		–	150,000
		<b>33,710,707</b>	25,686,130
<b>CURRENT ASSETS</b>			
Properties held for sale		<b>10,238,165</b>	9,128,504
Properties under development for sale		<b>84,137,912</b>	34,603,171
Accounts and other receivables, deposits and prepayments	9	<b>16,740,132</b>	10,807,957
Amounts due from non-controlling interests		<b>13,416,613</b>	10,337,802
Amounts due from joint ventures and associates		<b>27,798,425</b>	17,451,791
Deposits for land use rights for properties held for sale		<b>7,950,061</b>	12,409,188
Taxation recoverable		<b>1,746,262</b>	1,024,871
Financial assets at FVTPL		<b>705,386</b>	521,250
Restricted bank deposits		<b>1,290,000</b>	–
Bank balances and cash		<b>43,327,561</b>	29,786,870
		<b>207,350,517</b>	126,071,404
<b>CURRENT LIABILITIES</b>			
Accounts and other payables and accrued charges	10	<b>25,888,004</b>	13,602,467
Deposits received from property sales		<b>44,238,431</b>	25,548,720
Amounts due to non-controlling interests		<b>16,571,325</b>	12,842,576
Amounts due to joint ventures and associates		<b>15,519,116</b>	10,741,602
Taxation payable		<b>7,655,950</b>	4,295,642
Bank and other borrowings – due within one year		<b>8,842,371</b>	6,727,108
Corporate bonds – due within one year		<b>3,646,140</b>	5,093,233
Derivative financial instruments		<b>74,949</b>	333,193
Debt component of convertible bonds		<b>907,724</b>	–
		<b>123,344,010</b>	79,184,541
<b>NET CURRENT ASSETS</b>		<b>84,006,507</b>	46,886,863
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>117,717,214</b>	72,572,993

	<b>2018</b> <i>RMB'000</i>	<b>2017</b> <i>RMB'000</i>
<b>CAPITAL AND RESERVES</b>		
Share capital	<b>626,271</b>	611,951
Reserves	<b>24,977,825</b>	20,291,647
	<hr/>	<hr/>
Equity attributable to equity owners of the Company	<b>25,604,096</b>	20,903,598
Perpetual capital instruments	<b>3,883,572</b>	3,847,932
Non-controlling interests	<b>19,958,503</b>	9,518,610
	<hr/>	<hr/>
<b>TOTAL EQUITY</b>	<b>49,446,171</b>	34,270,140
	<hr/>	<hr/>
<b>NON-CURRENT LIABILITIES</b>		
Bank and other borrowings – due after one year	<b>41,061,189</b>	26,385,907
Senior notes	<b>15,293,614</b>	4,498,124
Corporate bonds – due after one year	<b>8,113,997</b>	4,534,737
Deferred taxation liabilities	<b>3,802,243</b>	2,884,085
	<hr/>	<hr/>
	<b>68,271,043</b>	38,302,853
	<hr/>	<hr/>
	<b>117,717,214</b>	72,572,993

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**1. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)**

**New and Amendments to IFRSs that are mandatorily effective for the current year**

The Group had applied the following new and amendments to IFRSs issued by the International Accounting Standards Board (“IASB”) for the first time in the current year:

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers and the related Amendments
IFRIC 22	Foreign Currency Transactions and Advance Consideration
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
Amendments to IAS 28	As part of the Annual Improvements to IFRSs 2014–2016 Cycle
Amendments to IAS 40	Transfers of Investment Property

Except as described below, the application of the new and amendments to IFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

**1.1 IFRS 15 “Revenue from Contracts with Customers”**

The Group has applied IFRS 15 for the first time in the current year. IFRS 15 superseded IAS 18 “Revenue”, IAS 11 “Construction Contracts” and the related interpretations.

The Group has applied IFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in IFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 18 “Revenue” and IAS 11 “Construction Contracts” and the related interpretations.

The Group recognises revenue under IFRS 15 from the following major sources:

- Sales of properties; and
- Project management services.

Taking into account the changes in accounting policy arising from initial application of IFRS 15, the directors of the Company considered that the initial application of IFRS 15 has no material impact to the consolidated financial statements of the Group.

## 1.2 IFRS 9 “Financial Instruments”

In the current year, the Group has applied IFRS 9 “Financial Instruments” and the related consequential amendments to other IFRSs. IFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit loss (“ECL”) for financial assets and financial guarantee contracts and 3) general hedge accounting.

The Group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 39 “Financial Instruments: Recognition and Measurement”.

### *Summary of effects arising from initial application of IFRS 9*

The table below illustrates the classification and measurement of financial assets under IFRS 9 and IAS 39 at the date of initial application, 1 January 2018.

	Available-for-sale investments <i>RMB'000</i>	Equity instruments at FVTOCI <i>RMB'000</i>	FVTOCI reserve <i>RMB'000</i>
<b>Closing balance at 31 December 2017 – IAS 39</b>	623,630	–	–
<b>Effect arising from initial application of IFRS 9:</b>			
<b>Reclassification</b>			
From available-for-sale investments	(623,630)	623,630	–
<b>Remeasurement</b>			
From cost less impairment to fair value	–	95,445	95,445
<b>Opening balance at 1 January 2018 – IFRS 9</b>	<u>–</u>	<u>719,075</u>	<u>95,445</u>

## 1.3 Amendments to IAS 40 “Transfers of Investment Property”

The amendments clarify that a transfer to, or from, investment property necessitates an assessment of whether a property meets, or has ceased to meet, the definition of investment property, supported by evidence that a change in use has occurred. The amendments further clarify that situations other than the ones listed in IAS 40 may evidence a change in use, and that a change in use is possible for properties under construction (i.e. a change in use is not limited to completed properties).

At the date of initial application, the Group assessed the classification of certain properties based on conditions existed at that date. There is no impact to the classification at 1 January 2018.

### **New and amendments to IFRSs in issue but not yet effective**

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 16	Leases <sup>1</sup>
IFRS 17	Insurance Contracts <sup>3</sup>
IFRIC 23	Uncertainty over Income Tax Treatments <sup>1</sup>
Amendments to IFRS 3	Definition of a Business <sup>4</sup>
Amendments to IFRS 9	Prepayment Features with Negative Compensation <sup>1</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to IAS 1 and IAS 8	Definition of Material <sup>5</sup>
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement <sup>1</sup>
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures <sup>1</sup>
Amendments to IFRSs	Annual Improvements to IFRSs 2015–2017 Cycle <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2019

<sup>2</sup> Effective for annual periods beginning on or after a date to be determined

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2021

<sup>4</sup> Effective for business combination and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2020

## **2. SEGMENT INFORMATION**

The Group determines its operating segments based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (being the executive directors of the Company) in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of performance is focused on three main operations:

- Sales of properties: this segment represents the development and sales of office and commercial premises and residential properties. Substantially most of the Group's activities in this regard are primarily carried out in the PRC and Hong Kong.
- Property investment: this segment represents the lease of investment properties, which are developed or purchased by the Group to generate rental income and to gain from the appreciation of the properties' values in the long term. Currently, the Group's investment property portfolio is located entirely in the PRC.
- Project management and other property related services: this segment mainly represents the income generated from project management. Currently, the Group's activities in this regard are carried out in the PRC.

The chief operating decision maker regularly reviews the operating results under sales of properties, property investment, project management and other property related services. As property development projects are primarily located in the PRC and Hong Kong, their revenue are primarily derived from the sales of properties, and is related and subject to common risk and returns. All property development projects are aggregated into a single reportable segment, sales of properties, in accordance with IFRS 8 "Operating Segments".

**(a) Segment revenue and profit**

Information regarding the Group's reportable segments as provided to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance for the year is set out below.

	Sales of properties <i>RMB'000</i>	Property investment <i>RMB'000</i>	Project management and other property related services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Year ended 31 December 2018</b>				
Reportable segment revenue from external customers	<u>39,014,007</u>	<u>236,978</u>	<u>3,116,662</u>	<u>42,367,647</u>
Reportable segment profit	<u>8,120,242</u>	<u>153,956</u>	<u>1,185,542</u>	<u>9,459,740</u>
<b>Year ended 31 December 2017</b>				
Reportable segment revenue from external customers	<u>30,295,062</u>	<u>94,428</u>	<u>1,434,798</u>	<u>31,824,288</u>
Reportable segment profit	<u>7,221,874</u>	<u>57,488</u>	<u>732,622</u>	<u>8,011,984</u>

**(b) Segment assets and liabilities**

No assets and liabilities are included in the measures of the Group's segment reporting that are used by the chief operating decision maker. Accordingly, no segment assets and liabilities are presented.

**(c) Reconciliations of reportable segment revenue and profit**

The reportable segment profit represents the results by each segment without including any effect of allocation of other income, gains and losses earned from operations other than the Group's main operations, unallocated head office and corporate expenses, depreciation of property, plant and equipment, write-back of allowance for credit losses, change in fair value of investment properties, finance costs and share of results of joint ventures and associates. This is the measurement basis reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

	<b>2018</b> <i>RMB'000</i>	<b>2017</b> <i>RMB'000</i>
<b>Revenue</b>		
Reportable segment and consolidated revenue	<b>42,367,647</b>	31,824,288
<b>Profit</b>		
Reportable segment profit	<b>9,459,740</b>	8,011,984
Other income, gains and losses	<b>2,065,884</b>	795,935
Change in fair value of investment properties	<b>106,385</b>	657,791
Finance costs	<b>(368,741)</b>	(262,340)
Share of results of joint ventures	<b>725,068</b>	1,405,864
Share of results of associates	<b>1,450,388</b>	699,766
Depreciation of property, plant and equipment	<b>(30,700)</b>	(17,394)
Write-back of allowance for credit losses	<b>118</b>	746
Unallocated head office and corporate expenses	<b>(2,091,149)</b>	(1,251,190)
Consolidated profit before taxation	<b>11,316,993</b>	10,041,162

**(d) Geographic information**

No geographic information has been presented as the Group's operating activities are primarily carried out in the PRC and Hong Kong. All of the Group's revenue from current and non-current assets are located in the PRC.

**(e) Major customers**

No revenue from transactions with a single external customer amounted to 10% or more of the Group's revenue.

### 3. OTHER INCOME, GAINS AND LOSSES

	2018 RMB'000	2017 RMB'000
Interest income	<b>493,498</b>	372,244
Gain on remeasurement	<b>903,376</b>	574,305
Gain from business combinations	—	200,030
Gain on disposal of property, plant and equipment, net	<b>607</b>	8,285
Gain on disposal of subsidiaries, net	<b>434,924</b>	34,675
Gain on disposal of an associate	<b>25,671</b>	—
Gain on deemed disposal of subsidiaries	—	1,206
Government grants	<b>20,949</b>	31,483
Forfeited deposits paid by purchasers	<b>34,956</b>	14,839
Loss on early redemption of senior notes	—	(118,464)
Change in fair value of financial assets at FVTPL	<b>72,196</b>	(94,726)
Dividend income from financial assets at FVTPL	<b>15,780</b>	11,284
Change in fair value of derivative financial instruments	<b>14,948</b>	(538,733)
Change in fair value of investments in property projects	<b>247,618</b>	144,699
Dividend income from investments in property projects	<b>215,365</b>	—
Change in fair value of derivative component of convertible bonds	<b>99,182</b>	—
Net exchange (loss) gain	<b>(575,387)</b>	108,413
Sundry income	<b>62,201</b>	46,395
	<b><u>2,065,884</u></b>	<b><u>795,935</u></b>

### 4. FINANCE COSTS

	2018 RMB'000	2017 RMB'000
Interest on bank and other borrowings	<b>(2,809,857)</b>	(1,487,465)
Interest expense on senior notes	<b>(853,797)</b>	(356,203)
Interest expense on corporate bonds	<b>(614,757)</b>	(467,105)
Interest expense on convertible bonds	<b>(110,152)</b>	—
Less: Amount capitalised to properties under development for sale and investment properties under construction	<b>4,019,822</b>	2,048,433
	<b><u>(368,741)</u></b>	<b><u>(262,340)</u></b>

Borrowing costs capitalised to properties under development for sale and investment properties under construction were determined by the contracted interest rates of respective bank and other borrowings, senior notes, corporate bonds and convertible bonds.

**5. INCOME TAX EXPENSE**

	<b>2018</b> <i>RMB'000</i>	<b>2017</b> <i>RMB'000</i>
PRC Enterprise Income Tax		
Current year	(3,436,417)	(2,198,836)
Over (under) provision in respect of prior years	52,872	(54,413)
LAT	<u>(3,676,467)</u>	<u>(2,123,944)</u>
Deferred taxation		
	<u>(7,060,012)</u>	<u>(4,377,193)</u>
	<u>2,861,344</u>	<u>484,548</u>
	<u><b>(4,198,668)</b></u>	<u><b>(3,892,645)</b></u>

**6. PROFIT FOR THE YEAR**

	<b>2018</b> <i>RMB'000</i>	<b>2017</b> <i>RMB'000</i>
Profit for the year has been arrived at after charging (crediting):		
Auditors' remuneration	7,937	7,000
Cost of properties sold included in cost of sales and services	<b>29,632,352</b>	22,395,651
Depreciation of property, plant and equipment	30,700	17,394
Write-back of allowance for credit losses	(118)	(746)
Operating lease rentals in respect of land and buildings	<b>81,089</b>	85,026
Directors' emoluments	<b>41,579</b>	40,088
Other staff costs		
Staff costs excluding retirement benefit costs	<b>2,070,899</b>	969,313
Retirement benefit contributions	98,002	60,011
Equity-settled share-based payments	<b>67,524</b>	33,916
Total other staff costs	<b>2,236,425</b>	1,063,240
Less: Amount capitalised to properties under development for sale	<b>(439,472)</b>	<b>(189,927)</b>
	<b><u>1,796,953</u></b>	<b><u>873,313</u></b>
Rental income from investment properties	<b>(236,978)</b>	<b>(94,428)</b>
Less: Related outgoings	<b>83,022</b>	<b>36,940</b>
	<b><u>(153,956)</u></b>	<b><u>(57,488)</u></b>

## 7. DIVIDEND

	2018 RMB'000	2017 RMB'000
Proposed final dividend – RMB19.68 cents (2017: RMB14.54 cents) per ordinary share	<u>1,524,157</u>	<u>1,105,840</u>

The Board recommends the payment of a final dividend for 2018 of RMB19.68 cents (equivalent to HK23 cents) (2017: RMB14.54 cents (equivalent to HK18 cents)) per share (the “Proposed Final Dividend”). The Proposed Final Dividend for the year in aggregate with the interim dividend of RMB6.09 cents (equivalent to HK7 cents) per share paid in respect of the first six months of the year amounted to total dividends of RMB25.77 cents (equivalent to HK30 cents) per share. The Proposed Final Dividend will be either payable in cash or, at the scrip option of the shareholders, in form of new fully paid scrip shares of the Company in lieu of cash, or partly in cash and partly in scrip shares.

The Proposed Final Dividend for the year ended 31 December 2018 is subject to the approval of the Company’s shareholders at the forthcoming annual general meeting.

## 8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2018 RMB'000	2017 RMB'000
<b>Earnings</b>		
Earnings for the purpose of basic earnings per share (profit for the year attributable to owners of the Company)	<u>5,408,991</u>	4,828,105
Effect of dilutive potential ordinary shares on convertible bonds	<u>84,120</u>	–
Earnings for the purpose of diluted earnings per share	<u>5,493,111</u>	4,828,105
	<b>2018</b>	<b>2017</b>

## Number of shares

Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>7,699,329,708</b>	7,081,999,684
Effect of dilutive potential ordinary shares on:		
– share options	<b>132,516,045</b>	196,994,925
– convertible bonds	<b>252,741,830</b>	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>8,084,587,583</b>	7,278,994,609

The weighted average number of ordinary shares shown above has been arrived at after deducting the shares held by the trustee of the share award scheme.

## 9. ACCOUNTS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Trade receivables mainly arise from the sales of properties and rental income. Considerations in respect of properties sold are paid in accordance with the terms of the related sales and purchase agreements, normally with a range of 60 days to 180 days from the date of agreement. Rental income is paid by tenants within two months in accordance to tenancy agreement.

	2018 <i>RMB'000</i>	2017 <i>RMB'000</i>
Trade receivables	<b>647,233</b>	638,490
Less: Allowance for credit losses	<b>(1,768)</b>	(1,877)
	<b>645,465</b>	636,613
Other receivables	<b>13,015,378</b>	8,084,141
Less: Allowance for credit losses	<b>(3,230)</b>	(3,240)
	<b>13,012,148</b>	8,080,901
Prepaid tax	<b>1,431,679</b>	327,477
Deposits and prepayments	<b>1,650,840</b>	1,762,966
	<b>16,740,132</b>	10,807,957

The following is an aged analysis of trade receivables, based on the date of agreement and net of allowance, at the end of the reporting period:

	2018 <i>RMB'000</i>	2017 <i>RMB'000</i>
Within 60 days	<b>333,073</b>	309,973
61–180 days	<b>27,296</b>	102,557
181–365 days	<b>175,857</b>	98,432
Over 1 year	<b>109,239</b>	125,651
	<b>645,465</b>	636,613

Before accepting any corporate customer, the Group uses an internal credit assessment system to assess the potential customers' credit quality.

## 10. ACCOUNTS AND OTHER PAYABLES AND ACCRUED CHARGES

	<b>2018</b> <i>RMB'000</i>	<b>2017</b> <i>RMB'000</i>
Accounts payables	<b>10,306,115</b>	4,739,387
Other payables and accrued charges	<b>13,456,174</b>	7,294,946
Other tax payable	<b>2,125,715</b>	1,568,134
	<b>25,888,004</b>	<b>13,602,467</b>

Accounts payables and accrued expenditure on construction comprise construction costs and other project-related expenses which are payable based on project progress measured by the Group.

The average credit period of trade payables is 60 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

The following is an aged analysis of accounts payables, based on the invoice date, at the end of the reporting period:

	<b>2018</b> <i>RMB'000</i>	<b>2017</b> <i>RMB'000</i>
Within 60 days	<b>4,541,519</b>	2,154,099
61–180 days	<b>1,573,464</b>	470,202
181–365 days	<b>2,128,060</b>	764,575
Over 1 year	<b>2,063,072</b>	1,350,511
	<b>10,306,115</b>	<b>4,739,387</b>

# 簡明綜合財務報表的審閱報告 REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**Deloitte.**

**德勤**

致旭輝控股(集團)有限公司董事會  
(於開曼群島註冊成立的有限公司)

TO THE BOARD OF DIRECTORS OF CIFI HOLDINGS (GROUP) CO. LTD.  
**旭輝控股(集團)有限公司**  
(Incorporated in the Cayman Islands with limited liability)

## 序言

吾等已審閱載列於第89至175頁旭輝控股(集團)有限公司(「貴公司」)及其附屬公司(合稱「貴集團」)的簡明綜合財務報表，此簡明綜合財務報表包括於二零一八年六月三十日的簡明綜合財務狀況表、截至該日止六個月期間的相關簡明綜合損益及其他全面收益表、簡明綜合股本權益變動表及簡明綜合現金流量表以及若干說明附註。香港聯合交易所有限公司證券上市規則要求遵照其相關條文及國際會計準則委員會頒佈的國際會計準則第34號中期財務報告(「國際會計準則第34號」)編製有關中期財務資料報告。 貴公司董事負責根據國際會計準則第34號編製及呈列該等簡明綜合財務報表。吾等的責任為根據審閱的結果，對該等簡明綜合財務報表作出結論。本報告根據吾等協定的委聘條款僅向閣下(作為整體)報告吾等的結論，除此之外本報告別無其他目的。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。

## INTRODUCTION

We have reviewed the condensed consolidated financial statements of CIFI Holdings (Group) Co. Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 89 to 175 which comprises the condensed consolidated statement of financial position as of 30 June 2018 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six -months period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion 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.

## 簡明綜合財務報表的審閱報告

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 審閱範圍

吾等已按照香港會計師公會頒佈的香港審閱聘用協定準則第2410號「由實體的獨立核數師執行的中期財務數據審閱」進行審核。簡明綜合財務報表審閱工作主要包括向負責財務及會計事務的人員查詢，及應用分析及其他審閱程序。由於審閱的範圍遠小於根據香港審計準則進行審核的範圍，故吾等不能保證吾等將注意到在審計中可能被發現的所有重大事項。因此，吾等不會發表審計意見。

### SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### 結論

按照吾等的審閱結果，吾等並未發現有任何事項導致吾等相信本簡明綜合財務報表在各重大方面未有按照國際會計準則第34號編製。

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

在並無對吾等的審閱結論作出保留意見的情況下，吾等謹請注意，截至二零一七年六月三十日止六個月期間的比較簡明綜合損益及其他全面收益表、簡明綜合權益變動表及簡明綜合現金流量表，以及載於該等簡明綜合財務報表的相關解釋附註，並未根據香港審閱委聘準則第2410號「由實體的獨立核數師執行的中期財務數據審閱」進行審閱。

Without qualifying our review conclusion, we draw attention to the fact that the comparative condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period ended 30 June 2017 and the relevant explanatory notes included in these condensed consolidated financial statements have not been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.

德勤・關黃陳方會計師行

執業會計師

香港

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

二零一八年八月十五日

15 August 2018

# 簡明綜合損益及其他全面收益表

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

		截至六月三十日止六個月 Six months ended 30 June	
		二零一八年 2018	二零一七年 2017
	附註 NOTES	人民幣千元 RMB'000	人民幣千元 RMB'000
		(未經審核) (unaudited)	(未經審核) (unaudited)
<b>收入</b>	<b>Revenue</b>	3	18,420,520
銷售及服務成本	Cost of sales and services		(14,068,632)
毛利	Gross profit		4,351,888
其他收入、收益及虧損	Other income, gains and losses	4	1,699,964
投資物業公平值變動	Change in fair value of investment properties		269,221
營銷及市場推廣開支	Selling and marketing expenses		(413,213)
行政開支	Administrative expenses		(1,044,861)
應佔合營企業業績	Share of results of joint ventures		422,781
應佔聯營公司業績	Share of results of associates		685,073
融資成本	Finance costs	5	(135,290)
除稅前利潤	Profit before taxation		5,835,563
所得稅開支	Income tax expense	6	(1,658,808)
期內利潤	Profit for the periods	7	4,176,755
<b>其他全面收入：</b>	<b>Other comprehensive income:</b>		
將不會重新分類至損益的項目：	<i>Item that will not be reclassified to profit or loss:</i>		
按公平值計入其他全面收入的股本工具投資的公平值收益	Fair value gain on investments in equity instruments at fair value through other comprehensive income		26,004
期內全面收入總額	Total comprehensive income for the period		4,202,759
			2,607,893

## 簡明綜合損益及其他全面收益表

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

		截至六月三十日止六個月 Six months ended 30 June	
		二零一八年 2018	二零一七年 2017
	附註 NOTES	人民幣千元 RMB'000	人民幣千元 RMB'000
		(未經審核) (unaudited)	(未經審核) (unaudited)
以下各項應佔期內利潤：	Profit for the period attributable to:		
本公司股東權益	Equity owners of the Company	3,419,185	2,156,233
永久資本工具擁有人	Owners of perpetual capital instruments	102,570	—
非控股權益	Non-controlling interests	655,000	451,660
		4,176,755	2,607,893
以下各項應佔期內 全面收入總額：	Total comprehensive income for the period attributable to:		
本公司股東權益	Equity owners of the Company	3,445,189	2,156,233
永久資本工具擁有人	Owners of perpetual capital instruments	102,570	—
非控股權益	Non-controlling interests	655,000	451,660
期內全面收入總額	Total comprehensive income for the period	4,202,759	2,607,893
每股盈利（人民幣元）：	Earnings per share, in RMB:		
基本	Basic	9	0.45
攤簿	Diluted	9	0.42
			0.32

# 簡明綜合財務狀況表

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零一八年六月三十日 At 30 June 2018

		附註 NOTES	於二零一八年 六月三十日 At 30 June 2018	於二零一七年 十二月三十一日 At 31 December 2017
			人民幣千元 RMB'000 (未經審核) (unaudited)	人民幣千元 RMB'000 (經審核) (audited)
<b>非流動資產</b>	<b>NON-CURRENT ASSETS</b>			
投資物業	Investment properties	10	15,904,700	14,402,350
物業、廠房及設備	Property, plant and equipment	11	113,555	84,981
預付租賃款項	Prepaid lease payments		32,742	32,742
於聯營公司的權益	Interests in associates	12	3,983,372	2,823,602
於合營企業的權益	Interests in joint ventures	13	7,447,545	5,802,549
於房地產項目的投資	Investments in property projects	14	794,187	622,143
可供出售投資	Available-for-sale investments		–	623,630
按公平值計入損益 的金融資產	Financial assets at fair value through profit or loss		379,225	–
按公平值計入其他全面收入 的股本工具	Equity instruments at fair value through other comprehensive income		605,750	–
遞延稅項資產	Deferred taxation assets		556,251	502,637
就收購股權已付的按金	Deposits paid for acquisitions of equity interests	15	141,496	641,496
長期保證金	Long-term deposit	16	150,000	150,000
			30,108,823	25,686,130
<b>流動資產</b>	<b>CURRENT ASSETS</b>			
持作出售物業	Properties held for sale		8,448,869	9,128,504
擬作出售的開發中物業	Properties under development for sale		74,556,111	34,603,171
應收賬款及其他應收款項、 按金及預付款項	Accounts and other receivables, deposits and prepayments	17	19,981,827	10,807,957
應收非控股權益款項	Amounts due from non-controlling interests	18	16,756,662	10,337,802
應收合營企業及聯營公司 的款項	Amounts due from joint ventures and associates	19	27,044,066	17,451,791
持作出售物業土地使用權按金	Deposits for land use rights for properties held for sale		7,676,934	12,409,188
可收回稅項	Taxation recoverable		1,815,809	1,024,871
按公平值計入損益的金融資產	Financial assets at fair value through profit or loss		610,907	521,250
受限制銀行存款	Restricted bank deposits	20	3,274,000	–
銀行結餘及現金	Bank balances and cash		35,823,265	29,786,870
			195,988,450	126,071,404

**簡明綜合財務狀況表**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

於二零一八年六月三十日 At 30 June 2018

		於二零一八年 六月三十日 At 30 June 2018	於二零一七年 十二月三十一日 At 31 December 2017
	附註 NOTES	人民幣千元 RMB'000 (未經審核) (unaudited)	人民幣千元 RMB'000 (經審核) (audited)
<b>流動負債</b>	<b>CURRENT LIABILITIES</b>		
應付賬款及其他應付款項以 及應計開支	Accounts and other payables and accrued charges	21	25,622,207 13,602,467
已收物業銷售按金	Deposits received from property sales		40,523,455 25,548,720
應付非控股權益款項	Amounts due to non-controlling interests	18	21,553,540 12,842,576
應付合營企業及聯營公司 的款項	Amounts due to joint ventures and associates	19	14,015,963 10,741,602
應付稅項	Taxation payable		4,425,629 4,295,642
銀行及其他借款	Bank and other borrowings		
– 於一年內到期	– due within one year	22	9,079,629 6,727,108
衍生金融工具	Derivative financial instruments	23	226,930 333,193
公司債券 – 於一年內到期	Corporate bonds – due within one year	26	3,611,346 5,093,233
可換股債券的債務部分	Debt component of convertible bond	27	2,275,497 –
可換股債券的衍生工具部分	Derivative component of convertible bond	27	19,680 –
			121,353,876 79,184,541
<b>流動資產淨值</b>	<b>NET CURRENT ASSETS</b>		74,634,574 46,886,863
<b>總資產減流動負債</b>	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		104,743,397 72,572,993
<b>資本及儲備</b>	<b>CAPITAL AND RESERVES</b>		
股本	Share capital	24	626,425 611,951
儲備	Reserves		22,880,864 20,291,647
本公司股東權益應佔 股本權益	Equity attributable to equity owners of the Company		23,507,289 20,903,598
永久資本工具	Perpetual capital instruments		3,899,491 3,847,932
非控股權益	Non-controlling interests		16,315,920 9,518,610
<b>股本權益總額</b>	<b>TOTAL EQUITY</b>		43,722,700 34,270,140
<b>非流動負債</b>	<b>NON-CURRENT LIABILITIES</b>		
銀行及其他借款	Bank and other borrowings		
– 於一年後到期	– due after one year	22	35,573,730 26,385,907
優先票據	Senior notes	25	11,827,436 4,498,124
公司債券 – 於一年後到期	Corporate bonds – due after one year	26	8,191,747 4,534,737
遞延稅項負債	Deferred taxation liabilities		5,427,784 2,884,085
			61,020,697 38,302,853
			104,743,397 72,572,993

# 簡明綜合股本權益變動表

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

本公司股東權益應佔 Attributable to equity owners of the Company														
為股份獎勵 計劃持有的股份														
	股份溢價	特別及 其他儲備	法定 盈餘儲備	按公允值計入 其他全面收入	Shares held for share	購股權 儲備	出資儲備	保留利潤	小計	永續資本 工具	非控股 權益			
	股本 Share capital 人民幣千元 RMB'000	Share premium 人民幣千元 RMB'000	Special and other reserve 人民幣千元 RMB'000	Statutory surplus reserve 人民幣千元 RMB'000	FVTOCI reserve 人民幣千元 RMB'000	award scheme reserve 人民幣千元 RMB'000	Contribution reserve 人民幣千元 RMB'000	Retained profit 人民幣千元 RMB'000	Sub-total 人民幣千元 RMB'000	Perpetual instruments 人民幣千元 RMB'000	Non- controlling interests 人民幣千元 RMB'000	Total 人民幣千元 RMB'000		
於二零一七年一月一日(經審核)	At 1 January 2017 (audited)	\$42,797	516,390	251,728	1,028,924	–	–	175,750	39,440	12,427,133	14,980,162	–	2,302,851	17,283,013
期內利潤及全面收入總額	Profit and total comprehensive income for the period	–	–	–	–	–	–	–	–	2,156,233	2,156,233	–	451,660	2,607,893
確認為分派股息(附註8)	Dividend recognised as distribution (Note 8)	–	–	–	–	–	–	–	(779,492)	(779,492)	–	–	(779,492)	
確認以股本權益結算並以股份付款 (附註33)	Recognition of equity-settled share based payments (Note 33)	–	–	–	–	–	–	10,131	–	–	10,131	–	–	10,131
非控股權益注資	Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	45,300	45,300
向非控股權益出售附屬公司	Disposal of partial interest in subsidiaries to non-controlling interests	–	–	–	2,355	–	–	–	–	–	2,355	–	116,810	119,165
部分權益	Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	3,954,836	3,954,836
收購附屬公司	Acquisition of additional interests in subsidiaries from non-controlling shareholders	–	–	(87,449)	–	–	–	–	–	(87,449)	–	(29,751)	(117,200)	
收購非控股權益附屬公司	Issue of shares upon exercise of share options	6,395	131,296	–	–	–	–	(52,981)	–	–	104,708	–	–	104,708
行使購股權時發行股份 就以股份為發行股份	Issue of shares for scrip dividend	155	4,475	–	–	–	–	–	–	–	4,630	–	–	4,630
於二零一七年六月三十日(未經審核)	At 30 June 2017 (unaudited)	\$49,345	652,161	166,654	1,028,924	–	–	150,900	39,440	13,803,874	16,391,278	–	6,821,706	25,212,984
於二零一七年十二月三十一日(經審核)	At 31 December 2017 (audited)	611,951	2,739,234	170,007	1,490,875	–	–	144,690	39,440	15,707,401	20,903,598	3,847,932	9,518,610	34,270,140
調整(附註2)	Adjustments (Note 2)	–	–	–	–	95,445	–	–	–	–	95,445	–	–	95,445
於二零一八年一月一日	At 1 January 2018	611,951	2,739,234	170,007	1,490,875	95,445	–	144,690	39,440	15,707,401	20,999,043	3,847,932	9,518,610	34,365,585
期內利潤	Profit for the period	–	–	–	–	–	–	–	–	3,419,185	3,419,185	102,570	655,000	4,176,755
期內其他全面收入	Other comprehensive income for the period	–	–	–	–	26,004	–	–	–	–	26,004	–	–	26,004
期內全面收入總額	Total comprehensive income for the period	–	–	–	–	26,004	–	–	–	3,419,185	3,445,189	102,570	655,000	4,202,759
確認為分派股息(附註8)	Dividend recognised as distribution (Note 8)	–	–	–	–	–	–	–	(1,124,940)	(1,124,940)	–	–	(1,124,940)	
確認以股本權益結算並以股份付款 (附註33)	Recognition of equity-settled share based payments (Note 33)	–	–	–	–	–	–	31,501	–	–	31,501	–	–	31,501
非控股權益注資	Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	3,269,565	3,269,565
向非控股權益出售附屬公司	Disposal of partial interest in subsidiaries to non-controlling interests	–	–	(17,233)	–	–	–	–	–	(17,233)	–	81,314	64,081	
部分權益	Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	2,846,220	2,846,220
收購附屬公司	Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(54,789)	(54,789)	
派發予非控股權益的股息	Issue of shares upon exercise of share options	14,474	309,848	–	–	–	–	(87,218)	–	–	237,104	–	–	237,104
行使購股權時發行股份	Forfeit of share options	–	–	–	–	–	–	(4,160)	–	4,160	–	–	–	–
沒收購股權	Purchase of shares under the share award scheme	–	–	–	–	–	–	(63,375)	–	–	(63,375)	–	–	(63,375)
根據股份獎勵計劃購買股份	Distribution to owners of perpetual capital instruments	–	–	–	–	–	–	–	–	–	(51,011)	–	(51,011)	
於二零一八年六月三十日(未經審核)	At 30 June 2018 (unaudited)	626,425	3,049,082	152,774	1,490,875	121,449	(63,375)	84,813	39,440	18,005,806	23,507,289	3,899,491	16,315,920	43,722,700

# 簡明綜合現金流量表

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

		截至六月三十日止六個月 Six months ended 30 June	二零一八年 2018	二零一七年 2017
	附註 NOTES	人民幣千元 RMB'000	人民幣千元 RMB'000	
		(未經審核) (unaudited)	(未經審核) (unaudited)	
<b>營運資金變動前的 經營現金流量</b>	Operating cash flows before movements in working capital	2,954,272	2,728,406	
持作出售物業減少 擬作出售的開發中物業增加	Decrease in properties held for sale Increase in properties under development for sale	13,321,350	7,065,585	
應收賬款及其他應收款項、 按金以及預付款項增加	Increase in accounts and other receivables, deposits and prepayments	(19,884,537)	(6,473,230)	
持作出售物業的土地使用權 按金增加	Increase in deposits for land use rights for properties held for sale	(7,310,059)	(2,845,551)	
應付賬款及其他應付款項以及 應計開支增加	Increase in accounts and other payables and accrued charges	(7,003,786)	(571,023)	
已收物業銷售按金增加	Increase in deposits received from property sales	10,418,003	5,754,863	
經營(所用)所得現金	Cash (used in) generated from operations	4,547,563	4,624,714	
已付中國所得稅	PRC income tax paid	(2,957,194)	10,283,764	
經營活動(所用)所得現金淨額	NET CASH (USED IN) FROM OPERATING ACTIVITIES	(2,749,717)	(958,258)	
		(5,706,911)	9,325,506	

		附註 NOTES	截至六月三十日止六個月 Six months ended 30 June	二零一八年 2018	二零一七年 2017
			人民幣千元 RMB'000	人民幣千元 RMB'000	
			(未經審核) (unaudited)	(未經審核) (unaudited)	
<b>投資活動</b>	<b>INVESTING ACTIVITIES</b>				
就收購股權支付的按金	Deposits paid for acquisitions of equity interests		—	(363,526)	
向非控股權益墊款	Advances to non-controlling interests		(6,760,220)	(1,072,357)	
非控股權益還款	Repayment from non-controlling interests		1,409,908	642,114	
向合營企業墊款	Advances to joint ventures		(11,708,090)	(1,403,888)	
合營企業還款	Repayment from joint ventures		4,673,039	850,833	
向聯營公司墊款	Advances to associates		(7,658,835)	(2,767,825)	
聯營公司還款	Repayment from associates		5,198,284	1,444,520	
添置投資物業	Additions to investment properties		(16,969)	(13,694)	
購買物業、廠房及設備	Purchase of property, plant and equipment		(24,654)	(18,892)	
收購附屬公司現金流入 (流出)淨額	Net cash inflow (outflow) from acquisition of subsidiaries	28	1,287,870	(326,555)	
出售附屬公司現金(流出) 流入淨額	Net cash (outflow) inflow from disposal of subsidiaries	29	—	180,163	
視作出售附屬公司現金 流出淨額	Net cash outflow from deemed disposal of subsidiaries	29	(38,034)	—	
配售已質押銀行存款	Placement of pledged bank deposits		(3,274,000)	(758,807)	
提取已質押銀行存款	Withdrawal of pledged bank deposits		—	348,855	
出售物業、廠房及設備 所得款項	Proceeds from disposal of property, plant and equipment		34,071	498	
出售投資物業所得款項	Proceeds from disposal of investment properties		3,987	—	
出售按公平值計入 其他全面收益的 股本工具所得款項	Proceeds from disposal of equity instruments at fair value through other comprehensive income		132,000	—	
添置按公平值計入 損益金融資產	Additions to financial assets at fair value through profit or loss		(411,660)	—	
向合營企業注入資本	Capital injection into joint ventures		(1,405,363)	(419,421)	
收取合營企業股息	Dividend received from joint ventures		182,983	—	
向聯營公司注入資本	Capital injection into associates		(474,696)	(333,879)	
購買可供出售投資	Purchase of available-for-sale investments		—	(404,746)	
已收利息	Interest received		364,606	162,065	
按公平值計入損益金融 資產所收取的股息	Dividend received from financial assets at fair value through profit or loss		1,416	—	
新增投資物業項目	Addition to investments in property projects		—	(183,861)	
投資物業項目回報	Return from investments in property projects		219,397	—	
<b>投資活動所用現金淨額</b>	<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(18,264,960)</b>	<b>(4,438,403)</b>	

**簡明綜合現金流量表**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

		<b>截至六月三十日止六個月</b>	<b>Six months ended 30 June</b>
		<b>二零一八年</b>	<b>二零一七年</b>
		2018	2017
		人民幣千元 RMB'000 (未經審核) (unaudited)	人民幣千元 RMB'000 (未經審核) (unaudited)
<b>融資活動</b>		<b>FINANCING ACTIVITIES</b>	
新增銀行及其他借款		New bank and other borrowings raised	15,464,365
償還銀行及其他借款		Repayment of bank and other borrowings	(8,082,264)
已付利息		Interest paid	(1,370,325)
收購附屬公司部分權益		Acquisition of partial interest in subsidiaries	–
非控股權益的墊款		Advances from non-controlling interests	13,812,407
向非控股權益還款		Repayment to non-controlling interests	(7,395,929)
合營企業墊款		Advances from joint ventures	5,635,420
向合營企業還款		Repayment to joint ventures	(4,787,805)
聯營公司的墊款		Advances from associates	5,479,166
向聯營公司還款		Repayment to associates	(3,052,421)
向非控股股東出售附屬公司部分 權益的所得款項		Proceeds from disposal of partial interests in subsidiaries to non-controlling shareholders	64,081
非控股權益注資		Capital contributions from non-controlling interests	3,269,565
發行優先票據及公司債券所得 款項淨額		Net proceeds from issue of senior notes and corporate bonds	10,309,844
發行可換股債券所得款項淨額		Net proceeds from issue of convertible bond	2,262,523
贖回優先票據及公司債券		Redemption of senior notes and corporate bonds	(1,500,000)
行使購股權所得款項 (支付)收取衍生金融工具 款項		Proceed from exercise of share options (Payment for) receipt from derivative financial instruments	237,104 (215,932)
根據股份獎勵計劃購買股份		Purchase of shares under share award scheme	(63,375)
派發予永久資本工具擁有人		Distribution to owners of perpetual capital instruments	(51,011)
派發予非控股權益 已付股息		Distribution to non-controlling interests Dividend paid	(54,789) –
<b>融資活動所得(所用)現金淨額</b>		<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>	29,960,624
<b>現金及現金等價物增加淨額</b>		<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(179,206)
外匯影響		Effect of foreign exchanges	5,988,753 47,642
<b>期初現金及現金等價物</b>		<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	4,707,897 –
<b>期末現金及現金等價物</b>		<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	29,786,870 35,823,265
<b>現金及現金等價物結餘分析</b>		<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>	20,328,397 25,034,770
銀行結餘及現金		Bank balances and cash	35,823,265
			25,034,770

# 簡明綜合財務報表附註

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

### 1. 呈列基準

簡明綜合財務報表乃根據國際會計準則委員會（「國際會計準則委員會」）頒佈的國際會計準則第34號「中期財務報告」以及香港聯合交易所有限公司證券上市規則附錄十六的適用披露規定編製。

### 2. 主要會計政策

除按公平值計量的投資物業及若干金融工具外，簡明綜合財務報表已按歷史成本基準編製。

除下文所述者及因應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）而於中期期間首次應用的會計政策變動外，截至二零一八年六月三十日止六個月的簡明綜合財務報表所用會計政策及計算方法與本集團截至二零一七年十二月三十一日止年度的年度綜合財務報表所用者一致。

此外，本集團已應用下列於中期期間首次應用的會計政策。

### 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “*Interim Financial Reporting*” issued by the International Accounting Standards Board (the “IASB”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments which are measured at fair values.

Except as described below and changes in accounting policies which became first applicable during the interim period and resulting from application of new and amendments to International Financial Reporting Standards (“IFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2018 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2017.

In addition, the Group has applied the following accounting policies which became first applicable during the interim period.

## 簡明綜合財務報表附註

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 2. 主要會計政策(續)

#### 可換股債券

本公司發行的可換股債券包含債務、提早贖回權及兌換權部分。

於發行日期，債務、並非與債務部分密切有關的提早贖回權及兌換權部分按公允值確認。

以定額現金或其他金融資產兌換為本集團本身固定數目的股本工具以外的方式結算的兌換權，屬兌換權衍生工具。於其後期間，可換股債券的債務部分採用實際利率法按攤銷成本列賬。提早贖回權及兌換權部分按公平值計量，其公平值變動於損益中確認。

與發行可換股債券有關的交易成本按其相關公平值比例分配至債務、提早贖回權及兌換權部分。與提早贖回權及兌換權部分有關的交易成本即時於損益中扣除。與債務部分有關的交易成本計入債務部分的賬面值，並以實際利率法於可換股貸款票據期間內攤銷。

### 2. PRINCIPAL ACCOUNTING POLICIES (*Continued*)

#### Convertible bond

Convertible bonds issued by the Company includes debt, early redemption option and conversion option components.

At the date of issue, the debt, early redemption option that is not closely related to the debt component and conversion option components are recognised at fair value.

A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is a conversion option derivative. In subsequent periods, the debt component of the convertible bonds is carried at amortised cost using the effective interest method. The early redemption option and conversion option components are measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible bonds are allocated to the debt, early redemption option and conversion option components in proportion to their relative fair values. Transaction costs relating to the early redemption option and conversion option components are charged to profit or loss immediately. Transaction costs relating to the debt component are included in the carrying amount of the debt portion and amortised over the period of the convertible bonds using the effective interest method.

## 2. 主要會計政策(續)

### 授予僱員的獎勵股份

於股份獎勵計劃受託人在公開市場購入本公司股份時，包括任何直接應佔增加成本在內的已付代價呈列為根據股份獎勵計劃持有的股份，並於權益總額內扣除。概無就本公司自身股份的交易確認收益或虧損。

於本中期期間，本集團已首次應用下列由國際會計準則委員會頒佈的新訂及經修訂國際會計準則（「國際會計準則」）及國際財務報告準則（於本公告統稱為「新訂及經修訂國際財務報告準則」）以及詮釋，有關準則於二零一八年一月一日或之後開始就編製本集團簡明綜合財務報表的年度期間強制生效。

國際財務報告準則 第9號	金融工具	IFRS 9
國際財務報告準則 第15號	客戶合約收入及 相關修訂本	IFRS 15
國際財務報告詮釋 委員會詮釋第22號	外幣交易及墊付代價	IFRIC 22
國際財務報告準則 第2號(修訂本)	以股份為基礎付款 交易的分類及計量	Amendments to IFRS 2
國際財務報告準則 第4號(修訂本)	應用香港財務報告 準則第9號財務 工具及香港財務 報告準則第4號 保險合約	Amendments to IFRS 4
國際會計準則第28號 (修訂本)	作為二零一四年至 二零一六年期間 國際財務報告準則 年度改善的一部分	Amendments to IAS 28
香港會計準則第40號 (修訂本)	轉讓投資物業	Amendments to IAS 40

新訂國際財務報告準則已根據各項標準的相關過渡條文應用，導致下文所述的會計政策及呈報金額變動。

## 2. PRINCIPAL ACCOUNTING POLICIES (*Continued*)

### Awarded shares granted to employees

When trustee of the share award scheme purchases the Company's shares from the open market, the consideration paid, including any directly attributable incremental costs, is presented as shares held under share award scheme and deducted from total equity. No gain or loss is recognised on the transactions of the Company's own shares

In the current interim period, the Group has applied, for the first time, the following new and amendments to International Accounting Standard ("IAS") and IFRSs (hereinafter collectively referred to as the "new and amendments to IFRSs") and interpretation issued by the IASB which are mandatory effective for the annual period beginning on or after 1 January 2018 for the preparation of the Group's condensed consolidated financial statements.

國際財務報告準則 第9號	金融工具	IFRS 9	Financial Instruments
國際財務報告準則 第15號	客戶合約收入及 相關修訂本	IFRS 15	Revenue from Contracts with Customers and the related Amendments
國際財務報告詮釋 委員會詮釋第22號	外幣交易及墊付代價	IFRIC 22	Foreign Currency Transactions and Advance Consideration
國際財務報告準則 第2號(修訂本)	以股份為基礎付款 交易的分類及計量	Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions
國際財務報告準則 第4號(修訂本)	應用香港財務報告 準則第9號財務 工具及香港財務 報告準則第4號 保險合約	Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
國際會計準則第28號 (修訂本)	作為二零一四年至 二零一六年期間 國際財務報告準則 年度改善的一部分	Amendments to IAS 28	As part of the Annual Improvements to IFRSs 2014–2016 Cycle
香港會計準則第40號 (修訂本)	轉讓投資物業	Amendments to IAS 40	Transfers of Investment Property

The new IFRSs have been applied in accordance with the relevant transition provisions in the respective standards which results in changes in accounting policies and amounts reported as described below.

**簡明綜合財務報表附註**  
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**2. 主要會計政策(續)**

應用國際財務報告準則第15號「客戶合約收入」對會計政策的影響及變動

本集團已於本中期期間首次採納國際財務報告準則第15號。國際財務報告準則第15號取代國際會計準則第18號「收入」、國際會計準則第11號「建築合約」及相關詮釋。

本集團已追溯應用國際財務報告準則第15號，而首次應用該準則的累計影響於首次應用日期二零一八年一月一日確認。首次應用日期的任何差額於期初保留利潤(或股權的其他部分，視適用情況而定)確認，且並無重列比較資料。此外，根據國際財務報告準則第15號的過渡條文，本集團已選擇僅對於二零一八年一月一日尚未完成的合約追溯應用該準則。由於比較資料乃按照國際會計準則第18號「收入」及國際會計準則第11號「建築合約」以及相關詮釋編製，因此，若干比較數據或無法比較：

**2.1 應用國際財務報告準則第15號「來自客戶合約的收入」的會計政策影響及變動**

國際財務報告準則第15號引入確認收入的五個步驟：

- 第一步：識別與客戶的合約
- 第二步：識別合約內的履約責任
- 第三步：釐定交易價格
- 第四步：將交易價格分配至合約內的履約責任
- 第五步：當(或於)本集團履行履約責任時確認收入。

**2. PRINCIPAL ACCOUNTING POLICIES (Continued)**

**Impacts and changes in accounting policies of application on IFRS 15 “Revenue from Contracts with Customers”**

The Group has applied IFRS 15 for the first time in the current interim period. IFRS 15 superseded IAS 18 “Revenue”, IAS 11 “Construction Contracts” and the related interpretations.

The Group has applied IFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in IFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 18 “Revenue” and IAS 11 “Construction Contracts” and the related interpretations.

**2.1 Impacts and changes in accounting policies of application on IFRS 15 “Revenue from Contracts with Customers”**

IFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

## 2. 主要會計政策(續)

### 2.1 應用國際財務報告準則第15號「來自客戶合約的收入」的會計政策影響及變動(續)

根據國際財務報告準則第15號，當(或於)履行履約責任時，即於特定履約責任相關的貨品或服務的「控制權」轉讓予客戶時，本集團確認收入。

履約責任指大致相同的獨特貨品及服務(或一組貨品或服務)或一系列獨特的貨品或服務。

控制權隨時間轉移，而倘滿足以下其中一項標準，則收入乃參照完全滿足相關履約責任的進展情況而隨時間確認：

- 隨本集團履約，客戶同時取得並耗用本集團履約所提供的利益；
- 本集團的履約創建及強化一項資產，該資產於創建及強化時即由客戶控制；或
- 本集團的履約並未產生對本集團有替代用途的資產，且本集團對迄今已完成履約的款項具有可執行的權利。

## 2. PRINCIPAL ACCOUNTING POLICIES (*Continued*)

### 2.1 Impacts and changes in accounting policies of application on IFRS 15 “Revenue from Contracts with Customers” (*Continued*)

Under IFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

**簡明綜合財務報表附註**  
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**2. 主要會計政策(續)**

**2.1 應用國際財務報告準則第15號「來自客戶合約的收入」的會計政策影響及變動(續)**

否則，收入於客戶獲得獨特貨品或服務控制權的時間點確認。

本集團根據國際財務報告準則第15號確認下列主要來源的收入：

- 房地產開發；及
- 項目管理服務。

就物業發展收入而言，收入於已竣工物業的控制權轉移至客戶的時間點確認，即客戶取得已竣工物業控制權及本集團現時有權收款及收取代價的時間點。

就項目管理服務收入而言，收入於提供項目管理服務的期間以輸入法確認。本集團每月就所提供的項目管理服務收取固定金額並確認為收入，而本集團有權就該金額出具發票及其直接反映已完成履約的價值。

**存在重大融資部分**

釐定交易價格時，倘所協定的付款時間（不論明示或暗示）為客戶或本集團帶來向客戶轉讓貨品或服務的重大融資利益，則本集團將就資金時間值的影響而調整已承諾的代價金額。於該等情況下，合約包含重大融資部分。不論融資承諾乃於合約中明示或藉合約訂約方所協定的付款條款暗示，重大融資部分均可能存在。

就付款及轉讓有關貨品或服務的期限少於一年的合約，本集團應用可行的權宜方法，不就重大融資部分作調整。

**2. PRINCIPAL ACCOUNTING POLICIES (Continued)**

**2.1 Impacts and changes in accounting policies of application on IFRS 15 “Revenue from Contracts with Customers” (Continued)**

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

The Group recognises revenue under IFRS 15 from the following major sources:

- Property development; and
- Project management services.

For revenue from property development, revenue is recognised at a point in time when control of completed property is transferred to the customer, being at the point that the customer obtains the control of the completed property and the Group has present right to payment and the collection of the consideration is probable.

For revenue from project management services, revenue is recognised over the period in which the project management services are rendered using input method. The Group bills a fixed amount for each month for project management service provided and recognises as revenue in the amount to which the Group has a right to invoice and corresponds directly with the value of performance completed.

*Existence of significant financing component*

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting significant financing component.

## 2. 主要會計政策(續)

### 2.1 應用國際財務報告準則第15號「來自客戶合約的收入」的會計政策影響及變動(續)

#### 存有重大融資部分(續)

##### 獲得合約的增量成本

獲得合約的增量成本指本集團與客戶訂立合約產生的倘未獲得該合約則不會產生的成本。

倘預期可收回有關成本(銷售佣金及已付／應付印花稅)，則本集團確認該等成本為一項資產，隨後按與向客戶轉讓有關該資產的貨品或服務一致的系統基準於損益攤銷。須就該資產進行減值審查。

倘該等成本將在一年內悉數於損益攤銷，則本集團將應用可行的權宜方法，支銷所有增量成本以獲得合約。

##### 合約資產及合約負債

合約資產指本集團就向客戶換取本集團已轉讓的貨品或服務收取代價的權利(尚未成為無條件)。其根據國際財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即代價付款到期前僅需隨時推移。

合約負債指本集團因已向客戶收取代價(或已到期代價金額)而須向客戶轉讓貨品或服務的責任。合約負債於簡明綜合財務狀況表呈列為自物業銷售收取的按金。

經計及首次應用國際財務報告準則第15號所產生的會計政策變動，本公司董事認為首次應用國際財務報告準則第15號並無對本集團的簡明綜合財務報表造成重大影響。

## 2. PRINCIPAL ACCOUNTING POLICIES (*Continued*)

### 2.1 Impacts and changes in accounting policies of application on IFRS 15 “Revenue from Contracts with Customers” (*Continued*)

#### *Existence of significant financing component (Continued)*

##### **Incremental costs of obtaining a contract**

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Group recognises such costs (sales commissions and stamp duty paid/payable) as an asset if it expects to recover these costs. The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate. The asset is subject to impairment review.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

##### *Contract assets and contract liabilities*

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. The contract liabilities are presented as deposits received from property sales on the condensed consolidated statement of financial position.

Taking into account the changes in accounting policy arising from initial application of IFRS 15, the directors of the Company considered that the initial application of IFRS 15 has no material impact to the condensed consolidated financial statements of the Group.

# 簡明綜合財務報表附註

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 2. 主要會計政策(續)

#### 2.2 應用國際財務報告準則第9號「金融工具」及相關修訂本對會計政策的影響及變動

於本期間，本集團已應用國際財務報告準則第9號「金融工具」及其他國際財務報告準則的相關修訂。國際財務報告準則第9號就1)金融資產及金融負債的分類和計量、2)金融資產的預期信貸虧損(「預期信貸虧損」)及3)一般對沖會計處理引入新規定。

本集團已根據國際財務報告準則第9號所載的過渡條文應用國際財務報告準則第9號，即對於二零一八年一月一日(首次應用日期)尚未終止確認的工具追溯應用分類及計量規定(包括減值)，而並無對已於二零一八年一月一日終止確認的金融工具應用相關規定。於二零一七年十二月三十一日的賬面值與於二零一八年一月一日的賬面值差額於期初保留利潤及其他股權部分確認，且並無重列比較資料。

因此，若干比較資料未必與根據國際會計準則第39號「金融工具：確認及計量」編製的比較資料可資比較。

##### 2.2.1 應用國際財務報告準則第9號導致會計政策的主要變動

###### 金融資產的分類及計量

客戶合約產生的應收賬款初步根據國際財務報告準則第15號計量。

屬國際財務報告準則第9號範圍的所有已確認金融資產其後按攤銷成本或公平值計量，包括根據國際會計準則第39號按成本減去減值計量的無報價股本投資。

### 2. PRINCIPAL ACCOUNTING POLICIES (*Continued*)

#### 2.2 Impacts and changes in accounting policies of application on IFRS 9 "Financial Instruments" and the related amendments

In the current period, the Group has applied IFRS 9 "Financial Instruments" and the related consequential amendments to other IFRSs. IFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit loss ("ECL") for financial assets and 3) general hedge accounting.

The Group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9, i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and carrying amounts as at 1 January 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 39 "Financial Instruments: Recognition and Measurement".

##### 2.2.1 Key changes in accounting policies resulting from application of IFRS 9

###### Classification and measurement of financial assets

Trade receivables arising from contracts with customer are initially measured in accordance with IFRS 15.

All recognised financial assets that are within the scope of IFRS 9 are subsequently measured at amortised cost or fair value, including unquoted equity investments measured at cost less impairment under IAS 39.

## 2. 主要會計政策(續)

### 2.2 應用國際財務報告準則第9號「金融工具」及相關修訂本對會計政策的影響及變動(續)

#### 2.2.1 應用國際財務報告準則第9號導致會計政策的主要變動(續)

##### 金融資產的分類及計量(續)

符合以下條件的債務工具其後按攤銷成本計量：

- 以收取合約現金流量為目的而持有的金融資產的業務模式下持有的金融資產；及
- 金融資產的合約條款令於指定日期產生的現金流量純粹為支付本金及尚未償還本金利息。

符合以下條件的債務工具其後按公允值計入其他全面收入(「按公允值計入其他全面收入」)計量：

- 以收取合約現金流量及出售金融資產為目的而持有的業務模式下而持有的金融資產；及
- 金融資產的合約條款引致於指定日期產生的現金流量純粹為支付本金及尚未償還本金利息。

所有其他金融資產其後按公允值計入損益(「按公允值計入損益」)計量，在首次應用／初始確認金融資產日期，倘該等股本投資並非持作買賣，亦非適用於國際財務報告準則第3號業務合併的收購方於業務合併中確認的或然代價，則本集團可不可撤銷地選擇於其他全面收入(「其他全面收入」)中呈列股本投資其後的公允值變動。

## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

### 2.2 Impacts and changes in accounting policies of application on IFRS 9 "Financial Instruments" and the related amendments (Continued)

#### 2.2.1 Key changes in accounting policies resulting from application of IFRS 9 (Continued)

##### Classification and measurement of financial assets (Continued)

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income ("OCI") if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 "Business Combination" applies.

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### 2. 主要會計政策(續)

2.2 應用國際財務報告準則第9號「金融工具」及相關修訂本對會計政策的影響及變動(續)

2.2.1 應用國際財務報告準則第9號導致會計政策的主要變動(續)

#### 金融資產的分類及計量(續)

此外，本集團可不可撤銷地指定符合攤銷成本或按公平值計入其他全面收入的債務投資為按公平值計入其他全面收入計量(倘此舉可消除或大幅減少會計錯配)。

指定為按公平值計入其他全面收入的股本工具

於初始應用／初始確認日期，本集團可按個別工具基準作出不可撤銷地選擇，指定股本工具的投資為按公平值計入其他全面收入類別。

按公平值計入其他全面收入的股本工具的初步投資按公平值加交易成本計量。其後按公平值計量，其於公平值變動所產生的收益及虧損於其他全面收入確認並累計於按公平值計入其他全面收入儲備；毋須進行減值評估。累計收益或虧損不會重新分類至出售股本投資的損益，並將繼續歸類為按公平值計入其他全面收入儲備。

當本集團根據國際財務報告準則第9號確認收取股息，該等股本工具投資的股息於損益終確認，除非該股息明確表示收回部分投資成本。股息計入損益內「其他收入、收益及虧損」的項目中。

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Impacts and changes in accounting policies of application on IFRS 9 "Financial Instruments" and the related amendments (Continued)

2.2.1 Key changes in accounting policies resulting from application of IFRS 9 (Continued)

#### Classification and measurement of financial assets (Continued)

In addition, the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

#### Equity instruments designated as at FVTOCI

At the date of initial application/initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will continue to be held in the FVTOCI reserve.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividend are included in the "other income, gains and losses" line item in profit or loss.

## 2. 主要會計政策(續)

2.2 應用國際財務報告準則第9號「金融工具」及相關修訂本對會計政策的影響及變動(續)

2.2.1 應用國際財務報告準則第9號導致會計政策的主要變動(續)

### 金融資產的分類及計量(續)

#### 按公平值計入損益的金融資產

不符合按攤銷成本計量或按公平值計入其他全面收入或指定為按公平值計入其他全面收入的金融資產按公平值計入損益計量。

於各報告期末，按公平值計入損益的金融資產(包括物業項目投資)按公平值計量，而任何公平值收益或虧損於損益確認。於損益確認的收益或虧損淨額包括就金融資產所賺取的任何股息或利息，並計入損益「其他收入、收益及虧損」項目內。

本公司董事於二零一八年一月一日根據當日存在的事實及情況審閱及評估本集團的金融資產。有關本集團金融資產的分類及計量的變動以及有關影響的詳情載於附註2.2.2。

### 預期信貸虧損模式下的減值

本集團就根據國際財務報告準則第9號面臨減值的金融資產，包括應收賬款及其他應收款項、應收合營企業、聯營公司及非控股權益款項、銀行結餘、受限制銀行存款以及財務保證合約的預期信貸虧損確認虧損撥備。預期信貸虧損金額於各報告日期更新，以反映自初始確認起的信貸風險變動。

全期預期信貸虧損指相關工具預期壽命內發生所有可能的違約事件而導致的預期信貸虧損。相反，12個月預期信貸虧損(「12月預期信貸虧損」)則指預期於報告日期後12個月內可能發生的違約事件而導致的全期預期信貸虧損。預期信貸虧損根據本集團過往信貸虧損經驗進行評估，並就債務人特定因素、整體經濟狀況以及於報告日期對當前狀況及未來狀況預測的評估而作出調整。

## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Impacts and changes in accounting policies of application on IFRS 9 "Financial Instruments" and the related amendments (Continued)

2.2.1 Key changes in accounting policies resulting from application of IFRS 9 (Continued)

#### Classification and measurement of financial assets (Continued)

##### Financial asset at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL including investments in property projects are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other income, gains and losses" line item in profit or loss.

The directors of the Company reviewed and assessed the Group's financial assets as at 1 January 2018 based on the facts and circumstance that existed at that date. Changes in classification and measurement on the Group's financial assets and impacts thereof are detailed in Note 2.2.2.

#### Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under IFRS 9 (including accounts and other receivables, amounts due from joint ventures, associates and non-controlling interests, bank balances and cash, restricted bank deposits and financial guarantees contracts). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

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**2. 主要會計政策(續)**

2.2 應用國際財務報告準則第9號「金融工具」及相關修訂本對會計政策的影響及變動(續)

2.2.1 應用國際財務報告準則第9號導致會計政策的主要變動(續)

**金融資產的分類及計量(續)**

本集團始終就應收賬款確認全期預期信貸虧損。該等資產的預期信貸虧損受個別評估。

於所有其他工具方面，本集團計量與12個月預期信貸虧損等額的虧損撥備，除非信貸風險自初始確認以來有大幅增加，則本集團確認全期預期信貸虧損。是否應確認整個全期預期信貸虧損，乃基於自初始確認起出現違約的可能性或風險大幅增加評估評估。

**信貸風險的大幅增加**

於評估信貸風險是否自初始確認以來已大幅增加時，本集團比較於報告日期出現違約的風險與該金融工具於初始確認日期出現違約的風險。作此評估時，本集團考慮合理且可靠的定量及定性資料，包括過往經驗及毋須付出過多成本或努力即可得的前瞻性資料。

具體而言，評估信貸風險是否有大幅增加時會考慮以下資料：

- 金融工具外部(如有)或內部信貸評級實際或預期重大惡化；
- 信貸風險的外部市場指標大幅重大惡化，例如信貸息差、債務人的信貸違約置換價格大幅增加；

**2. PRINCIPAL ACCOUNTING POLICIES (Continued)**

2.2 Impacts and changes in accounting policies of application on IFRS 9 "Financial Instruments" and the related amendments (Continued)

2.2.1 *Key changes in accounting policies resulting from application of IFRS 9 (Continued)*

**Impairment under ECL model (Continued)**

The Group always recognises lifetime ECL for accounts receivables. The ECL on these assets are assessed on an individual basis.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

*Significant increase in credit risk*

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

## 2. 主要會計政策(續)

### 2.2 應用國際財務報告準則第9號「金融工具」及相關修訂本對會計政策的影響及變動(續)

#### 2.2.1 應用國際財務報告準則第9號導致會計政策的主要變動(續)

##### 金融資產的分類及計量(續)

###### 信貸風險的大幅增加(續)

- 商業、金融或經濟情況目前或或預測將有不利變動，預計將導致債務人還款能力重大惡化；
- 債務人經營業績的實際或預期重大惡化；
- 導致債務人履行其債務責任的能力大幅下降的債務人監管、經濟或技術環境的實際或預期的重大不利變動。

不論上述評估結果，本集團假設合約付款逾期超過30日，則信貸風險自初期確認以來有大幅提升，除非本集團有能力說明信貸風險並無大幅提升的合理可靠資料，則另作別論。

儘管如上文所述，本集團假設倘債務工具於報告日期被釐定為信貸風險較低，則債務工具的信貸風險自初始確認以來並無大幅提升。倘i)金融工具的違約風險低，ii)借款人強大能力於近期內履行其合約現金流量責任及iii)經濟及業務狀況的長期不利變動可能但未必會削弱借款人履行其合約現金流量責任的能力，則債務工具被釐定為信貸風險較低。倘按國際通用定義債務工具的內部或外部信用評級為「投資級別」，本集團認為其信貸風險為低。

## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

### 2.2 Impacts and changes in accounting policies of application on IFRS 9 "Financial Instruments" and the related amendments (Continued)

#### 2.2.1 Key changes in accounting policies resulting from application of IFRS 9

(Continued)

##### Impairment under ECL model (Continued)

###### Significant increase in credit risk (Continued)

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definition.

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2.2.1 應用國際財務報告準則第9號導致會計政策的主要變動(續)

**金融資產的分類及計量(續)**

**信貸風險的大幅增加(續)**

就財務擔保合約而言，本集團成為不可撤回承擔的承擔方當日被視為就評估金融工具減值進行初步確認日期。於評估信貸風險在初步確認財務擔保合約後有否大幅增長時，本集團認為，風險變動乃特定債務人將違反合約。

本集團認為，倘有關工具逾期超過90日，則違約已經發生，惟本集團擁有合理有據資料顯示一項更滯後的違約標準更為合適，則另作別論。

**計量及確認預期信貸虧損**

計量預期信貸虧損乃違約概率、違約虧損率程度(即倘發生違約的虧損程度)及違約風險的函數。違約概率及違約虧損率程度的評估根據經前瞻性資料調整的過往數據作出。

一般而言，預期信貸虧損估計為根據合約應付本集團所有合約現金流量與本集團預期將收取的所有現金流量間的差額，並按初始確認時釐定的實際利率貼現。

**2. PRINCIPAL ACCOUNTING POLICIES (Continued)**

2.2 Impacts and changes in accounting policies of application on IFRS 9 "Financial Instruments" and the related amendments (Continued)

2.2.1 *Key changes in accounting policies resulting from application of IFRS 9 (Continued)*

**Impairment under ECL model (Continued)**

**Significant increase in credit risk (Continued)**

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitments is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

*Measurement and recognition of ECL*

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

## 2. 主要會計政策(續)

2.2 應用國際財務報告準則第9號「金融工具」及相關修訂本對會計政策的影響及變動(續)

2.2.1 應用國際財務報告準則第9號導致會計政策的主要變動(續)

金融資產的分類及計量(續)

計量及確認預期信貸虧損(續)

就財務擔保合約而言，本集團僅須在債務人發生違約事件時，根據獲擔保的工具條款付款。因此，預期信貸虧損相當於預期支付予合約持有人作為發生信貸虧損的補償減去任何本集團預期從債務人、合約持有人或其他各方所收取的金額的現值。

利息收入按金融資產的賬面總值計算，除非該金融資產屬於信用減值，於此狀況下，利息收入按金融資產的攤銷成本計算。

本集團通過調整所有金融工具的賬面值於損益確認其減值收益或虧損，惟透過虧損撥備賬目確認相應調整的應收賬款及其他應收款項則除外。

於二零一八年一月一日，本集團董事根據國際財務報告準則第9號的規定使用毋須花費不必要成本或精力獲取的合理有據資料審閱及評估本集團現有金融資產及財務擔保合約的減值。

## 2. PRINCIPAL ACCOUNTING POLICIES (*Continued*)

2.2 Impacts and changes in accounting policies of application on IFRS 9 “Financial Instruments” and the related amendments (*Continued*)

2.2.1 *Key changes in accounting policies resulting from application of IFRS 9*

(*Continued*)

Impairment under ECL model (*Continued*)

Measurement and recognition of ECL (*Continued*)

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected losses is the present value of the expected payments to reimburse the holder of a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of accounts and other receivables, where the corresponding adjustment is recognised through a loss allowance account.

As at 1 January 2018, the directors of the Company reviewed and assessed the Group's existing financial asset and financial guarantee contracts for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of IFRS 9. The amount of the loss allowance as 1 January 2018 and 30 June 2018 were immaterial to the condensed consolidated financial statements of the Group.

## 簡明綜合財務報表附註

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 2. 主要會計政策(續)

2.2 應用國際財務報告準則第9號「金融工具」及相關修訂本對會計政策的影響及變動(續)

#### 2.2.2 首次應用國際財務報告準則第9號的影響概要

下表列示首次應用日期二零一八年一月一日國際財務報告準則第9號及國際會計準則第39號項下的金融資產分類及計量。

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### 2.2 Impacts and changes in accounting policies of application on IFRS 9 "Financial Instruments" and the related amendments (Continued)

##### 2.2.2 Summary of effects arising from initial application of IFRS 9

The table below illustrates the classification and measurement of financial assets under IFRS 9 and IAS 39 at the date of initial application, 1 January 2018.

		按公允值 計入其他 全面收入的 可供出售	按公允值 計入其他 全面收入儲備 股本工具 Equity Available-for-sale Instruments at FVTOCI Reserve	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於二零一七年十二月 三十一目的年初結餘 – 國際會計準則第39號	Closing balance at 31 December 2017 – IAS 39	623,630	–	–	–	–
首次應用國際財務報告準則 第9號的影響	Effect arising from initial application of IFRS 9					
<b>重新分類</b> 由可供出售	<b>Reclassification</b> From available-for-sale	(a)	(623,630)	623,630	623,630	–
<b>重新計量</b> 由成本減值至公允值	<b>Remeasurement</b> From cost less impairment to fair value	(a)	–	95,445	95,445	95,445
於二零一八年一月一日的 年初結餘 – 國際財務報告 準則第9號	Opening balance at 1 January 2018 – IFRS 9	–	719,075	95,445	95,445	95,445

## 2. 主要會計政策(續)

2.2 應用國際財務報告準則第9號「金融工具」及相關修訂本對會計政策的影響及變動(續)

2.2.2 國際財務報告準則第9號初次應用產生的影響概要(續)

### (a) 可供出售投資

自可供出售至按公平值計入其他全面收入的股本投資

本集團將先前分類為可供出售投資的所有股本投資的公平值變動於其他全面收入中列賬，當中人民幣623,630,000元與是關於先前根據國際會計準則第39號按成本扣除減值計量的無報價股本投資及按公平值計量的上市股本投資有關。該等投資並非持作買賣用途且於可預見未來不會出售。於首次應用國際財務報告準則第9號日期，當中人民幣623,630,000元已自可供出售投資重新分類為按公平值計入其他全面收入的股本工具，當中人民幣484,880,000元及人民幣138,750,000元分別與先前根據國際會計準則第39號按成本扣除減值計量的無報價股本投資及按公平值計量的上市股本投資有關。人民幣95,445,000元與該等先前按成本扣除減值列賬的無報價股本投資有關的公平值收益已調整至於二零一八年一月一日的按公平值計入其他全面收入以及按公平值計入其他全面收入儲備。

## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Impacts and changes in accounting policies of application on IFRS 9 "Financial Instruments" and the related amendments (Continued)

2.2.2 Summary of effects arising from initial application of IFRS 9 (Continued)

### (a) Available-for-sale investments

From available-for-sale investments to equity investment at FVTOCI

The Group elected to present in OCI for the fair value changes of all its equity investments previously classified as available-for-sale investments, of which RMB623,630,000 related to unquoted equity investments previously measured at cost less impairment and listed equity investments measured at fair value under IAS 39. These investments are not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of IFRS 9, RMB623,630,000 were reclassified from available-for-sale investments to equity instruments at FVTOCI, of which RMB484,880,000 and RMB138,750,000 related to unquoted equity investments previously measured at cost less impairment and listed equity investments measured at fair value under IAS 39, respectively. The fair value gain of RMB95,445,000 relating to those investments previously carried at cost less impairment were adjusted to equity instruments at FVTOCI and FVTOCI reserve as at 1 January 2018.

## 簡明綜合財務報表附註

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 2. 主要會計政策(續)

#### 2.3 應用國際會計準則第40號「轉移投資物業」對會計政策的影響及變動

該等修訂澄清轉至或轉自投資物業需評估物業是否符合或不再符合投資物業的定義，並須有證據支持其用途出現改變。該修訂進一步澄清，除香港會計準則第40號所列情況外，其他情況可作為用途已改變的憑證，而在建物業亦有可能出現用途改變的情況，即用途改變不限於已竣工物業。

於初始應用日期，本集團按照於該日存在的條件評估若干物業的分類。概無對於二零一八年一月一日的分類造成影響。

除上述者外，於本中期期間應用國際財務報告準則的其他修訂本及詮釋對此等簡明綜合財務報表所載的呈報金額或披露資料概無重大影響。

### 2. PRINCIPAL ACCOUNTING POLICIES (*Continued*)

#### 2.3 Impacts and changes in accounting policies of application on Amendments to IAS 40 “Transfers of Investment Property”

The amendments clarify that a transfer to or from investment property necessitates an assessment of whether a property meets, or has ceased to meet, the definition of investment property, supported by evidence that a change in use has occurred. The amendments further clarify that situations other than the ones listed in IAS 40 may evidence a change in use, and that a change in use is possible for properties under construction (i.e. a change in use is not limited to completed properties).

At the date of initial application, the Group assessed the classification of certain properties based on conditions existed at that date. There is no impact to the classification at 1 January 2018.

Except as describe above, the application of other amendments to the IFRSs and the interpretation in the current interim period had no material effect on the amounts reported or disclosures set out in these condensed consolidated financial statements.

### 3. 收入

### 3. REVENUE

		截至六月三十日止六個月	
		Six months ended 30 June	
		二零一八年	二零一七年
		2018	2017
		人民幣千元	人民幣千元
		RMB'000	RMB'000
		(未經審核)	(未經審核)
		(unaudited)	(unaudited)
<b>收入</b>	<b>Revenue</b>		
房地產開發的銷售額	Sales from property development	17,394,508	10,590,200
租金收入	Rental income	56,906	50,986
項目管理及其他相關服務收入	Project management and other related services income	969,106	594,173
		18,420,520	11,235,359

#### 3A. 貨品及服務收入

分拆貨品及服務收入

#### 3A. REVENUE FROM GOODS AND SERVICES

Disaggregation of revenue from goods and services

		截至二零一八年六月三十日 止六個月	
		For the six months ended 30 June 2018	
		項目管理及 房地產開發	其他相關服務
貨品或服務種類	Types of goods or services	Property development	Total
房地產開發	Property development		
住宅	Residential	15,069,281	15,069,281
辦公樓及商業	Office & Commercial	1,889,376	1,889,376
停車場	Carpark	435,851	435,851
		17,394,508	17,394,508
項目管理及其他相關服務	Project management and other related services	—	969,106
總計	Total	17,394,508	969,106
			18,363,614

**簡明綜合財務報表附註**  
 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**3A. 貨品及服務收入(續)**

**3A. REVENUE FROM GOODS AND SERVICES (Continued)**

	截至二零一八年六月三十日 止六個月	總計		
		項目管理及 房地產開發	其他相關服務	Project management and other related services
	Property development	人民幣千元 RMB'000	人民幣千元 RMB'000	Total 人民幣千元 RMB'000
<b>確認收入的時間</b>	<b>Timing of revenue recognition</b>			
於某時間點	A point in time	17,394,508	–	17,394,508
一段時間內	Over time	–	969,106	969,106
<b>總計</b>	<b>Total</b>	<b>17,394,508</b>	<b>969,106</b>	<b>18,363,614</b>

**3B. 分部資料**

以下為本集團可呈報及經營分部的收入及業績的分析：

(a) 分部收入及利潤

**3B. SEGMENT INFORMATION**

The following is an analysis of the Group's revenue and results by reportable and operating segments:

(a) Segment revenue and profit

	截至二零一八年 六月三十日止六個月	項目管理及 其他相關服務			總計
		房地產開發	房地產投資	Project management and other	
	Property development	Property investment	related services	Total	
	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
<b>截至二零一八年 六月三十日止六個月</b>	<b>Six months ended 30 June 2018</b>				
來自外部客戶的可呈報分部 收入	Reportable segment revenue from external customers	17,394,508	56,906	969,106	18,420,520
<b>可呈報分部利潤</b>	<b>Reportable segment profit</b>	<b>3,647,070</b>	<b>40,342</b>	<b>251,263</b>	<b>3,938,675</b>

**3B. 分部資料(續)**

## (a) 分部收入及利潤(續)

**3B. SEGMENT INFORMATION (Continued)**

## (a) Segment revenue and profit (Continued)

	房地產開發	房地產投資	項目管理及 其他相關 服務	總計
	Property development	Property investment	related services	Total
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
	RMB'000	RMB'000	RMB'000	RMB'000
<b>截至二零一七年 六月三十日止六個月</b>	Six months ended 30 June 2017			
來自外部客戶的可呈報分部 收入	Reportable segment revenue from external customers	10,590,200	50,986	594,173 11,235,359
可呈報分部利潤	Reportable segment profit	3,095,718	35,363	223,097 3,354,178

## (b) 分部資產及負債

由於主要經營決策者於計算本集團分部呈報時並無計入資產及負債，因此並無呈列分部資產及負債。

## (b) Segment assets and liabilities

No assets and liabilities are included in the measures of the Group's segment reporting that are used by the chief operating decision maker. Accordingly, no segment assets and liabilities are presented.

**簡明綜合財務報表附註**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**3B. 分部資料(續)**

(c) 可呈報分部收入及利潤的對賬

**3B. SEGMENT INFORMATION (Continued)**

(c) Reconciliations of reportable segment revenue and profit

		<b>截至六月三十日止六個月</b>	
		Six months ended 30 June	
		<b>二零一八年</b>	<b>二零一七年</b>
		2018	2017
		人民幣千元	人民幣千元
		RMB'000	RMB'000
		(未經審核)	(未經審核)
		(unaudited)	(unaudited)
<b>收入</b>	<b>Revenue</b>		
可呈報分部及綜合收入	Reportable segment and consolidated revenue	18,420,520	11,235,359
<b>利潤</b>	<b>Profit</b>		
可呈報分部利潤	Reportable segment profit	3,938,675	3,354,178
其他收入，收益及虧損	Other income, gains and losses	1,699,964	40,717
投資物業公平值變動	Change in fair value of investment properties	269,221	19,286
融資成本	Finance costs	(135,290)	(99,587)
應佔合營企業業績	Share of results of joint ventures	422,781	1,204,327
應佔聯營公司業績	Share of results of associates	685,073	319,124
物業、廠房及設備折舊	Depreciation of property, plant and equipment	(17,136)	(10,725)
呆賬撥備	Allowance for doubtful debts	(148)	(1,665)
未分配總部及企業開支	Unallocated head office and corporate expenses	(1,027,577)	(656,631)
除稅前綜合利潤	Consolidated profit before taxation	5,835,563	4,169,024

#### 4. 其他收入、收益及虧損

#### 4. OTHER INCOME, GAINS AND LOSSES

		截至六月三十日止六個月 Six months ended 30 June	
		二零一八年 2018	二零一七年 2017
		人民幣千元 RMB'000	人民幣千元 RMB'000
		(未經審核) (unaudited)	(未經審核) (unaudited)
利息收入	Interest income	364,606	162,065
重新計量收益(附註28)	Gain on re-measurement (Note 28)	903,376	–
出售附屬公司的收益(附註29)	Gain on disposal of subsidiaries (Note 29)	–	1,591
政府補貼	Government grants	4,488	1,734
沒收買家支付的按金	Forfeited deposits paid by purchasers	3,955	12,339
出售物業、廠房及設備的收益	Gain on disposal of property, plant and equipment	380	280
提早贖回優先票據的虧損	Loss on early redemption of senior notes	–	(128,288)
按公平值計入損益的股息收入	Dividend income from FVTPL	1,416	–
於房地產項目的投資的公平值變動	Change in fair value of investment in property projects	314,656	–
於房地產項目的投資的股息收入	Dividend income from investment in property projects	77,496	–
按公平值計入損益的金融資產的 公平值變動	Change in fair value of financial assets at FVTPL	26,964	(63,282)
可換股債券衍生工具部分公平值 變動(附註27)	Change in fair value of derivative component for convertible bonds (Note 27)	80,551	–
衍生金融工具公平值變動	Change in fair value of derivative financial instruments	(109,650)	(165,661)
匯兌收益淨額	Net exchange gain	16,494	213,284
雜項收入	Sundry income	15,232	6,655
		1,699,964	40,717

**簡明綜合財務報表附註**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**5. 融資成本**

**5. FINANCE COSTS**

		<b>截至六月三十日止六個月</b>	
		Six months ended 30 June	
		二零一八年	二零一七年
		2018	2017
		人民幣千元	人民幣千元
		RMB'000	RMB'000
		(未經審核)	(未經審核)
		(unaudited)	(unaudited)
銀行及其他借款的利息開支	Interest expense on bank and other borrowings	(1,141,657)	(630,299)
優先票據、公司債券及可換股債券的利息開支	Interest expense on senior notes, corporate bonds and convertible bonds	(586,725)	(419,139)
		(1,728,382)	(1,049,438)
減：擬作出售的開發中物業及在建投資物業的資本化金額	Less: Amount capitalised to properties under development for sale and investment properties under construction	1,593,092	949,851
		(135,290)	(99,587)

**6. 所得稅開支**

**6. INCOME TAX EXPENSE**

		<b>截至六月三十日止六個月</b>	
		Six months ended 30 June	
		二零一八年	二零一七年
		2018	2017
		人民幣千元	人民幣千元
		RMB'000	RMB'000
		(未經審核)	(未經審核)
		(unaudited)	(unaudited)
於中華人民共和國(「中國」)的即期稅項	Current tax in the People's Republic of China (the "PRC")		
中國企業所得稅	PRC enterprise income tax	(1,161,890)	(704,015)
土地增值稅	Land appreciation tax	(1,266,910)	(853,804)
		(2,428,800)	(1,557,819)
遞延稅項	Deferred taxation	769,992	(3,312)
		(1,658,808)	(1,561,131)

## 6. 所得稅開支(續)

根據中國企業所得稅法及企業所得稅法實施條例，兩個期間的中國附屬公司的稅率為25%。

土地增值稅撥備乃根據相關中國稅務法律及法規所載規定估計。土地增值稅已按增值價值的累進稅率範圍作出撥備(附帶若干許可的豁免及減免)。

根據英屬處女群島(「英屬處女群島」)及開曼群島的規則及法規，本集團毋須在英屬處女群島及開曼群島繳納任何所得稅。

由於本集團的收入既不產自亦非來自香港，故並無就香港利得稅作出撥備。

## 7. 期內利潤及全面收入總額

## 6. INCOME TAX EXPENSE (*Continued*)

Under the Law of the PRC on Enterprise Income Tax and Implementation Regulation of the Enterprise Income Tax Law, the tax rate of the PRC subsidiaries is 25% for both periods.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable exemptions and deductions.

Pursuant to the rules and regulations of the British Virgin Islands ("BVI") and the Cayman Islands, the Group is not subject to any income tax in the BVI and the Cayman Islands.

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

## 7. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

		截至六月三十日止六個月 Six months ended 30 June	
		二零一八年 2018	二零一七年 2017
		人民幣千元 RMB'000	人民幣千元 RMB'000
		(未經審核) (unaudited)	(未經審核) (unaudited)
期內利潤及全面收入總額乃經扣除 下列各項：		Profit and total comprehensive income for the period has been arrived at after charging:	
計入銷售及服務成本的已售物業 成本	Cost of properties sold included in cost of sales and services	13,563,099	7,324,885
物業、廠房及設備折舊	Depreciation of property, plant and equipment	17,136	10,725
呆賬撥備	Allowance for doubtful debts	148	1,665
土地及樓宇的經營租賃租金	Operating lease rentals in respect of land and buildings	48,429	36,659

**簡明綜合財務報表附註**  
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**8. 股息**

**8. DIVIDEND**

		截至六月三十日止六個月	Six months ended 30 June	
		二零一八年	二零一七年	
		2018	2017	
		人民幣千元	人民幣千元	
		RMB'000	RMB'000	
		(未經審核)	(未經審核)	
		(unaudited)	(unaudited)	
於期內確認為分派股息：		Dividend recognised as distribution during the period:		
就截至二零一七年十二月三十一日止		Final dividend recognised in respect of financial year ended 31 December 2017 of RMB14.54 cents (equivalent to HK18 cents)		
財政年度派付已確認末期股息每股普通股人民幣14.54分 (相當於18港分)		(2016: RMB11.5 cents (equivalent to HK13 cents) per ordinary share		
(二零一六年：人民幣11.5分 (相當於13港分))				1,124,940
				779,492
宣派為分派股息：		Dividends declared as distribution:		
現金		Cash		471,760
				326,320

董事會宣派截至二零一八年六月三十日止六個月的中期股息每股普通股人民幣6.09分(相當於7港分)(截至二零一七年六月三十日止六個月：人民幣4.35分(相當於5港分))。

## 9. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃根據下列數據計算：

## 9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	截至六月三十日止六個月 Six months ended 30 June	二零一八年 2018	二零一七年 2017
	人民幣千元 RMB'000	人民幣千元 RMB'000	
	(未經審核) (unaudited)	(未經審核) (unaudited)	
<b>盈利</b>	<b>Earnings</b>		
計算每股基本盈利的盈利 (本公司擁有人應佔期內利潤)	Earnings for the purposes of basic earnings per share (profit for the period attributable to owners of the Company)	3,419,185	2,156,233
對可換股債券債務部分的 利息及可換股債券衍生 工具部分的公平值變動的 潛在普通股攤薄效應	Effect of dilutive potential ordinary shares on Interest on debt component of convertible bonds and change in fair value of derivative component of convertible bonds	(59,864)	–
計算每股攤薄盈利的盈利	Earnings for the purpose of diluted earning per share	3,359,321	2,156,233

	截至六月三十日止六個月 Six months ended 30 June	二零一八年 2018	二零一七年 2017
	千股 '000	千股 '000	
	(未經審核) (unaudited)	(未經審核) (unaudited)	
<b>股份數目</b>	<b>Number of shares</b>		
就計算每股基本盈利的普通股加權 平均數	Weighted average number of ordinary shares for the purpose of basic earnings per share	7,628,794,868	6,773,954,844
潛在普通股攤薄效應： – 購股權 – 可換股債券	Effect of dilutive potential ordinary shares on: – share options – convertible bonds	217,100,885 227,071,823	107,515,666 –
就計算每股攤薄盈利的普通股加權 平均數	Weighted average number of ordinary shares for the purpose of diluted earnings per share	8,072,967,576	6,881,470,510

上文所示的普通股加權平均數乃經扣除附註33所載的股份獎勵計劃受託人所持有的股份後得出。

The weighted average number of ordinary shares shown above has been arrived at after deducting the shares held by the trustee of the share award scheme as set out in note 33.

## 簡明綜合財務報表附註

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 10. 投資物業

### 10. INVESTMENT PROPERTIES

		在建投資 物業 Investment properties under construction 人民幣千元 RMB'000	已竣工投資 物業 Completed investment properties 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一八年一月一日(經審核)	At 1 January 2018 (audited)	–	14,402,350	14,402,350
添置	Additions	11,353	5,616	16,969
收購一間附屬公司(附註28)	Acquisition of a subsidiary (Note 28)	1,122,000	–	1,122,000
自持作出售物業轉撥	Transfer from properties held for sale	–	98,147	98,147
出售	Disposals	–	(3,987)	(3,987)
在損益中確認的公平值增加	Increase in fair value recognised in profit or loss	9,647	259,574	269,221
於二零一八年六月三十日 (未經審核)	At 30 June 2018 (unaudited)	1,143,000	14,761,700	15,904,700

已竣工投資物業及在建投資物業均位於中國。

所有本集團持有作經營租賃的物業權益以賺取租金或作資本增值均按公平值模式計量且分類並入賬為投資物業。

本集團已竣工投資物業及在建投資物業於二零一八年六月三十日及二零一七年十二月三十一日的公平值乃基於與本集團無關連的獨立合資格專業估值師行第一太平戴維斯估值及專業顧問有限公司於該等日期進行的估值而得出。第一太平戴維斯估值及專業顧問有限公司擁有合適資格，且擁有評估相關地點的類似物業方面的相關近期經驗。

The completed investment properties and investment properties under construction are all situated in the PRC.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The fair value of the Group's completed investment properties and investment properties under construction at 30 June 2018 and 31 December 2017 have been arrived at on the basis of valuations on those dates carried out by Savills Valuation and Professional Services Limited, a firm of independent qualified professional valuers which are not connected with the Group, who have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

## 10. 投資物業(續)

本集團於二零一八年六月三十日抵押人民幣5,672,700,000元(二零一七年十二月三十一日：人民幣5,895,550,000元)的投資物業，以擔保本集團的銀行及其他借款。

已竣工投資物業的估值採用收入法透過資本化來自現有租約的淨租金收入及已竣工投資物業的相關物業復歸收入潛力作出適當撥備為基準計算。

在建投資物業的估值採用餘值法(以收入法透過資本化來自市場上可觀察的已竣工物業交易的淨租金收入為基準計算)，按該等物業將根據最新開發方案開發及竣工的基準，計及完成開發所耗用的建造成本而得出，以反映已竣工開發項目的質素及發展商利潤。

上年度所用估值方法並無變動。

於估計物業的公平值時，物業的最高及最佳用途為其當前用途。

## 11. 物業、廠房及設備

於截至二零一八年六月三十日止六個月，本集團出售賬面總值人民幣33,691,000元(截至二零一七年六月三十日止六個月：人民幣218,000元)的若干設備及傢俬，所得款項為人民幣34,071,000元(截至二零一七年六月三十日止六個月：人民幣498,000元)，導致出售事項收益人民幣380,000元(截至二零一七年六月三十日止六個月：出售事項收益人民幣280,000元)。添置物業、廠房及設備(包括透過收購附屬公司所收購的物業、廠房及設備)為數人民幣79,707,000元(截至二零一七年六月三十日止六個月：人民幣19,368,000元)，包括電單車以及設備及傢俬。

## 10. INVESTMENT PROPERTIES *(Continued)*

The Group has pledged investment properties of RMB5,672,700,000 (31 December 2017: RMB5,895,550,000) as at 30 June 2018 to secure bank and other borrowings of the Group.

The valuations of completed investment properties are based on income method by capitalising the net rental income derived from the existing tenancies with due allowance for reversionary income potential of the respective properties on completed investment properties.

The valuations of investment properties under construction were arrived at with adoption of the residual approach, which is based on income method by capitalising the net rental income derived from market observable transactions of completed properties with the basis that they will be developed and completed in accordance with the latest development proposals and taken into account the construction costs that will be expended to complete the development to reflect the quality of the completed development and developer's profit.

There has been no change from the valuation technique used in prior year.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

## 11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2018, the Group disposed of certain equipment and furniture with an aggregate carrying amount of RMB33,691,000 (six months ended 30 June 2017: RMB218,000) for proceeds of RMB34,071,000 (six months ended 30 June 2017: RMB498,000) resulting in a gain of disposal of RMB380,000 (six months ended 30 June 2017: gain on disposal of RMB280,000). Additions to property, plant and equipment, including those acquired through acquisition of subsidiaries, amounted to RMB79,707,000 (six months ended 30 June 2017: RMB19,368,000), consisting of motor vehicles and equipment and furniture.

**簡明綜合財務報表附註**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**12. 於聯營公司的權益**

**12. INTERESTS IN ASSOCIATES**

	於二零一八年 六月三十日 At 30 June 2018 人民幣千元 (未經審核) (unaudited)	於二零一七年 十二月三十一日 At 31 December 2017 人民幣千元 (經審核) (audited)
本集團於聯營公司的權益詳情如下：	Details of the Group's interests in associates are as follows:	
於聯營公司的非上市投資成本 應佔收購後業績及其他全面收益， 扣除已收股息	Cost of unlisted investment in associates Share of post-acquisition results and other comprehensive income, net of dividend received	2,559,113      2,095,253 1,424,259      728,349 3,983,372      2,823,602

**13. 於合營企業的權益**

**13. INTERESTS IN JOINT VENTURES**

	於二零一八年 六月三十日 At 30 June 2018 人民幣千元 (未經審核) (unaudited)	於二零一七年 十二月三十一日 At 31 December 2017 人民幣千元 (經審核) (audited)
本集團於合營企業的 權益詳情如下：	Details of the Group's interests in joint ventures are as follows:	
於合營企業的非上市投資成本 應佔收購後業績及其他全面收入， 扣除已收股息	Cost of unlisted investments in joint ventures Share of post-acquisition results and other comprehensive income, net of dividend received	5,830,067      4,459,504 1,617,478      1,343,045 7,447,545      5,802,549

## 14. 於物業項目的投資

## 14. INVESTMENTS IN PROPERTY PROJECTS

	於二零一八年 六月三十日 At 30 June 2018 人民幣千元 (未經審核) (unaudited)	於二零一七年 十二月三十一日 At 31 December 2017 人民幣千元 (經審核) (audited)
於物業項目的投資 Investments in property projects	794,187	622,143

上述餘額指本集團於蘇州、宜昌及長沙物業項目的權益，而將予收取的金額乃根據與相關方訂立的各項安排所訂明相關物業單位的銷售及成本釐定，且將於報告期末按公平值列賬。於二零一八年六月三十日及二零一七年十二月三十一日的公平值乃基於與本集團無關連的獨立合資格專業估值師行第一太平戴維斯估值及專業顧問有限公司進行的估值而得出。第一太平戴維斯估值及專業顧問有限公司擁有合適評估資格，且近期於評估相關地點的類似物業方面擁有經驗。有關公平值計量的詳情載於附註35。

## 15. 就收購股權已付的按金

於二零一八年六月三十日，本集團就收購於中國註冊成立的若干實體股權所支付的按金為人民幣141,496,000元（二零一七年十二月三十一日：人民幣641,496,000元）。

The above balance represents the Group's interests in the property projects located in Suzhou, Yixing and Changsha of which the amounts to be receivable are determined based on the sales and costs of the relevant property units specified in the respective arrangement with the counterparts and it is carried at fair value at the end of the reporting period. The fair value at 30 June 2018 and 31 December 2017 has been arrived on the basis of valuation carried out by Savills Valuation and Professional Services Limited, a firm of independent qualified professional valuers which are not connected with the Group, who have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. Details of the fair value measurements are set out in note 35.

## 15. DEPOSITS PAID FOR ACQUISITIONS OF EQUITY INTERESTS

At 30 June 2018, the Group had made deposits of RMB141,496,000 (31 December 2017: RMB641,496,000) for the acquisitions of equity interests in certain PRC incorporated entities.

## 簡明綜合財務報表附註

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 16. 長期保證金

於二零一八年六月三十日，本集團擁有保證金人民幣150,000,000元(二零一七年十二月三十一日：人民幣150,000,000元)，以擔保本集團自報告期末起計十二個月後將予開展的物業項目管理服務。

### 17. 應收賬款及其他應收款項、按金及預付款項

貿易應收款項主要來自出售物業及租金收入。有關已售物業的代價乃根據相關買賣協議的條款且通常自協議日期起計介乎60至180日內支付。根據租賃協議，租金收入應由租戶於兩個月內支付。

### 16. LONG-TERM DEPOSIT

At 30 June 2018, the Group had a deposit of RMB150,000,000 (31 December 2017: RMB150,000,000) for securing property project management service to be commenced by the Group after twelve months from the end of the reporting period.

### 17. ACCOUNTS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Trade receivables mainly arise from sales of properties and rental income. Considerations in respect of properties sold are paid in accordance with the terms of the related sales and purchase agreements, normally with a range of 60 days to 180 days from the date of agreement. Rental income is paid by tenants within two months in accordance to tenancy agreement.

	於二零一八年 六月三十日	於二零一七年 十二月三十一日
	At 30 June 2018	At 31 December 2017
	人民幣千元 RMB'000	人民幣千元 RMB'000
貿易應收款項(扣除撥備)	938,578	636,613
其他應收款項(扣除撥備)(附註)	16,262,091	8,080,901
預付稅項	809,411	327,477
按金及預付款項	1,971,747	1,762,966
	19,981,827	10,807,957

附註：有關金額主要包括就潛在物業發展項目的臨時付款及於完成開發項目後可返還的項目相關按金。其他應收款項並無固定還款期，董事認為其須按要求償還，並將於借款日期起一年內收回。

Note: The amount mainly includes temporary payments paid for potential property development projects and project-related deposits which would be refundable upon completion of the development projects. There is no fixed repayment term for other receivables and the directors consider they are repayable on demand and will be recovered in one year from the date of advance.

**17. 應收賬款及其他應收款項、  
按金及預付款項(續)**

以下為於報告期末按協議日期編製的貿易應收款項賬齡分析(經扣除撥備)：

**17. ACCOUNTS AND OTHER RECEIVABLES,  
DEPOSITS AND PREPAYMENTS (Continued)**

The following is an aged analysis of trade receivables, based on the date of agreement and net of allowance, at the end of the reporting period:

		於二零一八年 六月三十日 At 30 June 2018 人民幣千元 RMB'000 (未經審核) (unaudited)	於二零一七年 十二月三十一日 At 31 December 2017 人民幣千元 RMB'000 (經審核) (audited)
於60日內	Within 60 days	331,151	309,973
61至180日	61–180 days	295,724	102,557
181至365日	181–365 days	200,664	98,432
1年以上	Over 1 year	111,039	125,651
		938,578	636,613

於接納任何企業客戶前，本集團使用內部信貸評估制度評估潛在客戶的信貸質素。

Before accepting any corporate customer, the Group uses an internal credit assessment system to assess the potential customers' credit quality.

## 簡明綜合財務報表附註

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 17. 應收賬款及其他應收款項、 按金及預付款項(續)

應收賬款及其他應收款項的呆賬撥備變動如下：

### 17. ACCOUNTS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Movements in the allowance for doubtful debts on accounts and other receivables are as follows:

		於二零一八年 六月三十日 At 30 June 2018 人民幣千元 RMB'000 (未經審核) (unaudited)	於二零一七年 十二月三十一日 At 31 December 2017 人民幣千元 RMB'000 (經審核) (audited)
期／年初結餘 (撥備)撥回呆賬撥備	Balance at the beginning of the period/year (Allowance for) write-back of allowance for doubtful debts	(5,117)	(5,863)
期／年末結餘	Balance at the end of the period/year	(5,265)	(5,117)

就應收賬款而言，本集團已應用國際財務報告準則第9號的簡化法，以計量全期預期信貸虧損。於二零一八年一月一日及二零一八年六月三十日的虧損撥備金額被視為對本集團簡明綜合財務報表而言並不重大。

For accounts receivables, the Group has applied simplified approach in IFRS 9 to measure the lifetime ECL. The amount of the loss allowance at 1 January 2018 and 30 June 2018 was considered as insignificant to the condensed consolidated financial statements of the Group.

### 18. 應收／應付非控股權益款項

應收／應付非控股權益款項為無抵押、免息及須按要求償還。本公司董事預期有關款項將於報告期末起計12個月內結算。

### 18. AMOUNTS DUE FROM/TO NON-CONTROLLING INTERESTS

The amounts due from/to non-controlling interests are unsecured, interest-free and repayable on demand. The directors of the Company expect the amounts will be settled within 12 months from the end of the reporting period.

## 19. 應收／應付合營企業及聯營公司款項

應收／應付合營企業及聯營公司款項為無抵押、免息及須按要求償還。本公司董事預期有關款項將於報告期末起計12個月內結算。

## 20. 受限制銀行存款

## 19. AMOUNTS DUE FROM/TO JOINT VENTURES AND ASSOCIATES

The amounts due from/to joint ventures and associates are unsecured, interest-free and are repayable on demand. The directors of the Company expect the amounts will be settled within 12 months from the end of the reporting period.

## 20. RESTRICTED BANK DEPOSITS

	於二零一八年 六月三十日 At 30 June 2018 人民幣千元 RMB'000 (未經審核) (unaudited)	於二零一七年 十二月三十一日 At 31 December 2017 人民幣千元 RMB'000 (經審核) (audited)
受限制銀行存款 Restricted bank deposits	3,274,000	—

根據若干銀行貸款協議，本集團須存置若干現金存款作為銀行及其他貸款的抵押。有關受限制銀行存款將於悉數償還相關借款後，方會解除。

Pursuant to certain bank loan agreements, the Group is required to place certain cash deposits as securities for bank and other borrowings. Such restricted deposits will only be released after full repayment of relevant borrowings.

## 21. 應付賬款及其他應付款項以及應計開支

## 21. ACCOUNTS AND OTHER PAYABLES AND ACCRUED CHARGES

	於二零一八年 六月三十日 At 30 June 2018 人民幣千元 RMB'000 (未經審核) (unaudited)	於二零一七年 十二月三十一日 At 31 December 2017 人民幣千元 RMB'000 (經審核) (audited)
應付賬款 Accounts payables	5,321,639	4,739,387
其他應付款項及應計開支(附註) Other payables and accrued charges (note)	17,148,296	7,294,946
應付股息 Dividend payable	1,124,940	—
其他應付稅項 Other tax payable	2,027,332	1,568,134
	<b>25,622,207</b>	<b>13,602,467</b>

附註： 其他應付款項及應計費用主要指就潛在物業開發項目所收取的臨時付款、應計貸款利息以及就競投及執行建築合約收取承建商的多筆按金。

Note: Other payables and accrued charges mainly represent temporary payments received for potential property development projects, accrued loan interest, various deposits received from contractors in relation to tendering and execution of construction contracts.

## 簡明綜合財務報表附註

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 21. 應付賬款及其他應付款項以及應計開支<sup>(續)</sup>

以下為於報告期末按發票日期計的應付賬款賬齡分析：

### 21. ACCOUNTS AND OTHER PAYABLES AND ACCRUED CHARGES *(Continued)*

The following is an aged analysis of accounts payables, based on the invoice date, at the end of the reporting period:

		於二零一八年 六月三十日 At 30 June 2018 人民幣千元 (未經審核) (unaudited)	於二零一七年 十二月三十一日 At 31 December 2017 人民幣千元 (經審核) (audited)
於60日內	Within 60 days	1,868,961	2,154,099
61至180日	61–180 days	714,875	470,202
181至365日	181–365 days	1,630,157	764,575
1年以上	Over 1 year	1,107,646	1,350,511
		5,321,639	4,739,387

### 22. 銀行及其他借款

### 22. BANK AND OTHER BORROWINGS

		於二零一八年 六月三十日 At 30 June 2018 人民幣千元 (未經審核) (unaudited)	於二零一七年 十二月三十一日 At 31 December 2017 人民幣千元 (經審核) (audited)
有抵押銀行貸款	Bank loans, secured	32,601,873	22,493,276
雙邊貸款	Bilateral loans	3,637,143	2,358,594
銀團貸款	Syndicated loans	8,414,343	8,261,145
		44,653,359	33,113,015

## 22. 銀行及其他借款(續)

於各報告期末的若干銀行及其他借款乃以附註30所載抵押資產及若干附屬公司的股權擔保。

借款須按以下償還：

## 22. BANK AND OTHER BORROWINGS (Continued)

Certain bank and other borrowings at the end of each reporting period were secured by the pledge of assets as set out in note 30 and equity interests in certain subsidiaries.

The borrowings are repayable:

	於二零一八年 六月三十日 At 30 June 2018 人民幣千元 RMB'000 (未經審核) (unaudited)	於二零一七年 十二月三十一日 At 31 December 2017 人民幣千元 RMB'000 (經審核) (audited)
一年內	Within one year	9,079,629
一年以上，但不超過兩年	More than one year, but not exceeding two years	7,708,496
兩年以上，但不超過三年	More than two years, but not exceeding three years	21,502,296
三年以上，但不超過五年	More than three years, but not exceeding five years	5,580,509
五年以上	More than five years	782,429
		44,653,359
減：流動負債項下所示	Less: Amount due within one year shown under current liabilities	33,113,015
一年內到期金額		(9,079,629)
一年後到期金額	Amount due after one year	35,573,730
		26,385,907

於本期間，本集團獲得新銀行及其他貸款人民幣15,464,365,000元(截至二零一七年六月三十日止六個月：人民幣13,149,220,000元)，並償還銀行及其他貸款人民幣8,082,264,000元(截至二零一七年六月三十日止六個月：人民幣5,941,984,000元)。

於二零一八年六月三十日，約人民幣16,681,522,000元(二零一七年十二月三十一日：人民幣3,379,345,000元)的定息借款按介乎3.54厘至10.0厘的年利率計息(二零一七年十二月三十一日：5.0厘至10厘)。於二零一八年六月三十日，餘下借款按浮動利率安排，實際年利率介乎1.5厘至6.15厘(二零一七年十二月三十一日：1.5厘至6.65厘)。

During the current period, the Group obtained new bank and other loans amounting to RMB15,464,365,000 (six months ended 30 June 2017: RMB13,149,220,000) and repaid bank and other loans of RMB8,082,264,000 (six months ended 30 June 2017: RMB5,941,984,000).

The fixed rate borrowings amounted to approximately RMB16,681,522,000 (31 December 2017: RMB3,379,345,000) carry interest ranging from 3.54% to 10.0% (31 December 2017: 5.0% to 10%) per annum at 30 June 2018. The remaining borrowings are arranged at variable rate with effective interest rates ranging from 1.5% to 6.15% (31 December 2017: 1.5% to 6.65%) per annum at 30 June 2018.

**簡明綜合財務報表附註**  
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**23. 衍生金融工具**

**23. DERIVATIVE FINANCIAL INSTRUMENTS**

	於二零一八年 六月三十日 At 30 June 2018 人民幣千元 (未經審核) (unaudited)	於二零一七年 十二月三十一日 At 31 December 2017 人民幣千元 (經審核) (audited)
非作為對沖工具的衍生金融工具： as hedging instruments:		
外幣遠期合約 Foreign currency forward contracts	226,930	333,193

於二零一八年六月三十日，遠期合約名義總額為616,800,000美元(二零一七年十二月三十一日：1,065,000,000美元)。 At 30 June 2018, total notional amount of the forward contracts was USD616,800,000 (31 December 2017: USD1,065,000,000) in aggregate for the forward contracts.

## 24. 股本

## 24. SHARE CAPITAL

	股份數目 Number of shares	面值 Nominal value 千股 '000	面值 千港元 HK\$'000
每股面值0.10港元的普通股	Ordinary shares of HK\$0.10 each		
<b>法定股本：</b>			
於二零一八年一月一日及 二零一八年六月三十日	Authorised: At 1 January 2018 and 30 June 2018	10,000,000	1,000,000
<b>已發行及繳足：</b>			
於二零一八年一月一日	Issued and fully paid: At 1 January 2018	7,568,154	756,815
行使購股權時發行(附註)	Issued upon exercise of share options (note)	178,310	17,831
於二零一八年六月三十日	At 30 June 2018	7,746,464	774,646
於簡明綜合財務報表呈列為：	Shown in the condensed consolidated financial statements as:		
於二零一八年六月三十日	At 30 June 2018	相當於人民幣千元 RMB'000 equivalent	626,425
於二零一七年十二月三十一日	At 31 December 2017	相當於人民幣千元 RMB'000 equivalent	611,951

附註： 截至二零一八年六月三十日止六個月，本公司於行使購股權時發行約178,310,000股每股面值0.10港元的普通股。於該期間的購股權行使價介乎1.478港元至1.77港元。新普通股與當時現有股份於各方面享有同等地位。

Note: During the six months ended 30 June 2018, the Company issued approximately 178,310,000 ordinary shares of HK\$0.10 each upon exercise of share options. The exercise price of the share options during the period ranging from HK\$1.478 to HK\$1.77. The new ordinary shares rank pari passu with the then existing shares in all respects.

**簡明綜合財務報表附註**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**25. 優先票據**

**25. SENIOR NOTES**

	於二零一八年 六月三十日 At 30 June 2018 人民幣千元 (未經審核) (unaudited)	於二零一七年 十二月三十一日 At 31 December 2017 人民幣千元 (經審核) (audited)
以美元(「美元」)計值的優先票據	Senior notes denominated in United States Dollar (“USD”)	
二零二零年六月到期優先票據(附註a)	Senior notes due in June 2020 (note a)	2,683,929
二零二二年一月到期優先票據(附註b)	Senior notes due in January 2022 (note b)	1,877,609
二零二三年一月到期優先票據(附註c)	Senior notes due in January 2023 (note c)	1,986,805
二零二一年四月到期優先票據(附註d)	Senior notes due in April 2021 (note d)	3,302,371
二零二零年五月到期優先票據(附註e)	Senior notes due in May 2020 (note e)	1,976,722
	11,827,436	4,498,124

## 25. 優先票據(續)

附註：

- a) 於二零一五年六月五日，本公司以折讓0.509%發行面值總額達400,000,000美元有擔保的定息優先票據(「二零二零年六月到期票據」)，以年利率7.75厘的定息計息(每半年支付一次應計利息)，並將於二零二零年六月五日悉數償還。

就二零二零年六月到期票據而言，本公司可於二零一八年六月五日前隨時及不時運用出售其股本發售內普通證券的所得款項現金淨額，按二零二零年六月到期票據本金額107.75%的贖回價，另加計至(惟不包括)贖回日期的應計及未付利息(如有)，贖回本金總額最多35%的二零二零年六月到期票據(須受若干條件限制)。此外，本公司可於二零一八年六月五日前隨時及不時，按二零二零年六月到期票據本金額100%的贖回價，另加於贖回日期的二零二零年六月適用溢價以及計至(惟不包括)贖回日期的應計及未付利息(如有)，選擇贖回全部而非部分二零二零年六月到期票據。

「二零二零年六月適用溢價」指於任何贖回日期，就二零二零年六月到期票據而言，(1)二零二零年六月到期票據本金額的1.00%與(2)(A)(i)二零二零年六月到期票據於二零一八年六月五日的贖回價加(ii)直至二零一八年六月五日二零二零年六月到期票據所有規定餘下到期擬定利息付款(惟不包括直至贖回日期的應計及未付利息)的金額於有關贖回日期的現值(按相當於經調整國債利率加100個基點的貼現率計算)超出(B)於有關贖回日期二零二零年六月到期票據本金額的款額兩者之間的較高者。

倘於下文所示任何年度六月五日開始的十二個月期間贖回，則本公司可於二零一八年六月五日或之後隨時及不時按相等於下文載列的本金額百分比的贖回價，另加計至(惟不包括)贖回日期的應計及未付利息(如有)，贖回全部或部分二零二零年六月到期票據：

## 25. SENIOR NOTES (*Continued*)

Notes:

- a) On 5 June 2015, the Company issued guaranteed fixed rate senior notes at discount of 0.509% with aggregate nominal value of USD400,000,000 (the "June 2020 due Notes") which carry fixed interest of 7.75% per annum (interest payable semi-annually in arrears) and will be fully repayable by 5 June 2020.

For the June 2020 due Notes, at any time and from time to time prior to 5 June 2018, the Company may redeem up to 35% of the aggregate principal amount of the June 2020 due Notes at a redemption price of 107.75% of the principal amount of the June 2020 due Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the net cash proceeds from sales of its common stock in an equity offering, subject to certain conditions. In addition, at any time and from time to time prior to 5 June 2018, the Company may at its option redeem the June 2020 due Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the June 2020 due Notes plus the June 2020 Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

"June 2020 Applicable Premium" means with respect to the June 2020 due Notes at any redemption date, the greater of (1) 1.00% of the principal amount of such June 2020 due Notes and (2) the excess of (A) the present value at such redemption date of (i) the redemption price of such June 2020 due Notes on 5 June 2018 plus (ii) all required remaining scheduled interest payments due on such June 2020 due Notes through 5 June 2018 (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 June 2020 due Notes on such redemption date.

At any time and from time to time on or after 5 June 2018, the Company may redeem the June 2020 due 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 5 June of any year set forth below:

期間	Period	贖回價 Redemption price
二零一八年	2018	103.8750%
二零一九年	2019	101.9375%

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**25. 優先票據(續)**

附註：(續)

- b) 於二零一七年一月二十三日，本公司發行面值總額達285,000,000美元有擔保的定息優先票據(「二零二二年一月到期票據」)，按固定年利率5.5厘計息(須每半年支付一次利息)，並將於二零二二年一月二十三日悉數償還。

就二零二二年一月到期票據而言，本公司可於二零二零年一月二十三日前隨時及不時運用出售其股本發售內普通證券的所得款項現金淨額，按二零二二年一月到期票據本金額105.5%的贖回價，另加計至(惟不包括)贖回日期的應計及未付利息(如有)，贖回本金總額最多35%的二零二二年一月到期票據(須受若干條件限制)。此外，本公司可於二零二零年一月二十三日前隨時及不時，按二零二二年一月到期票據截至贖回日期的本金額100%的贖回價，另加於贖回日期的二零二二年一月適用溢價以及計至(惟不包括)贖回日期的應計及未付利息(如有)，選擇贖回全部而非部分二零二二年一月到期票據。

「二零二二年一月適用溢價」指於任何贖回日期，就二零二二年一月到期票據而言，(1)二零二二年一月到期票據本金額的1.00%與(2)(A)(i)二零二二年一月到期票據於二零二零年一月二十三日的贖回價加(ii)直至二零二零年一月二十三日二零二二年一月到期票據所有規定餘下到期擬定期限利息付款(惟不包括直至贖回日期的應計及未付利息)的金額於有關贖回日期的現值(按相當於經調整國債利率加100個基點的貼現率計算)超出(B)於有關贖回日期二零二二年一月到期票據本金額的款額兩者之間的較高者。

倘於下文所示任何年度一月二十三日開始的十二個月期間贖回，則本公司可於二零二零年一月二十三日或之後隨時及不時，按相等於下文載列的本金額百分比的贖回價，另加計至(惟不包括)贖回日期的應計及未付利息(如有)，贖回全部或部分二零二二年一月到期票據：

**25. SENIOR NOTES (Continued)**

Notes: (Continued)

- b) On 23 January 2017, the Company issued guaranteed fixed rate senior notes with aggregate nominal value of USD285,000,000 (the "January 2022 due Notes") which carry fixed interest of 5.5% per annum (interest payable semi-annually in arrears) and will be fully repayable by 23 January 2022.

For the January 2022 due Notes, at any time and from time to time prior to 23 January 2020, the Company may redeem up to 35% of the aggregate principal amount of the January 2022 due Notes at a redemption price of 105.5% of the principal amount of the January 2022 due Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the net cash proceeds from sales of its common stock in an equity offering, subject to certain conditions. In addition, at any time and from time to time prior to 23 January 2020, the Company may at its option redeem the January 2022 due Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the January 2022 due Notes plus the January 2022 Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

"January 2022 Applicable Premium" means with respect to the January 2022 due Notes at any redemption date, the greater of (1) 1.00% of the principal amount of such January 2022 due Notes and (2) the excess of (A) the present value at such redemption date of (i) the redemption price of such January 2022 due Notes on 23 January 2020 plus (ii) all required remaining scheduled interest payments due on such January 2022 due Notes through 23 January 2020 (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 January 2022 due Notes on such redemption date.

At any time and from time to time on or after 23 January 2020, the Company may redeem the January 2022 due 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 23 January of any year set forth below:

期間	Period	贖回價 Redemption price
二零二零年	2020	102.750%
二零二一年	2021	101.375%

## 25. 優先票據(續)

附註：(續)

- c) 於二零一八年一月二十三日，本公司發行面值總額達300,000,000美元有擔保的定息優先票據(「二零二三年一月到期票據」)，按固定年利率5.5厘計息(須每半年支付一次利息)，並將於二零二三年一月二十三日悉數償還。

就二零二三年一月到期票據而言，本公司可於二零二一年一月二十三日前隨時及不時運用出售其股本發售內普通證券的所得款項現金淨額，按二零二三年一月到期票據本金額105.5%的贖回價，另加計至(惟不包括)贖回日期的應計及未付利息(如有)，贖回本金總額最多35%的二零二三年一月到期票據(須受若干條件限制)。此外，本公司可於二零二一年一月二十三日前隨時及不時，按二零二三年一月到期票據截至贖回日期的本金額100%的贖回價，另加於贖回日期的二零二三年一月適用溢價以及計至(惟不包括)贖回日期的應計及未付利息(如有)，選擇贖回全部而非部分二零二三年一月到期票據。

「二零二三年一月適用溢價」指於任何贖回日期，就二零二三年一月到期票據而言，(1)二零二二年一月到期票據本金額的1.00%與(2)(A)(i)二零二三年一月到期票據於二零二一年一月二十三日的贖回價加(ii)直至二零二一年一月二十三日二零二三年一月到期票據所有規定餘下到期擬定期息付款(惟不包括直至贖回日期的應計及未付利息)的金額於有關贖回日期的現值(按相當於經調整國債利率加100個基點的貼現率計算)超出(B)於有關贖回日期二零二三年一月到期票據本金額的款額兩者之間的較高者。

倘於下文所示任何年度一月二十三日開始的十二個月期間贖回，則本公司可於二零二一年一月二十三日或之後隨時及不時，按相等於下文載列的本金額百分比的贖回價，另加計至(惟不包括)贖回日期的應計及未付利息(如有)，贖回全部或部分二零二三年一月到期票據：

## 25. SENIOR NOTES (Continued)

Notes: (Continued)

- c) On 23 January 2018, the Company issued guaranteed fixed rate senior notes with aggregate nominal value of USD300,000,000 (the "January 2023 due Notes") which carry fixed interest of 5.5% per annum (interest payable semi-annually in arrears) and will be fully repayable by 23 January 2023.

For the January 2023 due Notes, at any time and from time to time prior to 23 January 2021, the Company may redeem up to 35% of the aggregate principal amount of the January 2023 due Notes at a redemption price of 105.5% of the principal amount of the January 2023 due Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the net cash proceeds from sales of its common stock in an equity offering, subject to certain conditions. In addition, at any time and from time to time prior to 23 January 2021, the Company may at its option redeem the January 2023 due Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the January 2023 due Notes plus the January 2023 Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

"January 2023 Applicable Premium" means with respect to the January 2023 due Notes at any redemption date, the greater of (1) 1.00% of the principal amount of such January 2023 due Notes and (2) the excess of (A) the present value at such redemption date of (i) the redemption price of such January 2023 due Notes on 23 January 2021 plus (ii) all required remaining scheduled interest payments due on such January 2023 due Notes through 23 January 2021 (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 January 2023 due Notes on such redemption date.

At any time and from time to time on or after 23 January 2021, the Company may redeem the January 2023 due 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 23 January of any year set forth below:

期間	Period	贖回價 Redemption price
二零二一年	2021	102.750%
二零二二年	2022	101.375%

# 簡明綜合財務報表附註

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 25. 優先票據(續)

附註：(續)

- d) 於二零一八年四月二十三日，本公司發行面值總額達500,000,000美元有擔保的定息優先票據(「二零二一年四月到期票據」)，按固定年利率6.875厘計息(須每半年支付一次利息)，並將於二零二一年四月二十三日悉數償還。

就二零二一年四月到期票據而言，本公司可於二零二零年四月二十三日前隨時及不時運用出售其股本發售內普通證券的所得款項現金淨額，按二零二一年四月到期票據本金額106.875%的贖回價，另加計至(惟不包括)贖回日期的應計及未付利息(如有)，贖回本金總額最多35%的二零二一年四月到期票據(須受若干條件限制)。此外，本公司可於二零二零年四月二十三日前隨時及不時，按二零二一年四月到期票據截至贖回日期的本金額100%的贖回價，另加於贖回日期的二零二一年四月適用溢價以及計至(惟不包括)贖回日期的應計及未付利息(如有)，選擇贖回全部而非部分二零二一年四月到期票據。

「二零二一年四月適用溢價」指於任何贖回日期，就二零二一年四月到期票據而言，(i)二零二一年四月到期票據本金額的1.00%與(ii)(A)(i)二零二一年四月到期票據於二零二零年四月二十三日的贖回價加(ii)直至二零二零年四月二十三日二零二一年四月到期票據所有規定餘下到期擬定利息付款(惟不包括直至贖回日期的應計及未付利息)的金額於有關贖回日期的現值(按相當於經調整國債利率加100個基點的貼現率計算)超出(B)於有關贖回日期二零二一年四月到期票據本金額的款額兩者之間的較高者。

本公司可於二零二零年四月二十三日或之後隨時及不時相等於二零二一年四月到期票據本金額102%的贖回價，另加計至(惟不包括)贖回日期的應計及未付利息(如有)，贖回全部或部分二零二一年四月到期票據。

- e) 於二零一八年五月二日，本公司發行面值總額達300,000,000美元有擔保的定息優先票據(「二零二零年五月到期票據」)，按固定年利率6.375厘計息(須每半年支付一次利息)，並將於二零二零年五月二日悉數償還。

就二零二零年五月到期票據而言，本公司可於二零二零年五月二日前隨時及不時運用出售其股本發售內普通證券的所得款項現金淨額，按二零二零年五月到期票據本金額106.375%的贖回價，另加計至(惟不包括)贖回日期的應計及未付利息(如有)，贖回本金總額最多35%的二零二零年五月到期票據(須受若干條件限制)。此外，本公司可於二零二零年五月二日前隨時及不時，按二零二零年五月到期票據截至贖回日期的本金額100%的贖回價，另加於贖回日期的二零二零年五月適用溢價以及計至(惟不包括)贖回日期的應計及未付利息(如有)，選擇贖回全部而非部分二零二零年五月到期票據。

「二零二零年五月適用溢價」指於任何贖回日期，就二零二零年五月到期票據而言，(i)二零二零年五月到期票據本金額的1.00%與(ii)(A)(i)二零二零年五月到期票據於二零二零年五月二日的贖回價加(ii)直至二零二零年五月二日二零二零年五月到期票據所有規定餘下到期擬定利息付款(惟不包括直至贖回日期的應計及未付利息)的金額於有關贖回日期的現值(按相當於經調整國債利率加100個基點的貼現率計算)超出(B)於有關贖回日期二零二零年五月到期票據本金額的款額兩者之間的較高者。

董事認為，於初步確認及報告期末，提早贖回購股權的公允值並不重大。

經參考聯交所及新加坡證券交易所有限公司(「新交所」)所報市價，所有優先票據於二零一八年六月三十日的公允值總額達約人民幣11,420,793,000元(二零一七年十二月三十一日：人民幣4,590,669,000元)。

### 25. SENIOR NOTES (Continued)

Notes: (Continued)

- d) On 23 April 2018, the Company issued guaranteed fixed rate senior notes with aggregate nominal value of USD500,000,000 (the "April 2021 due Notes") which carry fixed interest of 6.875% per annum (interest payable semi-annually in arrears) and will be fully repayable by 23 April 2021.

For the April 2021 due Notes, at any time and from time to time prior to 23 April 2020, the Company may redeem up to 35% of the aggregate principal amount of the April 2021 due Notes at a redemption price of 106.875% of the principal amount of the April 2021 due Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the net cash proceeds from sales of its common stock in an equity offering, subject to certain conditions. In addition, at any time and from time to time prior to 23 April 2020, the Company may at its option redeem the April 2021 due Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the April 2021 due Notes plus the April 2021 Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

"April 2021 Applicable Premium" means with respect to the April 2021 due Notes at any redemption date, the greater of (1) 1.00% of the principal amount of such April 2021 due Notes and (2) the excess of (A) the present value at such redemption date of (i) the redemption price of such April 2021 due Notes on 23 April 2020 plus (ii) all required remaining scheduled interest payments due on such April 2021 due Notes through 23 April 2020 (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 April 2021 due Notes on such redemption date.

At any time and from time to time on or after 23 April 2020, the Company may redeem the April 2021 due Notes, in whole or in part, at a redemption price equal to 102% of principal amount of the April 2021 due Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

- e) On 2 May 2018, the Company issued guaranteed fixed rate senior notes with aggregate nominal value of USD300,000,000 (the "May 2020 due Notes") which carry fixed interest of 6.375% per annum (interest payable semi-annually in arrears) and will be fully repayable by 2 May 2020.

For the May 2020 due Notes, at any time and from time to time prior to 2 May 2020, the Company may redeem up to 35% of the aggregate principal amount of the May 2020 due Notes at a redemption price of 106.375% of the principal amount of the May 2020 due Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the net cash proceeds from sales of its common stock in an equity offering, subject to certain conditions. In addition, at any time and from time to time prior to 2 May 2020, the Company may at its option redeem the May 2020 due Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the May 2020 due Notes plus the May 2020 Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

"May 2020 Applicable Premium" means with respect to the May 2020 due Notes at any redemption date, the greater of (1) 1.00% of the principal amount of such May 2020 due Notes and (2) the excess of (A) the present value at such redemption date of (i) the redemption price of such May 2020 due Notes on 2 May 2020 plus (ii) all required remaining scheduled interest payments due on such May 2020 due Notes through 2 May 2020 (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 May 2020 due Notes on such redemption date.

In the opinion of the directors, the fair values of the early redemption options are insignificant at initial recognition and at the end of the reporting period.

The aggregated fair value of all the senior notes at 30 June 2018 with reference to the quoted market price available on the Stock Exchange and the Singapore Exchange Securities Trading Limited (the "SGX-ST") amounted to approximately RMB11,420,793,000 (31 December 2017: RMB4,590,669,000).

## 26. 公司債券

## 26. CORPORATE BONDS

	於二零一八年 六月三十日 At 30 June 2018 人民幣千元 (未經審核) (unaudited)	於二零一七年 十二月三十一日 At 31 December 2017 人民幣千元 (經審核) (audited)
以人民幣計值的公司債券	Corporate bonds denominated in RMB	
二零一八年到期的公司債券(附註a)	Corporate bonds due in 2018 (note a)	—
二零二零年到期的公司債券(附註b)	Corporate bonds due in 2020 (note b)	4,129,004
二零二一年到期的公司債券(附註c)	Corporate bonds due in 2021 (note c)	4,122,175
二零二二年及二零二三年到期的 公司債券(附註d)	Corporate bonds due in 2022 & 2023 (note d)	3,551,914
		1,568,995
減：計入流動負債內的一年內 到期金額	Less: amounts due within one year included in current liabilities	4,026,898
		(3,611,346)
計入非流動負債內的一年後到期金額	Amounts due after one year included in non-current liabilities	4,032,077
		9,627,970
		(5,093,233)
		8,191,747
		4,534,737

附註：

Notes:

a) 於二零一六年一月二十二日，本公司全資附屬公司旭輝集團股份有限公司(「旭輝中國」)發行人民幣2,000,000,000元的非公開發行公司債券(「二零一八年到期人民幣債券」)，於上海證券交易所(「上交所」)上市。二零一八年到期人民幣債券按固定年利率4.99厘計息，並將於二零一八年一月二十二日到期，除非持有人提早向旭輝中國售回債券。

於二零一七年一月十九日，持有人按贖回價人民幣500,000,000元贖回非公開發行的二零一八年到期公司債券。

於二零一八年一月十九日，持有人按贖回價人民幣1,500,000,000元贖回非公開發行的二零一八年到期公司債券。

b) 於二零一五年十月十四日，旭輝中國發行的人民幣3,495,000,000元的公開發行公司債券(「首期二零二零年到期人民幣債券」，於上交所上市)。首期二零二零年到期人民幣債券以年利率4.95厘計息及利息每年支付一次。首期二零二零年到期人民幣債券將於二零二零年十月十三日到期，除非持有人提早向旭輝中國售回債券。

於二零一五年十一月十二日，旭輝中國發行人民幣500,000,000元的公開發行公司債券(「第二期二零二零年到期人民幣債券」，於上交所上市)。第二期二零二零年到期人民幣債券以年利率5.96厘計息及利息每年支付一次。第二期二零二零年到期人民幣債券將於二零二零年十一月十一日到期。

於起始日期後的第三年年末，旭輝中國(作為發行人)有權調整利率，而首期二零二零年到期人民幣債券的持有人可選擇於到期前隨時按其本金額向旭輝中國售回全部或部分債券。

a) On 22 January 2016, CIFI Group Co., Ltd. ("CIFI PRC"), a wholly owned subsidiary of the Company, issued non-public corporate bonds of RMB2,000,000,000 ("2018 due RMB Bond"), which are listed on the Shanghai Stock Exchange ("SSE"). 2018 due RMB Bond carry fixed interest of 4.99% per annum and will mature on 22 January 2018 unless the holders sell back the bonds to CIFI PRC earlier.

On 19 January 2017, the holders redeemed the non-public corporate bonds due 2018 at a redemption price of RMB500,000,000.

On 19 January 2018, the holders redeemed the non-public corporate bonds due 2018 at a redemption price of RMB1,500,000,000.

b) On 14 October 2015, CIFI PRC issued public corporate bonds of RMB3,495,000,000 ("First Tranche 2020 due RMB Bond") which are listed on the SSE. First Tranche 2020 due RMB Bond carry interest at rate of 4.95% per annum and interest is payable annually. First Tranche 2020 due RMB Bond will mature on 13 October 2020 unless the holders sell back the bonds to CIFI PRC earlier.

On 12 November 2015, CIFI PRC issued public corporate bonds of RMB500,000,000 ("Second Tranche 2020 due RMB Bond") which are listed on the SSE. Second Tranche 2020 due RMB Bond carry interest at rate of 5.96% per annum and interest is payable annually. Second Tranche 2020 due RMB Bond will mature on 11 November 2020.

At the end of the third year subsequent to the inception date, CIFI PRC as the issuer is entitled to adjust interest rate and the holders of First Tranche 2020 due RMB Bond may at their options to sell back the bonds to CIFI PRC in whole or in part at their principal amount at any time prior to the maturity.

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**26. 公司債券(續)**

附註：(續)

c) 於二零一六年九月二十六日，旭輝中國發行人民幣4,000,000,000元的非公開發行公司債券(於上交所上市)，其中包括：(i)本金額人民幣3,500,000,000元(「首期二零二一年到期人民幣債券」)及(ii)本金額人民幣500,000,000元(「第二期二零二一年到期人民幣債券」)。首期二零二一年到期人民幣債券以年利率4.30厘計息及利息每年支付一次。首期二零二一年到期人民幣債券將於二零二一年九月二十六日到期，除非持有人提早向旭輝中國售回債券。第二期二零二一年到期人民幣債券以年利率5.50厘計息及利息每年支付一次。第二期二零二一年到期人民幣債券將於二零二一年九月二十六日到期。

於起始日期後的第三年末，旭輝中國(作為發行人)有權調整利率，而首期二零二一年到期人民幣債券的持有人可選擇於到期前隨時按其本金額向旭輝中國售回全部或部分債券。

d) 於二零一八年三月二十二日，旭輝中國發行人民幣800,000,000元的非公開發行公司債券(「首期二零二二年及二零二三年到期人民幣債券」，於上交所上市)。首期二零二二年及二零二三年到期人民幣債券以年利率6.50厘計息及利息每年支付一次。首期二零二二年及二零二三年到期人民幣債券將於二零二二年三月二十二日到期，除非持有人提早向旭輝中國售回債券。

於二零一八年三月二十二日，旭輝中國發行人民幣2,700,000,000元的非公開發行公司債券(「第二期二零二二年及二零二三年到期人民幣債券」，於上交所上市)。第二期二零二二年及二零二三年到期人民幣債券以年利率6.80厘計息及利息每年支付一次。第二期二零二二年及二零二三年到期人民幣債券將於二零二三年三月二十二日到期。

於起始日期後的第二年末，旭輝中國(作為發行人)有權調整利率，而首期二零二二年及二零二三年到期人民幣債券的持有人可選擇於到期前隨時按其本金額向旭輝中國售回全部或部分債券。

於起始日期後的第三年末，旭輝中國(作為發行人)有權調整利率，而第二期二零二二年及二零二三年到期人民幣債券持有人可選擇於到期前隨時按其本金額向旭輝中國售回全部或部分債券。

**26. CORPORATE BONDS (Continued)**

Notes: (Continued)

c) On 26 September 2016, CIFI PRC issued non-public corporate bonds of RMB4,000,000,000 which are listed on the SSE and comprise: (i) a principal amount of RMB3,500,000,000 ("First Tranche 2021 due RMB Bond") and (ii) a principal amount of RMB500,000,000 ("Second Tranche 2021 due RMB Bond"). First Tranche 2021 due RMB Bond carry interest of 4.30% per annum and interest is payable annually. First Tranche 2021 due RMB Bond will mature on 26 September 2021 unless the holders sell back the bonds to CIFI PRC earlier. Second Tranche 2021 due RMB Bond carry interest of 5.50% per annum and interest is payable annually. Second Tranche 2021 due RMB Bond will mature on 26 September 2021.

At the end of the third year subsequent to the inception date, CIFI PRC as the issuer is entitled to adjust interest rate and the holders of First Tranche 2021 due RMB Bond may at their options to sell back the bonds to CIFI PRC in whole or in part at their principal amount at anytime prior to the maturity.

d) On 22 March 2018, CIFI PRC issued non-public corporate bonds of RMB800,000,000 ("First Tranche 2022 & 2023 due RMB Bond") which are listed on the SSE. First Tranche 2022 & 2023 due RMB Bond carry interest of 6.50% per annum and interest is payable annually. First Tranche 2022 & 2023 due RMB Bond will mature on 22 March 2022 unless the holders sell back the bonds to CIFI PRC earlier.

On 22 March 2018, CIFI PRC issued non-public corporate bonds of RMB2,700,000,000 ("Second Tranche 2022 & 2023 due RMB Bond") which are listed on the SSE. Second Tranche 2022 & 2023 due RMB Bond carry interest of 6.80% per annum and interest is payable annually. Second Tranche 2022 & 2023 due RMB Bond will mature on 22 March 2023.

At the end of the second year subsequent to the inception date, CIFI PRC as the issuer is entitled to adjust interest rate and the holders of First Tranche 2022 & 2023 due RMB Bond may at their options to sell back the bonds to CIFI PRC in whole or in part at their principal amount at anytime prior to the maturity.

At the end of the third year subsequent to the inception date, CIFI PRC as the issuer is entitled to adjust interest rate and the holders of Second Tranche 2022 & 2023 due RMB Bond may at their options to sell back the bonds to CIFI PRC in whole or in part at their principal amount at anytime prior to the maturity.

## 26. 公司債券(續)

首期二零二零年到期人民幣債券、第二期二零二零年到期人民幣債券、首期二零二一年到期人民幣債券、第二期二零二一年到期人民幣債券、首期二零二二年及二零二三年到期人民幣債券以及第二期二零二二年及二零二三年到期人民幣債券的實際年利率分別為5.23厘、5.04厘、6.06厘、4.41厘、5.61厘、6.62厘及6.90厘。

董事認為，有關公司債券的提早贖回權的公允值於初步確認時及於報告期末並不重大。

經參考上交所所報市價，所有公司債券於二零一八年六月三十日的公允值總額達約人民幣11,403,040,000元(二零一七年：人民幣9,419,040,000元)。

## 27. 可換股債券

## 26. CORPORATE BONDS (*Continued*)

The effective interest rates of the First Tranche 2020 due RMB Bond, Second Tranche 2020 due RMB Bond, First Tranche 2021 due RMB Bond, Second Tranche 2021 due RMB Bond, First Tranche 2022 & 2023 due RMB Bond and Second Tranche 2022 & 2023 due RMB Bond are 5.23%, 5.04%, 6.06%, 4.41%, 5.61%, 6.62% and 6.90% per annum respectively.

In the opinion of directors, the fair values of the early redemption options related to the corporate bonds are insignificant at initial recognition and the end of the reporting period.

The aggregated fair values of all the corporate bonds at 30 June 2018 with reference to the quoted market price available on the SSE amounted to approximately RMB11,403,040,000 (2017: RMB9,419,040,000).

## 27. CONVERTIBLE BONDS

	於二零一八年 六月三十日 At 30 June 2018	於二零一七年 十二月三十一日 At 31 December 2017
	債務 Debt component (未經審核) (unaudited)	衍生工具 Derivative component (未經審核) (unaudited)
期內於二零一九年到期 可換股債券的債務及 衍生工具部分變動載列如下：	The movement of the debt and derivative components of the Convertible bonds due in 2019 during the period is set out below:	
於發行日期的初步公允值	Initial fair value on the date of issuance	2,163,091 99,432
利息開支	Interest charge	20,687 -
匯兌虧損	Exchange loss	91,719 799
於損益確認的公允值變動	Change in fair value recognised in profit or loss	- (80,551)
於二零一八年六月三十日	As at 30 June 2018	2,275,497 19,680

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**27. 可換股債券(續)**

於二零一八年二月十四日，本公司發行於新交所上市的2,790,000,000港元零息有擔保可換股債券（「二零一九年到期的可換股債券」）。二零一九年到期的可換股債券賦予持有人權利，可於二零一八年三月二十七日至二零一九年二月十二日前10日任何時間將其轉換為本公司普通股，每股轉換價為9.3港元。

轉換價可於發生若干指定事件後予以調整，即股份合併、分拆或重新分類、溢利或儲備、分派、供股或購股權資本化、股份發行、購股權、供股或認股權證價格低於市價95%、發行可轉換或交換為股份的證券、修改轉換權利以及若干其他具攤薄性的事件，包括(i)於本公司或其任何附屬公司就提呈發售（據此，股東一般有權參與安排，並透過安排收購有關證券）發行、出售或分派任何證券的情況下向股東提呈其他發售；及(ii)有關發生控制權變動的控制權變動通知。根據上述條款及條件，轉換價可就（其中包括）本公司所作出分派予以調整。因此，本公司宣佈，由於宣派末期股息，故於二零一九年到期可換股債券的轉換價由每股9.30港元調整至每股9.04港元（「該調整」）。該調整自二零一八年五月三十一日（即緊隨於二零一八年五月三十日釐定股東收取末期股息資格的記錄日期後當日）起生效。

於二零一九年到期可換股債券由若干附屬公司按與本公司於本公司現有債務項下責任的同等基準擔保。

**27. CONVERTIBLE BONDS (Continued)**

On 14 February 2018, the Company issued HK\$2,790,000,000, zero coupon guaranteed convertible bonds (the "Convertible bonds due in 2019") which is listed on the SGX-ST. The Convertible bonds due in 2019 entitle the holders to convert them into ordinary shares of the Company at any time starting from 27 March 2018 to 10 days before 12 February 2019 at a conversion price of HK\$9.3 per share.

The conversion price is subject to adjustment upon the occurrence of certain prescribed events namely, consolidation, subdivision or reclassification of shares, capitalization of profits or reserves, distributions, rights issues or options over shares, issuance of or options, rights or warrants to acquire shares at less than 95% of the market price, issuance of securities convertible or exchangeable for shares, modification of rights of conversion and certain other dilutive events including (i) other offers to the shareholders under the circumstances which the Company or any of its subsidiaries issues, sells or distributes any securities in connection with which an offer pursuant to which the shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them; and (ii) the change of control notice in respect of the occurrence of a change of control. Pursuant to the above terms and conditions, the conversion price is subject to adjustment for, among other things, distributions made by the Company. The Company therefore announces that the conversion price of the Convertible bonds due in 2019 was adjusted from HK\$9.30 per share to HK\$9.04 per share (the "Adjustment") as a result of the declaration of the final dividend. The Adjustment became effective from 31 May 2018, being the day immediately after the record date for the determination of the entitlement to the final dividend payable to the shareholders on 30 May 2018.

The Convertible bonds due in 2019 is guaranteed by certain subsidiaries on a pari passu basis with the obligations of the Company under the existing indebtedness of the Company.

## 27. 可換股債券(續)

在向二零一九年到期的可換股債券持有人及花旗國際有限公司(作為受託人)發出不少於60日的通知的情況下，本公司可選擇於二零一九年二月十二日前的任何時間按提早贖回金額贖回當時尚未償還的全部而非部分二零一九年到期的可換股債券，金額相當於二零一九年到期可換股債券每年淨收益率1.5%(按發行日期起直至贖回日期止每半年計算)，惟於該通知日期前原發行的二零一九年到期的可換股債券(包括已發行及合併並與二零一九年到期的可換股債券組成單一系列的任何其他債券)本金額至少90%已轉換、贖回或購買及註銷。

二零一九年到期的可換股債券包含兩個部分，即債務部分及衍生工具(包括轉換權及提前贖回購股權)部分。債務部分的實際年利率為7%。衍生工具部分於初步確認時及報告期末按公平值計量，期內於損益中確認公平值變動人民幣80,551,000元。

於二零一八年六月三十日，參考於新交所可得所報市價釐定的二零一九年到期可換股債券的公平值約為人民幣2,299,814,000元。

## 27. CONVERTIBLE BONDS (*Continued*)

At any time prior to 12 February 2019, the Company may at its option, on giving not less than 60 days' notice to the holders of the Convertible bonds due in 2019 and Citicorp International Limited as the trustee of the Convertible bonds due in 2019 (which notice will be irrevocable), redeem in whole, but not in part, the Convertible bonds due in 2019 for the time being outstanding at the amount which represents a gross yield of 1.5% per annum on the Convertible bonds due in 2019, calculated on a semi-annual basis from the date of issuance up to the date of redemption provided that prior to the date of such notice at least 90 per cent in principal amount of the Convertible bonds due in 2019 originally issued (including any further bonds issued and consolidated and forming a single series with the Convertible bonds due in 2019) has already been converted, redeemed or purchased and cancelled.

The Convertible bonds due in 2019 contain two components, debt component and derivative (including conversion option and early redemption options) component. The effective interest rate of the debt component is 7% per annum. The derivative component is measured at fair value at initial recognition and at the end of the reporting period with change in fair value of RMB80,551,000 recognised in profit or loss during the period.

The fair value of the Convertible bonds due in 2019 with reference to the quoted market price available on the SGX-ST amounted to approximately RMB2,299,814,000 as at 30 June 2018.

**簡明綜合財務報表附註**  
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**28. 收購附屬公司**

截至二零一八年六月三十日止六個月

(a) **收購業務**

- (i) 由於上海旭梭實業有限公司(「上海旭梭」)及蘇州凱合投資諮詢有限公司(「蘇州凱合」)均入賬為本集團擁  
有34%權益的合營企業，此乃由於所有戰略融資及經營決策須獲彼等各自全體股東一致同意批准。於截  
至二零一八年六月三十日止六個月，上海旭梭及蘇州凱合的全體股東訂立一項一致行動協議。透過簽  
立一致行動協議，在未達成共識時，其他股東同意遵循本集團的戰  
略融資及經營決策。由於本集團已取得投票權的實際控制權，以規管  
上海旭梭及蘇州凱合的相關活動，故於一致行動協議生效後，上海旭  
梭及蘇州凱合已於二零一八年四月成為本集團的附屬公司。本公司董  
事認為，由於上海旭梭及蘇州凱合持有物業及執行適用於該等物業的  
重大程序，故視作收購事項構成業務合併。因此，該項交易已按收購  
會計法列賬。

**28. ACQUISITION OF SUBSIDIARIES**

For the six months ended 30 June 2018

(a) **Acquisition of Business**

- (i) Each of Shanghai Xusuo Industry Co., Ltd. (上海旭梭實業有限公司)  
("Shanghai Xusuo") and Suzhou Kaihe Investment Consultancy Co., Ltd.  
(蘇州凱合投資諮詢有限公司) ("Suzhou Kaihe") were both accounted for  
as 34% interests in joint ventures of the Group, respectively, as all of the  
strategic financial and operating decisions required approval by unanimous  
consent of all of their respective shareholders. During the six months ended  
30 June 2018, all shareholders of Shanghai Xusuo and Suzhou Kaihe entered  
into an acting in concert agreement. By execution of the acting in concert  
agreement, the other shareholders agreed to follow the strategic  
financial and operating decision made by the Group when unanimous  
consent has not reached. Since the Group obtained effective control of  
voting power to govern the relevant activities of Shanghai Xusuo and  
Suzhou Kaihe, Shanghai Xusuo and Suzhou Kaihe became subsidiaries of  
the Group in April 2018 upon effective of the acting in concert agreement.  
The directors of the Company are of the view that the deemed acquisition  
constitutes a business combination as Shanghai Xusuo and Suzhou Kaihe  
hold properties and significant processes are applied to the properties. The  
transactions have been accounted for using acquisition method accordingly.

## 28. 收購附屬公司(續)

截至二零一八年六月三十日止六個月(續)

### (a) 收購業務(續)

於收購日期的已收購資產及已確認負債如下：

## 28. ACQUISITION OF SUBSIDIARIES (Continued)

For the six months ended 30 June 2018 (Continued)

### (a) Acquisition of Business (Continued)

Assets acquired and liabilities recognised at the date of acquisition are as below:

		人民幣千元 RMB'000
投資物業	Investment properties	1,122,000
物業、廠房及設備	Property, plant and equipment	103
擬作出售的開發中物業	Properties under development for sale	3,763,000
應收賬款及其他應收款項、按金以及預付款項	Accounts and other receivables, deposits and prepayments	17,770
應收一名非控股股東款項	Amount due from a non-controlling shareholder	99,460
可收回稅項	Taxation recoverable	33,008
銀行結餘及現金	Bank balances and cash	33,938
應付賬款及其他應付款項以及應計開支	Accounts and other payables, and accrued charges	(318,368)
已收物業銷售按金	Deposits received from property sales	(853,359)
應付本集團款項	Amount due to the Group	(386,085)
銀行及其他借款	Bank and other borrowings	(656,000)
遞延稅項負債	Deferred taxation liabilities	(1,213,794)
		1,641,673
已轉撥代價，以於合營企業的權益支付	Consideration transferred, satisfied by interests in joint ventures	(558,169)
加：非控股權益(附註)	Add: Non-controlling interests (note)	(1,083,504)
減：本集團所收購資產淨值的公平值	Less: Fair value of net assets acquired by the Group	1,641,673
		—
現金流入淨額：	Net cash inflow:	
所收購的銀行結餘及現金	Bank balances and cash acquired	33,938
於上海旭梭及蘇州凱合的34%股權的公平值	Fair value of 34% equity interest in Shanghai Xusuo and Suzhou Kaihe	558,169
減：本集團所持有合營企業的權益	Less: Interests in a joint ventures held by the Group	8,571
重新計量收益	Gain on remeasurement	566,740

附註：非控股權益乃按照按公平值計量的資產淨值分額計量。

note: The non-controlling interests was measured in accordance with share of net asset at fair value.

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**28. 收購附屬公司 (續)**

截至二零一八年六月三十日止六個月 (續)

(a) **收購業務 (續)**

- (ii) 蘇州旭悅置業有限公司(「蘇州旭悅」)入賬為本集團擁有40%權益的合營企業，此乃由於所有戰略融資及經營決策均需經蘇州旭悅的全體股東及董事一致同意批准。於截至二零一八年六月三十日止六個月，蘇州旭悅的全體股東訂立一項一致行動協議。透過簽立一致行動協議，在未達成共識時，其他股東同意遵循本集團的戰略融資及經營決策。由於本集團已取得投票權的實際控制權，以規管蘇州旭悅的相關活動，故於一致行動協議生效後，蘇州旭悅已於二零一八年四月成為本集團的附屬公司。本公司董事認為，由於蘇州旭悅持有物業及執行適用於該等物業的重大程序，故視作收購事項構成業務合併。因此，該項交易已按收購會計法列賬。

**28. ACQUISITION OF SUBSIDIARIES (Continued)**

For the six months ended 30 June 2018 (Continued)

(a) **Acquisition of Business (Continued)**

- (ii) Suzhou Xuyue Property Co., Ltd. (蘇州旭悅置業有限公司) ("Suzhou Xuyue") was accounted for as a 40% interest joint venture of the Group as all of the strategic financial and operating decisions required approval by unanimous consent of all of their shareholders and directors of Suzhou Xuyue. During the six months ended 30 June 2018, all shareholders of Suzhou Xuyue entered into an acting in concert agreement. By execution of the acting in concert agreement, other shareholders agreed to follow the strategic financial and operating decision made by the Group when unanimous consent has not reached. Since the Group obtained effective control of voting power to govern the relevant activities of Suzhou Xuyue, Suzhou Xuyue became a subsidiary of the Group in April 2018 upon effective of the acting in concert agreement. The directors of the Company are of the view that the deemed acquisition constitutes a business combination as Suzhou Xuyue holds properties and significant processes are applied to the properties. The transaction has been accounted for using acquisition method accordingly.

## 28. 收購附屬公司(續)

截至二零一八年六月三十日止六個月(續)

### (a) 收購業務(續)

於收購日期的已收購資產及已確認負債如下：

## 28. ACQUISITION OF SUBSIDIARIES (Continued)

For the six months ended 30 June 2018 (Continued)

### (a) Acquisition of Business (Continued)

Assets acquired and liabilities recognised at the date of acquisition are as below:

	人民幣千元 RMB'000
物業、廠房及設備	305
擬作出售的開發中物業	6,026,800
應收賬款及其他應收款項、按金以及預付款項	118,016
應收本集團款項	617,845
應收一名非控股股東款項	927,632
可收回稅項	174,828
銀行結餘及現金	321,172
應付賬款及其他應付款項以及應計開支	(360,087)
已收物業銷售按金	(4,387,497)
遞延稅項負債	(687,514)
銀行及其他借款	(1,969,500)
	782,000
已轉撥代價，以於合營企業的權益支付	(312,800)
加：非控股權益(附註)	(469,200)
減：本集團所收購資產淨值的公平值	782,000
	—
現金流入淨額：	Net cash inflow:
所收購的銀行結餘及現金	321,172
於蘇州旭悅的40%股權的公平值	312,800
減：本集團所持有合營企業的權益	23,836
重新計量收益	336,636

附註：非控股權益乃按照按公平值計量的資產淨值份額計量。

note: The non-controlling interests was measured in accordance with share of net assets at fair value.

(iii) 於截至二零一八年六月三十日止六個月，本集團以代價人民幣1,144,810,000元收購青島銀盛泰房地產有限公司(「青島銀盛泰」)50%股本權益。根據青島銀盛泰的組織章程大綱及細則，所有戰略財務及經營決策必須由董事會簡單大多數批准，當中三名董事及兩名董事分別由本集團及另一名股東提名。由於本集團取得青島銀盛泰的實際控制權，故收購事項完成後，青島銀泰盛於二零一八年三月入賬列為本公司附屬公司。於收購日期，本公司董事認為，由於青島銀盛泰持有物業及執行適用於該等物業的重大程序，故收購事項構成業務合併。因此，該項交易已按收購會計法列賬。

(iii) During the six months ended 30 June 2018, the Group acquired 50% equity interests of Qingdao Yinshengtai Property Development Co., Ltd (青島銀盛泰置業有限公司) ("Qingdao Yinshengtai") at a consideration of RMB1,144,810,000. According to the memorandum and articles of association of Qingdao Yinshengtai, all of the strategic financial and operating decisions must be approved by simple majority of the board of directors, of which three directors and two directors are nominated by the Group and the other shareholder, respectively. Since the Group obtained effective control over Qingdao Yinshengtai, Qingdao Yinshengtai is accounted for as a subsidiary of the Group in March 2018 upon completion of the acquisition. At the date of acquisition, the directors of the Company are of the view that the acquisition constitutes a business combination as Qingdao Yinshengtai holds properties and significant processes are applied to the properties. The transaction has been accounted for using acquisition method accordingly.

## 簡明綜合財務報表附註

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 28. 收購附屬公司 (續)

截至二零一八年六月三十日止六個月 (續)

#### (a) 收購業務 (續)

於收購日期的已收購資產及已確認負債如下：

### 28. ACQUISITION OF SUBSIDIARIES (Continued)

For the six months ended 30 June 2018 (Continued)

#### (a) Acquisition of Business (Continued)

Assets acquired and liabilities recognised at the date of acquisition are as below:

	人民幣千元 RMB'000
物業、廠房及設備	53,475
擬作出售的開發中物業	10,242,719
應收賬款及其他應收款項、按金以及預付款項	2,484,248
可收回稅項	130,938
銀行結餘及現金	1,599,400
應收非控股股東款項	25,000
應付賬款及其他應付款項以及應計開支	(2,296,069)
應付本集團款項	(1,830,951)
已收物業銷售按金	(5,186,317)
遞延稅項負債	(1,358,769)
銀行及其他借款	(1,581,500)
非控股權益	(469,274)
	1,812,900
已轉撥代價，以	
現金支付	Consideration transferred, satisfied by Cash (644,810)
就收購股權已付的按金	Deposit paid for acquisition of equity interests (500,000)
加：非控股權益(附註)	Add: Non-controlling interests (note) (668,090)
減：本集團所收購資產淨值的公平值	Less: Fair value of net assets acquired by the Group 1,812,900
<b>現金流入淨額：</b>	<b>Net cash inflow:</b>
已付現金代價	Cash consideration paid (644,810)
所收購的銀行結餘及現金	Bank balances and cash acquired 1,599,400
	954,590

附註：非控股權益乃按照按公平值計量的資產淨值分額計量。

note: The non-controlling interests was measured in accordance with share of net assets at fair value.

## 28. 收購附屬公司(續)

截至二零一八年六月三十日止六個月(續)

### (a) 收購業務(續)

期內利潤包括上海旭梭、蘇州凱合、蘇州旭悅及青島銀盛泰所產生額外業務應佔的人民幣938,979,000元。期內收入包括蘇州旭悅及青島銀盛泰所產生的人民幣5,725,342,000元。上海旭梭及蘇州凱合於期內並無產生收入。

假設收購事項於期初生效，則本集團截至二零一八年六月三十日止六個月的收入總額應為人民幣18,421,242,000元，而中期利潤額則應為人民幣4,105,127,000元。備考財務資料僅供說明之用，不可作為假設收購事項已於年初完成時本集團實際所達致的收入及經營業績的指標，亦不擬作為未來業績的預測。

## 28. ACQUISITION OF SUBSIDIARIES (Continued)

For the six months ended 30 June 2018 (Continued)

### (a) Acquisition of Business (Continued)

Included in the profit for the period is RMB938,979,000 attributable to the additional businesses generated by Shanghai Xusuo, Suzhou Kaihe, Suzhou Xuyue and Qingdao Yinshengtai. Revenue for the period includes RMB 5,725,342,000 generated from Suzhou Xuyue and Qingdao Yinshengtai. No revenue was generated by Shanghai Xusuo and Suzhou Kaihe for the period.

Had the acquisition been effected at the beginning of the period, the total amount of revenue of the Group for the six months ended 30 June 2018 would have been RMB18,421,242,000 and the amount of the profit for the interim period would have been RMB4,105,127,000. The pro forma information is for illustrative purpose only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the year, nor is it intended to be a projection of future results.

## 簡明綜合財務報表附註

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 28. 收購附屬公司 (續)

截至二零一八年六月三十日止六個月 (續)

(b) 透過收購附屬公司收購資產及負債

- (i) 於截至二零一八年六月三十日止六個月，本集團以代價人民幣345,460,000元收購武漢鴻源錦置業有限公司(「武漢鴻源錦」)的50%權益。根據武漢鴻源錦的組織章程大綱及細則，所有策略性財務及經營決策必須經董事會簡單大多數批准，當中三名董事及兩名董事分別由本集團及其他股東提名。由於本集團取得武漢鴻源錦的實際控制權，故武漢鴻源錦已成為本集團的附屬公司。武漢鴻源錦持有一幅可用作房地產開發的地塊。

由於武漢鴻源錦於收購日期持有一幅用作房地產開發的土地，故此上述交易按透過收購一間附屬公司收購資產及負債入賬。有關所收購資產及所承擔負債詳情如下：

### 28. ACQUISITION OF SUBSIDIARIES (Continued)

For the six months ended 30 June 2018 (Continued)

(b) *Acquisitions of assets and liabilities through acquisitions of subsidiaries*

- (i) During the six months ended 30 June 2018, the Group acquired 50% equity interests of Wuhan Hongyuanjin Properties Co., Ltd. (武漢鴻源錦置業有限公司) ("Wuhan Hongyuanjin") at a consideration of RMB345,460,000. According to the memorandum and articles of association of Wuhan Hongyuanjin, all of the strategic financial and operating decisions must be approved by simple majority of the board of directors, of which three directors and two directors are nominated by the Group and the other shareholders, respectively. Since the Group obtained effective control over Wuhan Hongyuanjin, Wuhan Hongyuanjin became a subsidiary of the Group. Wuhan Hongyuanjin is holding a piece of land for property development.

The above transaction is accounted for as acquisition of assets and liabilities through acquisition of a subsidiary because Wuhan Hongyuanjin holds a piece of land for property development at the date of the acquisition. Details of the assets acquired and liabilities assumed are as below:

		人民幣千元 RMB'000
擬作出售的發展中物業	Properties under development for sale	1,968,086
應收賬款及其他應收款項、按金以及預付款項	Accounts and other receivables, deposits and prepayments	1,077
銀行結餘及現金	Bank balances and cash	54,956
應計開支	Accrued charges	(150)
應付本集團款項	Amount due to the Group	(897,192)
應付一名非控股股東款項	Amount due to a non-controlling shareholder	(686,333)
		<b>440,444</b>
支付代價方式：	Consideration satisfied by:	
現金	Cash	345,460
所佔資產淨值份額：非控股權益	Net assets shared by: Non-controlling interests	94,984
		<b>440,444</b>
現金流出淨額：	Net cash outflow:	
已付現金代價	Cash consideration paid	(345,460)
所收購的銀行結餘及現金	Bank balances and cash acquired	54,956
		<b>(290,504)</b>

## 28. 收購附屬公司(續)

截至二零一八年六月三十日止六個月(續)

- (b) 透過收購附屬公司收購資產及負債  
(續)

(ii) 於截至二零一八年六月三十日止六個月，本集團以代價人民幣3,400,000元收購西安沃呈房地產開發有限公司(「西安沃呈」)的34%權益。根據西安沃呈的組織章程大綱及細則，所有戰略性財務及經營決策必須經董事會簡單大多數批准，當中三名董事及兩名董事分別由本集團及其他股東提名。由於本集團取得西安沃呈的實際控制權，故西安沃呈已成為本集團的附屬公司。西安沃呈持有一幅可用作房地產開發的地塊。

(iii) 於截至二零一八年六月三十日止六個月，本集團以代價人民幣10,000,000元收購上海展驥實業發展有限公司(「上海展驥」)的50%權益。根據上海展驥的組織章程大綱及細則，所有戰略性財務及經營決策必須經董事會簡單大多數批准，當中兩名董事及一名董事分別由本集團及其他股東提名。由於本集團取得上海展驥的實際控制權，故上海展驥已成為本集團的附屬公司。上海展驥持有一幅可用作房地產開發的地塊。

(iv) 於截至二零一八年六月三十日止六個月，本集團以代價人民幣10,303,000元收購上海方茂置業有限公司(「上海方茂」)的34%權益。根據上海方茂的組織章程大綱及細則，所有戰略性財務及經營決策必須經董事會簡單大多數批准，當中三名董事及兩名董事分別由本集團及其他股東提名。由於本集團取得上海方茂的實際控制權，故上海方茂已成為本集團的附屬公司。上海方茂持有一幅可用作房地產開發的地塊。

## 28. ACQUISITION OF SUBSIDIARIES (Continued)

For the six months ended 30 June 2018 (Continued)

- (b) *Acquisitions of assets and liabilities through acquisitions of subsidiaries*  
*(Continued)*

(ii) During the six months ended 30 June 2018, the Group acquired 34% equity interests of Xi'an Wocheng Properties Development Co., Ltd. (西安沃呈房地產開發有限公司) ("Xi'an Wocheng") at a consideration of RMB3,400,000. According to the memorandum and articles of association of Xian Wocheng, all of the strategic financial and operating decisions must be approved by simple majority of the board of directors, of which three directors and two directors are nominated by the Group and the other shareholders, respectively. Since the Group obtained effective control over Xi'an Wocheng, Xi'an Wocheng became a subsidiary of the Group. Xi'an Wocheng is holding a piece of land for property development.

(iii) During the six months ended 30 June 2018, the Group acquired 50% equity interests of Shanghai Zhanxiang Development Co., Ltd. (上海展驥實業發展有限公司) ("Shanghai Zhanxiang") at a consideration of RMB10,000,000. According to the memorandum and articles of association of Shanghai Zhanxiang, all of the strategic financial and operating decisions must be approved by simple majority of the board of directors, of which two directors and one director are nominated by the Group and the other shareholder, respectively. Since the Group obtained effective control over Shanghai Zhanxiang, Shanghai Zhanxiang became a subsidiary of the Group. Shanghai Zhanxiang is holding a piece of land for property development.

(iv) During the six months ended 30 June 2018, the Group acquired 34% equity interests of Shanghai Fangmao Development Co., Ltd. (上海方茂置業有限公司) ("Shanghai Fangmao") at a consideration of RMB10,303,000. According to the memorandum and articles of association of Shanghai Fangmao, all of the strategic financial and operating decisions must be approved by simple majority of the board of directors, of which three directors and two directors are nominated by the Group and the other shareholders, respectively. Since the Group obtained effective control over Shanghai Fangmao, Shanghai Fangmao became a subsidiary of the Group. Shanghai Fangmao is holding a piece of land for property development.

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**28. 收購附屬公司 (續)**

截至二零一八年六月三十日止六個月 (續)

- (b) 透過收購附屬公司收購資產及負債  
(續)

(v) 於截至二零一八年六月三十日止六個月，本集團以代價人民幣10,303,000元收購上海啓茂置業有限公司(「上海啓茂」)的34%權益。根據上海啟茂的組織章程大綱及細則，所有戰略性財務及經營決策必須經董事會簡單大多數批准，當中三名董事及兩名董事分別由本集團及其他股東提名。由於本集團取得上海啓茂的實際控制權，故上海啓茂已成為本集團的附屬公司。上海啓茂持有一幅可用作房地產開發的地塊。

(vi) 蘇州旭邦置業有限公司(「蘇州旭邦」)列賬為擁有50%權益的合營企業。截至二零一八年六月三十日止六個月，本集團以代價人民幣20,000,000元收購蘇州旭邦額外50%權益。此次收購完成後，本集團收購蘇州旭邦100%股本權益。蘇州旭邦持有一幅可用作房地產開發的地塊。

(vii) 截至二零一八年六月三十日止六個月，本集團以代價人民幣30,000,000元收購鄭州輝潤置業有限公司(「鄭州輝潤」)的60%權益。鄭州輝潤持有一幅可用作房地產開發的地塊。

**28. ACQUISITION OF SUBSIDIARIES (Continued)**

For the six months ended 30 June 2018 (Continued)

- (b) *Acquisitions of assets and liabilities through acquisitions of subsidiaries*  
*(Continued)*

(v) During the six months ended 30 June 2018, the Group acquired 34% equity interests of Shanghai Qimao Development Co., Ltd. (上海啓茂置業有限公司) ("Shanghai Qimao") at a consideration of RMB10,303,000. According to the memorandum and articles of association of Shanghai Qimao, all of the strategic financial and operating decisions must be approved by simple majority of the board of directors, of which three directors and two directors are nominated by the Group and the other shareholders, respectively. Since the Group obtained effective control over Shanghai Qimao, Shanghai Qimao became a subsidiary of the Group. Shanghai Qimao is holding a piece of land for property development.

(vi) Suzhou Xubang Properties Co., Ltd. (蘇州旭邦置業有限公司) ("Suzhou Xubang") was accounted for as a 50% interests joint venture. During the six months ended 30 June 2018, the Group acquired another 50% equity interests of Suzhou Xubang at a consideration of RMB20,000,000. Upon the completion of this acquisition, the Group held 100% equity interests of Suzhou Xubang. Suzhou Xubang is holding a piece of land for property development.

(vii) During the six months ended 30 June 2018, the Group acquired 60% equity interests of Zhengzhou Huirun Properties Co., Ltd. (鄭州輝潤置業有限公司) ("Zhengzhou Huirun") at a consideration of RMB30,000,000. Zhengzhou Huirun is holding a piece of land for property development.

## 28. 收購附屬公司(續)

截至二零一八年六月三十日止六個月(續)

### (b) 透過收購附屬公司收購資產及負債 (續)

由於該等公司於收購日期持有多幅地塊，故此上述交易(ii)至(vii)按透過收購附屬公司收購資產及負債入賬。有關所收購資產及所承擔負債詳情如下：

## 28. ACQUISITION OF SUBSIDIARIES (Continued)

For the six months ended 30 June 2018 (Continued)

### (b) Acquisitions of assets and liabilities through acquisitions of subsidiaries (Continued)

The above transactions (ii) to (vii) are accounted for as acquisition of assets and liabilities through acquisition of subsidiaries because these companies hold pieces of land at the date of the acquisition. Details of the assets acquired and liabilities assumed are as below:

	人民幣千元 RMB'000
物業、廠房及設備	1,170
擬作出售的發展中物業	3,048,928
應收賬款及其他應收款項、按金以及預付款項	96,758
銀行結餘及現金	352,680
應付賬款及其他應付款項以及應計開支	(457,669)
應付本集團款項	(1,276,482)
應付一名非控股股東款項	(1,589,462)
	175,923
支付代價方式：	
現金	84,006
於一間合營企業的權益	30,750
所佔資產淨值份額：非控股權益	61,167
	175,923
現金流入淨額：	
已付現金代價	(84,006)
所收購的銀行結餘及現金	352,680
	268,674

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**28. 收購附屬公司(續)**

截至二零一七年六月三十日止六個月

(a) 透過視為收購一間附屬公司收購資產及負債

由於Coastwise Limited(「Coastwise」)及其附屬公司(「Coastwise集團」)所有戰略財務及經營決策須獲其董事會全體董事一致同意批准，故其已作為本集團擁有50%權益的合營企業列賬。截至二零一七年六月三十日止六個月，Coastwise的合營企業夥伴訂立補充協議(「補充協議」)，據此，合營企業夥伴同意就Coastwise的董事會成員組成補充合作框架協議。透過簽立補充協議，所有戰略財務及經營決策必須由董事會簡單大多數成員批准，當中四名董事及三名董事分別由本集團及另一合營企業夥伴提名。由於本集團取得Coastwise的實際投票控制權，可管理Coastwise的相關活動，故Coastwise成為本集團的附屬公司。

**28. ACQUISITION OF SUBSIDIARIES (Continued)**

For the six months ended 30 June 2017

(a) *Acquisition of assets and liabilities through deemed acquisition of a subsidiary*

Coastwise Limited (“Coastwise”) and its subsidiaries (the “Coastwise Group”) was accounted for as a 50% interests joint venture of the Group as all of the strategic financial and operating decisions required approval by unanimous consent of all of its directors of the board of directors. During the six months ended 30 June 2017, the joint venture partners of Coastwise entered into a supplemental agreement (“the Supplemental Agreement”) pursuant to which the joint venture partners agreed to supplement the cooperation framework agreement with respect to the composition of the board of directors of Coastwise. By execution of the Supplemental Agreement, all of the strategic financial and operating decisions required approved by simple majority of the board of directors, of which four directors and three directors are to be nominated by the Group and the other joint venture partner, respectively. Since the Group obtained effective control of voting power to govern the relevant activities of Coastwise, Coastwise became a subsidiary of the Group.

## 28. 收購附屬公司(續)

截至二零一七年六月三十日止六個月(續)

### (a) 透過視為收購一間附屬公司收購資產及負債(續)

由於Coastwise集團主要持有的物業並無執行適用於該等物業的重大程序，故此上述交易按透過視為收購附屬公司入賬為收購資產及負債。有關所收購資產及所承擔負債的詳情如下：

## 28. ACQUISITION OF SUBSIDIARIES (Continued)

For the six months ended 30 June 2017 (Continued)

### (a) Acquisition of assets and liabilities through deemed acquisition of a subsidiary (Continued)

The above transaction was accounted for as acquisition of assets and liabilities through deemed acquisition of subsidiaries because the Coastwise Group mainly holds properties without significant processes applied to the properties. Details of the assets acquired and liabilities assumed were as below:

	人民幣千元 RMB'000
物業、廠房及設備	114
投資物業	5,874,000
持作出售物業	738,635
擬作出售的開發中物業	2,531,201
應收賬款及其他應收款項、按金及預付款項	111,357
應收本集團款項	1,982,574
應收一名非控股股東款項	1,961,488
可收回稅項	236,918
銀行結餘及現金	1,600,539
應付賬款及其他應付款項以及應計開支	(432,743)
已收物業銷售按金	(2,587,255)
應付稅項	(157,719)
遞延稅項負債	(803,698)
銀行及其他借款 – 於一年內到期	(3,464,469)
	7,590,942
以於一間合營企業的權益支付	3,795,471
所佔資產淨值份額：非控股權益	3,795,471
	7,590,942
<b>現金流入淨額：</b>	<b>Net cash inflow:</b>
所收購的銀行結餘及現金	1,600,539

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## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 28. 收購附屬公司 (續)

截至二零一七年六月三十日止六個月 (續)

- (b) 透過收購附屬公司收購資產及負債  
 (i) 於截至二零一七年六月三十日止六個月，本集團(i)透過收購旭皇有限公司(英屬處女群島)額外75%股本權益(「旭皇」，其為本集團擁有25%權益的聯營公司，其擁有蘇州旭嘉50%股本權益)間接收購蘇州旭嘉置業有限公司(「蘇州旭嘉」)的全部股本權益，及(ii)收購蘇州旭盈投資諮詢有限公司(「蘇州旭盈」，其持有蘇州旭嘉另外50%股本權益)的全部股本權益，總代價為人民幣128,211,000元。旭皇及蘇州旭盈為投資控股公司，蘇州旭嘉則從事房地產開發業務。

上述收購事項完成後，本集團取得100%實際投票控制權，可管理旭皇、蘇州旭嘉及蘇州旭盈的相關活動。因此，該等公司其後作為本集團附屬公司入賬。

由於該等公司並無於收購日期持有物業而無適用於該等物業的重大程序，故此上述交易按透過收購附屬公司收購資產及負債入賬。有關所收購資產及所承擔負債詳情如下：

### 28. ACQUISITION OF SUBSIDIARIES (Continued)

For the six months ended 30 June 2017 (Continued)

- (b) *Acquisitions of assets and liabilities through acquisitions of subsidiaries*  
 (i) During the six months ended 30 June 2017, the Group (i) indirectly acquired 100% equity interest of Suzhou Xujia Property Co., Ltd ("Suzhou Xujia") through acquisition of additional 75% equity interest of Xu Huang Co., Limited (BVI) ("Xu Huang"), which was the Group's 25% owned associate. Xu Huang held 50% equity interest in Suzhou Xujia, and (ii) acquired 100% equity interest of Suzhou Xuying Investment Advisory Co., Ltd ("Suzhou Xuying"), which held another 50% equity interest in Suzhou Xujia, at a total consideration of RMB128,211,000. Xu Huang and Suzhou Xuying are investment holding companies and Suzhou Xujia is engaged in property development.

Upon the completion of the acquisitions mentioned above, the Group has 100% effective control of voting power to govern the relevant activities of Xu Huang, Suzhou Xujia, and Suzhou Xuying. Accordingly, they were accounted for as subsidiaries of the Group thereafter.

The above transaction was accounted for as acquisition of assets and liabilities through acquisition of subsidiaries because these companies hold properties without significant processes applied to the properties at the date of the acquisition. Details of the assets acquired and liabilities assumed were as below:

	人民幣千元 RMB'000
物業、廠房及設備	344
擬作出售的發展中物業	2,240,718
其他應收款項	172,269
可收回稅項	226,995
銀行結餘及現金	15,407
應付賬款及其他應付款項以及應計開支	(350,275)
應付本集團款項	(1,573,247)
銀行及其他借款—於一年內到期	(604,000)
	<b>128,211</b>

	人民幣千元 RMB'000
支付代價方式：	
現金代價	Consideration satisfied by: Cash consideration 128,211
現金流入淨額：	
已付現金代價	Net cash outflow: Cash consideration paid (128,211)
所收購的銀行結餘及現金	Bank balances and cash acquired 15,407
	<b>(112,804)</b>

## 28. 收購附屬公司(續)

截至二零一七年六月三十日止六個月(續)

- (b) 透過收購附屬公司收購資產及負債(續)
  - (ii) 截至二零一七年六月三十日止六個月，本集團以總代價1,588,000,000港元(相當於約人民幣1,413,320,000元)收購裕恩發展有限公司(「裕恩」)全部股本權益及股東貸款550,494,000港元(相當於約人民幣489,939,000元)。裕恩從事房地產開發業務，且目前持有已完成待售物業。

上述收購完成後，本集團取得100%實際投票控制權，可管理裕恩的相關活動，該公司其後作為本集團附屬公司入賬。

由於該等公司並無於收購日期持有物業而無適用於該等物業的重大程序，故此上述交易按透過收購一間附屬公司收購資產及負債入賬。有關所收購資產及所承擔負債詳情如下：

## 28. ACQUISITION OF SUBSIDIARIES (Continued)

For the six months ended 30 June 2017 (Continued)

- (b) *Acquisitions of assets and liabilities through acquisitions of subsidiaries (Continued)*
  - (ii) During the six months ended 30 June 2017, the Group acquired 100% equity interests of Grace Wealth Development Limited ("Grace Wealth") and a shareholder's loan of HK\$550,494,000 (equivalent to approximately RMB489,939,000) at a total consideration of HK\$1,588,000,000 (equivalent to approximately RMB1,413,320,000). Grace Wealth is engaged in property development and is holding completed properties for sale.

Upon the completion of the acquisition mentioned above, the Group has 100% effective control of voting power to govern the relevant activities of Grace Wealth, accordingly it was accounted for as a subsidiary of the Group thereafter.

The above transactions was accounted for as acquisition of assets and liabilities through acquisition of a subsidiary because these companies held properties without significant processes applied to the properties at the date of the acquisition. Details of the assets acquired and liabilities assumed were as below:

		人民幣千元 RMB'000
持作出售物業	Properties held for sale	1,413,172
應收賬款及其他應收款項、按金以及預付款項	Accounts and other receivables, deposits and prepayments	119
銀行結餘及現金	Bank balances and cash	56
應付賬款及應計開支	Accounts payables and accrued charges	(27)
股東貸款	Shareholders' loans	(489,939)
		923,381
轉讓予本集團的股東貸款	Shareholders' loans assigned to the Group	489,939
		1,413,320

		人民幣千元 RMB'000
支付代價方式：	Consideration satisfied by:	
現金	Cash	1,271,273
收購股本權益的按金	Deposits for acquisition of equity interests	142,047
		1,413,320
現金流出淨額：	Net cash outflow:	
期內已付現金代價 (包括貸款轉讓)	Cash consideration paid during the period (including the loan assignment)	(1,271,273)
所收購的銀行結餘及現金	Bank balances and cash acquired	56
		(1,271,217)

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### 28. 收購附屬公司 (續)

截至二零一七年六月三十日止六個月 (續)

(b) 透過收購附屬公司收購資產及負債  
(續)

- (iii) 於截至二零一七年六月三十日止期間，本集團以總代價人民幣425,334,000元收購蘇州市龍盈泰投資有限公司(「蘇州市龍盈泰」)100%股本權益及股東貸款人民幣225,334,000元。蘇州市龍盈泰持有一幅可用作房地產開發的地塊。
- (iv) 於截至二零一七年六月三十日止期間，本集團以代價人民幣100,000,000元收購合肥盛展房地產開發有限公司(「合肥盛展」)100%股本權益。合肥盛展持有一幅可用作房地產開發的地塊。
- (v) 於截至二零一七年六月三十日止期間，本集團以代價人民幣60,000,000元收購安徽乾泰房地產開發有限公司(「安徽乾泰」)30%股本權益。根據安徽乾泰的組織章程大綱及細則，所有戰略財務及經營決策必須由董事會簡單大多數成員批准，當中四名董事及三名董事分別由本集團及其他股東提名。由於本集團取得安徽乾泰的實際控制權，故安徽乾泰已成為本集團的附屬公司。安徽乾泰持有一幅可用作房地產開發的地塊。
- (vi) 於截至二零一七年六月三十日止期間，本集團以代價人民幣474,000元收購東萬投資有限公司(「東萬」)100%股本權益。東萬目前持有已完成待售物業。

- (vii) 於截至二零一七年六月三十日止期間，本集團以總代價人民幣225,851,000元收購豐萬投資有限公司(「豐萬」)100%股本權益及股東貸款人民幣220,000,000元。豐萬目前持有已完成待售物業。

於上述收購事項(iii)至(vii)完成後，本集團持有蘇州市龍盈泰、合肥盛展、東萬及豐萬全部股本權益以及安徽乾泰的30%股本權益，並於其後成為本集團的附屬公司。

### 28. ACQUISITION OF SUBSIDIARIES (Continued)

For the six months ended 30 June 2017 (Continued)

- (b) *Acquisitions of assets and liabilities through acquisitions of subsidiaries (Continued)*
- (iii) During the period ended 30 June 2017, the Group acquired 100% equity interests of Suzhou Longyingtai Investment Co., Ltd. (蘇州市龍盈泰投資有限公司) ("Suzhou Longyingtai") and a shareholder's loan of RMB225,334,000 at a total consideration of RMB425,334,000. Suzhou Longyingtai is holding a piece of land for property development.
- (iv) During the period ended 30 June 2017, the Group acquired 100% equity interests of Hefei Shengzhan Property Development Co., Ltd. (合肥盛展房地產開發有限公司) ("Hefei Shengzhan") at a consideration of RMB100,000,000. Hefei Shengzhan is holding a piece of land for property development.
- (v) During the period ended 30 June 2017, the Group acquired 30% equity interests of Anhui Qiantai Property Co., Ltd. (安徽乾泰房地產開發有限公司) ("Anhui Qiantai") at a consideration of RMB60,000,000. According to the memorandum and association of Anhui Qiantai, all of the strategic financial and operating decisions must be approved by simple majority of the board of directors, of which four directors and three directors are to be nominated by the Group and the other shareholders, respectively. Since the Group obtained effective control over Anhui Qiantai, Anhui Qiantai became a subsidiary of the Group. Anhui Qiantai is holding a piece of land for property development.
- (vi) During the period ended 30 June 2017, the Group acquired 100% equity interests of Top Media Investment Limited. ("Top Media") at a consideration of RMB474,000. Top Media is holding completed properties for sale.
- (vii) During the period ended 30 June 2017, the Group acquired 100% equity interests of Full Metro Investment Limited ("Full Metro") and a shareholder's loan of RMB220,000,000 at a total consideration of RMB225,851,000. Full Metro is holding completed properties for sale.

Upon the completion of the acquisitions mentioned from (iii) to (vii), the Group holds 100% equity interests in Suzhou Longyingtai, Hefei Shengzhan, Top Media and Full Metro and hold 30% equity interests in Anhui Qiantai and they became subsidiaries of the Group thereafter.

## 28. 收購附屬公司 (續)

截至二零一七年六月三十日止六個月 (續)

### (b) 透過收購附屬公司收購資產及負債 (續)

上述交易(iii)至(vii)按透過收購附屬公司收購資產及負債入賬。有關所收購資產及所承擔負債詳情如下：

## 28. ACQUISITION OF SUBSIDIARIES (Continued)

For the six months ended 30 June 2017 (Continued)

### (b) Acquisitions of assets and liabilities through acquisitions of subsidiaries (Continued)

The above transactions (iii) to (vii) were accounted for as acquisition of assets and liabilities through acquisition of subsidiaries. Details of the assets acquired and liabilities assumed were as below:

	人民幣千元 RMB'000
物業、廠房及設備	Property, plant and equipment 18
擬作出售的發展中物業	Properties under development for sale 2,878,002
持作出售物業	Properties held for sale 788,360
應收賬款及其他應收款項、按金以及預付款項	Accounts and other receivables, deposits and prepayments 192,029
銀行結餘及現金	Bank balances and cash 18,587
應付賬款及應計開支	Accounts payables and accrued charges (176,378)
應付本集團款項	Amount due to the Group (990,100)
應付一名非控股股東款項	Amount due to a non-controlling shareholder (1,196,301)
應付稅項	Tax payable (534)
銀行及其他借款	Bank and other borrowings (562,658)
非控股權益	Non-controlling interest (139,365)
股東貸款	Shareholders' loans (445,334)
	366,326
轉讓予本集團的股東貸款	Shareholders' loans assigned to the Group 445,334
	811,660

	人民幣千元 RMB'000
支付代價方式：	Consideration satisfied by:
現金	Cash 561,660
收購股本權益的按金	Deposits for acquisition of equity interests 250,000
	811,660
現金流出淨額：	Net cash outflow:
期內已付現金代價 (包括貸款轉讓)	Cash consideration paid during the period (including the loan assignment) (561,660)
所收購的銀行結餘及現金	Bank balances and cash acquired 18,587
	(543,073)

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**29. 出售附屬公司**

截至二零一八年六月三十日止六個月視作出售一間附屬公司導致失去控制權太原旭晉安創企業管理諮詢有限公司及其附屬公司(「太原旭晉集團」)入賬為本集團非全資附屬公司，此乃由於所有戰略財務及經營決策必須經董事會簡單大多數批准，當中三名董事及一名董事分別由本集團及另一名股東提名。截至二零一八年六月三十日止六個月，太原旭晉集團的股東訂立一份補充協議(「補充協議」)，據此，所有戰略財務及經營決策須獲其全體董事一致同意批准，而太原旭晉集團於交易完成後入賬為一間合營企業。

上述交易按出售一間附屬公司入賬。有關出售負債淨值詳情概述如下：

**29. DISPOSAL OF SUBSIDIARIES**

For the six months ended 30 June 2018

*Deemed disposal of a subsidiary resulting in loss of control*

Taiyuan Xujin Anchuang Management Consulting Co., Ltd and its subsidiaries ("Taiyuan Xujin Group") was accounted for as non-wholly owned subsidiaries of the Group as all of the strategic financial and operating decisions required approval by simple majority of the board of directors, of which three directors and one director are nominated by the Group and the other shareholder, respectively. During the six months ended 30 June 2018, the shareholders of Taiyuan Xujin Group entered into a supplemental agreement (the "Supplemental Agreement"). By execution of the Supplemental Agreement, all of the strategic financial and operating decisions required approval by unanimous consent of all of its directors and Taiyuan Xujin Group is accounted for as a joint venture upon completion of the transaction.

The above transaction is accounted for as disposal of a subsidiary. Details of the net liabilities disposed of are summarised below:

	人民幣千元 RMB'000
就失去控制權的資產及負債分析：	
物業、廠房及設備	Analysis of assets and liabilities over which control was lost: Property, plant and equipment
持作出售物業土地使用權按金	305
其他應收款項	Deposits for land use rights for properties held for sales
銀行結餘及現金	4,433
應付本集團款項	Bank balances and cash
其他應付款項	38,034
銀行借款－於一年後到期	Amounts due to the Group
	(2,911,897)
	Other payables
	(2,329,886)
	Bank borrowing – due after one year
	(300,000)
出售的負債淨值	Net liabilities disposed of
出售產生的現金流出淨額：	
出售的銀行結餘及現金	Net cash outflow arising on disposal: Bank balances and cash disposed of
	(38,034)

## 29. 出售附屬公司(續)

截至二零一七年六月三十日止六個月

### (a) 出售一間附屬公司

於二零一七年一月二十六日，本集團與本公司董事林偉先生及林峰先生實益擁有的關聯公司寧波昌瑞投資有限公司(「寧波昌瑞」)訂立買賣協議，內容有關向寧波昌瑞出售本集團間接全資附屬公司上海旭備實業有限公司(「上海旭備」)的全部已發行股本，代價為人民幣373,955,000元，包括現金代價人民幣1,000,000元及轉讓應付本集團的股東貸款人民幣372,955,000元。

上述交易按出售一間附屬公司入賬。有關出售的資產淨值詳情概述如下：

## 29. DISPOSAL OF SUBSIDIARIES (Continued)

For the six months ended 30 June 2017

### (a) Disposal of a subsidiary

On 26 January 2017, the Group and a related company which is beneficially owned by Mr. Lin Wei and Mr. Lin Feng, the directors of the Company, namely Ningbo Changrui Investments Co., Ltd.("Ningbo Changrui"), entered into a sale and purchase agreement relating to the sale of the entire issued share capital of Shanghai Xubei Enterprise Co., Ltd ("Shanghai Xubei") to Ningbo Changrui, an indirect wholly owned subsidiary of the Group at a consideration of RMB373,955,000 which comprised of cash consideration of RMB1,000,000 and the assignment of shareholders' loan due to the Group of RMB372,955,000.

The above transaction was accounted for as disposal of a subsidiary. Details of the net assets disposed of were summarised below:

		人民幣千元 RMB'000
支付代價方式：	Consideration satisfied by:	
現金	Cash	1,000
就失去控制權的資產及負債分析：	Analysis of assets and liabilities over which control was lost:	
其他應收款項	Other receivables	373,950
銀行結餘及現金	Bank balances and cash	111
應付本集團款項	Amount due to the Group	(372,955)
出售的資產淨值	Net assets disposed of	1,106
出售一間附屬公司的虧損：	Loss on disposal of a subsidiary:	
現金代價	Cash consideration	1,000
出售的資產淨值	Net assets disposed of	(1,106)
出售一間附屬公司的虧損	Loss on disposal of a subsidiary	(106)
出售產生的現金流入淨額：	Net cash inflow arising on disposal:	
現金代價	Cash consideration	1,000
轉讓股東貸款	Assignment of shareholders' loan	372,955
出售的銀行結餘及現金	Bank balances and cash disposed of	(111)
		373,844

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**29. 出售附屬公司 (續)**

截至二零一七年六月三十日止六個月 (續)

(b) 出售附屬公司部分權益導致失去控制權

(i) 截至二零一七年六月三十日止六個月，本集團以代價人民幣750,000元向一名獨立第三方出售其附屬公司上海旭技實業有限公司(「上海旭技」)的75%股本權益。此項交易按出售一間附屬公司部分權益導致失去控制權入賬。上海旭技從事房地產開發業務。

於出售事項後，上海旭技的餘下25%股本權益仍然由本集團持有，並成為本集團的聯營公司。

(ii) 截至二零一七年六月三十日止六個月，本集團以代價人民幣500,000元向一名獨立第三方出售其附屬公司上海旭沃實業有限公司(「上海旭沃」)的50%股本權益。此項交易按出售一間附屬公司部分權益導致失去控制權入賬。上海旭沃從事房地產開發業務。

於出售事項後，上海旭沃的餘下50%股本權益仍然由本集團持有，而根據與股東達成的協議，上海旭沃的相關業務活動須經全體董事一致同意，故其成為本集團的合營企業。

**29. DISPOSAL OF SUBSIDIARIES (Continued)**

For the six months ended 30 June 2017 (Continued)

(b) *Disposal of partial interest in subsidiaries resulting in loss of control*

(i) During the six months ended 30 June 2017, the Group disposed of 75% equity interests in its subsidiary, Shanghai Xuji Industry Co., Ltd ("Shanghai Xuji") to an independent third party at a consideration of RMB750,000. This transaction was accounted for as disposal of partial interest in a subsidiary resulting in loss of control. Shanghai Xuji was engaged in property development.

Subsequent to the disposal, the remaining 25% interest of Shanghai Xuji are still held by the Group and became an associate of the Group.

(ii) During the six months ended 30 June 2017, the Group disposed of 50% equity interests in its subsidiary, Shanghai Xuwo Industry Co., Ltd. ("Shanghai Xuwo") to an independent third party at a consideration of RMB500,000. This transaction was accounted for as disposal of partial interest in a subsidiary resulting in loss of control. Shanghai Xuwo was engaged in property development.

Subsequent to the disposal, the remaining 50% interest of Shanghai Xuwo are still held by the Group and became a joint venture of the Group as in accordance with the shareholders' agreement, relevant activities of Shanghai Xuwo require unanimous consent of all directors.

**29. 出售附屬公司(續)**

截至二零一七年六月三十日止六個月(續)

(b) 出售附屬公司部分權益導致失去控制權(續)

上述交易按出售附屬公司部分權益入賬。有關出售資產淨值詳情概述如下：

**29. DISPOSAL OF SUBSIDIARIES (Continued)**

For the six months ended 30 June 2017 (Continued)

(b) Disposal of partial interest in subsidiaries resulting in loss of control  
(Continued)

The above transactions were accounted for as disposal of partial interest in subsidiaries. Details of the net assets disposed of were summarised below:

		人民幣千元 RMB'000
支付代價方式：	Consideration satisfied by:	
現金	Cash	1,250
就失去控制權的資產及負債分析：	Analysis of assets and liabilities over which control was lost:	
物業、廠房及設備	Property, plant and equipment	31
擬作出售的發展中物業	Properties under development for sale	868,346
其他應收款項	Other receivables	5,429
銀行結餘及現金	Bank balances and cash	194,931
應付賬款及應計開支	Accounts payable and accrued charges	(20,867)
應付本集團款項	Amount due to the Group	(386,146)
其他應付款項	Other payables	(361,421)
銀行借款－於一年後到期	Bank borrowing – due after one year	(300,000)
出售的資產淨值	Net assets disposed of	303
出售附屬公司的收益：	Gain on disposal of subsidiaries:	
現金代價	Cash consideration	1,250
保留於一間聯營公司及一間合營企業的 股本權益的公平值	Fair value of the retained equity interest in an associate and a joint venture	750
出售的資產淨值	Net assets disposed of	(303)
出售附屬公司收益	Gain on disposal of subsidiaries	1,697
出售產生的現金流出淨額：	Net cash outflow arising on disposal:	
現金代價	Cash consideration	1,250
出售的銀行結餘及現金	Bank balances and cash disposed of	(194,931)
		(193,681)

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### 30. 抵押資產

下列資產於報告期末予以抵押以擔保本集團獲授若干銀行及其他融資：

### 30. PLEDGE OF ASSETS

The following assets were pledged to secure certain banking and other facilities granted to the Group at the end of the reporting period:

	於二零一八年 六月三十日 At 30 June 2018	於二零一七年 十二月三十一日 At 31 December 2017
	人民幣千元 RMB'000	人民幣千元 RMB'000
	(未經審核) (unaudited)	(經審核) (audited)
投資物業	Investment properties	5,675,900
擬作出售的發展中物業	Properties under development for sale	32,882,188
持作出售物業	Properties held for sale	1,450,200
受限制銀行存款	Restricted bank deposits	3,274,000
按公平值計入損益的金融資產	Financial assets at FVTPL	306,640
物業、廠房及設備	Property, plant and equipment	48,072
	<hr/>	<hr/>
	43,637,000	24,101,710

本集團於若干持有上述若干已抵押的擬作出售的開發中物業的附屬公司的股本權益，已予以抵押，以擔保本集團獲授若干銀行融資。

The Group's equity interests in certain subsidiaries, which hold certain pledged properties under development for sale included above, have been pledged to secure certain banking facilities granted to the Group.

### 31. 承擔

於報告期末，本集團擁有下列承擔：

### 31. COMMITMENTS

At the end of the reporting period, the Group had the following commitments:

	於二零一八年 六月三十日 At 30 June 2018 人民幣千元 (未經審核) (unaudited)	於二零一七年 十二月三十一日 At 31 December 2017 人民幣千元 (經審核) (audited)
已訂約但未於簡明綜合財務報表內撥備的有關收購土地使用權的開支	Expenditure in respect of acquisition of land use rights contracted for but not provided for in the condensed consolidated financial statements	7,671,488
已訂約但未於簡明綜合財務報表內撥備的有關收購股權的開支	Expenditure in respect of acquisition of equity interests contracted for but not provided for in the condensed consolidated financial statements	–
	7,671,488	7,694,441
		1,019,810
		8,714,251

本集團分佔與其他投資者就其合營企業共同作出的承擔如下：

The Group's share of commitments made jointly with other investors relating to its joint ventures are as follows:

	於二零一八年 六月三十日 At 30 June 2018 人民幣千元 (未經審核) (unaudited)	於二零一七年 十二月三十一日 At 31 December 2017 人民幣千元 (經審核) (audited)
已訂約但未於綜合財務報表內撥備的有關收購土地使用權的開支	Expenditure in respect of acquisition of land use rights contracted for but not provided for in the consolidated financial statements	2,175,771
		2,530,970

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**32. 或然負債**

- (i) 本集團於二零一八年六月三十日就授予本集團已開發物業買家的按揭銀行貸款提供約人民幣18,997,819,000元(二零一七年十二月三十一日：人民幣12,714,583,000元)的擔保。
- (ii) 本公司對這類開發其項目的合營企業及聯營公司的境外及境內銀行貸款項下尚未履行的責任按若干基準(包括按其各自持股比例)提供擔保。於二零一八年六月三十日，本集團就該等合營企業公司及聯營公司所產生銀行貸款提供的應佔擔保分別合共約人民幣2,784,540,000元(二零一七年十二月三十一日：人民幣1,666,392,000元)及約人民幣1,656,390,000元(二零一七年十二月三十一日：人民幣965,510,000元)。

本公司董事認為，本集團該等財務擔保合約的公平值於初步確認時並非重大，且本公司董事認為有關訂約方違約的可能性極小，故於訂立擔保合約時於二零一八年六月三十日的簡明綜合財務狀況內概無確認價值。

**32. CONTINGENT LIABILITIES**

- (i) The Group provided guarantees amounting to approximately RMB18,997,819,000 (31 December 2017: RMB12,714,583,000) as at 30 June 2018 in respect of mortgage bank loans granted to purchasers of the Group's developed properties.
- (ii) The Company provided guarantees on several banks covering its respective equity shares of outstanding obligations under the offshore and onshore bank loan incurred by the joint venture and associate companies developing their projects. As at 30 June 2018, the Group's aggregate shares of such guarantees provided in respect of loans incurred by these joint venture companies amounted to approximately RMB2,784,540,000 (31 December 2017: RMB1,666,392,000) and associate companies amounted to approximately RMB1,656,390,000 (31 December 2017: RMB965,510,000).

In the opinion of the directors of the Company, the fair values of these financial guarantee contracts of the Group are insignificant at initial recognition and the directors of the Company consider that the possibility of the default of the parties involved is remote, accordingly, no value has been recognised at the inception of the guarantee contracts and on the condensed consolidated financial position as at 30 June 2018.

### 33. 以股份支付的交易

#### 購股權計劃

已根據於二零一二年十月九日通過的決議案採納本公司購股權計劃，其主要目的為向董事及合資格顧員提供獎勵，而該計劃將於二零二二年十月八日屆滿。

已根據於二零一六年四月二十七日通過的決議案採納本公司購股權計劃，其主要目的為向董事及合資格顧員提供獎勵，而該計劃將於二零二六年四月二十六日屆滿。

下表披露本集團僱員所持本公司購股權的變動：

### 33. SHARE-BASED PAYMENT TRANSACTION

#### Share option scheme

The Company's share option scheme adopted pursuant to a resolution passed on 9 October 2012 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 8 October 2022.

The Company's share option scheme adopted pursuant to a resolution passed on 27 April 2016 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 26 April 2026.

The table below discloses movements of the Company's share options held by the Group's employees:

	根據購股權 計劃的購股權 數目 Number of share options under share option scheme
於二零一八年一月一日尚未行使	Outstanding as at 1 January 2018
於期內行使	Exercised during the period
於期內沒收	Forfeited for period
於二零一八年六月三十日尚未行使	Outstanding as at 30 June 2018

就於本期間行使的購股權而言，行使當目的加權平均股價為1.64港元(二零一七年六月三十日：1.64港元)。

本集團於截至二零一八年六月三十日止六個月就本公司向本集團僱員授出的購股權確認總開支人民幣31,501,000元(截至二零一七年六月三十日止六個月：人民幣10,131,000元)。因此，該等購股權金額已於購股權儲備中入賬。

In respect of the share options exercised during the period, the weighted average share price at the dates of exercise is HK\$1.64 (30 June 2017: HK\$1.64).

The Group recognised total expenses of RMB31,501,000 for the six months ended 30 June 2018 (six months ended 30 June 2017: RMB10,131,000) in relation to share options granted to the Group's employees by the Company. Accordingly, the amount for share options was credited to share option reserve.

## 簡明綜合財務報表附註 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 33. 以股份支付的交易

#### 股份獎勵計劃

於二零一七年十二月十八日，董事會採納股份獎勵計劃（「二零一七年股份獎勵計劃」），據此，Prosperity Fountain (PTC) Limited（作為受託人（「受託人」）），即於受託人所訂立日期為二零一七年十二月十八日的信託契據（經不時重列、補充及修訂）（「信託契據」）中宣佈為信託的受託人，將以本集團付出的現金於公開市場購買或向本公司認購新股份以作為獎勵股份，並代由董事會所挑選參與二零一七年股份獎勵計劃的合資格人士以信託形式持有，直至有關股份根據二零一七年股份獎勵計劃的條文歸屬於相關參與者為止。二零一七年股份獎勵計劃旨在肯定若干任何(i)主要管理人員，包括本集團董事會及高級管理層；及(ii)本集團任何成員公司的僱員的貢獻，並向彼等提供獎勵，以留聘彼等為本集團的持續營運及發展提供服務。二零一七年股份獎勵計劃將由董事會及受託人根據二零一七年股份獎勵計劃及信託契據的規則進行管理。

除非根據董事會可能決定提早終止，否則二零一七年股份獎勵計劃將自二零一七年十二月十八日起計十年期內有效及生效。

董事會不得進一步獎勵任何二零一七年獎勵股份，以致股份總數將超過不時本公司已發行股份數目的5%。於任何十二個月期間內根據二零一七年股份獎勵計劃可向參與者授出的股份最高數目不得超過已發行股份數目的1%。

二零一七年股份獎勵計劃的主要條款及條件概要載列於本公司日期為二零一七年十二月十八日及二零一七年十二月二十九日的公告內。

於截至二零一八年六月三十日止六個月，本公司已收購14,650,000股本公司普通股，總成本約為75,313,000港元（相當於約人民幣63,375,000元）。於二零一八年六月三十日，二零一七年股份獎勵計劃受託人持有合共14,650,000股本公司普通股。獎勵股份須歸屬於承授人，前提是相關承授人於歸屬期間的績效評級低於指定水平。

自採納二零一七年股份獎勵計劃起，本公司並無授出任何股份。

### 33. SHARE-BASED PAYMENT TRANSACTION

#### Share award scheme

On 18 December 2017, the board of directors adopted a share award scheme (the "2017 Share Award Scheme"), pursuant to which the shares to be awarded will be purchased by Prosperity Fountain (PTC) Limited as trustee (the "Trustee") of the trust declared in the trust deed dated 18 December 2017 entered into by the Trustee (as restated, supplemented and amended from time to time (the "Trust Deed")) from the open market or subscribed from the Company as new shares out of cash contributed by the Group and held on trust for the eligible persons selected by the board of directors for participation in the 2017 Share Award Scheme until such shares are vested with the relevant participants in accordance with the provisions of the 2017 Share Award Scheme. The purpose of the 2017 Share Award Scheme is to recognise the contributions by certain any of the (i) key management personnel including the board of directors and senior management of the Group; and (ii) employee of any member of the Group to provide them with incentives in order to retain them for the continual operation and development of the Group. The 2017 Share Award Scheme shall be subject to administration of the board of directors and the Trustee in accordance with the rules of the 2017 Share Award Scheme and the Trust Deed.

Subject to any early termination as may be determined by the board of directors, the 2017 Share Award Scheme shall be valid and effective for a term of 10 years commencing on 18 December 2017.

The board of directors shall not make any further award of 2017 awarded shares which will result in the total number of shares exceeding 5% of the number of issued shares from time to time. The maximum number of shares which may be awarded to a participant under the 2017 Share Award Scheme in any 12-month period shall not exceed 1% of the number of the shares in issue.

The summary of the principal terms and conditions of the 2017 Share Award Scheme were set out in the Company's announcements dated 18 December 2017 and 29 December 2017.

During the six months ended 30 June 2018, 14,650,000 ordinary shares of the Company have been acquired at an aggregate cost of approximately HK\$75,313,000 (equivalent to approximately RMB 63,375,000). A total of 14,650,000 ordinary shares of the Company were held by the trustee of the 2017 Share Award Scheme at 30 June 2018. The awarded shares shall be vested in the grantees provided that none of the performance evaluation rankings of the respective grantees during the vesting period is lower than specified level.

The Company has not awarded any shares under the 2017 Share Award Scheme since its adoption.

### 34. 關聯方披露

本集團期內與其關聯方進行以下重大交易：

#### (a) 與關聯方交易

### 34. RELATED PARTY DISCLOSURES

During the period, the Group entered into the following significant transactions with its related parties:

#### (a) Transactions with related parties

關聯方 Related party	交易性質 Nature of transaction	截至六月三十日止六個月 Six months ended 30 June	
		二零一八年 2018	二零一七年 2017
		人民幣千元 RMB'000	人民幣千元 RMB'000
		(未經審核) (unaudited)	(未經審核) (unaudited)
林中先生、林偉先生及 林峰先生控制的關聯公司 A related company controlled by Mr. Lin Zhong, Mr. Lin Wei & Mr. Lin Feng	租金收入 Rental income	1,143	1,143
聯營公司 Associates	公寓租賃及裝修服務收入 Apartment leasing and renovation services income 物業管理服務開支 Property management services expense 預製建築材料供應及相關施工與技術服務開支 Prefabricated construction materials supply and related installation and technical services expense 項目管理費用收入 Project management fee income	6,773 60,026 197 65,048	— 82,493 — 108,755
合營企業 Joint ventures	項目管理費用收入 Project management fee income	8,938	233,012

## 簡明綜合財務報表附註

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### 34. 關聯方披露(續)

#### (b) 應收(付)合營企業及聯營公司款項

### 34. RELATED PARTY DISCLOSURE (Continued)

#### (b) Amounts due from (to) joint ventures and associates

		於二零一八年 六月三十日 At 30 June 2018 人民幣千元 RMB'000 (未經審核) (unaudited)	於二零一七年 十二月三十一日 At 31 December 2017 人民幣千元 RMB'000 (經審核) (audited)
應收合營企業款項	Amounts due from joint ventures	15,398,403	8,308,615
應收聯營公司款項	Amounts due from associates	11,645,663	9,143,176
		27,044,066	17,451,791
應付合營企業款項	Amounts due to joint ventures	7,526,956	6,679,341
應付聯營公司款項	Amounts due to associates	6,489,007	4,062,261
		14,015,963	10,741,602

### 35. 金融工具的公平值計量

按經常性基準以公平值計量的本集團金融資產及負債的公平值

本集團的部分金融資產及負債按於各報告期末的公平值計量。下表提供有關如何釐定該等金融資產及負債公平值的資料(特別是所用的估值方法及輸入數據)，以及根據公平值計量輸入數據的可觀察程度而將公平值計量分類到所屬公平值架構級別(第一級至第三級)。

- 第一級公平值計量乃根據相同資產或負債於活躍市場中所報價格(未經調整)得出；

### 35. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;

## 35. 金融工具的公平值計量(續)

- 第二級公平值計量乃除第一級計入的報價外，根據資產或負債可直接(即價格)或間接(即自價格衍生)觀察的輸入數據得出；及
- 第三級公平值計量乃指由包含並非依據可觀察的市場數據的資產或負債的輸入數據(不可觀察輸入數據)的估值方法得出的公平值計量。

## 35. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

		於以下日期的公平值				
		Fair value as at				
		二零一八年 六月三十日 30 June 2018 人民幣千元 RMB'000	十二月 三十一日 31 December 2017 人民幣千元 RMB'000	公平值 等級 Fair value hierarchy	估值技術及 主要輸入數據 Valuation techniques and key inputs	
金融資產	Financial assets					
分類為按公平值計入損益的金融資產的無報價股本權益	Unquoted equity interests classified as financial assets at FVTPL	Assets	資產－			
－非上市私人基金	– unlisted private fund	206,000	–	第三級	成本法(附註) Level 3 Cost approach (note)	
－非上市股本投資	– unlisted equity investment	173,225	不適用 N/A	第二級	市場法－首次公開發售的發行價 Level 2 Market approach – Initial public offering issue price	
		379,225	不適用 N/A			
分類為按公平值計入其他全面收入的股本投資 (二零一七年十二月三十一日： 可供出售投資)	Equity investments classified as FVTOCI (31 December 2017: available-for-sale investments)	Assets	資產－			
－非上市股本投資	– unlisted equity investment	467,000	不適用 N/A	第三級	市場法－同業內可資比較公司的市 銷率及市盈率 Level 3 Market approach – Price-to-sale multiple and Price-to-earning multiples of comparable companies in the same industries	
				過往交易法	Prior transaction method	
－於中國上市的股本投資	– listed equity investments in PRC	138,750	138,750	第一級	大眾媒體可得的股本融資資料 Equity financing information from public media	
		605,750	138,750	Level 1	活躍市場所報買入價。 Quoted bid prices in an active market.	

附註：就屬按公平值計入損益的金融資產的非上市私人基金而言，考慮到該基金乃於二零一八年新設立，第三方合資格估值師行採用成本法，其中投資公平值與投資成本相若。

Note: For investment in unlisted private fund included in financial assets at FVTPL, considering the fund was newly set up in 2018, the third party qualified valuer adopted cost approach in which the fair value of the investment approximates the investment cost.

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**35. 金融工具的公平值計量(續)**

**35. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)**

金融資產 Financial assets	於以下日期的公平值 Fair value as at				
	二零一八年 六月三十日 30 June 2018 人民幣千元 RMB'000	十二月 三十一日 31 December 2017 人民幣千元 RMB'000	公平值 等級 Fair value hierarchy	估值技術及 主要輸入數據 Valuation techniques and key inputs	
分類為按公平值計入損益的 金融資產的股權投資 –在香港上市	Equity investments classified as financial assets at FVTPL – listed in HK	Assets 69,797	資產 – 70,741	第一級 活躍市場所報買入價。 Level 1 Quoted bid prices in an active market.	
–在中國上市	– listed in PRC	541,110	450,509		
		610,907	521,250		
分類為按公平值計入損益的 金融資產的物業項目投資	Investments in property projects classified as financial assets at FVTPL	Assets 794,187	資產 – 622,143	第三級 折現現金流量。未來現金流量根據 預期回報及合同投資成本進行估 計，並以反映各物業項目的內部 回報率的利率折現。 Discounted cash flow – Future cash flows are estimated based on expected return, and the contracted investment costs, discounted at a rate that reflects the internal rate of return of varies property projects.	

### 35. 金融工具的公平值計量(續)

### 35. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

		於以下日期的公平值			
		Fair value as at			
		二零一八年 六月三十日 30 June 2018 人民幣千元 RMB'000	十二月 三十一日 31 December 2017 人民幣千元 RMB'000	公平值 等級 Fair value hierarchy	估值技術及 主要輸入數據 Valuation techniques and key inputs
金融資產	Financial assets				
衍生金融工具－分類為按公平值計入損益的金融資產的外幣遠期合約	Derivative financial instruments – foreign currency forward contracts classified as financial assets at FVTPL				
可換股債券的衍生工具部分	Derivative component of convertible bonds				

**簡明綜合財務報表附註**  
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**35. 金融工具的公平值計量(續)**

除分別於附註25、26及27所披露具有公平值的優先票據、公司債券及可換股債券外，本集團管理層認為，簡明綜合財務報表中以攤銷成本入賬的其他金融資產及金融負債的賬面值與其於報告期末的公平值相若。

本集團以攤銷成本入賬的金融資產及金融負債的公平值乃根據按照折現現金流量分析建立的公認定價模式而釐定。

**36. 報告期末後事項**

於二零一八年八月八日，旭輝中國發行人民幣2,500,000,000元的公開發行公司債券(「第一批公司債券」，於上交所上市)。票息率定為每年5.46%，年期為三年。於發行後第二年年末，旭輝中國有權調整票息率，而投資者則可行使要求發行人購回第一批公司債券的選擇權。有關進一步詳情載於本公司日期為二零一八年七月四日及二零一八年八月十日的公告。

**35. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)**

Except for the senior notes, corporate bonds and convertible bonds with fair value as disclosed in notes 25, 26 and 27, respectively, the management of the Group consider that the carrying amounts of the other financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values at the end of the reporting period.

The fair value of financial assets and financial liabilities of the Group recorded at amortised cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

**36. EVENTS AFTER THE END OF THE REPORTING PERIOD**

On 8 August 2018, CIFI PRC issued public corporate bonds of RMB2,500,000,000 ("First Tranche Corporate Bonds") which are listed on the SSE. The coupon rate has been fixed at 5.46% per annum, with tenure of three years. At the end of second year after issue, CIFI PRC has the right to adjust the coupon rate, and investors can exercise an option to require the issuer to repurchase the First Tranche Corporate Bonds. Further details are set out in the Company's announcements dated 4 July 2018 and 10 August 2018.

# 獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

**Deloitte.**

**德勤**

致旭輝控股(集團)有限公司各股東  
(於開曼群島註冊成立的有限公司)

## 意見

本核數師(以下簡稱「吾等」)已審計載列於第170至399頁旭輝控股(集團)有限公司(「貴公司」)及其附屬公司(合稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一七年十二月三十一日的綜合財務狀況表、截至該日止年度的綜合損益及其他全面收益表、綜合股本權益變動表、綜合現金流量表以及綜合財務報表附註，包括主要會計政策概要。

吾等認為，該等綜合財務報表均已按照國際會計準則理事會頒佈的國際財務報告準則(「國際財務報告準則」)的規定真實而中肯地反映 貴集團於二零一七年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現和綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

## 意見的基礎

吾等已根據香港會計師公會(「香港會計師公會」)頒布的香港審計準則(「香港審計準則」)進行審核。吾等於該等準則下承擔的責任已在本報告「核數師就審核綜合財務報表須承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的專業會計師道德守則(以下簡稱「守則」)，吾等獨立於 貴集團，並已履行守則中的其他專業道德責任。吾等相信，吾等所獲得的審計憑證充足及適當地為吾等的審計意見提供基礎。

TO THE MEMBERS OF CIFI HOLDINGS (GROUP) CO. LTD.  
(incorporated in the Cayman Islands with limited liability)

## OPINION

We have audited the consolidated financial statements of CIFI Holdings (Group) Co. Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 170 to 399, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR OPINION

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

## 關鍵審計事項

關鍵事項是根據吾等的專業判斷，認為對吾等審核本期綜合財務報表最為重要的事項。這些事項是在吾等審計整體綜合財務報表及出具意見時進行處理的。吾等不會對這些事項提供單獨的意見。

## 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.

關鍵審核事項 Key audit matter	吾等於審核中處理關鍵審核事項的方法 How our audit addressed the key audit matter
<b>投資物業估值</b> Valuation of investment properties	
由於管理層釐定公平值時須作出判斷，吾等將投資物業估值釐定為關鍵審核事項。	吾等就投資物業估值的程序包括：
貴集團的投資物業指位於中華人民共和國（「中國」）的購物商場及辦公室單位，於二零一七年十二月三十一日的賬面值為人民幣14,402,000,000元，佔 貴集團總資產的9.5%。投資物業公平值變動人民幣658,000,000元已於截至該日止年度的綜合損益及其他全面收益表內確認。	<ul style="list-style-type: none"><li>• 評估估值師的資歷、能力和客觀性；</li><li>• 透過比較 貴集團及市場的特定資料，向管理層及估值師瞭解估值技術，並質疑估值師所用的估值技術及重大不可觀察輸入數據的合理性；</li><li>• 透過按抽樣形式將租金細節與相應現有租賃協議比較，評估管理層向估值師所提供之資料的可信性；及</li><li>• 重新對重大無法觀察輸入數據進行敏感度分析，以評估其浮動對投資物業公平值的影響。</li></ul>
We identified the valuation of investment properties as a key audit matter due to management's judgements associated with determining the fair value.	Our procedures in relation to the valuation of investment properties included:
The investment properties of the Group represented shopping malls and office units located in the People's Republic of China (the "PRC") and carried at RMB14,402 million as at 31 December 2017, which represented 9.5% of the Group's total assets. Change in fair value of investment properties of RMB658 million was recognised in the consolidated statement of profit or loss and other comprehensive income for the year then ended.	<ul style="list-style-type: none"><li>• Evaluating the Valuers' competence, capabilities and objectivity;</li><li>• Obtaining an understanding from the management and Valuers about the valuation techniques and challenging the valuation techniques and reasonableness of the significant unobservable inputs used by the Valuers by comparing to specific information of the Group and market;</li><li>• Assessing the integrity of information provided by the management to the Valuers by comparing details of rentals on a sample basis to the respective underlying existing lease agreements; and</li><li>• Reperforming sensitivity analysis on the significant unobservable inputs to evaluate the fluctuations of their impacts on the fair values of the investment properties.</li></ul>
All of the Group's investment properties are stated at fair value based on valuations performed by independent qualified professional valuers which are not connected with the Group (the "Valuers"). Details of the valuation techniques and significant unobservable inputs used in the valuations are disclosed in note 14 to the consolidated financial statements. The valuations of the completed investment properties are dependent on certain significant unobservable inputs which involve the management's judgements, including term yield, reversionary yield and market unit rental.	

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INDEPENDENT AUDITOR'S REPORT

關鍵審核事項 Key audit matter	吾等於審核中處理關鍵審核事項的方法 How our audit addressed the key audit matter
<b>擬作出售的開發中物業及持作出售物業的估值</b> Valuation of properties under development for sale and properties held for sale	吾等評估擬作出售的開發中物業及持作出售物業估值適當性的程序包括： <ul style="list-style-type: none"><li>根據吾等對 貴集團及合營企業業務及中國房地產行業的瞭解，透過將可變現淨值與相同項目或可資比較物業所達至最近期市價比較，評估管理層按抽樣形式釐定物業可變現淨值的合理性；及</li><li>參考 貴集團其他類似已竣工項目的實際開發成本，評估物業可變現淨值及竣工所需未來成本的估算的合理性。</li></ul>
由於可變現淨值（「可變現淨值」）涉及重大判斷及評估擬作出售的開發中物業（「擬作出售的開發中物業」）未來的完工成本，故吾等將 貴集團及合營企業擬作出售的開發中物業及持作出售物業（「持作出售物業」）（統稱「物業」）的估值釐定為關鍵審核事項。	
誠如財務狀況表所披露， 貴集團於二零一七年十二月三十一日擁有位於中國和香港擬作出售的開發中物業及持作出售物業分別總值人民幣34,603,000,000元及人民幣9,129,000,000元。此外，如綜合財務報表附註18所披露，合營企業於二零一七年十二月三十一日擁有位於中國和香港擬作出售的開發中物業及持作出售物業分別總值人民幣60,902,000,000元及人民幣1,165,000,000元。	
誠如綜合財務報表附註4所披露， 貴集團管理層藉參考物業估計市價釐定其可變現淨值，其中考慮多項因素，包括同一項目中同類物業或類似物業所達致的近期價格及中國房地產的當前市況，以及按當時市況銷售物業所產生成本。 倘物業可變現淨值低於其賬面值，則將物業賬面值將減至其可變現淨值。	
根據管理層對物業的可變現淨值分析，概無撇賬需要。	
We identified the valuation of the Group's and the joint ventures' properties under development for sale (the "PUD") and properties held for sale (the "PFS") (collectively referred to as the "Properties") as a key audit matter due to the significant judgements involved in the net realisable value ("NRV") and the estimation of future costs to completion of the PUD.	Our procedures in relation to assessing the appropriateness of the valuation of the PUD and PFS included: <ul style="list-style-type: none"><li>Assessing the reasonableness of the NRV of the Properties that determined by the management on a sample basis, by comparing the NRV to the latest market prices achieved in the same projects or by comparable properties, in accordance with our understanding of the Group's and joint ventures' business and the real estate industry in the PRC; and</li><li>Assessing the reasonableness of the estimation of the NRV and future cost to completion of the Properties by reference to the actual development cost of other similar completed projects of the Group.</li></ul>
As disclosed in the statement of financial position, the Group had PUD of RMB34,603 million and PFS of RMB9,129 million as at 31 December 2017, all of which are situated in the PRC and Hong Kong. In addition, as disclosed in note 18 to the consolidated financial statements, the joint ventures had PUD of RMB60,902 million and PFS of RMB1,165 million as at 31 December 2017, all of which are situated in the PRC and Hong Kong.	
As disclosed in note 4 to the consolidated financial statements, the management of the Group determined the NRV of the Properties by reference to the estimated market prices of the Properties, which takes into account a number of factors including recent prices achieved for similar property types in the same project or by similar properties, and the prevailing real estate market conditions in the PRC and the costs to be incurred in selling the properties based in prevailing market conditions.	
If the NRV of the Properties are found to be lower than their carrying amounts, the carrying amounts of the Properties are reduced to their NRV.	
Based on the management's analysis of the NRV of the Properties, no write-downs were considered to be necessary.	

關鍵審核事項 Key audit matter	吾等於審核中處理關鍵審核事項的方法 How our audit addressed the key audit matter
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### 銷售物業已確認收入

Revenue recognised from sales of properties

由於收入確認於數量上對綜合損益及其他全面收益表而言屬重大且於釐定銷售物業收入的適當確認點時涉及判斷，因此吾等將其釐定為關鍵審核事項。

於中國銷售物業的收入於向買家交付物業時及達成綜合財務報表附註3「收入確認」所披露的準則時確認。誠如綜合財務報表附註5所披露，截至二零一七年十二月三十一日止年度， 貴集團確認銷售物業收入人民幣30,295,000,000元。

We identified revenue recognised from sales of properties as a key audit matter as it is quantitatively significant to the consolidated statement of profit or loss and other comprehensive income and there is judgement involved in determining the appropriate point at which to recognise revenue from sales of properties.

Revenue from sales of properties in the PRC is recognised upon delivering of the properties to buyers and when the criteria as disclosed in note 3 “Revenue recognition” to the consolidated financial statements are satisfied. The Group recognised revenue of RMB30,295 million from sales of properties for the year ended 31 December 2017 as disclosed in note 5 to the consolidated financial statements.

吾等有關銷售物業已確認收入的程序包括：

- 瞭解並測試管理層對向買方交付物業程序的控制；及
- 以抽樣形式評估買賣協議中列明的條款，並取得 貴集團向買家發出的交付通知以評估物業擁有權的重大風險及回報是否已轉移至買家。

Our procedures in relation to revenue recognised from sales of properties included:

- Obtaining an understanding of and testing the management's control over the process of properties delivery to buyers; and
- Assessing the terms stated in the sales and purchase agreements, on a sample basis, and obtaining the delivery notices issued by the Group to the buyers to assess whether the significant risks and rewards of ownership of the properties are transferred to buyers.

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INDEPENDENT AUDITOR'S REPORT

關鍵審核事項 Key audit matter	吾等於審核中處理關鍵審核事項的方法 How our audit addressed the key audit matter
<p><b>土地增值稅計算的準確性</b> Accuracy of land appreciation tax calculations</p> <p>由於估計 貴集團就各物業開發項目應付土地增值稅金額時須作出主要判斷，因此吾等將中國土地增值稅計算的準確性釐定為關鍵審核事項。</p> <p>當物業交付予買家且確認收入時將產生中國土地增值稅。誠如綜合財務報表附註9所披露，截至二零一七年十二月三十一日止年度，於綜合損益及其他全面收益表確認土地增值稅人民幣2,124,000,000元。誠如綜合財務報表附註4所披露，土地增值稅的計算與所使用根據土地增值金額釐定的比率的適當性高度相關。土地增值金額由估計銷售收入所得減去相關可扣除支出(包括土地成本及估計建造成本)釐定。</p> <p>We identified the accuracy of land appreciation tax ("LAT") calculations in the PRC as a key audit matter since significant judgement is required in estimating the amount of LAT to be paid by the Group within each of the property development projects.</p> <p>LAT arises in the PRC when properties are delivered to the buyers and revenue is recognised. As disclosed in note 9 to the consolidated financial statements, LAT amounted to RMB2,124 million is recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2017. As disclosed in note 4 to the consolidated financial statements, the LAT calculations are highly dependent on the appropriateness of the rates used, which are determined by the amount of the land appreciation. The amount of the land appreciation is determined by subtracting the related deductible expenditures, including the cost of land and estimated construction costs, from the estimates of sales revenue.</p>	<p>吾等有關土地增值稅計算準確性的程序包括：</p> <ul style="list-style-type: none"><li>• 比較相關可扣除支出及最近期項目產生的預算成本，評估土地增值稅計算所使用輸入數據的合理性；</li><li>• 透過比較管理層於過往期間所作出的判斷與實際結果，評估彼等於估計土地增值金額及土地增值稅費用率時所採用的判斷；及</li><li>• 委任本所稅務專家按抽樣形式對物業開發項目評估土地增值金額的準確性，並與中國國家稅務總局所公佈土地增值稅費用率進行比較，以評估各物業開發項目所使用土地增值稅費用率的合理性。</li></ul> <p>Our procedures in relation to the accuracy of LAT calculations included:</p> <ul style="list-style-type: none"><li>• Assessing the reasonableness of the input used in the LAT calculation by comparing the related deductible expenditure with the latest budgeted cost incurred for the projects;</li><li>• Assessing the judgements adopted by the management in estimating the land appreciation amount and the LAT charge rate by comparing their judgements made in previous periods to actual results; and</li><li>• Involving our tax experts to assess the accuracy of the land appreciation amount of property development projects on a sample basis, and to assess the reasonableness of the LAT charge rate used for each of the property development projects by comparing it to the LAT charge rate announced by the State Administration of Taxation in the PRC.</li></ul>

## 其他信息

貴公司董事須對其他信息負責。其他信息包括年度報告書內的信息，但不包括綜合財務報表及吾等就此發出的核數師報告。

吾等對綜合財務報表的意見並不涵蓋其他信息，吾等亦不對其他信息發表任何形式的核證結論。

就吾等對綜合財務報表的審計而言，吾等的責任是閱讀其他信息，從而考慮其他信息是否與綜合財務報表或吾等在審計過程中所瞭解的情況存在重大不符，或似存在重大錯誤陳述。基於吾等已執行的工作，倘吾等認為該其他信息存在重大錯誤陳述，則吾等需要報告該事實。吾等就此並無須報告事項。

## 董事及管治層就綜合財務報表須承擔的責任

貴公司董事須負責根據國際財務報告準則及香港公司條例的披露規定擬備真實且中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

管治層須負責監督 貴集團的財務報告過程。

## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

**獨立核數師報告**  
INDEPENDENT AUDITOR'S REPORT

**核數師就審核綜合財務報表須承擔的責任**

吾等的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得的合理保證，並根據協定的委聘條款僅向閣下（作為整體）出具包括吾等意見的核數師報告，除此之外本報告別無其他目的。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引致，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴該等綜合財務報表作出的經濟決定，則有關錯誤陳述可被視作重大。

根據香港審計準則進行審計的過程中，吾等運用了專業判斷，保持了專業懷疑態度。吾等亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表出現重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致重大錯誤陳述的風險高於未能發現因錯誤而導致重大錯誤陳述的風險。
- 了解與審計相關的內部監控，以設計適當的審計程序，但目的並非對貴集團內部監控的有效性發表意見。
- 評價董事所採用會計政策的恰當性及所作會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴公司的持續經營能力產生重大疑慮。如果吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關披露不足，則吾等應當發表非無保留意見。吾等的結論乃基於核數師報告日期止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

**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 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.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism 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.

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映有關交易和事項。
- 就 貴集團內實體或業務活動的財務資料獲取充分、適當的審核憑證，以對綜合財務報表發表意見。吾等負責指導、監督和執行 貴集團的審核。吾等對審核意見承擔全部責任。

除其他事項外，吾等與管治層溝通了計劃的審計範圍、時間安排及重大審計發現等，包括吾等於審計中識別出內部監控的任何重大缺陷。

吾等還向管治層提交聲明，說明吾等已符合有關獨立性的相關專業道德要求，並與他們溝通有合理地被認為會影響吾等獨立性的關係及其他事項，以及在適用的情況下的相關防範措施。

從與管治層溝通的事項中，吾等確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審核事項。吾等在核數師報告中描述這些事項，除非法律或法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在吾等報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

本獨立核數師報告的審核項目合夥人為羅遠江。

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Law Yuen Kong.

**德勤・關黃陳方會計師行**  
執業會計師  
香港

二零一八年三月十四日

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong

14 March 2018

# 綜合損益及其他全面收益表

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

截至二零一七年十二月三十一日止年度 For the year ended 31 December 2017

		附註 NOTES	二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
<b>收入</b>	<b>Revenue</b>	5	31,824,288	22,224,447
銷售及服務成本	Cost of sales and services		(23,202,799)	(16,578,838)
<b>毛利</b>	<b>Gross profit</b>		8,621,489	5,645,609
其他收入、收益及虧損	Other income, gains and losses	7	795,935	161,834
投資物業公平值變動	Change in fair value of investment properties		657,791	(100,433)
營銷及市場推廣開支	Selling and marketing expenses		(609,505)	(524,456)
行政開支	Administrative expenses		(1,267,838)	(878,878)
應佔合營企業業績	Share of results of joint ventures		1,405,864	1,007,416
應佔聯營公司業績	Share of results of associates		699,766	55,324
融資成本	Finance costs	8	(262,340)	(529,651)
<b>除稅前利潤</b>	<b>Profit before taxation</b>		10,041,162	4,836,765
<b>所得稅開支</b>	<b>Income tax expense</b>	9	(3,892,645)	(1,672,390)
<b>年內利潤及全面收入總額</b>	<b>Profit and total comprehensive income for the year</b>	10	6,148,517	3,164,375
以下各項應佔：	Attributable to:			
本公司股東權益	Equity owners of the Company		4,828,105	2,807,549
非控股權益	Non-controlling interests		1,320,412	356,826
<b>年內利潤及全面收入總額</b>	<b>Profit and total comprehensive income for the year</b>		6,148,517	3,164,375
<b>每股盈利(人民幣元)：</b>	<b>Earnings per share, in RMB:</b>			
<b>基本</b>	<b>Basic</b>	13	0.68	0.42
<b>攤薄</b>	<b>Diluted</b>	13	0.66	0.42

# 綜合財務狀況表

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零一七年十二月三十一日 At 31 December 2017

		附註 NOTES	二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
<b>非流動資產</b>	<b>NON-CURRENT ASSETS</b>			
投資物業	Investment properties	14	14,402,350	5,773,100
物業、廠房及設備	Property, plant and equipment	15	84,981	75,783
預付租賃款項	Prepaid lease payments	16	32,742	32,742
於聯營公司的權益	Interests in associates	17	2,823,602	1,334,453
於合營企業的權益	Interests in joint ventures	18	5,802,549	7,504,466
於房地產項目的投資	Investments in property projects	19	622,143	529,225
可供出售投資	Available-for-sale investments	20	623,630	740,976
衍生金融工具	Derivative financial instruments	21	–	314,768
遞延稅項資產	Deferred taxation assets	37	502,637	319,795
就收購股權已付的按金	Deposits paid for acquisitions of equity interests	22	641,496	622,213
長期保證金	Long-term deposit	23	150,000	300,000
			25,686,130	17,547,521
<b>流動資產</b>	<b>CURRENT ASSETS</b>			
持作出售物業	Properties held for sale	24	9,128,504	6,829,221
擬作出售的開發中物業	Properties under development for sale	25	34,603,171	21,254,355
應收賬款及其他應收款項、 按金及預付款項	Accounts and other receivables, deposits and prepayments	26	10,807,957	9,625,149
應收非控股權益款項	Amounts due from non-controlling interests	27	10,337,802	2,387,678
應收合營企業及聯營公司的 款項	Amounts due from joint ventures and associates	28	17,451,791	4,620,932
持作出售物業土地使用權按金	Deposits for land use rights for properties held for sale		12,409,188	4,373,075
可收回稅項	Taxation recoverable		1,024,871	812,197
按公平值計入損益的金融資產	Financial assets at fair value through profit or loss ("FVTPL")	29	521,250	352,829
已質押銀行存款	Pledged bank deposits	30	–	348,855
銀行結餘及現金	Bank balances and cash	30	29,786,870	20,328,397
			126,071,404	70,932,688
<b>流動負債</b>	<b>CURRENT LIABILITIES</b>			
應付賬款及其他應付款項以及 應計開支	Accounts and other payables and accrued charges	31	13,602,467	7,854,327
已收物業銷售按金	Deposits received from property sales		25,548,720	15,391,289
應付非控股權益款項	Amounts due to non-controlling interests	27	12,842,576	965,649
應付合營企業及聯營公司的款 項	Amounts due to joint ventures and associates	28	10,741,602	14,419,441
應付稅項	Taxation payable		4,295,642	1,838,829
銀行及其他借款(於一年內 到期)	Bank and other borrowings – due within one year	32	6,727,108	2,367,536
公司債券(於一年內到期)	Corporate bonds – due within one year	34	5,093,233	2,088,970
衍生金融工具	Derivative financial instruments	21	333,193	–
			79,184,541	44,926,041
<b>流動資產淨值</b>	<b>NET CURRENT ASSETS</b>		46,886,863	26,006,647
<b>總資產減流動負債</b>	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		72,572,993	43,554,168

## 綜合財務狀況表

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零一七年十二月三十一日 At 31 December 2017

			二零一七年 2017	二零一六年 2016
		附註 NOTES	人民幣千元 RMB'000	人民幣千元 RMB'000
<b>資本及儲備</b>	<b>CAPITAL AND RESERVES</b>			
股本	Share capital	36	611,951	542,797
儲備	Reserves		20,291,647	14,437,365
本公司股東權益	Equity attributable to equity owners			
應佔股本權益	of the Company		20,903,598	14,980,162
永久資本工具	Perpetual capital instruments	35	3,847,932	–
非控股權益	Non-controlling interests		9,518,610	2,302,851
<b>股本權益總額</b>	<b>TOTAL EQUITY</b>		<b>34,270,140</b>	<b>17,283,013</b>
<b>非流動負債</b>	<b>NON-CURRENT LIABILITIES</b>			
銀行及其他借款(於一年後到期)	Bank and other borrowings – due after one year	32	26,385,907	11,199,111
優先票據	Senior notes	33	4,498,124	5,683,011
公司債券(於一年後到期)	Corporate bonds – due after one year	34	4,534,737	8,052,498
遞延稅項負債	Deferred taxation liabilities	37	2,884,085	1,336,535
			<b>38,302,853</b>	<b>26,271,155</b>
			<b>72,572,993</b>	<b>43,554,168</b>

第170至399頁的綜合財務報表已於二零一八年三月十四日獲董事會批准及授權刊發，並由下列人士代表簽署：

The consolidated financial statements on pages 170 to 399 were approved and authorised for issue by the Board of directors on 14 March 2018 and are signed on its behalf by:

林中  
董事

林峰  
董事

LIN ZHONG  
DIRECTOR

LIN FENG  
DIRECTOR

# 綜合股本權益變動表

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二零一七年十二月三十一日止年度 For the year ended 31 December 2017

本公司股東權益應佔 Attributable to equity owners of the Company												
	股本 Share capital 人民幣千元 RMB'000	股份溢價 Share premium 人民幣千元 RMB'000	其他儲備 Special reserve 人民幣千元 RMB'000	法定 盈餘儲備 Statutory surplus reserve 人民幣千元 RMB'000	購股權儲備 Share option reserve 人民幣千元 RMB'000	出資儲備 Capital contribution reserve 人民幣千元 RMB'000	保留利潤 Retained profits 人民幣千元 RMB'000	小計 Subtotal 人民幣千元 RMB'000	永久 資本工具 Perpetual capital instruments 人民幣千元 RMB'000	非控股權益 Non-controlling interests 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000	
於二零一六年一月一日	At 1 January 2016	537,157	1,256,083	202,284	845,060	143,625	39,440	9,803,448	12,827,097	-	2,456,065	15,283,162
年內利潤及全面收入總額	Profit and total comprehensive income for the year	-	-	-	-	-	-	2,807,549	2,807,549	-	356,826	3,164,375
轉撥至儲備	Appropriations to reserve	-	-	-	183,864	-	-	(183,864)	-	-	-	-
非控股權益出資	Capital contributions from non-controlling interests	-	-	-	-	-	-	-	-	-	64,900	64,900
收購附屬公司(附註38)	Acquisitions of subsidiaries (note 38)	-	-	-	-	-	-	-	-	-	89,267	89,267
收購非控股權益附屬公司	Acquisition of additional interests in subsidiaries from non-controlling interests	-	-	19,586	-	-	-	19,586	-	(80,164)	(60,578)	
額外權益	Disposal of partial interest in subsidiaries to non-controlling interests	-	-	29,858	-	-	-	29,858	-	16,142	46,000	
向非控股權益出售附屬公司	Deregistration of a subsidiary	-	-	-	-	-	-	-	-	-	2,065	2,065
部分權益	Recognition of equity-settled share-based payments	-	-	-	-	47,971	-	47,971	-	-	47,971	
一間附屬公司撤銷註冊	Issue of shares upon exercise of share options (note 36)	4,073	79,708	-	-	(17,846)	-	-	65,935	-	-	65,935
確認以股本權益結算並以股份付款	Issue of shares for scrip dividend (note 36)	3,384	56,445	-	-	-	-	-	59,829	-	-	59,829
行使購股權時發行股份	Cancelled upon repurchase of shares (note 36)	(1,817)	(21,517)	-	-	-	-	-	(23,334)	-	-	(23,334)
(附註36)	Dividend declared (note 12)	-	(854,329)	-	-	-	-	-	(854,329)	-	-	(854,329)
就以股代息發行股份(附註36)	Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(602,250)	(602,250)	
收回股份時註銷(附註36)												
已宣派股息(附註12)												
派發予非控股權益的股息												
於二零一六年十二月三十一日	At 31 December 2016	542,797	516,390	251,728	1,028,924	173,750	39,440	12,427,133	14,980,162	-	2,302,851	17,283,013
年內利潤及全面收入總額	Profit and total comprehensive income for the year	-	-	-	-	-	-	4,828,105	4,828,105	-	1,320,412	6,148,517
轉撥至儲備	Appropriations to reserve	-	-	-	461,951	-	-	(461,951)	-	-	-	-
非控股權益出資	Capital contributions from non-controlling interests	-	-	-	-	-	-	-	-	-	220,100	220,100
收購附屬公司(附註38)	Acquisitions of subsidiaries (note 38)	-	-	-	-	-	-	-	-	-	5,597,525	5,597,525
收購非控股權益附屬公司	Acquisition of additional interests in subsidiaries from non-controlling interests (note a)	-	-	(87,449)	-	-	-	(87,449)	-	(29,751)	(117,200)	
額外權益(附註a)	Disposal of partial interests in subsidiaries to non-controlling interests (note 51)	-	-	5,728	-	-	-	5,728	-	118,273	124,001	
向非控股權益出售附屬公司	Recognition of equity-settled share-based payments	-	-	-	-	34,775	-	34,775	-	-	34,775	
部分權益(附註51)	Issue of shares upon exercise of share options (note 36)	12,161	249,761	-	-	(63,835)	-	-	198,087	-	-	198,087
確認以股本權益結算並以股份付款	Issue of shares for scrip dividend (note 36)	152	4,371	-	-	-	-	-	4,523	-	-	4,523
行使購股權時發行股份	Dividend declared (note 12)	-	-	-	-	-	-	(1,085,886)	(1,085,886)	-	-	(1,085,886)
(附註36)	Placing of shares	56,841	1,968,712	-	-	-	-	-	2,025,553	-	-	2,025,553
就以股代息發行股份(附註36)	Issue of perpetual capital instruments (note 35)	-	-	-	-	-	-	-	-	3,902,108	-	3,902,108
已宣派股息(附註12)	Transaction costs attributable to issue of perpetual capital instruments (note 35)	-	-	-	-	-	-	-	-	(54,176)	-	(54,176)
配售股份	Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(10,800)	(10,800)
發行永久資本工具(附註35)												
發行永久資本工具應佔的交易成本(附註35)												
派發予非控股權益的股息												
於二零一七年十二月三十一日	At 31 December 2017	611,951	2,739,234	170,007	1,490,875	144,690	39,440	15,707,401	20,903,598	3,847,932	9,518,610	34,270,140

附註：

- a) 於二零一七年三月九日，旭輝控股(集團)有限公司及其附屬公司(「本集團」)以代價人民幣117,200,000元向非控股股東收購合肥旭遠房地產開發有限公司(「合肥旭遠」)額外37%股權。於上述收購完成後，本集團持有合肥旭遠100%股本權益。
- b) 根據於中華人民共和國(「中國」)成立的所有附屬公司的組織章程細則，該等附屬公司須轉撥5%至10%除稅後利潤至法定盈餘儲備，直至該儲備達到註冊資本的50%。轉撥至此儲備須於向股本權益持有人分派股息前作出。法定盈餘儲備可用作彌補過往年度的虧損、擴充現時經營的業務或轉換為附屬公司的額外資本。
- a) On 9 March 2017, CIFI Holdings (Group) Co. Ltd. and its subsidiaries (the "Group") acquired additional 37% equity interest in Hefei Xuyuan Property Development Co., Ltd. (合肥旭遠房地產開發有限公司) ("Hefei Xuyuan") from the non-controlling shareholder at a consideration of RMB117,200,000. Upon completion of the aforesaid acquisition, the Group holds 100% equity interest in Hefei Xuyuan.
- b) In accordance with the Articles of Association of all subsidiaries established in the People's Republic of China ("PRC"), those subsidiaries are required to transfer 5% to 10% of the profit after taxation to the statutory surplus reserve until the reserve reaches 50% of the registered capital. Transfer to reserve must be made before the distribution of dividends to equity holders. The statutory surplus reserve can be used to make up for previous years' losses, expand the existing operations or convert into additional capital of the subsidiaries.

# 綜合現金流量表

## CONSOLIDATED STATEMENT OF CASH FLOWS

截至二零一七年十二月三十一日止年度 For the year ended 31 December 2017

		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
<b>經營活動</b>	<b>OPERATING ACTIVITIES</b>		
除稅前利潤	Profit before taxation	10,041,162	4,836,765
就以下各項作出調整：	Adjustments for:		
融資成本	Finance costs	262,340	529,651
撥回呆賬撥備	Write-back of allowance for doubtful debts	(746)	(2,598)
物業、廠房及設備折舊	Depreciation of property, plant and equipment	17,394	15,950
衍生金融工具公平值變動	Change in fair value of derivative financial instruments	538,733	(314,768)
按公平值計入損益的金融資產	Change in fair value of financial assets at FVTPL	94,726	(33,356)
公平值變動	(Increase) decrease in fair value of investment properties	(657,791)	100,433
投資物業的公平值(增加)減少	Gain on remeasurement	(574,305)	(38,283)
重新計量收益	Gain from business combinations	(200,030)	(33,867)
業務合併的收益	(Gain) loss on disposal of subsidiaries	(34,675)	4,242
出售附屬公司(收益)虧損	(Gain) loss on deemed disposal of subsidiaries	(1,206)	211
視作出售附屬公司(收益)虧損	Gain on disposal of property, plant and equipment, net	(8,285)	(219)
出售物業、廠房及設備的收益淨額	Loss on early redemption of senior notes	118,464	182,263
提早贖回優先票據虧損	Share of results of joint ventures	(1,405,864)	(1,007,416)
應佔合營企業業績	Share of results of associates	(699,766)	(55,324)
應佔聯營公司業績	Interest income	(372,244)	(232,184)
利息收入	Change in fair value of investments in property projects	(144,699)	-
於房地產項目的投資的公平值變動	Dividend income from FVTPL	(11,284)	-
按公平值計入損益的股息收入	Recognition of equity-settled share-based payments	34,775	47,971
確認以股本權益結算並以股份付款	Net foreign exchange (gain) loss	(133,511)	459,657
營運資金變動前經營現金流量	Operating cash flows before movements in working capital	6,863,188	4,459,128
持作出售物業減少	Decrease in properties held for sale	21,284,464	15,455,399
擬作出售的開發中物業增加	Increase in properties under development for sale	(17,538,539)	(11,658,253)
應收賬款及其他應收款項、	Decrease (increase) in accounts and other receivables,		
按金及預付款項減少(增加)	deposits and prepayments	1,766,392	(3,428,844)
持作出售物業土地使用權按金增加	Increase in deposits for land use rights for properties held		
	for sale	(11,505,937)	(4,238,075)
按公平值計入損益的金融資產增加	Increase in financial assets at FVTPL	(263,147)	(319,473)
應付賬款及應計開支增加	Increase in accounts and other payables and accrued charges	5,336,113	393,852
已收物業銷售按金增加	Increase in deposits received from property sales	1,342,206	4,665,374
經營所得現金	Cash generated from operations	7,284,740	5,329,108
已付中國所得稅	PRC income tax paid	(1,688,498)	(1,412,737)
<b>經營活動所得現金淨額</b>	<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>5,596,242</b>	<b>3,916,371</b>

		附註 NOTES	二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
<b>投資活動</b>	<b>INVESTING ACTIVITIES</b>			
就收購股權支付的按金	Deposits paid for acquisitions of equity interests		(500,000)	(622,213)
向合營企業墊款	Advances to joint ventures		(8,214,415)	(2,488,198)
合營企業還款	Repayment from joint ventures		2,707,245	1,481,955
向聯營公司墊款	Advances to associates		(7,794,521)	(1,244,663)
聯營公司還款	Repayment from associates		470,832	236,690
向非控股權益墊款	Advances to non-controlling interests		(5,012,185)	(2,075,345)
非控股權益還款	Repayment from non-controlling interests		1,105,526	519,006
添置投資物業	Additions to investment properties		(1,371,722)	(31,233)
購買物業、廠房及設備	Purchase of property, plant and equipment		(43,913)	(49,642)
出售物業、廠房及設備所得款項	Proceeds from disposal of property, plant and equipment		26,725	3,641
收購附屬公司現金流出淨額	Net cash outflow from acquisitions of subsidiaries	38	(118,448)	(639,678)
視作出售附屬公司現金流出淨額	Net cash outflow from deemed disposal of subsidiaries	39	(11,419)	(5,549)
出售附屬公司現金流入淨額	Net cash inflow from disposal of subsidiaries	39	175,000	61,300
配售已質押銀行存款	Placement of pledged bank deposits		–	(348,855)
提取已質押銀行存款	Withdrawal of pledged bank deposits		348,855	31,500
向合營企業注入資本	Capital injection into joint ventures		(1,279,466)	(64,439)
向聯營公司注入資本	Capital injection into associates		(824,571)	(312,188)
購買可供出售投資	Purchase of available-for-sale investments		(84,727)	(686,953)
出售可供出售投資所得款項	Proceeds from disposal of available-for-sale investments		202,073	–
按公平值計入損益所收取的股息	Dividends received from FVTPL		11,284	–
已收利息	Interest received		372,244	232,184
新增投資物業項目	Addition to investments in property projects		(517,717)	(529,225)
投資物業項目回報	Return from investments in property projects		551,596	–
<b>投資活動所用現金淨額</b>	<b>NET CASH USED IN INVESTING ACTIVITIES</b>		(19,801,724)	(6,531,905)
<b>融資活動</b>	<b>FINANCING ACTIVITIES</b>			
合營企業墊款	Advances from joint ventures		4,424,060	5,511,964
向合營企業還款	Repayment to joint ventures		(5,750,674)	(1,999,913)
聯營公司的墊款	Advances from associates		2,168,496	4,002,328
向聯營公司還款	Repayment to associates		(4,470,793)	–
非控股權益的墊款	Advances from non-controlling interests		11,396,689	578,965
向非控股權益還款	Repayment to non-controlling interests		(677,157)	(687,276)
收購非控股權益附屬公司額外權益	Acquisition of additional interests in subsidiaries from non-controlling interests		(117,200)	(60,578)
新增銀行及其他借款	New bank and other borrowings raised		22,433,299	11,706,426
償還銀行及其他借款	Repayment of bank and other borrowings		(7,584,491)	(10,885,682)
發行優先票據及公司債券	Net proceeds from issue of senior notes and corporate bonds		1,864,953	5,971,741
所得款項淨額	Repayment of senior notes		(2,755,417)	(3,239,635)
償還優先票據	Redemption of corporate bonds		(500,000)	–
贖回公司債券	Interest paid		(2,186,761)	(1,666,269)
已付利息	Receipt from derivative financial instruments		120,539	–
衍生金融工具收入	Proceeds from disposal of partial interests in subsidiaries to non-controlling interests		124,001	46,000
向非控股權益出售附屬公司部分權益的所得款項	Issue of perpetual capital instruments		3,902,108	–
發行永久資本工具	Transaction costs attributable to issue of perpetual capital instruments		(54,176)	–
發行永久資本工具應佔的交易成本	Capital contributions from non-controlling interests		220,100	64,900
非控股權益注資	Net proceeds from placing of shares		2,025,553	–
配售股份所得款項淨額	Proceed from exercise of share options		198,087	65,935
行使購股權所得款項	Payment on repurchase of shares		–	(23,334)
贖回股份款項	Dividend paid to non-controlling interests		(10,800)	(602,250)
派發予非控股權益的股息	Dividend paid		(1,081,363)	(794,500)
已付股息				

**綜合現金流量表**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

截至二零一七年十二月三十一日止年度 For the year ended 31 December 2017

		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
<b>融資活動所得現金淨額</b>	<b>NET CASH FROM FINANCING ACTIVITIES</b>	23,689,053	7,988,822
<b>現金及現金等價物增加淨額</b>	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	9,483,571	5,373,288
<b>年初現金及現金等價物</b>	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	20,328,397	14,873,736
外匯影響	Effect of foreign exchanges	(25,098)	81,373
<b>年末現金及現金等價物</b>	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	29,786,870	20,328,397
<b>現金及現金等價物結餘分析</b>	<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
銀行結餘及現金	Bank balances and cash	29,786,870	20,328,397

# 綜合財務報表附註

## Notes to the Consolidated Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31 December 2017

### 1. 一般資料

旭輝控股(集團)有限公司(「本公司」)乃於開曼群島註冊成立的公眾有限公司及其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司的註冊辦事處地址及主要營業地點於年報內公司資料一節披露。

本公司為投資控股公司。其附屬公司的主要業務詳情載於附註51。

綜合財務報表乃以本公司的功能貨幣人民幣(「人民幣」)呈列。

### 2. 應用新訂國際財務報告準則及國際財務報告準則修訂本

於本年度強制生效的國際財務報告準則修訂本

本集團已於本年度首次應用以下由國際會計準則理事會(「國際會計準則理事會」)所頒佈國際財務報告準則的修訂本：

國際會計準則第7號 (修訂本)	披露計劃
國際會計準則第12號 (修訂本)	就未變現虧損確認遞延 稅項資產
國際財務報告準則第12號 (修訂本)	作為二零一四年至二零 一六年期間國際財務 報告準則年度改善的 一部分

除下文所述者外，於本年度應用國際財務報告準則修訂本並無對本集團於本年度及過往年度的財務表現與狀況及／或對該等綜合財務報表所載的披露構成重大影響。

### 1. GENERAL

CIFI Holdings (Group) Co. Ltd. (the "Company") is a public limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company acts as an investment holding company. Details of the principal activities of its subsidiaries are set out in note 51.

The consolidated financial statements are presented in Renminbi ("RMB"), which is the functional currency of the Company.

### 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Amendments to IFRSs that are mandatorily effective for the current year

The Group had applied the following amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time in the current year:

Amendments to IAS 7	Disclosure Initiative
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to IFRS 12	As part of the Annual Improvements to IFRSs 2014–2016 Cycle

Except as described as below, the application of the amendments to IFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 2. 應用新訂國際財務報告準則及國際財務報告準則修訂本 (續)

#### 國際會計準則第7號披露計劃的修訂

本集團已於本年度首次應用該等修訂。該等修訂要求實體提供披露，讓財務報表用家能夠評估因融資活動(包括現金及非現金變動)所產生的負債變動。此外，該等修訂亦要求在該等財務資產的現金流會或未來現金流將會計入融資活動現金流量的情況下，披露財務資產的變動。

具體而言，該等修訂要求披露以下事項：  
(i)融資現金流量變動；(ii)因取得或失去附屬公司或其他業務控制權而產生的變動；(iii)外匯匯率變動的影響；(iv)公平值變動；及(v)其他變動。

該等項目的期初及期末結餘之間的對賬載於附註46。為符合該等修訂的過渡條文，本集團尚未披露過往年齡的比較資料。除於附註46所載的額外披露外，應用該等修訂對本集團的綜合財務報表並無影響。

### 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) *(Continued)*

#### Amendments to IAS 7 Disclosure Initiative

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

A reconciliation between the opening and closing balances of these items is provided in note 46. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note 46, the application of these amendments has had no impact on the Group’s consolidated financial statements.

## 2. 應用新訂國際財務報告準則及國際財務報告準則修訂本

(續)

已頒佈但尚未生效的新訂及經修訂國際財務報告準則

本集團並無提早採納下列已頒佈但尚未生效的新訂及經修訂國際財務報告準則。

國際財務報告準則第9號	金融工具 <sup>1</sup>
國際財務報告準則第15號	來自客戶合約的收入及相關修訂本 <sup>1</sup>
國際財務報告準則第16號	租賃 <sup>2</sup>
國際財務報告準則第17號	保險合約 <sup>4</sup>
國際財務報告詮釋 委員會詮釋第22號	外幣交易及預付代價 <sup>1</sup>
國際財務報告詮釋 委員會詮釋第23號	所得稅處理的不確定性 <sup>2</sup>
國際財務報告準則 第2號(修訂本)	以股份為基礎付款交易的分類及計量 <sup>1</sup>
國際財務報告準則 第4號(修訂本)	應用國際財務報告準則 第9號金融工具及國際 財務報告準則第4號 保險合約 <sup>1</sup>
國際財務報告準則 第9號(修訂本)	附帶負補償的預付款項 <sup>2</sup>
國際財務報告準則 第10號及國際會計 準則第28號(修訂本)	投資者與其聯營公司或 合營企業之間的資產 出售或注資 <sup>3</sup>
國際會計準則第19號 (修訂本)	計劃修訂、縮減或結算 <sup>2</sup>
國際會計準則第28號 (修訂本)	於聯營公司或合營企業的 長期權益 <sup>2</sup>
國際會計準則第28號 (修訂本)	作為二零一四年至二零 一六年期間國際財務 報告準則年度改善的 一部分 <sup>1</sup>
國際會計準則第40號 (修訂本)	轉讓投資物業 <sup>1</sup>
國際財務報告準則 (修訂本)	二零一五年至二零一七年 期間國際財務報告準則 年度改善 <sup>2</sup>

## 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(Continued)*

New and revised IFRSs in issue but not yet effective

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial Instruments <sup>1</sup>
IFRS 15	Revenue from Contracts with Customers and the related Amendments <sup>1</sup>
IFRS 16	Leases <sup>2</sup>
IFRS 17	Insurance Contracts <sup>4</sup>
IFRIC 22	Foreign Currency Transactions and Advance Consideration <sup>1</sup>
IFRIC 23	Uncertainty over Income Tax Treatments <sup>2</sup>
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions <sup>1</sup>
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts <sup>1</sup>
Amendments to IFRS 9	Prepayment Features with Negative Compensation <sup>2</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement <sup>2</sup>
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures <sup>2</sup>
Amendments to IAS 28	As part of the Annual Improvements to IFRSs 2014 - 2016 Cycle <sup>1</sup>
Amendments to IAS 40	Transfers of Investment Property <sup>1</sup>
Amendments to IFRSs	Annual Improvements to IFRSs 2015 - 2017 Cycle <sup>2</sup>

<sup>1</sup> 於二零一八年一月一日或其後開始的年度期間生效。

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2018.

<sup>2</sup> 於二零一九年一月一日或其後開始的年度期間生效。

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2019.

<sup>3</sup> 於將予釐定的日期或之後開始的年度期間生效。

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>4</sup> 於二零二一年一月一日或其後開始的年度期間生效。

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2021.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 2. 應用新訂國際財務報告準則及國際財務報告準則修訂本 (續)

已頒佈但尚未生效的新訂及經修訂國際財務報告準則(續)

國際財務報告準則第9號「金融工具」

國際財務報告準則第9號引入金融資產、金融負債以及金融資產的一般對沖會計處理及減值分類及計量的新要求。

其中有關本集團國際財務報告準則第9號的主要規定如下：

- 所有屬國際財務報告準則第9號範疇內的已確認金融資產其後須按攤銷成本或公平值計量。具體而言，於目的為收回合約現金流量的業務模式中持有的債務投資，及合約現金流量僅為償還本金及尚未償還本金利息的債務投資，一般按其後會計期間結算日的攤銷成本計量。於目的為同時收回合約現金流量及出售金融資產的業務模式中持有的債務工具，及合約條款令於特定日期產生的現金流僅為償還本金及尚未償還本金利息的債務工具，一般按公平值計入其他全面收入(「按公平值計入其他全面收入」)的方式計量。所有其他金融資產則按其後會計期間的公平值計量。此外，根據國際財務報告準則第9號，實體可作出不可撤回的選擇以於其他全面收入內呈列股權投資(並非持作買賣)公平值其後的變動，而僅有股息收入一般於損益中確認。
- 就金融資產減值而言，與國際會計準則第39號「金融工具：確認及計量」項下按已產生信貸虧損模式計算相反，國際財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損的變動入賬，以反映信貸風險自初始確認以來的變動。換言之，毋須再待發生信貸事件即可確認信貸虧損。

### 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Continued)

New and revised IFRSs in issue but not yet effective (Continued)

*IFRS 9 "Financial Instruments"*

IFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for the financial assets.

Key requirements of IFRS 9 which are relevant to the Group are:

- All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income ("FVTOCI"). All other financial assets are measured at their fair value at subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39 "Financial Instruments: Recognition and Measurement". The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

## 2. 應用新訂國際財務報告準則及國際財務報告準則修訂本 (續)

已頒佈但尚未生效的新訂及經修訂國際財務報告準則(續)

國際財務報告準則第9號「金融工具」(續)

根據本集團於二零一七年十二月三十一日的金融工具及風險管理政策，本公司董事預期初步應用國際財務報告準則第9號將出現以下潛在影響：

### 分類及計量

分類為可供出售的股本證券按成本減附註20所披露的減值列賬：根據國際財務報告準則第9號，該等證券合資格指定為按公平值計入全面收入計量，本集團將於其後的報告期末按公平值計量，而公平值收益及虧損將確認為其他全面收入並於投資重估儲備累計。於初步確認國際財務報告準則第9號後，有關該等證券先前賬面值與公平值之間的差額將調整為於二零一八年一月一日的投資重估儲備。

所有其他金融資產及金融負債將繼續按與目前根據國際會計準則第39號的相同基準計量。

### 減值

一般而言，本公司董事預期，應用國際財務報告準則第9號的預期信貸虧損模式將導致提早計提尚未產生的信貸虧損撥備，並與按攤銷成本計量的本集團金融資產及於本集團應用國際財務報告準則第9號時作出減值撥備的其他項目有關。

基於本公司董事的評估，彼等預期應用國際財務報告準則第9號將不會對本集團的業績及財務狀況構成重大影響。

## 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Continued)

New and revised IFRSs in issue but not yet effective (Continued)

*IFRS 9 "Financial Instruments"* (Continued)

Based on the Group's financial instruments and risk management policies as at 31 December 2017, the directors of the Company anticipate the following potential impact on initial application of IFRS 9:

### Classification and measurement

Equity securities classified as available-for-sale investments carried at cost less impairment as disclosed in note 20: these securities qualified for designation as measured at FVTOCI under IFRS 9 and the Group will measure these securities at fair value at the end of subsequent reporting periods with fair value gains or losses to be recognised as other comprehensive income and accumulated in the investments revaluation reserve. Upon initial recognition of IFRS 9, the difference between the previous carrying amount and the fair value relating to these securities would be adjusted to investments revaluation reserve as at 1 January 2018.

All other financial assets and financial liabilities will continue to be measured on the same bases as are currently measured under IAS 39.

### Impairment

In general, the directors of the Company anticipate that the application of the expected credit loss model of IFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised costs and other items that subject to the impairment provisions upon application of IFRS 9 by the Group.

Based on the assessment by the directors of the Company, they anticipate that the application of the IFRS 9 will have no material impacts on the results and the financial position of the Group.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 2. 應用新訂國際財務報告準則及國際財務報告準則修訂本 (續)

已頒佈但尚未生效的新訂及經修訂國際財務報告準則(續)

國際財務報告準則第15號「來自客戶合約的收入」

國際財務報告準則第15號已獲頒佈，其確立實體對客戶合同所產生的收入進行會計處理的單一全面模式。國際財務報告準則第15號將於生效後取代現有收入確認指引，包括國際會計準則第18號「收入」、國際會計準則第11號「建築合同」及相關詮釋。國際財務報告準則第15號的核心原則為實體所確認的收入應為描述向客戶轉移承諾貨品或服務時的收入金額，有關金額為反映該實體預期就交換該等貨品及服務而有權獲得的代價。具體而言，該準則引入確認收入的五個步驟：

- 第一步：識別與客戶的合約
- 第二步：識別合約內的履約責任
- 第三步：釐定交易價格
- 第四步：將交易價格分配至合約內的履約責任
- 第五步：當(或於)實體履行履約責任時確認收入

根據國際財務報告準則第15號，當(或於)履行履約責任時，即於特定履約責任相關的貨品或服務的「控制權」轉讓予客戶時，實體確認收入。國際財務報告準則第15號已就特別情況的處理方法收錄更多說明指引。此外，國際財務報告準則第15號要求作出詳盡披露。

### 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Continued)

New and revised IFRSs in issue but not yet effective (Continued)

IFRS 15 "Revenue from Contracts with Customer"

IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 "Revenue", IAS 11 "Construction Contracts" and the related interpretations when it becomes effective. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods and services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

## 2. 應用新訂國際財務報告準則及國際財務報告準則修訂本 (續)

已頒佈但尚未生效的新訂及經修訂國際財務報告準則(續)

國際財務報告準則第15號「來自客戶合約的收入」(續)

於二零一六年，國際會計準則理事會就國際財務報告準則第15號有關識別履約責任、主體對代理代價以及發牌申請指引的發佈澄清。

本公司董事已評估應用國際財務報告準則第15號的影響，並預期出現對銷售物業所得收益及以下範圍的影響：

- 本集團於評估物業銷售合約是否載有重大融資組成部分(包括已承諾代價金額與該物業現金售價之間的差額)時，已考慮所有有關因素及情況；以及本集團向客戶轉讓物業與客戶就物業付款之間的預期時間長度及相關市場現行利率的合併影響。本集團已實際上應用國際財務報告準則第15號，且並無考慮預期自客戶付款日期起計一年內完成的合約的融資組成部分。因此，本公司董事預期，計入物業銷售合約的重大融資組成部分將對本集團於二零一八年一月一日的保留盈利、物業存貨期初結餘及預售按金造成潛在財務影響。
- 目前，本集團支銷與取得客戶物業銷售合約有關的成本。根據國際財務報告準則第15號的規定，倘符合若干條件，則取得合約所增加的成本合資格資本化為遞延合約成本。因此，本公司董事預期確認遞延合約成本將導致期初保留利潤增加及確認於二零一八年一月一日的遞延稅項負債。

## 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Continued)

New and revised IFRSs in issue but not yet effective (Continued)

IFRS 15 "Revenue from Contracts with Customer" (Continued)

In 2016, IASB issued Clarifications to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company have assessed the impact on application of IFRS 15 and anticipate an impact on revenue from the sale of properties and the following areas:

- The Group has considered all the relevant facts and circumstances in assessing whether the property sales contracts contain significant financing component, including the difference between the amount of promised consideration and the cash selling price of the property; and the combined effect of the expected length of time between the Group transfers the property to the customer and the customer pays for the property and the prevailing interest rates in the relevant market. The Group has applied the practical expedient in IFRS 15 and has not considered the financing component of contracts which are expected to be completed within one year from the date of payment made by customers. Accordingly, the directors of the Company expect that the significant financing component included in the property sales contracts would have potential financial impact on the retained earnings, opening balance of inventory of properties and pre-sale deposits of the Group at 1 January 2018.
- Currently, the Group expensed off the costs associated with obtaining the property sales contracts with customers. Under the requirement of IFRS 15, incremental costs of obtaining a contract is eligible for capitalisation as deferred contract costs if they meet certain criteria. Accordingly, the directors of the Company expect a recognition of deferred contract costs would result an increase in opening retained profits and recognition of deferred taxation liabilities at 1 January 2018.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 2. 應用新訂國際財務報告準則及國際財務報告準則修訂本 (續)

已頒佈但尚未生效的新訂及經修訂國際財務報告準則(續)

國際財務報告準則第15號「來自客戶合約的收入」(續)

此外，日後應用國際財務報告準則第15號可能導致於綜合財務報表作出更多披露。

本公司董事擬應用少量追溯方法，而首次應用的累計影響於二零一八年一月一日的股權期初結餘確認。

#### 國際財務報告準則第16號「租賃」

國際財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一項綜合模式。國際財務報告準則第16號生效時將取代國際會計準則第17號租賃及其相關詮釋。

國際財務報告準則第16號以顧客能否控制識別資產來區分租賃及服務合約。除短期租賃及低價值資產租賃外，經營及融資租賃的差異自承租人會計處理中移除並由承租人須就所有租賃將予確認使用權資產及相對應負債的模式取代。

使用權資產初始按成本計量並隨後按成本計量(根據若干例外情況)減累計折舊及減值虧損，就任何租賃負債重新計量而調整。租賃負債初始按當日尚未支付的租賃款項的現值計量。隨後，租賃負債就利息及租賃款項調整，以及(其中包括)租賃修訂的影響。就現金流分類而言，本集團目前將提前預付租賃款項呈列為有關自用租賃土地且該等分類為投資物業的投資現金流量，而其他經營租賃付款呈列為經營現金流量。根據國際財務報告準則第16號的應用，有關租賃負債的租賃款項將分配至由本集團呈列為融資現金流量的主要及利息的部分。

### 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Continued)

New and revised IFRSs in issue but not yet effective (Continued)

#### IFRS 15 "Revenue from Contracts with Customer" (Continued)

In addition, the application of IFRS 15 in the future may result in more disclosures in the consolidated financial statements.

The directors of the Company intend to apply the limited retrospective method with cumulative effect of initial application recognised in opening balance of equity at 1 January 2018.

#### IFRS 16 "Leases"

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede IAS 17 "Leases" and the related interpretations when it becomes effective.

IFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payment that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst other. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Under application of IFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

## 2. 應用新訂國際財務報告準則及國際財務報告準則修訂本 (續)

已頒佈但尚未生效的新訂及經修訂國際財務報告準則(續)

國際財務報告準則第16號「租賃」(續)

根據國際會計準則第17號，本集團已就本集團為承租人的租賃土地確認預付租賃款項。應用國際財務報告準則第16號可能導致該等資產分類潛在變動，視乎本集團是否分開呈列有權使用的資產或按將呈列相應相關資產(倘擁有)的相同項目內呈列。

與承租人會計處理相比，國際財務報告準則第16號大致轉承國際會計準則第17號的出租人會計處理規定，並且繼續要求出租人將其租賃分類為經營租賃或融資租賃。

此外，國際財務報告準則第16號要求作出詳盡披露。

誠如附註42所披露，於二零一七年十二月三十一日，本集團(作為承租人)擁有不可撤銷經營租約承擔人民幣53,564,000元。初步評估顯示此等安排將符合應用國際財務報告準則第16號項下租賃的定義，故此本集團將確認一項使用權資產及有關所有該等租賃相對應的負債，除非其符合低價值或短期租賃。

此外，本集團目前將已付可退還租金按金人民幣3,781,000元及已收可退還租金按金人民幣24,034,000元視為國際會計準則第17號適用的租賃項下的權利及責任。根據國際財務報告準則第16號項下租賃付款的定義，有關按金並非就相關資產使用權的付款，因此，有關按金的賬面值可能調整至攤銷成本，而有關調整被視為額外租賃付款。已付可退還租金按金的調整將計入使用權資產的賬面值。已收可退還租金按金的調整被視為預付租賃付款。

此外，應用新規定可能導致上述列示的計量、呈列及披露的變動。

## 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Continued)

New and revised IFRSs in issue but not yet effective (Continued)

*IFRS 16 "Leases"* (Continued)

Under IAS 17, the Group has already recognised prepaid lease payment for leasehold lands where the Group is a lessee. The application of IFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

As at 31 December 2017, the Group as lessee has non-cancellable operating lease commitments of RMB53,564,000 as disclosed in note 42. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of IFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of RMB3,781,000 and refundable rental deposits received of RMB24,034,000 as rights and obligations under leases to which IAS 17 applies. Based on the definition of lease payments under IFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

Furthermore, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 2. 應用新訂國際財務報告準則及國際財務報告準則修訂本 (續)

已頒佈但尚未生效的新訂及經修訂國際財務報告準則(續)

國際會計準則第40號轉讓投資物業的修訂  
該等修訂澄清轉至或轉自投資物業需評估物業是否符合或不再符合投資物業的定義，並須以可觀察證據支持其用途改變。該等修訂進一步澄清國際會計準則第40號所列以外的情況可證明在建中物業用途可能改變。例如，向另一訂約方訂立經營租賃可證明於一般業務過程中將轉自擬出售的發展中物業的用途改變為投資物業。

本公司董事預期，倘其任何物業用途出現變動，則應用該等修訂將導致於本集團在未來期間的綜合財務報表提早確認有關轉讓。

除上述新訂國際財務報告準則及其修訂本外，本公司董事預期應用所有其他新訂及經修訂國際財務報告準則將於可見將來對綜合財務報表不會構成重大影響。

### 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Continued)

New and revised IFRSs in issue but not yet effective (Continued)

#### *Amendments to IAS 40 Transfers of Investment Property*

The amendments clarify that a transfer to, or from, investment property necessitates an assessment of whether a property meets or has ceased to meet, the definition of investment property, supported by observable evidence that a change in use has occurred. The amendments further clarify that situations other than the ones listed in IAS 40 may evidence a change in use is possible for properties under construction. For example, change in use for transfer from properties under development for sale in the ordinary course of business to investment properties could be evidenced by inception of an operating lease to another party. Currently, the Group accounts for such transfer only upon commencement of an operating lease.

The directors of the Company anticipate that the application of these amendments will result in early recognition of such transfers on the Group’s consolidated financial statements in future periods should there be a change in use of any of its properties.

Except for the new and revised IFRSs mention above, the directors of the Company anticipate that the application of all other new and revised IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### 3. 重大會計政策

綜合財務報表乃根據國際會計準則委員會頒佈的國際財務報告準則編製。此外，綜合財務報表載有香港聯合交易所有限公司證券上市規則及香港公司條例所規定的適用披露事項。

綜合財務報表已根據歷史成本基準編製，惟根據下文載列的會計政策所說明於各報告期末按公平值計量的若干投資物業及金融工具除外。

歷史成本一般根據貨品及服務交換所得代價的公平值釐定。

公平值為於計量日市場參與者間於有秩序交易中出售資產所收取或轉讓負債所支付的價格，而不論該價格是否可直接觀察取得或可使用其他估值方法估計。於估計資產或負債的公平值時，倘市場參與者於計量日對資產或負債定價時將考慮資產或負債的特徵，則本集團會考慮資產或負債的特徵。於該等綜合財務報表中作計量及／或披露目的的公平值乃按此基準釐定，惟屬國際財務報告準則第2號「以股份支付」的交易範疇內以股份支付的交易及屬國際會計準則第17號「租賃」範疇內的租賃交易以及與公平值存在部分相似之處但並非公平值(如國際會計準則第2號「存貨」的可變現淨值(「可變現淨值」)或國際會計準則第36號「資產減值」的使用價值)的計量除外。

非金融資產的公平值計量計及市場參與者透過最大限度使用該資產及最佳用途或透過將資產出售予將最大限度使用該資產達至最佳用途的另一名市場參與者而產生經濟利益的能力。

按公平值交易的金融工具及投資物業，凡於其後期間應用以不可觀察數據計量公平值的估值方法，估值方法應予校正，以致估值方法的結果相等於交易價格。

### 3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain investment properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 "Share-based Payment", leasing transactions that are within the scope of IAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value ("NRV") in IAS 2 "Inventories" or value in use in IAS 36 "Impairment of Assets".

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that the results of the valuation technique equals the transaction price.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 3. 重大會計政策(續)

此外，就財務報告而言，公平值計量按公平值計量的輸入數據的可觀察程度及該等輸入數據對公平值計量整體的重要性劃分為第一、二或三級，詳情如下：

- 第一級輸入數據為實體於計量日可獲得的相同資產或負債於活躍市場的報價(未調整)；
- 第二級輸入數據為不包括計入第一級報價的資產或負債的可直接或間接觀察的輸入數據；及
- 第三級輸入數據為資產或負債的無法觀察輸入數據。

主要會計政策載列如下。

#### 綜合基準

綜合財務報表包括本公司及其附屬公司所控制的本公司及實體的財務報表。當本公司符合以下各項時，即取得控制權：

- 對投資對象擁有權力；
- 於來自其參與投資對象業務的可變回報上承受風險或擁有權利；及
- 能夠使用其權力影響回報。

本集團重新評估在事實及情況表明上文所列控制權的三個元素中的一個或多個有變時是否控制投資對象。

### 3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

### 3. 重大會計政策(續)

#### 綜合基準(續)

倘本集團未能佔有投資對象的大多數投票權，但只要投票權足以賦予本集團實際能力可單方面掌控投資對象的相關業務時，本集團即對投資對象擁有權力。在評估本集團於投資對象的投票權是否足以賦予其權力時，本集團考慮所有相關事實及情況，包括：

- 本集團持有投票權的規模相對於其他選票持有人持有投票權的規模及分散性；
- 本集團、其他選票持有人或其他各方持有的潛在投票權；
- 其他合同安排產生的權利；及
- 於將需作出決定時，表明本集團當前是否能夠掌控相關業務的任何額外事實及情況(包括於過往股東大會上的投票方式)。

附屬公司於本集團取得對該附屬公司的控制權時綜合入賬，並於本集團喪失對該附屬公司的控制權時終止綜合入賬。具體而言，自本集團取得控制權之日起直至本集團不再控制附屬公司之日，於年內收購或出售附屬公司的收入及開支均計入綜合損益及其他全面收益表。

損益及其他全面收入各組成部分歸屬至本公司擁有人及非控股權益。附屬公司的全面收入總額歸屬至本公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧蝕結餘。

### 3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

#### Basis of consolidation (*Continued*)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of the other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 3. 重大會計政策(續)

#### 綜合基準(續)

倘有需要，會對附屬公司的財務報表作出調整，以使其會計政策與本集團的會計政策一致。

所有集團內公司間的資產與負債、股本權益、收入、開支及與本集團成員公司間交易相關的現金流量，均於綜合入賬時全數對銷。

#### 本集團於現有附屬公司擁有權權益的變動

本集團於現有附屬公司擁有權權益的變動如不會導致本集團對該等附屬公司喪失控制權，將作為股權交易入賬。本集團的股本權益相關部分與非控股權益的賬面值應予調整，以反映附屬公司中相關權益的變動，包括根據本集團及非控股權益的權益比例於本集團與非控股權益之間重新劃撥相關儲備。

非控股權益的經調整金額與已付或已收代價公平值之間的任何差額於權益及本公司擁有人應佔部分直接確認。

當本集團喪失對附屬公司的控制權時，則取消確認該附屬公司及非控股權益(如有)的資產及負債。收益或虧損於損益中確認，並以(i)所收代價公平值及任何保留權益公平值的總額與(ii)本公司擁有人應佔附屬公司資產(包括商譽)及負債的賬面值之間的差額計算。過往於其他全面收入確認與該附屬公司有關的所有金額，採用如同本集團已直接出售該附屬公司相關資產或負債的方法入賬，即重新分類至損益或按適用國際財務報告準則所規定／所准許者轉撥至另一類別股本權益。前附屬公司在喪失控制權之日起所保留的任何投資公平值於其後的會計處理中被視為按照國際會計準則第39號進行初步確認的公平值，或(如適用)於聯營公司或合營企業的投資初步確認的成本。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Basis of consolidation (Continued)

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### *Changes in the Group's ownership interests in existing subsidiaries*

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

### 3. 重大會計政策(續)

#### 業務合併

收購業務乃以收購法入賬。業務合併所轉讓代價以公平值計量，而公平值按本集團所轉讓資產、本集團對被收購方前擁有人所產生負債以及本集團就交換被收購方控制權所發行股本權益於收購日期的公平值總和計算。收購有關成本一般於產生時於損益內確認。

於收購日期，所購入可識別資產及所承擔負債按其公平值確認，但以下各項除外：

- 遲延稅項資產或負債及有關僱員福利安排的資產或負債分別遵循國際會計準則第12號「所得稅」及國際會計準則第19號「僱員福利」確認及計量；
- 與被收購方以股份為基礎的付款安排或為替代被收購方以股份為基礎的付款安排而訂立本集團以股份為基礎的付款安排有關的負債或股本工具，於收購日期根據國際財務報告準則第2號「以股份為基礎的支付」計量(見下文會計政策)；及
- 根據國際財務報告準則第5號「持作出售非流動資產及已終止經營業務」分類為持作出售的資產(或出售組合)按該準則計量。
- deferred taxation assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits" respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 "Share-based Payment" at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.

### 3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

#### Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 3. 重大會計政策(續)

#### 業務合併(續)

商譽按所轉讓代價、於被收購方任何非控股權益的金額及收購方過往所持有被收購方股本權益(如有)公平值的總和減所收購的可識別資產及所承擔負債於收購日期的淨額後，所超出的差額計值。倘經過重估後，所收購的可識別資產與所承擔負債的淨額高於轉讓代價、於被收購方任何非控股權益的金額及收購方過往所持有被收購方股本權益(如有)公平值的總和，則差額即時於損益內確認為議價購買收益。

非控股權益為現有所有權權益及授權持有人於清盤時按比例分佔相關附屬公司的資產淨額，其初步按非控股權益按比例分佔被收購方可識別資產淨額的已確認金額或按公平值計量。計量基準可按個別交易選擇。

當本集團於一項業務合併轉讓的代價包括或然代價安排所產生的資產或負債，則或然代價乃按其收購日期的公平值計量，並計入於合併業務轉讓代價的一部分。符合資格為計量期間調整的或然代價公平值變動將予以追溯調整，對商譽作出相應調整。計量期間調整為於「計量期間」(不得超過自收購日期起計一年)因取得有關於收購日期已存在事實及情況的額外資料而作出的調整。

### 3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

#### Business combinations (*Continued*)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

### 3. 重大會計政策(續)

#### 業務合併(續)

不符合作為計量期間調整的或然代價的其後會計處理，取決於或然代價如何分類。分類為權益的或然代價於其後報告日期不會重新計量，其後結算於權益內進行入賬處理。分類為資產或負債的或然代價於其後報告日期按公平值重新計量，而相應收益或虧損乃於損益中確認。

倘業務合併分階段達成，則本集團以往所持的被收購方股權於收購日期(即本集團取得控制權當日)按公平值重新計量，而所產生的盈虧(如有)於損益確認。倘出售被收購方權益，則以往於其他全面收入中確認的被收購方權益於收購日期前所產生的金額重新分類至損益(如此處理方式屬合適)。

#### 收購一間附屬公司但不構成一項業務

當本集團收購一組資產及負債但不構成一項業務時，本集團首先透過按金融資產及金融負債各自的公平值分配購買價格以識別及確認取得的個別可識別資產及承擔的負債，餘下購買價結餘其後按各自於購買日期的相對公平值分配予其他個別可識別資產及負債。該等交易並不會產生商譽或議價購買收益。

#### 於合營企業及聯營公司的投資

合營企業是指對安排擁有共同控制權的各方對該合營安排的資產淨額享有權利的合營安排。共同控制權是指對安排合約約定的共享控制權，其僅在有關活動決定須獲共享控制權的各方一致同意時存在。

聯營公司為本集團對其具有重大影響的實體。重大影響指本集團有權參與投資對象的財務及營運政策決定，但未能控制或共同控制該等政策。

### 3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

#### Business combinations (*Continued*)

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in the other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

#### Acquisition of a subsidiary not constituting a business

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to the financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

#### Investments in joint ventures and associates

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 3. 重大會計政策(續)

#### 於合營企業及聯營公司的投資(續)

合營企業及聯營公司的業績以及資產及負債以權益會計法於該等綜合財務報表入賬。任何尚未分類為持作出售的合營企業或聯營公司的任何保留投資部分應以權益法入賬。根據權益法，於合營企業或聯營公司的投資初步按成本於綜合財務狀況表確認，並於其後就確認本集團應佔該合營企業及聯營公司的損益及其他全面收入予以調整。損益及其他全面收入以外的合營企業及聯營公司的資產淨值變動不予以列賬，除非有關變動導致本集團所持有的擁有權權益改變。當本集團應佔合營企業或聯營公司的虧損超出本集團於該合營企業及聯營公司的權益(包括實質上成為本集團於該合營企業及聯營公司投資淨額一部分的任何長期權益)時，本集團終止確認其應佔的進一步虧損。僅於本集團已產生法定或推定責任，或已代表該合營企業及聯營公司支付款項的情況下，方會確認額外虧損。

於合營企業及聯營公司的投資於投資對象成為合營企業及聯營公司之日採用權益法入賬。在收購合營企業或聯營公司投資時，投資成本超過本集團應佔該投資對象可識別資產及負債公平值淨額的任何部分確認為商譽，並計入投資的賬面值。本集團應佔可識別資產及負債的公平值淨額超過投資成本的任何部分，於重新評估後在投資被收購的期間即時於損益確認。

應用國際會計準則第39號的規定，以釐定是否需要確認有關本集團投資合營企業及聯營公司的任何減值虧損。於有需要時，投資(包括商譽)的全部賬面值將會根據國際會計準則第36號按單一資產進行減值測試，方法為比較其可收回金額(使用價值與公平值減出售成本的較高者)與其賬面值。被確認的任何減值虧損為投資賬面值的一部分。該減值虧損的任何撥回根據國際會計準則第36號確認，惟受隨後增加的可收回投資金額規限。

### 3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

#### Investments in joint ventures and associates (*Continued*)

The results and assets and liabilities of joint ventures and associates are incorporated in these consolidated financial statements using the equity method of accounting. Any retained portion of an investment in a joint venture or an associate that has not been classified as held for sale shall be accounted for using the equity method. Under the equity method, an investment in a joint venture or an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture and associate. Changes in net assets of the joint venture and associates other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of a joint venture or an associate exceeds the Group's interest in that joint venture and associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture and associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture and associate.

An investment in a joint venture and an associate is accounted for using the equity method from the date on which the investee becomes a joint venture and an associate. On acquisition of the investment in a joint venture or an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture and an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

### 3. 重大會計政策(續)

#### 於合營企業及聯營公司的投資(續)

倘本集團不再對一間合營企業擁有共同控制權或對一間聯營公司擁有重大影響力，則出售投資對象的全部權益的收益或損失將會計入損益表內。倘本集團保留於前合營企業或聯營公司的權益且該保留權益屬國際會計準則第39號項下的金融資產，則本集團會於該日按公平值計量保留權益，而該公平值被視為初步確認時的公平值。合營企業或聯營公司於終止採用權益法當日的賬面值與任何保留權益及出售合營企業或聯營公司相關權益的任何所得款項公平值間的差額，會於釐定出售該合營企業或聯營公司的收益或虧損時入賬。此外，本集團會將先前在其他全面收入就該合營企業或聯營公司確認的所有金額入賬，基準與該合營企業或聯營公司直接出售相關資產或負債所需基準相同。因此，倘該合營企業或聯營公司先前已於其他全面收入確認的收益或虧損，會於出售相關資產或負債時重新分類至損益，則本集團會於出售／部分出售相關聯營公司或合營企業後將收益或虧損由股本權益重新分類至損益(作為重新分類調整)。

當集團實體與本集團的合營企業或聯營公司進行交易時，則與合營企業及聯營公司交易所產生損益僅於合營企業及聯營公司的權益與本集團無關時，方於本集團綜合財務報表確認。

#### 收入確認

收入按已收或應收代價的公平值計量。收入已就估計客戶退貨、回扣及其他類似備抵作出扣減。

誠如下文所述，收入於收入金額能夠可靠計量；未來經濟利益很可能流入本集團及本集團各活動的特定標準均已達成時確認。

### 3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

#### Investments in joint ventures and associates (*Continued*)

When the Group ceases to have joint control over a joint venture or significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former joint venture or associate and the retained interest is a financial asset within the scope of IAS 39, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the joint venture or associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing the relevant interest in the joint venture or associate is included in the determination of the gain or loss on disposal of the joint venture or associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture or associate on the same basis as would be required if that joint venture or associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture or associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

When a group entity transacts with a joint venture or an associate of the Group, profits and losses resulting from the transactions with the joint venture and associate are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture and associate that are not related to the Group.

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 3. 重大會計政策(續)

#### 收入確認(續)

當達成以下所有準則時確認日常業務過程中銷售物業的收入：

- 物業擁有權的重大風險及回報已轉移至買家；
- 並無保留一般與擁有權相關的持續管理參與，亦無保留對物業的實際控制；
- 能可靠計量收入金額；
- 與交易相關的經濟利益將很可能流入本集團；及
- 交易已產生或將產生的成本能可靠計量。

於達到上述收入確認標準前向買家收取的按金計入綜合財務狀況表流動負債項下。

來自經營租賃的租金收入於有關租賃期內以直線法確認。

物業管理收入於提供服務的期間確認。

項目管理及其他物業相關服務收入於提供服務的期間確認。

金融資產的利息收入參考未償還本金及適用實際利率按時間基準累計。實際利率指於金融資產預計年期將估計未來現金收入準確貼現至該資產初步確認時的賬面淨額的利率。

投資的股息收入於本集團收取款項的權利確立時確認。

### 3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

#### Revenue recognition (*Continued*)

Revenue from sales of properties in the ordinary course of business is recognised when all of the following criteria are satisfied:

- the significant risks and rewards of ownership of the properties are transferred to buyers;
- neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties are retained;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Deposits received from purchasers prior to meeting the above criteria for revenue recognition are included in the consolidated statement of financial position under current liabilities.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Property management income is recognised over the period in which the services are rendered.

Project management and other property related services income is recognised over the period in which the services are rendered.

Interest income from financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the Group's rights to receive payment have been established.

### 3. 重大會計政策(續)

#### 投資物業

投資物業指為賺取租金及／或為資本增值而持有的物業(包括就該等目的而興建的在建物業)。投資物業初步按成本(包括任何直接應佔開支)計量。於初步確認後，投資物業按公平值計量。投資物業公平值變動所產生的收益或虧損於其產生期間計入損益。

在建投資物業產生的建築成本資本化為在建投資物業的部分賬面值。

投資物業於出售或於其被永久終止使用或預期不會因出售而獲得未來經濟利益時終止確認。終止確認物業所產生的任何收益或虧損(按出售所得款項淨額與資產賬面值之間的差額計算)於該項目終止確認期間計入損益。

#### 物業項目的投資

物業項目的投資確認為按公平值計入損益的金融資產。其於報告期末按公平值及於損益表中重新計量時所產生的任何收益及損失入賬。

#### 物業、廠房及設備

物業、廠房及設備(包括持作生產或供應貨品或服務之用，或作行政用途的樓宇)乃以成本扣減其後累計折舊及累計減值虧損(如有)於綜合財務狀況表列賬。

於估計可使用年期內撇銷物業、廠房及設備項目的成本減殘值後，以直線法確認折舊。估計可使用年期、殘值及折舊法均於各報告期末檢討，任何估計變動影響均按未來適用基準入賬。

### 3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

#### Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes). Investment properties are measured initially at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

#### Investments in property projects

Investments in property projects are recognised as financial assets at FVTPL. They are carried at fair value at the end of reporting period, with any gain or loss arising on remeasurement recognised in profit or loss.

#### Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 3. 重大會計政策(續)

#### 物業、廠房及設備(續)

物業、廠房及設備項目於出售後或當預期繼續使用該資產不會於日後產生經濟利益時終止確認。出售或報廢物業、廠房及設備項目時產生的任何收益或虧損按出售所得款項與該資產賬面值之間的差額計算並於損益確認。

#### 預付租賃款項

預付租賃款項指土地使用權的預付款項，初步按成本確認及於租期內以直線法轉撥至損益，惟分類並入賬列為擬持作出售的開發中物業者除外。

#### 擬持作出售的開發中物業

當租賃土地及樓宇處於發展作銷售的過程中，租賃土地部分以直線法於租期攤銷。於建設期間內，就租賃土地所計提的攤銷費用列作開發中物業成本一部分。

擬持作自用或潛在投資的開發中物業列作非流動資產。成本包括土地成本、所產生的開發開支及(倘適用)已資本化借款成本。

擬持作出售的開發中物業列作流動資產，按成本與可變現淨額兩者中較低者列賬。

#### 持作出售物業

持作出售物業按成本與可變現淨額兩者中較低者列賬。成本包括土地成本、所產生發展開支及(倘適用)已資本化的借款成本。可變現淨額按當時市況釐定。

#### 有形資產減值虧損

本集團於各報告期末檢討其有形資產的賬面值，以確定有關資產是否出現減值虧損跡象。如有任何有關跡象，則會估計相關資產的可收回金額，以確定減值虧損(如有)的程度。

### 3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

#### Property, plant and equipment (*Continued*)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### Prepaid lease payments

The prepaid lease payments represent upfront payments for land use rights and are initially recognised at cost and released to profit or loss over the lease term on a straight-line basis, except for those that are classified and accounted for as properties under development intended to be held for sale.

#### Properties under development for sale

When the leasehold land and buildings are in the course of development for sale, the leasehold land component is amortised over a straight-line basis over the lease term. During the construction period, the amortisation charge provided for the leasehold land is included as part of the costs of the properties under development.

Properties under development for sale which are intended to be held for own use or their investment potential are shown as non-current assets. Cost includes the costs of land, development expenditure incurred and, where appropriate, borrowing costs capitalised.

Properties under development for sale which are intended to be held for sale are shown as current assets and carried at the lower of cost and NRV.

#### Properties held for sale

Properties held for sale are stated at the lower of cost and NRV. Cost includes the costs of land, development expenditure incurred and, where appropriate, borrowing costs capitalised. NRV is determined based on prevailing market conditions.

#### Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

### 3. 重大會計政策(續)

#### 有形資產減值虧損(續)

倘不太可能個別估計資產的可收回金額，則本集團估計該資產所屬現金產生單位的可收回金額。當可發現合理及一致的分配基準時，公司資產亦分配至個別現金產生單位，或按可發現的合理及一致分配基準分配至現金產生單位的最小组別。

可收回金額為公平值減出售成本與使用價值中的較高者。於評估使用價值時，使用稅前貼現率估計未來現金流貼現至其現值，而該稅前貼現率反映現時市場對金錢時間價值的評估及資產(或一個現金產生單位)特定的風險(估計未來現金流未經調整)。

倘一項資產(或一個現金產生單位)的可收回金額估計將少於其賬面值，則該資產(或一個現金產生單位)的賬面值削減至其可收回金額。於分配減值虧損時，減值虧損首先分配至削減任何商譽(倘適用)的賬面值，然後根據各資產於單位的賬面值按比例分配至其他資產。一項資產的賬面值不會削減少低於其公平值減出售成本(倘可計量)、其使用價值(倘可釐定)與零中的較高者。可能另行分配至資產的減值虧損金額按比例分配至單位的其他資產。減值虧損即時於損益確認。

倘其後撥回減值虧損，該資產賬面值會調高至其經修訂的估計可收回金額，但增加的賬面值不得超出該資產於過往年度並無確認減值虧損時原應釐定的賬面值。撥回的減值虧損會即時確認為收入。

### 3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

#### Impairment losses on tangible assets (*Continued*)

When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An Impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately in profit or loss.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 3. 重大會計政策(續)

#### 租賃

凡租賃條款將擁有權絕大部分風險及回報轉移予承租人的租賃均分類為融資租賃。所有其他租賃均分類為經營租賃。

#### 本集團作為出租人

經營租賃的租金收入乃於有關租期內以直線法確認。於協商及安排經營租賃時引致的初步直接成本乃加至租賃資產的賬面值，並按租期以直線法確認。

#### 本集團作為承租人

經營租賃項下應付租金於有關租期內以直線法在損益中扣除。如因訂立經營租賃而收取租賃優惠，則該優惠會確認為負債。優惠利益總額以直線法確認為租賃開支減少。

#### 租賃土地及樓宇

當本集團就物業權益(包括租賃土地及樓宇部分)付款時，本集團會根據評估各部分所有權的風險與回報是否已絕大部分轉移至本集團而分別評估各部分的分類，除非兩個部分均明顯屬於經營租賃，在該情況下，整項物業會列賬為經營租賃。具體而言，整筆代價(包括任何一筆過預付款項)於初始確認時按土地部分及樓宇部分中的租賃權益相對公平值比例於租賃土地與樓宇部分之間分配。

在相關款項能可靠分配的情況下，作為經營租賃入賬的租賃土地權益於綜合財務狀況表中呈列為「預付租賃款項」，並於租期內以直線法攤銷，惟根據公平值模式分類為投資物業及按投資物業入賬者除外。當款項未能於租賃土地及樓宇部分之間可靠分配時，整項物業一般會予以分類，猶如租賃土地屬融資租賃項下。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### *The Group as lessor*

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

#### *The Group as lessee*

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

#### *Leasehold land and building*

When the Group makes payment for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases, in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the payments cannot be allocated reliably between the leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

### 3. 重大會計政策(續)

#### 借款成本

收購、建造或生產合資格資產(即需等待一段頗長時間後方可用作擬定用途或出售的資產)直接應佔的借款成本，計入該等資產的成本，直至該等資產大致可作擬定用途或出售為止。

特定借款用於合資格資產開支期間之前作臨時投資所賺取的投資收入，從合資格撥充資本的借款成本中扣除。

所有其他借款成本於其產生期間於損益中確認。

#### 外幣

各集團實體的個別財務報表均以實體經營所在主要經濟環境的貨幣(其功能貨幣，即人民幣)呈列。

編製個別實體的財務報表時，以該實體的功能貨幣以外的貨幣(外幣)進行的交易按交易當日適用的匯率確認。於各報告期末，公平值已獲釐定時，以外幣計值的貨幣項目按該日適用的匯率重新換算。按歷史成本以外幣計量的非貨幣項目概不會重新換算。

於結算時所產生的匯兌差額於其產生期間在損益確認。

### 3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency, i.e., RMB).

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 3. 重大會計政策(續)

#### 稅項

所得稅開支指即期應付稅項與遞延稅項的總額。

即期應付稅項根據年度應課稅利潤計算。應課稅利潤因其他年度的應課稅收入或可扣稅開支以及毋須課稅或不可扣稅的項目，而與在綜合損益及其他全面收益表中所呈報的除稅前利潤有別。本集團的即期稅項乃按報告期末已頒佈或實際上已頒佈的稅率計算。

遞延稅項按綜合財務狀況表內資產及負債的賬面值與計算應課稅利潤所用相應稅基之間的臨時差額確認。通常會就所有應課稅臨時差額確認遞延稅項負債。通常就所有可扣減臨時差額在很可能會有應課稅利潤可用於抵銷可扣減臨時差額時確認遞延稅項資產。倘於一項交易中因初步確認遞延稅項資產及負債而引致的臨時差額(業務合併除外)既不影響應課稅利潤亦不影響會計利潤，則不會確認該等資產及負債。

就與於附屬公司的投資以及於合營企業及聯營公司的權益有關所產生的應課稅臨時差額確認遞延稅項負債，惟倘本集團可控制臨時差額的撥回且該臨時差額很可能不會於可見將來撥回則除外。與於該等投資及權益相關的可扣減臨時差額所產生的遞延稅項資產，僅於很可能有足夠應課稅利潤可用於抵銷臨時差額的利益且預計於可見將來可以撥回時確認。

遞延稅項資產的賬面值於各報告期末進行檢討，並於不大可能有足夠應課稅利潤收回全部或部分資產時作出調減。

### 3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

#### Taxation

Income tax expense represents the sum of the tax currently payable and deferred taxation.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxation is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred taxation liabilities are generally recognised for all taxable temporary differences. Deferred taxation assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such deferred taxation assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred taxation liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, interests in joint ventures and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred taxation assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred taxation assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

### 3. 重大會計政策(續)

#### 稅項(續)

遞延稅項資產及負債乃按償還負債或變現資產的期間內預期適用的稅率，根據報告期末已頒佈或實際上已頒佈的稅率(及稅法)計量。

遞延稅項負債及資產的計量反映按照本集團預期於報告期末收回或結算其資產及負債賬面值的方式計算而得出的稅務結果。

即期及遞延稅項乃於損益中確認，惟當涉及於其他全面收入中或直接於股本權益中確認的項目除外，屆時即期及遞延稅項亦分別於其他全面收入中或直接於股本權益中確認。

就計量採用公允值模式計量的投資物業的遞延稅項負債及遞延稅項資產而言，除非假設被駁回，否則假設該等物業賬面值可透過銷售完全收回。當投資物業可予折舊及於業務模式(其目標是隨時間而非透過銷售消耗投資物業所包含的絕大部分經濟利益)內持有時，有關假設被駁回。

#### 退休福利成本

定額供款退休福利計劃的供款乃於僱員提供可使其享有供款的服務時確認為開支。倘本集團在國家管理的退休福利計劃下的責任與定額供款退休福利計劃所產生者相等，則國家管理的退休福利計劃供款視同定額供款計劃的供款予以處理。

### 3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

#### Taxation (*Continued*)

Deferred taxation assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred taxation liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred taxation are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred taxation are also recognised in other comprehensive income or directly in equity respectively.

For the purposes of measuring deferred taxation liabilities and deferred taxation assets for investment properties that are measured using the fair value model the carrying amounts of such properties are presumed to be recovered entirely through sale unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

#### Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit plan.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 3. 重大會計政策(續)

以股份支付的安排

以股本權益結算並以股份支付的交易

向僱員授出購股權／股份獎勵

根據本集團對將最終歸屬的股本工具的估計，於授出日期釐定以股本權益結算並以股份支付的公平值(並無計及所有非市場歸屬情況)以直線法於歸屬期間以支出列賬，並相應增加權益(購股權儲備)。於各報告期末，本集團會根據對所有非市場歸屬情況的評估，修訂其對預計將予歸屬股本工具數目的估計。修訂估計產生的影響(如有)於損益確認，並相應調整購股權儲備。

當購股權獲行使時，先前於購股權儲備確認的金額將轉撥至股份溢價。當購股權於歸屬日期後遭沒收或於屆滿當日尚未行使，則先前於購股權儲備確認的金額將轉撥至保留利潤。

政府補貼

政府補貼於能合理保證本集團將會遵守附帶的條件且接獲撥款後，方會確認。

政府補貼按系統基準於本集團將擬用補貼補償的相關成本確認為開支的各期間在損益內確認。具體而言，主要條件為本集團應購買、興建或以其他方式收購非流動資產的政府補貼，於綜合財務狀況表確認為遞延收入，並在有關資產的可使用年期內有系統及合理地轉撥至損益。

可收取作為已產生開支或虧損的補償或以向本集團提供即時財務資助(並無日後相關成本)的政府補貼，於可收取期間在損益確認。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Share-based payment arrangements**

*Equity-settled share-based payment transactions*

Share options/share awards to employees

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimates of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the estimates, if any, is recognised in profit or loss, with a corresponding adjustment to the share option reserve.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

**Government grants**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

### 3. 重大會計政策(續)

#### 金融工具

當一間集團實體成為工具合約條文的訂約方時，金融資產及金融負債予以確認。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債(按公平值計入損益的金融資產及金融負債除外)直接應佔的交易成本於初步確認時加入金融資產公平值或從金融負債公平值扣除(倘適用)。收購按公平值計入損益的金融資產或金融負債直接應佔的交易成本即時於損益確認。

#### 金融資產

金融資產分為以下特定類別：貸款及應收款項、可供出售金融資產、衍生金融工具及按公平值計入損益的金融資產。分類視乎金融資產的性質及用途而定，於初步確認時釐定。所有常規買賣的金融資產於交易日確認及終止確認。常規買賣指須於根據市場規則或慣例訂立的時間內交收資產的金融資產買賣。

#### 實際利息法

實際利息法為計算債務工具攤銷成本及於有關期間內攤分利息收入的方法。實際利率是按債務工具預計年期或(倘適用)較短期間將估計未來現金收入(包括所支付或收取構成實際利率組成部分的所有費用及點子、交易成本及其他溢價或折讓)準確貼現至初步確認時的賬面淨額的比率。

利息收入透過應用實際利率予以確認(惟確認利息影響不大的短期應收款項除外)，而被分類為按公平值計入損益的金融資產除外，其利息收入計入收益或虧損淨額。

### 3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

#### Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

#### Financial assets

Financial assets are classified into the following specified categories: loans and receivables, available-for-sale financial assets, derivative financial instruments and financial assets at FVTPL. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instruments, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised by applying the effective interest rate, (except for short-term receivables where the recognition of interest would be immaterial), other than those financial assets classified as at FVTPL, of which interest income is included in net gains or losses.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 3. 重大會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項

貸款及應收款項為無活躍市場報價而附帶固定或可釐定付款的非衍生金融資產。貸款及應收款項(包括應收賬款及其他應收款項、應收非控股權益、合營企業及聯營公司的款項、長期按金、已質押銀行存款以及銀行結餘及現金)採用實際利息法按攤銷成本減任何已識別減值虧損計量(請參閱下文有關金融資產減值的會計政策)。

可供出售(「可供出售」)金融資產

可供出售金融資產為指定為可供出售或未分類為按公平值計入損益的金融資產、貸款及應收款項或持有至到期投資的非衍生工具。

本集團所持有的股本證券分類為可供出售金融資產，並於各報告期末按公平值計量(其公平值不能可靠計量的無報價股本投資除外)。當本集團收取股息的權利確立時，則可供出售股本投資的股息於損益確認。可供出售金融資產賬面值的其他變動於其他全面收入確認並於投資重估儲備項下累計。當出售投資或投資獲釐定為減值時，先前於投資重估儲備累計的累計收益或虧損重新分類至損益。

無活躍市場報價且其公平值無法可靠計量的可供出售股本投資，須於各報告期末按成本減任何已識別減值虧損計量。

衍生金融工具

衍生工具初步按訂立衍生工具合約日期的公平值確認，其後則以報告期末的公平值重新計量。所產生的收益或虧損即時於損益確認，除非衍生工具被指定且有效作為對沖工具，於此情況下，在損益確認的時機則視乎對沖關係的性質而定。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including accounts and other receivables, amounts due from non-controlling interests, joint ventures and associates, long-term deposit, pledged bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Available-for-sale ("AFS") financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments.

Equity securities held by the Group that are classified as AFS financial assets measured at fair value at the end of each reporting period except for unquoted equity investments whose fair value cannot be reliably measured. Dividends on AFS equity investments are recognised in profit or loss when the Group's right to receive the dividends is established. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period.

Derivative financial instruments

Derivative are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

### 3. 重大會計政策(續)

金融工具(續)

金融資產(續)

按公平值計入損益的金融資產

當金融資產為(i)收購方可能收取的或然代價(作為國際財務報告準則第3號適用業務合併的一部分)；(ii)持作買賣；或(iii)其獲指定為按公平值計入損益時，則被分類為按公平值計入損益。

倘出現下列情況，金融資產被歸類為持作買賣：

- 購入金融資產主要為於短期內出售；或
- 於初步確認時，其構成本集團合併管理的已識別金融工具確定組合的一部分及具有最近實際短期獲利模式；或
- 為未被指定及可有效作為對沖工具的衍生工具。

### 3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

Financial instruments (*Continued*)

Financial assets (*Continued*)

Financial assets at FVTPL

Financial assets are classified as at FVTPL, when the financial asset is (i) contingent consideration that may be received by an acquirer as part of a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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Notes to the Consolidated Financial Statements

### 3. 重大會計政策(續)

金融工具(續)

金融資產(續)

按公平值計入損益的金融資產(續)

金融資產(持作買賣的金融資產或收購方可能收取的或然代價(作為業務合併一部分)除外)可於下列情況在初步確認時指定為按公平值計入損益：

- 該指定消除或大幅減少可能會出現計量或確認方面的不一致性；或
- 該金融資產構成一組金融資產或金融負債或金融資產及金融負債組合的一部分，而根據本集團制定的風險管理或投資策略，該項資產乃以公平值為基礎進行管理及評估表現，且有關分組的資料乃按此基準向內部提供；或
- 其構成包含一項或多項嵌入式衍生工具合約的一部分，而國際會計準則第39號允許將整份合併合約(資產或負債)指定為按公平值計入損益。

### 3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

Financial instruments (*Continued*)

Financial assets (*Continued*)

Financial assets at FVTPL (*Continued*)

A financial asset other than a financial asset held for trading (or contingent consideration that may be received by an acquirer as part of a business combination) may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

### 3. 重大會計政策(續)

金融工具(續)

金融資產(續)

按公平值計入損益的金融資產(續)

按公平值計入損益的金融資產按公平值計量，而重新計量產生的任何收益或虧損則於損益內確認。於損益確認的收益或虧損淨額不包括金融資產所賺取的任何股息或利息，並計入其他收入、收益及虧損中。公平值按附註49所述方法釐定。

金融資產減值

金融資產(按公平值計入損益者除外)會於各報告期末評定是否有減值跡象。倘有客觀證據顯示金融資產的估計未來現金流因於初步確認該金融資產後發生的一宗或多宗事件而受到影響時，金融資產會被視作已減值。

就可供出售股本投資而言，該證券的公平值大幅或長期跌至低於其成本，即視為減值的客觀證據。

就所有其他金融資產而言，減值的客觀證據可能包括：

- 發行人或交易對手出現重大財政困難；或
  - 違反合約，如逾期或拖欠支付利息或本金；或
  - 借款人很可能破產或進行財務重組；或
  - 該金融資產的活躍市場因財政困難而消失。
- significant financial difficulty of the issuer or counterparty; or
  - breach of contract, such as a default or delinquency in interest or principal payments; or
  - it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
  - the disappearance of an active market for that financial asset because of financial difficulties.

### 3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

Financial instruments (*Continued*)

Financial assets (*Continued*)

Financial assets at FVTPL (*Continued*)

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the other income, gains and losses. Fair value is determined in the manner described in note 49.

Impairment of financial assets

Financial assets, other than those at FVTPL are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an AFS equity investment, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

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### 3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

就按攤銷成本列賬的金融資產而言，所確認的減值虧損金額為資產賬面值與以金融資產原實際利率貼現的估計未來現金流現值間的差額。

就所有金融資產而言，金融資產賬面值會直接因減值虧損而作出扣減，惟賬面值會透過使用撥備賬作出扣減的應收賬款及其他應收款項除外。當應收賬款或其他應收款項被視為不可收回時，其會於撥備賬內撤銷。先前已撤銷款項如其後收回，會計入損益內。撥備賬的賬面值變動於損益中確認。

當可供出售金融資產被視作減值時，先前於其他全面收入中確認的累計收益或虧損於該期間重新分類至損益。

就按成本列賬的金融資產而言，減值虧損金額按該資產賬面值與估計未來現金流按類似金融資產現時市場回報率貼現的現值之間的差額計量。該減值虧損不會於其後期間撥回。

就按攤銷成本計量的金融資產而言，如在其後期間，減值虧損金額減少，而有關減少客觀上與確認減值虧損後發生的事件有關，則先前已確認的減值虧損會透過損益予以撥回，惟該資產於減值撥回當日的賬面值不得超過未確認減值時的攤銷成本。

可供出售股本投資的減值虧損不會於其後期間透過損益撥回。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

*Financial instruments (Continued)*

*Financial assets (Continued)*

*Impairment of financial assets (Continued)*

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts and other receivables, where the carrying amount is reduced through the use of an allowance account. When an account or other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment losses on AFS equity investments will not be reversed through profit or loss in subsequent periods.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融負債及股本工具

本集團所發行的金融負債及股本工具根據合約安排的內容及金融負債與股本工具的定義予以分類。

##### 優先票據及公司債券

本公司發行負債、提早贖回選擇權及認沽權(與主合約並無密切關係)的優先票據及公司債券在初步確認時獨立分類為相關項目。於發行日，負債、提早贖回選擇權及認沽權部分均按公平值確認。

於其後期間，優先票據及公司債券的負債部分使用實際利息法按攤銷成本列賬。提早贖回選擇權按公平值計量，而公平值變動則在損益中確認。

與發行優先票據及公司債券有關的交易成本按有關公平值比例分配予負債、提早贖回選擇權部分及認沽權。與提早贖回選擇權及認沽權有關的交易成本即時於損益中扣除。與負債部分有關的交易成本計入負債部分的賬面值，並使用實際利息法在優先票據及公司債券期間內攤銷。

##### 實際利息法

實際利息法為計算金融負債攤銷成本及於有關期間內攤分利息開支的方法。實際利率是按金融負債預計年期或(倘適用)較短期間將估計未來現金付款(包括所支付或收取構成實際利率組成部分的所有費用及點子、交易成本及其他溢價或折讓)準確貼現至初步確認時的賬面淨額的比率。

利息開支按實際利息基準確認。

### 3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

#### Financial instruments (*Continued*)

##### Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### Senior notes and corporate bonds

Senior notes and corporate bonds issued by the Company that both liability, early redemption option and put option (which is not closely related to the host contract) are classified separately into respective items on initial recognition. At the date of issue, both the liability, early redemption option and put option components are recognised at fair value.

In subsequent periods, the liability component of the senior notes and corporate bonds is carried at amortised cost using the effective interest method. The early redemption option is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the senior notes and corporate bonds are allocated to the liability, early redemption option and put option components in proportion to their relative fair values. Transaction costs relating to the early redemption option and put option are charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the senior notes and corporate bonds using the effective interest method.

##### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 3. 重大會計政策(續)

金融工具(續)

金融負債及股本工具(續)

金融負債

本集團的金融負債(包括應付賬款及其他應付款項、應付非控股權益、合營企業及聯營公司的款項、銀行及其他借款、優先票據及公司債券)其後使用實際利息法按攤銷成本計量。

股本工具

股本工具指證明本集團資產經扣除所有負債後的剩餘權益的任何合約。集團實體發行的股本工具按已收所得款項扣除直接發行成本入賬。

並無訂約責任償還其本金或支付任何分派的永久資本工具被分類為權益的一部分。

本公司購回本身股本工具於股本權益直接確認及扣除。概不會於損益確認購買、出售、發行或註銷本公司本身股本工具的收益或虧損。

財務擔保合約

財務擔保合約為發行人因指定債務人未能按債務工具條款如期付款而須向持有人支付指定款項以補償其所遭受虧損的合約。

本集團所發行的財務擔保合約初步按其公允值計量，且倘並非指定為按公允值計入損益，則隨後按以下兩者中的較高者計量：

- (i) 根據國際會計準則第37號「撥備、或然負債及或然資產」釐定的合約責任金額；及
- (ii) 初步確認的金額減(倘適用)於擔保期間確認的累計攤銷。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

Financial liabilities of the Group (including accounts and other payables, amounts due to non-controlling interests, joint ventures and associates, bank and other borrowings, senior notes and corporate bonds) are subsequently measured at amortised cost using effective interest method.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Perpetual capital instruments with no contracted obligation to repay its principal or to pay any distribution are classified as part of equity.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- (i) the amount of the obligation under the contract, as determined in accordance with IAS 37 "Provision, Contingent Liabilities and Contingent Assets"; and
- (ii) the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

### 3. 重大會計政策(續)

金融工具(續)

金融負債及股本工具(續)

終止確認

僅於本集團從資產收取現金流的合約權利屆滿，或其將金融資產轉讓及將該資產所有權的絕大部分風險及回報轉嫁予另一實體的情況下，本集團方會終止確認金融資產。

終止確認金融資產後，資產賬面值與已收及應收代價及已在其他全面收入確認並在股本權益累計的累計收益或虧損總額之間的差額，會在損益中確認。

於及僅於本集團的責任已獲履行、註銷或屆滿時，本集團方會終止確認金融負債。已終止確認的金融負債的賬面值與已付及應付代價之間的差額，會在損益中確認。

### 4. 重大會計判斷及估計不明朗因素的主要來源

於應用附註3所述本集團的會計政策時，本公司董事須就無法透過其他來源確定的資產及負債的賬面值作出判斷、估計及假設。估計及相關假設乃根據過往經驗及被視為相關的其他因素作出。實際結果可能與該等估計不盡相同。

估計及相關假設會持續獲審閱。對會計估計作出的修訂於該估計修訂的期間確認(倘該修訂僅影響該期間)，或於修訂期間及未來期間確認(倘該修訂影響本期間及未來期間)。

#### 應用會計政策時的關鍵判斷

以下為本公司董事於應用本集團會計政策的過程中所作出並對於綜合財務報表所確認金額有最重大影響的關鍵判斷，惟不包括涉及估計的判斷(見下文)。

### 3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

Financial instruments (*Continued*)

Financial liabilities and equity instruments (*Continued*)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

## 綜合財務報表附註

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### 4. 重大會計判斷及估計不明朗因素的主要來源(續)

應用會計政策時的關鍵判斷(續)

投資物業的遞延稅項

遞延稅項負債約人民幣2,884,085,000元(二零一六年：人民幣1,336,535,000元)主要與附註37所載於二零一七年十二月三十一日確認的投資物業公平值變動有關。

就計量利用公平值模式計量的投資物業所產生遞延稅項負債或遞延稅項資產而言，本公司董事已審閱本集團的投資物業組合並得出結論，認為本集團投資物業以旨在隨著時間推移而消耗該等投資物業包含的絕大部分經濟利益的商業模式持有。因此，在釐定本集團投資物業的遞延稅項時，董事認為，國際會計準則第12號「所得稅」所載的以公平值模式計量的投資物業可因出售而收回的假設並不成立。

對若干附屬公司的控制權

本集團僅持有若干附屬公司不足50%的股本權益。本集團透過與該等附屬公司其他股東訂立補充協議，從而能夠行使對該等附屬公司的控制權。

本公司董事根據本集團是否有實際能力單方面指示該等附屬公司的相關活動，釐定本集團是否對該等附屬公司擁有控制權。在彼等作出判斷時，董事考慮了本集團於該等附屬公司所持有的投票權、其董事會所控制的營運及財務活動以及該等附屬公司管理委員會於必要時決定該等附屬公司相關活動的能力。透過簽立上述補充協議，所有策略性財務及營運決定必須由董事會(其中大多數董事均由本集團委任)簡單大多數批准，即使部分策略性財務及營運決策須獲附屬公司管理委員會批准(視情況而定)。經評估後，董事得出結論，認為本集團就指示該等附屬公司的相關活動具有充足的主導投票權，因此，本集團對該等附屬公司擁有控制權。

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Critical judgements in applying accounting policies (Continued)

*Deferred taxation on investment properties*

Deferred taxation liabilities of approximately RMB2,884,085,000 (2016: RMB1,336,535,000) mainly in relation to fair value change of investment properties have been recognised at 31 December 2017 as set out in note 37.

For the purposes of measuring deferred taxation liabilities or deferred taxation assets arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the Group's deferred taxation on investment properties, the directors have determined that the presumption set out in IAS 12 "Income Taxes" that investment properties measured using the fair value model are recovered through sale is rebutted.

*Control over certain subsidiaries*

The Group has only held not more than 50% equity interest in certain subsidiaries. By execution of the supplemental agreements entered into between the Group and the other shareholders of these subsidiaries, the Group is able to exercise control over them.

The directors of the Company assessed whether or not the Group has control over these subsidiaries based on whether the Group has the practical ability to direct the relevant activities of these subsidiaries unilaterally. In making their judgement, the directors considered the Group's voting power in these subsidiaries, the operational and financial activities controlled by their board of directors and the ability of the management committee of the subsidiaries whenever necessary in determining its power over the relevant activities of these subsidiaries. By execution of the aforesaid supplemental agreements, all of the strategic financial and operating decisions must be approved by simple majority of the board of directors, of which majority of the directors are appointed by the Group, despite that some strategic financial and operating decisions are required to be approved by the management committee of the subsidiaries as the case would be. After assessment, the directors concluded that the Group has sufficiently dominant voting power to direct the relevant activities of these subsidiaries and therefore the Group has control over these subsidiaries.

#### 4. 重大會計判斷及估計不明朗因素的主要來源(續)

應用會計政策時的關鍵判斷(續)

##### 業務合併與資產收購

本集團於年內收購多間附屬公司。本公司董事評估該等收購事項是否構成國際財務報告準則第3號「業務合併」項下的收購。在彼等作出判斷時，董事考慮了該等附屬公司的物業項目的狀況、預售物業的階段及人員到位程度。經評估後，董事得出結論，認為收購東時投資有限公司(「東時」)及濟南銀盛泰房地產有限公司(「濟南銀盛泰」)構成業務合併，而收購其他附屬公司則視作收購資產。

##### 估計不確定性的主要來源

以下為於報告期末有關未來的主要假設及估計不明朗因素的其他主要來源，有關假設及來源具有可能導致資產及負債的賬面值於下一財政年度內作出大幅調整的重大風險。

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Critical judgements in applying accounting policies (Continued)

##### *Business combinations versus acquisition of assets*

The Group had acquired a number of subsidiaries during the year. The directors of the Company assessed whether or not these acquisitions constituted an acquisition of a business under IFRS 3 "Business Combination". In making their judgements, the directors considered the status of the property projects of these subsidiaries, the stage of making pre-sale of properties and the extent of workforce in place. After assessment, the directors concluded that the acquisitions of Eastime Investment Limited ("Eastime") and Jinan Yinshengtai Property Co., Ltd. (濟南銀盛泰房地產有限公司) ("Jinan Yinshengtai") constituted business combinations, while the acquisition of other subsidiaries are considered as acquisition of assets.

##### Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 4. 重大會計判斷及估計不明朗因素的主要來源(續)

#### 投資物業估值

投資物業估值人民幣14,402,350,000元(二零一六年：人民幣5,773,100,000元)根據獨立合資格專業估值師進行的估值按公平值列賬。釐定公平值時，估值師以涉及若干市況估計的估值法為基準計算。於依賴估值報告時，本公司董事已自行作出判斷，並信納估值所用假設能反映現時市況。該等假設的任何變動均會改變本集團投資物業的公平值，並須對綜合損益及其他全面收益表所報損益金額作出相應調整。

#### 擬作出售的開發中物業及持作出售物業(統稱「物業」)

如附註3所說明，本集團擬作出售的開發中物業及持作出售物業按成本與可變現淨值兩者中較低者列賬。於釐定該等物業的可變現淨值及該等物業竣工所需未來成本的估算時，本公司董事作出重大判斷。

根據本公司董事的經驗及目標物業性質，本公司董事參考物業的估計市價釐定該等物業的可變現淨值，當中計及多項因素，包括類似項目的類似物業種類或類似物業的近期價格，以及中國房地產市場當前及預測市況。本公司董事參考本集團其他類似已竣工物業的實際開發成本估計物業竣工所需的未來成本，惟可按若干現時市場數據予以調整。

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

#### *Valuation of investment properties*

Investment properties of RMB14,402,350,000 (2016: RMB5,773,100,000) are stated at fair value based on the valuations performed by independent qualified professional valuers. In determining the fair values, the valuers have based on a method of valuation which involves certain estimates of market condition. In relying on the valuation report, the directors of the Company have exercised their judgement and are satisfied that the assumptions used in the valuation are reflective of the current market conditions. Changes to these assumptions would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

#### *Properties under development for sale and properties held for sale (collectively referred to as the "Properties")*

As explained in note 3, the Group's properties under development for sale and properties held for sale are stated at the lower of cost and NRV. The directors of the Company make significant judgements in determining the NRV of these Properties and the estimation of future costs to completion of these Properties.

Based on the experience of the directors of the Company and the nature of the subject properties, the directors of the Company determine the NRV of these Properties by reference to the estimated market prices of the Properties, which takes into account a number of factors including the recent prices of similar property types in the same project or by similar properties, and the prevailing and forecasted real estate market conditions in the PRC. The directors of the Company estimate the future cost to completion of the Properties by reference to the actual development cost of other similar completed projects of the Group, adjusted by certain current market data.

#### 4. 重大會計判斷及估計不明朗因素的主要來源(續)

估計不確定性的主要來源(續)

擬作出售的開發中物業及持作出售物業(統稱「物業」)(續)

倘完工成本增加或銷售淨值減少，則可變現淨值將會減少，此舉可能導致持作出售物業價值撇減。有關撇減需要使用判斷及估計。倘預期與原來估計有別，則物業在有關估計改變期間的賬面值及撇減會作相應調整。

此外，由於物業市場波動及個別物業性質獨特，實際成本及收入結果可能高於或低於報告期末作出的估計。估計出現任何增幅或減幅將會影響未來年度的損益。

於二零一七年十二月三十一日，擬作出售的開發中物業及持作出售物業的賬面值分別為人民幣34,603,171,000元(二零一六年：人民幣21,254,355,000元)及人民幣9,128,504,000元(二零一六年：人民幣6,829,221,000元)。年內概無進行物業撇減(二零一六年：無)。

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Key sources of estimation uncertainty (Continued)

Properties under development for sale and properties held for sale (collectively referred to as the "Properties") (Continued)

If there is an increase in costs to completion or a decrease in net sales value, the NRV will decrease and this may result in write-down of value of the properties for sale. Such write-down requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and write-down for properties in the periods in which such estimate is changed will be adjusted accordingly.

In addition, given the volatility of the property market and the unique nature of individual properties, the actual outcomes in terms of costs and revenue may be higher or lower than that estimated at the end of the reporting period. Any increase or decrease in the estimates would affect profit or loss in future years.

As at 31 December 2017, the carrying amounts of properties under development for sale and properties held for sale are RMB34,603,171,000 (2016: RMB21,254,355,000) and RMB9,128,504,000 (2016: RMB6,829,221,000) respectively. No write-downs of the properties were made during the year (2016: Nil).

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 4. 重大會計判斷及估計不明朗因素的主要來源(續)

#### 估計不確定性的主要來源(續)

##### 土地增值稅

本集團於中國發展作銷售的物業就土地增值按30%至60%不等的累進稅率徵收土地增值稅，即物業銷售所得款項減可扣稅支出(包括土地成本、銷售費用、借款成本及所有相關物業發展開支)。

本集團在中國須繳付土地增值稅，其與所使用比率的適當性高度相關。由於不確定物業銷售所得款項及可扣稅支出，本公司董事於估計土地增值稅金額時須作出重大判斷。

本集團向買方交付物業後於綜合損益及其他全面收益表確認土地增值稅。然而，整個物業項目完成實際增值前，將不會與中國地方稅務機關落實計算及支付年內土地增值稅。最後稅務結果可能有別於最初入賬金額，而該等差額將於本集團與地方稅務機關落實有關稅項期間對所得稅開支及相關所得稅撥備構成影響。

##### 遞延稅項資產

如附註37所載，於二零一七年十二月三十一日已確認約人民幣502,637,000元(二零一六年：人民幣319,795,000元)的遞延稅項資產，主要有關稅項虧損及土地增值稅('土地增值稅')。遞延稅項資產是否可予變現主要視乎未來有否足夠可供動用的未來利潤或應課稅臨時差額。本公司董事根據已頒佈或實際已頒佈的稅率，以及本集團對預期動用稅項虧損或／及可扣減臨時差額的未來數年所作利潤預測的最佳資料釐定遞延稅項資產。本公司董事於報告期末前審閱假設及利潤預測。倘所產生的實際未來利潤低於所預期者，則可能須撥回遞延稅項資產，並於撥回期間在綜合損益及其他全面收益表內確認。

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

#### Key sources of estimation uncertainty (Continued)

##### Land appreciation tax

LAT is levied on properties developed by the Group for sale in the PRC, at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including the cost of land, sales charges, borrowing costs and all relevant property development expenditures.

The Group is subject to LAT in the PRC which is highly dependent on the appropriateness of the rates used. Significant judgements are made by the directors of the Company in estimating the amounts of land appreciation due to the uncertainty of proceeds of sales of properties and deductible expenditures.

The Group recognises LAT in its consolidated statement of profit or loss and other comprehensive income when properties are delivered to the buyers. However, the LAT calculation and payments with local tax authorities in the PRC in the year will not be finalised until the actual appreciation value of the whole property project is completed. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax provisions in the periods in which such tax is finalised with local tax authorities.

##### Deferred taxation assets

Deferred taxation assets of approximately RMB502,637,000 (2016: RMB319,795,000) mainly in relation to tax losses and land appreciation tax ("LAT") have been recognised at 31 December 2017 as set out in note 37. The realisability of the deferred taxation assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. The directors of the Company determine the deferred taxation assets based on the enacted or substantially enacted tax rates and the best knowledge of profit projections of the Group for coming years during which the tax losses or/and the deductible temporary differences are expected to be utilised. The directors of the Company will review the assumptions and profit projections by the end of the reporting period. In cases where the actual future profits generated are less than expected, a reversal of deferred taxation assets may arise, which would be recognised in the consolidated statement of profit or loss and other comprehensive income for the period in which such a reversal takes place.

#### 4. 重大會計判斷及估計不明朗因素的主要來源(續)

估計不確定性的主要來源(續)

估計建造成本作收入確認

本集團的若干項目根據開發及交付計劃分為若干階段。本集團於交付物業後確認銷售。銷售成本(包括各階段的建造成本及可分攤至各階段的共同成本)根據管理層對整個項目的總開發成本及物業交付時分攤至各階段的費用所作最佳估計而計算。

公平值計量及估值流程

就財務呈報而言，本集團部分資產及負債按公平值計量。本公司董事負責就公平值計量釐定適當估值方法及輸入數據。

於估計資產或負債的公平值時，本集團使用可供參考的市場可觀察數據。倘並無第一級輸入數據，本集團委聘獨立合資格專業估值師進行估值。本公司董事與獨立合資格專業估值師緊密合作，為模式制定適當的估值方法及輸入數據。董事定期評估資產及負債公平值波動的影響及原因。

本集團使用包含並非基於市場可觀察數據的輸入數據的估值方法估計若干類型投資物業及金融工具的公平值。附註14及49載列於釐定不同資產及負債公平值時所使用的有關估值方法、輸入數據及主要假設的詳細資料。

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

**Key sources of estimation uncertainty (Continued)**

**Construction costs estimation for revenue recognition**

Certain projects of the Group are divided into several phases according to the development and delivery plans. The Group recognises sales upon delivery of properties. Cost of sales including construction costs specific to the phases and common costs allocable to the phases are calculated based on management's best estimation of the total development costs for the whole project and the allocation to each phase at the time when the properties are delivered.

**Fair value measurements and valuation processes**

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The directors of the Company are responsible in determining the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages independent qualified professional valuers to perform the valuation. The directors of the Company work closely with the independent qualified professional valuers to establish the appropriate valuation techniques and inputs to the model. The directors regularly assess the impact and the cause of fluctuations in the fair value of the assets and liabilities.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of investment properties and financial instruments. Notes 14 and 49 provide detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets and liabilities.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 5. 收入

收入指於年內(扣除折扣後)銷售物業的收入、租金收入及提供物業管理項目管理以及其他物業相關服務所收取的收入，其分析如下：

		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
銷售物業	Sales of properties	30,295,062	20,713,067
租金收入	Rental income	94,428	62,226
物業管理收入	Property management income	—	276,496
項目管理及其他物業相關服務收入	Project management and other property related services income	1,434,798	1,172,658
		<b>31,824,288</b>	<b>22,224,447</b>

### 6. 分部資料

本集團根據主要經營決策者(即本公司董事會)為按分部分配資源及評估其表現而定期審閱的有關本集團組成部分的內部報告，確定其經營分部。

向本集團主要經營決策者就分配資源及評估表現而報告的資料集中於以下三項主要業務：

- 房地產開發：此分部指開發及銷售辦公室及商業物業以及住宅物業。本集團所有此方面的業務均在中國及香港開展。
- 房地產投資：此分部指租賃本集團開發或購買的投資物業，以賺取租金收入並長期從物業升值中受益。本集團目前的投資物業組合全部位於中國。
- 物業管理、項目管理及其他物業相關服務：此分部主要指物業管理及項目管理所產生的收入。本集團此方面的業務目前乃於中國開展。

主要經營決策者定期審閱房地產開發、物業投資、物業管理、項目管理及其他物業相關服務的經營業績。由於房地產開發項目均位於中國及香港，其收入主要來自物業銷售，且牽涉及承擔相同風險與回報。所有房地產開發項目已根據國際財務報告準則第8號「經營分部」合併為單一可呈報分部(房地產開發)。

### 5. REVENUE

Revenue represents income from sales of properties, rental income and income from provision of property management, project management and other property related services earned during the year, net of discounts allowed, and is analysed as follows:

### 6. SEGMENT INFORMATION

The Group determines its operating segments based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (being the board of directors of the Company) in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of performance is focused on three main operations:

- Property development: this segment represents the development and sales of office and commercial premises and residential properties. All the Group's activities in this regard are carried out in the PRC and Hong Kong.
- Property investment: this segment represents the lease of investment properties, which are developed or purchased by the Group to generate rental income and to gain from the appreciation of the properties' values in the long term. Currently the Group's investment property portfolio is located entirely in the PRC.
- Property management, project management and other property related services: this segment mainly represents the income generated from property management and project management. Currently the Group's activities in this regard are carried out in the PRC.

The chief operating decision maker regularly reviews the operating results under property development, property investment, and property management, project management and other property related services. As property development projects are all located in the PRC and Hong Kong, their revenue is primarily derived from the sales of properties, and is related and subject to common risk and returns. All property development projects are aggregated into a single reportable segment, property development, in accordance with IFRS 8 "Operating Segments".

## 6. 分部資料(續)

### (a) 分部收入及利潤

年內，提供予本集團主要經營決策者以分配資源及評估分部表現的有關本集團可呈報分部的資料載列如下。

## 6. SEGMENT INFORMATION (Continued)

### (a) Segment revenue and profit

Information regarding the Group's reportable segments as provided to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance for the year is set out below.

		房地產開發 Property development	房地產投資 Property investment	項目管理及 其他物業 相關服務 Project management and other	總計 Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
截至二零一七年十二月三十一日止年度	Year ended 31 December 2017				
來自外部客戶的可呈報分部收入	Reportable segment revenue from external customers	30,295,062	94,428	1,434,798	31,824,288
可呈報分部利潤	Reportable segment profit	7,221,874	57,488	732,622	8,011,984

		房地產開發 Property development	房地產投資 Property investment	物業管理、 項目管理及 其他物業 相關服務 Property management, project management and other	總計 Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
截至二零一六年十二月三十一日止年度	Year ended 31 December 2016				
來自外部客戶的可呈報分部收入	Reportable segment revenue from external customers	20,713,067	62,226	1,449,154	22,224,447
可呈報分部利潤	Reportable segment profit	4,508,807	47,550	564,796	5,121,153

### (b) 分部資產及負債

由於主要經營決策者於計算本集團分部呈報時並無計入資產及負債，因此並無呈列分部資產及負債。

### (b) Segment assets and liabilities

No assets and liabilities are included in the measures of the Group's segment reporting that are used by the chief operating decision maker. Accordingly, no segment assets and liabilities are presented.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 6. 分部資料(續)

#### (c) 可呈報分部收入及利潤的對賬

可呈報分部利潤指各分部業績，未計及本集團主要業務以外業務所賺取的其他收入、收益及虧損的分配、未分配總部及企業開支、物業、廠房及設備折舊、撥回呆賬撥備、投資物業公平值變動、融資成本以及應佔合營企業及聯營公司業績的任何影響。此乃向主要經營決策者匯報以分配資源及評估表現的計量基礎。

### 6. SEGMENT INFORMATION (Continued)

#### (c) Reconciliations of reportable segment revenue and profit

The reportable segment profit represents the results by each segment without including any effect of allocation of other income, gains and losses earned from operations other than the Group's main operations, unallocated head office and corporate expenses, depreciation of property, plant and equipment, write-back of allowance for doubtful debts, change in fair value of investment properties, finance costs and share of results of joint ventures and associates. This is the measurement basis reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

		二零一七年 2017	二零一六年 2016
		人民幣千元 RMB'000	人民幣千元 RMB'000
<b>收入</b>	<b>Revenue</b>		
可呈報分部及綜合收入	Reportable segment and consolidated revenue	31,824,288	22,224,447
<b>利潤</b>	<b>Profit</b>		
可呈報分部利潤	Reportable segment profit	8,011,984	5,121,153
其他收入，收益及虧損	Other income, gains and losses	795,935	161,834
投資物業公平值變動	Change in fair value of investment properties	657,791	(100,433)
融資成本	Finance costs	(262,340)	(529,651)
應佔合營企業業績	Share of results of joint ventures	1,405,864	1,007,416
應佔聯營公司業績	Share of results of associates	699,766	55,324
物業、廠房及設備折舊	Depreciation of property, plant and equipment	(17,394)	(15,950)
撥回呆賬撥備	Write-back of allowance for doubtful debts	746	2,598
未分配總部及企業開支	Unallocated head office and corporate expenses	(1,251,190)	(865,526)
除稅前綜合利潤	Consolidated profit before taxation	10,041,162	4,836,765

#### (d) 地區資料

由於本集團的經營活動乃於中國及香港展開，故並無呈列地區資料。本集團所有來自流動及非流動資產的收入位於中國及香港。

#### (d) Geographic information

No geographic information has been presented as the Group's operating activities are carried out in the PRC and Hong Kong. All of the Group's revenue from current and non-current assets are located in the PRC and Hong Kong.

#### (e) 主要客戶

並無與單一外部客戶進行的交易所得收入佔本集團收入10%或以上。

#### (e) Major customers

No revenue from transactions with a single external customer amounted to 10% or more of the Group's revenue.

## 7. 其他收入、收益及虧損

## 7. OTHER INCOME, GAINS AND LOSSES

		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
按公允值計入損益的股息收入	Dividend income from FVTPL	11,284	—
利息收入	Interest income	372,244	232,184
重新計量收益(附註38)	Gain on remeasurement (note 38)	574,305	38,283
業務合併收益(附註38)	Gain from business combinations (note 38)	200,030	33,867
出售物業、廠房及設備的收益淨額 於房地產項目的投資的公允值變動	Gain on disposal of property, plant and equipment, net	8,285	219
出售附屬公司的虧損(收益)淨額 (附註39)	Change in fair value of investments in property projects Gain (loss) on disposal of subsidiaries, net (note 39)	144,699	—
視作出售附屬公司的收益(虧損) (附註39)	Gain (loss) on deemed disposal of subsidiaries (note 39)	34,675	(4,242)
政府補貼	Government grants	1,206	(211)
沒收買家支付的按金	Forfeited deposits paid by purchasers	31,483	26,575
提早贖回優先票據的虧損(附註33)	Loss on early redemption of senior notes (note 33)	14,839	10,090
按公允值計入損益的金融資產的 公允值變動(附註29)	Change in fair value of financial assets at FVTPL (note 29)	(118,464)	(182,263)
衍生金融工具公允值變動(附註21)	Change in fair value of derivative financial instruments (note 21)	(94,726)	33,356
匯兌收益(虧損)淨額	Net exchange gain (loss)	314,768	(538,733)
雜項收入	Sundry income	37,492	108,413
		795,935	161,834

## 8. 融資成本

## 8. FINANCE COSTS

		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
銀行及其他借款的利息	Interest on bank and other borrowings	(1,487,465)	(1,092,802)
優先票據的利息開支	Interest expense on senior notes	(356,203)	(705,919)
公司債券的利息開支	Interest expense on corporate bonds	(467,105)	(351,498)
減：擬作出售的開發中物業及 在建投資物業的資本化金額	Less: Amount capitalised to properties under development for sale and investment properties under construction	2,048,433	1,620,568
		(262,340)	(529,651)

擬作出售的開發中物業及在建投資物業的資本化借款成本根據分別披露於附註32、33及34的銀行及其他借款、優先票據及公司債券的合約利率釐定。

Borrowing costs capitalised to properties under development for sale and investment properties under construction were determined by the contracted interest rates of respective bank and other borrowings, senior notes and corporate bonds as disclosed in notes 32, 33 and 34 respectively.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 9. 所得稅開支

### 9. INCOME TAX EXPENSE

		二零一七年 2017	二零一六年 2016
		人民幣千元 RMB'000	人民幣千元 RMB'000
中國企業所得稅	PRC Enterprise Income Tax		
本年度	Current year	(2,198,836)	(1,038,337)
過往年度撥備不足	Under provision in respect of prior years	(54,413)	(27,666)
土地增值稅	LAT	(2,123,944)	(602,245)
		(4,377,193)	(1,668,248)
遞延稅項(附註37)	Deferred taxation (note 37)	484,548	(4,142)
		(3,892,645)	(1,672,390)

根據中國企業所得稅法及企業所得稅法實施條例，兩個年度的中國附屬公司的稅率為25%。

Under the Law of the PRC on Enterprise Income Tax and Implementation Regulation of the Enterprise Income Tax Law, the tax rate of the PRC subsidiaries is 25% for both years.

土地增值稅撥備乃根據相關中國稅務法律及法規所載規定估計。土地增值稅已按增值價值的累進稅率範圍作出撥備(附帶若干許可的豁免及減免)。

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable exemptions and deductions.

根據英屬處女群島(「英屬處女群島」)及開曼群島的規則及法規，本集團毋須在英屬處女群島及開曼群島繳納任何所得稅。

Pursuant to the rules and regulations of the British Virgin Islands ("BVI") and the Cayman Islands, the Group is not subject to any income tax in the BVI and the Cayman Islands.

由於本集團的收入既不產自亦非來自香港，故並無就香港利得稅作出撥備。

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

遞延稅項的詳情載於附註37。

Details of the deferred taxation are set out in note 37.

## 9. 所得稅開支(續)

年內稅項費用與綜合損益及其他全面收益表內除稅前利潤的對賬如下：

## 9. INCOME TAX EXPENSE (*Continued*)

The tax charge for the year can be reconciled to the profit before taxation per consolidated statement of profit or loss and other comprehensive income as follows:

		二零一七年 2017	二零一六年 2016
		人民幣千元 RMB'000	人民幣千元 RMB'000
除稅前利潤	Profit before taxation	10,041,162	4,836,765
按25%繳納的中國企業所得稅	PRC Enterprise Income Tax at 25%	(2,510,291)	(1,209,191)
不可扣稅開支的稅務影響	Tax effect of expenses not deductible for tax purposes	(503,457)	(199,873)
毋須課稅收入的稅務影響	Tax effect of income not taxable for tax purposes	271,412	6,367
土地增值稅	LAT	(2,123,944)	(602,245)
土地增值稅的稅務影響	Tax effect of LAT	530,986	150,561
未確認稅項虧損的稅務影響	Tax effect of tax losses not recognised	(108,124)	(100,287)
動用先前未確認的稅項虧損	Utilisation of tax losses previously not recognised	86,252	47,230
未確認可扣減臨時差額的稅務影響(附註)	Tax effect of deductible temporary differences not recognised (note)	(21,115)	(2,534)
動用先前未確認的可扣減臨時差額	Utilisation of deductible temporary differences previously not recognised	10,478	10,907
應佔合營企業業績的稅務影響	Tax effect of share of result of joint ventures	351,466	251,854
應佔聯營公司業績的稅務影響	Tax effect of share of result of associates	174,942	13,831
過往年度撥備不足	Under provision in respect of prior year	(54,413)	(27,666)
其他	Others	3,163	(11,344)
年內稅項費用	Tax charge for the year	(3,892,645)	(1,672,390)

附註：兩個年度的未確認可扣減臨時差額的稅務影響指調整有關建造物業的公司間交易及公司間轉讓已竣工停車場所產生的可扣減臨時差額。

Note: Tax effect of deductible temporary differences not recognised for both years represent the adjustments of deductible temporary differences arising from inter-company transactions in relation to construction of properties and inter-company transfer of the completed carparks.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 10. 年內利潤及全面收入總額

### 10. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR

		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
年內利潤及全面收入總額乃經 扣除(計入)下列各項：	Profit and total comprehensive income for the year has been arrived at after charging (crediting):		
核數師酬金	Auditors' remuneration	7,000	5,775
計入銷售及服務成本的已售物業成本	Cost of properties sold included in cost of sales and services	22,395,651	15,059,167
物業、廠房及設備折舊	Depreciation of property, plant and equipment	17,394	15,950
撥回呆賬撥備	Write-back of allowance for doubtful debts	(746)	(2,598)
土地及樓宇的經營租賃租金	Operating lease rentals in respect of land and buildings	85,026	44,840
董事薪酬(附註11)	Directors' emoluments (note 11)	40,088	11,526
其他員工成本	Other staff costs		
員工成本(不包括退休福利成本)	Staff costs excluding retirement benefit costs	969,313	527,289
退休福利成本	Retirement benefit costs	60,011	57,848
以股本權益結算並以股份付款	Equity-settled share-based payments	33,916	46,882
其他員工成本總額	Total other staff costs	1,063,240	632,019
減：擬佔出售的開發中物業的 資本化金額	Less: Amount capitalised to properties under development for sale	(189,927)	(199,986)
		873,313	432,033
投資物業租金收入	Rental income from investment properties	(94,428)	(62,226)
減：相關開支	Less: Related outgoings	36,941	13,078
		(57,487)	(49,148)

## 11. 董事及僱員薪酬

## 11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
<b>董事薪酬</b>	<b>Directors' emoluments</b>		
董事袍金	Directors' fees	770	737
獨立非執行董事的以股本權益結算 並以股份付款	Equity-settled share-based payments for independent non-executive directors	260	510
執行董事的其他薪酬	Other emoluments for executive directors		
– 基本薪金及津貼	– basic salaries and allowances	15,780	7,769
– 以股本權益結算並以股份付款	– equity-settled share-based payments	599	579
– 酌情花紅	– discretionary bonus	22,159	1,611
– 退休福利供款	– retirement benefit contributions	520	320
		<b>40,088</b>	<b>11,526</b>

	截至二零一七年 十二月三十一日止年度	Year ended 31 December 2017	以股本權益						總計
			董事袍金 Directors' fees 人民幣千元 RMB'000	基本薪金 及津貼 Basic salaries and allowances 人民幣千元 RMB'000	結算並以 股份付款 Equity-settled share-based payments 人民幣千元 RMB'000	酌情花紅 Discretionary bonus 人民幣千元 RMB'000	退休福利 供款 Retirement benefit contributions 人民幣千元 RMB'000		
<b>執行董事姓名</b>	Name of executive director								
林中先生	Mr. Lin Zhong	–	3,307	–	–	105	3,412		
林偉先生	Mr. Lin Wei	–	2,621	–	–	130	2,751		
林峰先生	Mr. Lin Feng	–	4,894	308	10,740	105	16,047		
陳東彪先生(於二零一七年 十二月十八日獲委任)	Mr. Chen Dongbiao (appointed on 18 December 2017)	–	3,251	210	6,659	90	10,210		
楊欣先生(於二零一七年 十二月十八日獲委任)	Mr. Yang Xin (appointed on 18 December 2017)	–	1,707	81	4,760	90	6,638		
<b>獨立非執行董事姓名</b>	Name of independent non-executive director								
顧雲昌先生	Mr. Gu Yunchang	225	–	84	–	–	309		
張永岳先生	Mr. Zhang Yongyue	225	–	84	–	–	309		
陳偉成先生	Mr. Tan Wee Seng	320	–	92	–	–	412		
<b>獨立執行董事姓名</b>	Name of independent executive director								
鄒益民先生(於二零一七年 十二月十八日獲委任)	Mr. Zhou Yimin (appointed on 18 December 2017)	–	–	–	–	–	–	–	
		<b>770</b>	<b>15,780</b>	<b>859</b>	<b>22,159</b>	<b>520</b>	<b>40,088</b>		

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 11. 董事及僱員薪酬(續)

### 11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(Continued)

	董事袍金 Directors' fees 人民幣千元 RMB'000	以股本權益 基本薪金 及津貼 Basic allowances 人民幣千元 RMB'000		結算並以 股份付款 share-based payments 人民幣千元 RMB'000	酌情花紅 Discretionary bonus 人民幣千元 RMB'000	退休福利 供款 Retirement benefit contributions 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
		董事袍金 Directors' fees 人民幣千元 RMB'000	以股本權益 基本薪金 及津貼 Basic allowances 人民幣千元 RMB'000				
截至二零一六年十二月 三十一日止年度	Year ended 31 December 2016						
<b>執行董事姓名</b>	<b>Name of executive director</b>						
林中先生	Mr. Lin Zhong	–	2,641	–	–	99	2,740
林偉先生	Mr. Lin Wei	–	1,835	–	–	122	1,957
林峰先生	Mr. Lin Feng	–	3,293	579	1,611	99	5,582
<b>獨立非執行董事姓名</b>	<b>Name of independent non-executive director</b>						
顧雲昌先生	Mr. Gu Yunchang	214	–	170	–	–	384
張永岳先生	Mr. Zhang Yongyue	214	–	170	–	–	384
陳偉成先生	Mr. Tan Wee Seng	309	–	170	–	–	479
		737	7,769	1,089	1,611	320	11,526

以上所示執行董事薪酬乃就彼等有關管理本公司及本集團事務所提供的服務而支付。

The executive directors' emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group.

以上所示獨立非執行董事薪酬乃就彼等出任本公司董事所提供的服務而支付。

The independent non-executive directors' emoluments shown above were paid for their services as directors of the Company.

林峰先生為本公司行政總裁，而上文所披露其薪酬包括就其擔任行政總裁所提供之服務的薪酬。

Mr. Lin Feng is the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

年內，概無有關董事或主要行政人員放棄或同意放棄任何薪酬的安排。

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

年內，若干董事根據本公司購股權計劃就其向本集團提供的服務獲授予購股權。購股權計劃詳情載於附註45。

During the year, certain directors were granted share options, in respect of their services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in note 45.

## 11. 董事及僱員薪酬(續)

### 五名最高薪酬人士

截至二零一七年十二月三十一日止年度，五名最高薪酬人士包括兩名董事(二零一六年：一名董事)。截至二零一七年十二月三十一日止年度，其餘三名(二零一六年：四名)最高薪酬人士的薪酬如下：

		二零一七年 2017	二零一六年 2016
		人民幣千元 RMB'000	人民幣千元 RMB'000
僱員	Employees		
－基本薪金及津貼	– basic salaries and allowances	6,240	11,058
－花紅	– bonus	22,672	6,401
－以股本權益結算並以股份付款	– equity-settled share-based payments	282	1,118
－退休福利供款	– retirement benefit contributions	269	289
		<b>29,463</b>	<b>18,866</b>

彼等的薪酬屬以下範圍：

Their emoluments were within the following bands:

		人數 Number of individuals	人數 Number of individuals
		二零一七年 2017	二零一六年 2016
4,000,001港元至4,500,000港元	HK\$4,000,001 to HK\$4,500,000	–	1
4,500,001港元至5,000,000港元	HK\$4,500,001 to HK\$5,000,000	–	1
5,000,001港元至5,500,000港元	HK\$5,000,001 to HK\$5,500,000	–	1
7,500,001港元至8,000,000港元	HK\$7,500,001 to HK\$8,000,000	–	1
11,000,001港元至11,500,000港元	HK\$11,000,001 to HK\$11,500,000	2	–
11,500,001港元至12,500,000港元	HK\$11,500,001 to HK\$12,500,000	1	–

本集團並無向本公司董事或五名最高薪酬人士支付任何薪酬作為加盟本集團或加盟本集團時的獎勵或離職補償。

No emoluments were paid by the Group to the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 12. 股息

### 12. DIVIDEND

	二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
建議末期股息－每股普通股 人民幣14.54分 (二零一六年：人民幣11.5分)	Proposed final dividend – RMB14.54 cents (2016: RMB11.5 cents) per ordinary share	1,105,840 775,681

董事會建議，派發二零一七年度末期股息為每股人民幣14.54分(相當於18港分)(二零一六年：人民幣11.5分(相當於13港分))(「建議末期股息」)。本年度的建議末期股息連同就本年度首六個月的已派發中期股息每股人民幣4.35分(相等於5港分)，合共股息為每股人民幣18.89分(相當於23港分)。建議末期股息可由股東選擇以現金支付或以部分或全部收取本公司的新繳足股份方式收取。

截至二零一七年十二月三十一日止年度的建議末期股息須獲本公司股東於應屆股東週年大會上批准，方可作實。

截至二零一七年十二月三十一日止年度，股東獲派發截至二零一六年十二月三十一日止財政年度的末期股息每股人民幣11.5分(相當於13港分)(二零一六年：截至二零一五年十二月三十一日止財政年度為每股人民幣9.35分(相當於11港分))(包括供股東選擇以獲配發新股份代替現金的形式收取末期股息的以股代息選擇)及截至二零一七年六月三十日止六個月的中期股息每股人民幣4.35分(相當於5港分)，有關詳情如下：

The Board recommends the payment of a final dividend for 2017 of RMB14.54 cents (equivalent to HK18 cents) (2016: RMB11.5 cents (equivalent to HK13 cents)) per share (the "Proposed Final Dividend"). The Proposed Final Dividend for the year in aggregate with the interim dividend of RMB4.35 cents (equivalent to HK5 cents) per share paid in respect of the first six months of the year amounted to total dividends of RMB18.89 cents (equivalent to HK23 cents) per share. The Proposed Final Dividend will be either payable in cash or in form of new fully paid shares of the Company in respect of part or all of such final dividend at shareholders' option.

The Proposed Final Dividend for the year ended 31 December 2017 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

During the year ended 31 December 2017, a final dividend of RMB11.5 cents (equivalent to HK13 cents) per share in respect of the financial year ended 31 December 2016 (2016: RMB9.35 cents (equivalent to HK11 cents) per share in respect of the financial year ended 31 December 2015), which included scrip dividend alternative offered to shareholders to elect receiving the final dividend by allotment of new shares in lieu of cash, and an interim dividend of RMB4.35 cents (equivalent to HK5 cents) per share in respect of the six months ended 30 June 2017, were paid to shareholders, details as follow:

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
股息	Dividends	
現金	Cash	1,257,545 5,260 1,262,805
以股代息選擇(附註36)	Scrip dividend alternative (note 36)	1,081,363 4,523 1,085,886
		932,044 70,802 1,002,846
		794,500 59,829 854,329

### 13. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃根據下列數據計算：

### 13. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

		二零一七年 2017	二零一六年 2016
		人民幣千元 RMB'000	人民幣千元 RMB'000
<b>盈利</b>	<b>Earnings</b>		
計算每股基本及攤薄盈利的盈利 (本公司擁有人應佔年內利潤)	Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	4,828,105	2,807,549
<b>股份數目</b>	<b>Number of shares</b>		
就計算每股基本盈利的普通股 加權平均數	Weighted average number of ordinary shares for the purpose of basic earnings per share	7,081,999,684	6,700,561,859
對購股權的潛在普通股攤薄效應	Effect of dilutive potential ordinary shares on share options	196,994,925	22,352,975
就計算每股攤薄盈利的普通股 加權平均數	Weighted average number of ordinary shares for the purpose of diluted earnings per share	7,278,994,609	6,722,914,834

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 14. 投資物業

### 14. INVESTMENT PROPERTIES

		在建 投資物業 Investment properties under construction	已竣工 投資物業 Completed investment properties	總計 Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於二零一六年一月一日	At 1 January 2016	126,000	5,716,300	5,842,300
完成後轉撥	Transfer upon completion	(136,874)	136,874	—
添置	Additions	10,874	20,359	31,233
公平值減少	Decrease in fair value	—	(100,433)	(100,433)
於二零一六年十二月三十一日	At 31 December 2016	—	5,773,100	5,773,100
完成後轉撥	Transfer upon completion	(8,000,000)	8,000,000	—
自持作出售物業轉撥	Transfer from properties held for sale	—	725,737	725,737
添置	Additions	1,352,311	19,411	1,371,722
收購一間附屬公司(附註38)	Acquisition of a subsidiary (note 38)	5,874,000	—	5,874,000
公平值增加(減少)	Increase (decrease) in fair value	773,689	(115,898)	657,791
於二零一七年十二月三十一日	At 31 December 2017	—	14,402,350	14,402,350

已竣工投資物業及在建投資物業均位於中國，屬中期租賃。所有本集團持有作經營租賃的物業權益以賺取租金或作資本增值均按公平值模式計量。

本集團於二零一七年十二月三十一日抵押人民幣5,895,550,000元(二零一六年：人民幣5,560,000,000元)的投資物業，以擔保本集團的銀行及其他借款。

本集團已竣工投資物業及在建投資物業於二零一七年及二零一六年十二月三十一日的公平值乃基於與本集團並無關連的獨立合資格專業估值師行第一太平戴維斯估值及專業顧問有限公司於該等日期進行的估值而得出。第一太平戴維斯估值及專業顧問有限公司擁有合適資格，且擁有評估相關地點的類似物業方面的相關近期經驗。

已竣工投資物業於二零一七年及二零一六年十二月三十一日的估值乃按照收入法透過將現有租約所得租金收入淨額資本化的方式計算，並對適用於已竣工投資物業的各物業的租金收入復歸潛力作適當折減。

The completed investment properties and investment properties under construction are all situated in the PRC under medium-term leases. All the Group's property interests held under operating leases to earn rentals or for capital appreciation are measured using the fair value model.

The Group has pledged investment properties of RMB5,895,550,000 (2016: RMB5,560,000,000) as at 31 December 2017 to secure bank and other borrowings of the Group.

The fair values of the Group's completed investment properties and investment properties under construction at 31 December 2017 and 2016 have been arrived at on the basis of valuations on those dates carried out by Savills Valuation and Professional Services Limited, a firm of independent qualified professional valuers which are not connected with the Group, who have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

The valuations of completed investment properties as at 31 December 2017 and 2016 are based on income method by capitalising the net rental income derived from the existing tenancies with due allowance for reversionary income potential of the respective properties on completed investment properties.

#### 14. 投資物業(續)

上年度所用估值方法並無變動。於估計物業的公平值時，物業的最高及最佳用途為其當前用途。

本集團於二零一七年及二零一六年十二月三十一日的投資物業及公平值級別資料詳情如下：

#### 14. INVESTMENT PROPERTIES *(Continued)*

There has been no change from the valuation technique used in prior year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2017 and 2016 are as follows:

	於二零一七年 十二月三十一日 的公平值 Fair value as at	
	第三級 Level 3	31 December 2017
	人民幣千元	人民幣千元
	RMB'000	RMB'000
於中國的投資物業	Investment properties located in PRC	14,402,350
		14,402,350

	於二零一六年 十二月三十一日 的公平值 Fair value as at	
	第三級 Level 3	31 December 2016
	人民幣千元	人民幣千元
	RMB'000	RMB'000
於中國的投資物業	Investment properties located in PRC	5,773,100
		5,773,100

年內並無轉入第三級或自當中轉出。

There were no transfers into or out of Level 3 during the year.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 14. 投資物業(續)

下表提供有關如何釐定重大投資物業的公平值(特別是所使用的估值方法及輸入數據), 及公平值計量按公平值計量輸入數據的可觀察程度所劃分的公平值級別水平(第一級至第三級)的資料。

### 14. INVESTMENT PROPERTIES (Continued)

The following table gives information about how the fair values of the major investment properties are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

於綜合財務狀況表內本集團所持投資物業				
	公平值級別	估值方法及主要輸入數據	重要無法觀察輸入數據	無法觀察輸入數據與公平值的關係
Investment properties held by the Group in the consolidated statement of financial position	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of inputs to fair value
Completed investment property – Jiaxing CIFI Square	Level 3 第三級	Income method (term and reversionary approach) 收入法 (租期復歸法)	Term yield, taking into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received of 4% (2016: 4%).	A slight increase in the term yield would result in a slight decrease in fair value and vice versa.
已竣工投資物業－嘉興旭輝廣場		The key inputs are: (1) Term yield; (2) Reversionary yield; and (3) Market unit rent of individual unit	經計入可比較物業產生的收益及反映所擔保及將收取租期收入的確定性的調整, 租期收益率為4% (二零一六年: 4%)。	租期收益率輕微增加將導致公平值計量輕微減少, 反之亦然。
2017: RMB3,170,000,000 二零一七年： 人民幣3,170,000,000元		主要輸入數據為： (1) 租期收益率； (2) 復歸收益率；及 (3) 個別單位的市場單位租金	Reversionary yield, taking into account annual unit market rental income and unit market value of the comparable properties of 4.5% (2016: 4.5%).	A slight increase in the reversionary yield would result in a significant decrease in fair value and vice versa.
2016: RMB3,415,000,000 二零一六年： 人民幣3,415,000,000元			復歸收益率輕微上升 經計入單位市場年度租金收入及可比較物業的單位市值, 復歸收益率為4.5% (二零一六年：4.5%)。	復歸收益率輕微上升將導致公平值大幅減少, 反之亦然。

## 14. 投資物業(續)

## 14. INVESTMENT PROPERTIES (Continued)

於綜合財務 狀況表內本集團 所持投資物業 Investment properties held by the Group in the consolidated statement of financial position	公平值級別 Fair value hierarchy	估值方法及 主要輸入數據 Valuation technique(s) and key input(s)	重要無法觀察 輸入數據 Significant unobservable input(s)	無法觀察 輸入數據與 公平值的關係 Relationship of unobservable inputs to fair value
			Market unit rent, using direct market comparables and taking into account of location and other individual factors such as road frontage, size of property and facilities range from around RMB112 sq.m./month to RMB560 sq.m./month (2016: RMB110 sq.m./month to RMB610 sq.m./month).  使用直接市場比較方法並經計 入位置及臨街道路、物業大 小及設施等其他各項因素， 所得市場單位租金介乎每平 方米每月人民幣112元至 每平方米每月人民幣560元 (二零一六年：每平方米每月 人民幣110元至每平方米每月 人民幣610元)。	A slight increase in the market unit rent would result in significant increase in fair value and vice versa.  市場單位租金輕微上 漲將導致公平值大 幅增加，反之亦 然。

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 14. 投資物業(續)

### 14. INVESTMENT PROPERTIES (Continued)

於綜合財務 狀況表內本集團 所持投資物業 Investment properties held by the Group in the consolidated statement of financial position	公平值級別 Fair value hierarchy	估值方法及 主要輸入數據 Valuation technique(s) and key input(s)	重要無法觀察 輸入數據 Significant unobservable input(s)	無法觀察 輸入數據與 公平值的關係 Relationship of unobservable inputs to fair value
Completed investment property – Shanghai CIFI Haishang International	Level 3 第三級	Income method (term and reversionary approach) 收入法 (租期復歸法)	Term yield, taking into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received of 5% (2016: 5.5%).	A slight increase in the term yield would result in a slight decrease in fair value and vice versa.
已竣工投資物業 – 上海旭輝 海上國際		The key inputs are: (1) Term yield; (2) Reversionary yield; and (3) Market unit rent of individual unit	經計入可比較物業產生的 收益及反映所擔保及將 收取租期收入的確定性的調 整，租期收益率為5% (二零 一六年：5.5%)。	租期收益率輕微增加 將導致公平值計量 輕微減少，反之亦 然。
2017: RMB2,072,850,000 二零一七年： 人民幣2,072,850,000元		主要輸入數據為： (1) 租期收益率； (2) 復歸收益率；及 (3) 個別單位的市場單位 租金	A slight increase in the reversionary yield would result in a significant decrease in fair value and vice versa.	A slight increase in the reversionary yield will result in a significant decrease in fair value and vice versa.
2016: RMB1,973,000,000 二零一六年： 人民幣1,973,000,000元			Reversionary yield, taking into account annual unit market rental income and unit market value of the comparable properties of 5.5%. (2016: 6%) 經計入單位市場年度租金 收入及可比較物業的單位市 值，復歸收益率為5.5% (二零 一六年：6%)。	復歸收益率輕微上升 將導致公平值大幅 減少，反之亦然。

## 14. 投資物業(續)

## 14. INVESTMENT PROPERTIES (Continued)

於綜合財務 狀況表內本集團 所持投資物業 Investment properties held by the Group in the consolidated statement of financial position	公平值級別 Fair value hierarchy	估值方法及 主要輸入數據 Valuation technique(s) and key input(s)	重要無法觀察 輸入數據 Significant unobservable input(s)	無法觀察 輸入數據與 公平值的關係 Relationship of unobservable inputs to fair value
			Market unit rent, using direct market comparables and taking into account of location and other individual factors such as road frontage, size of property and facilities range from around RMB222 sq.m./month to RMB443 sq.m./month (2016: RMB213 sq.m./month to RMB426 sq.m./month).  使用直接市場比較方法並經計 入位置及臨街道路、物業大 小及設施等其他各項因素， 所得市場單位租金介乎每平 方米每月人民幣222元至每平 方米每月人民幣443元(二零 一六年：每平方米每月人民 幣213元至每平方米每月人民 幣426元)。	A slight increase in the market unit rent would result in significant increase in fair value and vice versa.  市場單位租金輕微上 漲將導致公平值大 幅增加，反之亦然。

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 14. 投資物業(續)

### 14. INVESTMENT PROPERTIES (Continued)

於綜合財務 狀況表內本集團 所持投資物業 Investment properties held by the Group in the consolidated statement of financial position				公平值級別 Fair value hierarchy	估值方法及 主要輸入數據 Valuation technique(s) and key input(s)	重要無法觀察 輸入數據 Significant unobservable input(s)	無法觀察 輸入數據與 公平值的關係 Relationship of unobservable inputs to fair value
Completed investment property – Shanghai CIFI Pudong Yangjing	Level 3 第三級	Income method (term and reversionary approach) 收入法(租期復歸法)	Term yield, taking into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received of 4%.	A slight increase in the term yield would result in a slight decrease in fair value and vice versa.			
已竣工投資物業 – 上海旭輝 浦東洋涇		The key inputs are: (1) Term yield; (2) Reversionary yield; and (3) Market unit rent of individual unit	經計入可比較物業產生的收益 及反映所擔保及將收取租期 收入的確定性的調整，租期 收益率為4%。	租期收益率輕微增加 將導致公平值計量 輕微減少，反之亦 然。			
2017: RMB8,000,000,000 二零一七年： 人民幣8,000,000,000元		主要輸入數據為： (1) 租期收益率； (2) 復歸收益率；及 (3) 個別單位的市場單位 租金	Reversionary yield, taking into account annual unit market rental income and unit market value of the comparable properties of 4.5%.	A slight increase in the reversionary yield would result in a significant decrease in fair value and vice versa.			
2016: Nil 二零一六年：無			經計入單位市場年度租金收入 及可比較物業的單位市值， 復歸收益率為4.5%。	復歸收益率輕微上升 將導致公平值大幅 減少，反之亦然。			

## 14. 投資物業(續)

## 14. INVESTMENT PROPERTIES (Continued)

於綜合財務 狀況表內本集團 所持投資物業 Investment properties held by the Group in the consolidated statement of financial position	公平值級別 Fair value hierarchy	估值方法及 主要輸入數據 Valuation technique(s) and key input(s)	重要無法觀察 輸入數據 Significant unobservable input(s)	無法觀察 輸入數據與 公平值的關係 Relationship of unobservable inputs to fair value
			Market unit rent, using direct market comparables and taking into account of location and other individual factors such as road frontage, size of property and facilities range from around RMB235 sq.m./month to RMB470 sq.m./month. 使用直接市場比較方法並經計 入位置及臨街道路、物業大 小及設施等其他各項因素， 所得市場單位租金介乎每平 方米每月人民幣235元至每平 方米每月人民幣470元。	A slight increase in the market unit rent would result in significant increase in fair value and vice versa. 市場單位租金輕微上 漲將導致公平值大 幅增加，反之亦 然。

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 15. 物業、廠房及設備

### 15. PROPERTY, PLANT AND EQUIPMENT

		租賃土地及 樓宇 Leasehold land and buildings				機動車輛 Motor vehicles	設備及傢俬 Equipment and furniture	總計 Total	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元			人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000			RMB'000	RMB'000
<b>成本</b>	<b>COST</b>								
於二零一六年一月一日	At 1 January 2016	11,684	44,039	57,938	113,661				
添置	Additions	19,650	6,152	23,840	49,642				
出售附屬公司(附註39)	Disposal of subsidiaries (note 39)	–	(1,532)	(3,916)	(5,448)				
出售	Disposals	–	(4,870)	(2,781)	(7,651)				
於二零一六年十二月三十一日	At 31 December 2016	31,334	43,789	75,081	150,204				
添置	Additions	–	17,816	26,097	43,913				
收購附屬公司(附註38)	Acquisitions of subsidiaries (note 38)	–	604	546	1,150				
出售附屬公司(附註39)	Disposal of subsidiaries (note 39)	–	(73)	(47)	(120)				
出售	Disposals	(8,630)	(3,997)	(13,319)	(25,946)				
於二零一七年十二月三十一日	At 31 December 2017	22,704	58,139	88,358	169,201				
<b>累計折舊</b>	<b>ACCUMULATED DEPRECIATION</b>								
於二零一六年一月一日	At 1 January 2016	3,526	28,578	32,953	65,057				
年內開支	Charge for the year	560	4,555	10,835	15,950				
出售附屬公司(附註39)	Disposal of subsidiaries (note 39)	–	(552)	(1,805)	(2,357)				
於出售時對銷	Eliminated on disposals	–	(2,339)	(1,890)	(4,229)				
於二零一六年十二月三十一日	At 31 December 2016	4,086	30,242	40,093	74,421				
年內開支	Charge for the year	573	5,694	11,127	17,394				
出售附屬公司(附註39)	Disposal of subsidiaries (note 39)	–	(69)	(20)	(89)				
於出售時對銷	Eliminated on disposals	(2,727)	(955)	(3,824)	(7,506)				
於二零一七年十二月三十一日	At 31 December 2017	1,932	34,912	47,376	84,220				
<b>賬面值</b>	<b>CARRYING VALUES</b>								
於二零一七年十二月三十一日	At 31 December 2017	20,772	23,227	40,982	84,981				
於二零一六年十二月三十一日	At 31 December 2016	27,248	13,547	34,988	75,783				

## 15. 物業、廠房及設備(續)

上述物業、廠房及設備項目於計及按照下列年率計算的估計剩餘價值後以直線法折舊：

租賃土地及樓宇	按估計可使用年期20年 或租期(以較短者為 準)
機動車輛	20%
設備及傢俬	20%

所有樓宇均位於中國境內土地上。

## 16. 預付租賃款項

預付租賃款項的賬面值指本集團於中國按中期租賃所持有擬作酒店房地產開發及行政用途的土地使用權。

## 17. 於聯營公司的權益

本集團於聯營公司的權益詳情如下：

## 15. PROPERTY, PLANT AND EQUIPMENT (*Continued*)

The above items of property, plant and equipment are depreciated using the straight-line method after taking into account of their estimated residual values at the following rates per annum:

Leasehold land and buildings	Over the estimated useful lives of 20 years or the term of the leases, whichever is shorter
Motor vehicles	20%
Equipment and furniture	20%

The buildings are all situated on land in the PRC.

## 16. PREPAID LEASE PAYMENTS

The carrying amount of prepaid lease payments represents the land use rights held in the PRC under medium term leases intended for hotel property development and administrative usage.

## 17. INTERESTS IN ASSOCIATES

Details of the Group's interests in associates are as follows:

	二零一七年 2017	二零一六年 2016	
	人民幣千元 RMB'000	人民幣千元 RMB'000	
於聯營公司的非上市投資成本 應佔收購後業績及其他全面收益 (開支)，扣除已收股息	Cost of unlisted investments in associates Share of post-acquisition results and other comprehensive income, net of dividend received	2,095,253 728,349 2,823,602	1,312,037 22,416 1,334,453

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### Notes to the Consolidated Financial Statements

#### 17. 於聯營公司的權益(續)

於二零一七年及二零一六年十二月三十一日，本集團的聯營公司詳情載列如下：

#### 17. INTERESTS IN ASSOCIATES (Continued)

Particulars of the Group's associates as at 31 December 2017 and 2016 are set out as follows:

聯營公司名稱 Name of associates	註冊成立／ 成立地點 Place of incorporation/ establishment		經營地點 Place of operation		本集團應佔股權 Equity interest attributable to the Group		本集團所持投票權比率 Proportion of voting power held by the Group		主要業務 Principal activities
					二零一七年 2017	二零一六年 2016	二零一七年 2017	二零一六年 2016	
	中國 PRC	中國 PRC	中國 PRC	中國 PRC					
天津世紀興房地產開發有限公司 Tianjin Shijixing Real Estate Development Co., Ltd.	中國 PRC	中國 PRC	中國 PRC	中國 PRC	25%	25%	25%	25%	房地產開發 Property development
北京旭輝當代置業有限公司 Beijing Xuhui Dangdai Property Co., Ltd.	中國 PRC	中國 PRC	中國 PRC	中國 PRC	50%	50%	50%	50%	房地產開發 Property development
杭州龍卓房地產開發有限公司 Hangzhou Longzhuo Real Estate Development Co., Ltd.	中國 PRC	中國 PRC	中國 PRC	中國 PRC	35%	35%	35%	35%	房地產開發 Property development
南京旭辰置業有限公司 Nanjing Xuchen Property Co., Ltd.	中國 PRC	中國 PRC	中國 PRC	中國 PRC	49%	49%	49%	49%	房地產開發 Property development
上海坤輝置業有限公司 Shanghai Kunhui Property Co., Ltd.	中國 PRC	中國 PRC	中國 PRC	中國 PRC	50%	50%	50%	50%	房地產開發 Property development
北京達成光遠置業有限公司(「北京達成」) Beijing Dacheng Guangyuan Property Co., Ltd. ("Beijing Dacheng")	中國 PRC	中國 PRC	中國 PRC	中國 PRC	10%*	10%*	10%*	10%*	房地產開發 Property development
杭州辰旭置業有限公司 Hangzhou Chenxu Property Co., Ltd.	中國 PRC	中國 PRC	中國 PRC	中國 PRC	30%	30%	30%	30%	房地產開發 Property development
合肥琅溪置業有限公司 Hefei Langxi Property Co., Ltd.	中國 PRC	中國 PRC	中國 PRC	中國 PRC	23%	23%	23%	23%	房地產開發 Property development
合肥嘉匯置業有限公司 Hefei Jiahui Property Co., Ltd.	中國 PRC	中國 PRC	中國 PRC	中國 PRC	50%	50%	50%	50%	房地產開發 Property development
合肥辰旭房地產開發有限公司 Hefei Chenxu Property Development Co., Ltd.	中國 PRC	中國 PRC	中國 PRC	中國 PRC	50%	50%	50%	50%	房地產開發 Property development

## 17. 於聯營公司的權益(續)

## 17. INTERESTS IN ASSOCIATES (Continued)

聯營公司名稱 Name of associates	註冊成立/ 成立地點 Place of incorporation/ establishment		經營地點 Place of operation		本集團應佔股權 attributable to the Group		本集團所持投票權比率 Proportion of voting power held by the Group		主要業務 Principal activities	
	二零一七年 2017	二零一六年 2016			二零一七年 2017	二零一六年 2016	二零一七年 2017	二零一六年 2016		
			2017	2016						
杭州旭發置業有限公司 Hangzhou Xufa Property Co., Ltd.	中國 PRC	中國 PRC	30%	30%	30%	30%	30%	30%	房地產開發 Property development	
天津旭浩房地產開發有限公司 Tianjin Xuhao Property Development Co., Ltd.	中國 PRC	中國 PRC	25%	25%	25%	25%	25%	25%	房地產開發 Property development	
武漢輝恒置業有限公司 Wuhan Huiheng Property Co., Ltd.	中國 PRC	中國 PRC	30%	30%	30%	30%	30%	30%	房地產開發 Property development	
重慶睿豐致元實業有限公司 Chongqing Ruiteng Zhiyuan Property Co., Ltd.	中國 PRC	中國 PRC	33%	33%	33%	33%	33%	33%	房地產開發 Property development	
上海毅匹壘建築科技有限公司 Shanghai Yipixi Construction Technology Co., Ltd.	中國 PRC	中國 PRC	30%	30%	30%	30%	30%	30%	工業化預製建築服務 Industrialized prefabricated construction services	
杭州濱旭置業有限公司 Hangzhou Bingxu Property Co., Ltd.	中國 PRC	中國 PRC	25%	25%	25%	25%	25%	25%	房地產開發 Property development	
上海永升物業管理股份有限公司 (「上海永升」)(附註39) Shanghai Yongsheng Property Service Co., Ltd. ("Shanghai Yongsheng") (note 39)	中國 PRC	中國 PRC	29.5%	30%	29.5%	30%	29.5%	30%	物業管理 Property management	
濟南泰盛房地產開發有限公司 Jinan Taisheng Property Development Co., Ltd.	中國 PRC	中國 PRC	29.8%*	20%*	29.8%*	20%*	29.8%*	20%*	房地產開發 Property development	
杭州錦繁置業有限公司 Hangzhou Jinfan Property Co., Ltd.	中國 PRC	中國 PRC	33%	33%	33%	33%	33%	33%	房地產開發 Property development	
佛山市融鴻房地產有限公司 Foshan Ronghong Property Co., Ltd.	中國 PRC	中國 PRC	33%	33%	33%	33%	33%	33%	房地產開發 Property development	
北京龍熙房地產開發有限公司(「北京龍熙」) Beijing Longxi Property Development Co., Ltd. ("Beijing Longxi")	中國 PRC	中國 PRC	15%*	15%*	15%*	15%*	15%*	15%*	房地產開發 Property development	

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Notes to the Consolidated Financial Statements

### 17. 於聯營公司的權益(續)

### 17. INTERESTS IN ASSOCIATES *(Continued)*

聯營公司名稱 Name of associates	註冊成立／ 成立地點 Place of incorporation/ establishment		經營地點 Place of operation	本集團應佔股權 attributable to the Group		本集團所持投票權比率 Proportion of voting power held by the Group		主要業務 Principal activities
	二零一七年 2017	二零一六年 2016		二零一七年 2017	二零一六年 2016	二零一七年 2017	二零一六年 2016	
	合肥盛卓房地產開發有限公司(「合肥盛卓」) Hefei Shengzhuo Property Development Co., Ltd. ("Hefei Shengzhuo")	中國 PRC	中國 PRC	15.2%*	-	15.2%*	-	房地產開發 Property development
上海旭技實業有限公司(「上海旭技」)(附註39) Shanghai Xuji Property Co., Ltd. ("Shanghai Xuji") (note 39)	中國 PRC	中國 PRC		25%	100%	25%	100%	房地產開發 Property development
合肥永拓置業發展有限公司(「合肥永拓」) Hefei Yongtuo Property Development Co., Ltd. ("Hefei Yongtuo")	中國 PRC	中國 PRC		17%*	-	17%*	-	房地產開發 Property development
杭州龍禧房地產開發有限公司 Hangzhou Longxi Property Development Co., Ltd.	中國 PRC	中國 PRC		20%	-	20%	-	房地產開發 Property development
天津政輝榮天房地產開發有限公司 Tianjin Zhenghuirongtian Property Development Co., Ltd.	中國 PRC	中國 PRC		30%	-	30%	-	房地產開發 Property development
北京愛享空間科技有限公司 Beijing iShion Tech Co., Ltd.	中國 PRC	中國 PRC		42%	-	42%	-	技術服務及管理諮詢 Technical service and management consulting
太原旭凰鵬泰房地產開發有限公司 Taiyuan Xuhuangpengtai Property Development Co., Ltd.	中國 PRC	中國 PRC		35%	-	35%	-	房地產開發 Property development
合肥和桂房地產有限公司 Hefei Hegui Property Co., Ltd.	中國 PRC	中國 PRC		21.5%	-	21.5%	-	房地產開發 Property development
合肥華宇業瑞房地產開發有限公司 Hefei Huayuerui Property Development Co., Ltd.	中國 PRC	中國 PRC		30%	-	30%	-	房地產開發 Property development
南京泰麒置業發展有限公司 Nanjing Taiqi Property Development Co., Ltd.	中國 PRC	中國 PRC		20%	-	20%	-	房地產開發 Property development
杭州錦和置業有限公司 Hangzhou Jinhe Property Co., Ltd.	中國 PRC	中國 PRC		33%	-	33%	-	房地產開發 Property development

## 17. 於聯營公司的權益(續)

## 17. INTERESTS IN ASSOCIATES (Continued)

聯營公司名稱 Name of associates	註冊成立／ 成立地點 Place of incorporation/ establishment		經營地點 Place of operation	本集團應佔股權 attributable to the Group		本集團所持投票權比率 Proportion of voting power held by the Group		主要業務 Principal activities
	二零一七年 2017	二零一六年 2016		二零一七年 2017	二零一六年 2016	二零一七年 2017	二零一六年 2016	
	寧波上湖置業有限公司 Ningbo Shanghu Property Co., Ltd.	中國 PRC	中國 PRC	25%	-	25%	-	房地產開發 Property development
瀋陽新興置業有限公司 Shenyang Xinxing Property Co., Ltd.	中國 PRC	中國 PRC	20%	-	20%	-	房地產開發 Property development	
上海領昱公寓管理有限公司(「上海領昱」) (附註47) Shanghai Lingyu Apartment Management Co., Ltd. ("Shanghai Lingyu") (note 47)	中國 PRC	中國 PRC	30%	-	30%	-	租賃服務 Leasing services	
蘇州北辰旭昭置業有限公司(「蘇州北辰旭昭」) Suzhou Beichenxuzhao Property Co., Ltd. ("Suzhou Beichenxuzhao")	中國 PRC	中國 PRC	50%*	50%*	50%*	50%*	房地產開發 Property development	
無錫北辰盛陽置業有限公司 Wuxi Beichenshengyang Property Co., Ltd.	中國 PRC	中國 PRC	30%	-	30%	-	房地產開發 Property development	
上海旭導實業有限公司(「上海旭導」) Shanghai Xudao Property Co., Ltd. ("Shanghai Xudao")	中國 PRC	中國 PRC	50%*	100%	50%*	100%	房地產開發 Property development	
北京正德瑞祥房地產開發有限公司 Beijing Zhengderuixiang Property Development Co., Ltd.	中國 PRC	中國 PRC	49%	-	49%	-	房地產開發 Property development	
北京厚泰房地產開發有限公司 Beijing Houtai Property Development Co., Ltd.	中國 PRC	中國 PRC	26%	-	26%	-	房地產開發 Property development	
旭皇有限公司(「旭皇」)(附註38) Xu Huang Co., Ltd. ("Xu Huang") (note 38)	英屬處女群島 BVI	英屬處女群島 BVI	(附註) (note)	25%	(附註) (note)	25%	投資控股 Investment holding	

\* 該等公司於各期間結束日期根據各公司的章程大綱及細則入賬為本公司的聯營公司，該等公司的主要財務及營運政策須由董事會簡單多數通過。本集團於北京達成董事會十三名董事中有兩名董事、北京龍熙董事會五名董事中有一名董事、合肥盛卓董事會九名董事中有一名董事、合肥永拓董事會九名董事中有一名董事、蘇州北辰旭昭董事會五名董事中有兩名董事及上海旭導董事會三名董事中有一名董事，因此，本集團於該等公司擁有重大影響力。

# 由於本集團注資，故本集團所持股權由20%增加至29.8%。

附註：於二零一七年十二月三十一日，旭皇成為本集團附屬公司。

\* These companies are accounted for as associates of the Company as at respective period end date as in accordance with the memorandum and article of the companies, major financial and operating policies of these companies require consent with simple majority in the board of directors. The Group has 2 out of 13 directors in the board of Beijing Dacheng, 1 out of 5 directors in the board of Beijing Longxi, 1 out of 9 directors in the board of Hefei Shengzhuo, 1 out of 9 directors in the board of Hefei Yongtuo, 2 out of 5 directors in the board of Suzhou Beichenxuzhao and 1 out of 3 directors in the board of Shanghai Xudao, thus, the Group has significant influence over these companies.

# The equity shares held by the Group, increased from 20% to 29.8% due to capital injection by the Group.

Note: Xu Huang became a subsidiary of the Group as at 31 December 2017.

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### 17. 於聯營公司的權益(續)

非個別重大聯營公司的匯總資料

### 17. INTERESTS IN ASSOCIATES *(Continued)*

Aggregate information of associates that are not individually material

		截至 二零一七年 十二月三十一日 止年度 Year ended 31 December 2017 人民幣千元 RMB'000	截至 二零一六年 十二月三十一日 止年度 Year ended 31 December 2016 人民幣千元 RMB'000
本集團應佔利潤及全面 收入總額	The Group's share of profit and total comprehensive income	699,766	55,324
本集團於該等聯營公司的權益 賬面值總額	Aggregate carrying amount of the Group's interests in these associates	2,823,602	1,334,453

## 18. 於合營企業的權益

本集團於合營企業的權益詳情如下：

## 18. INTERESTS IN JOINT VENTURES

Details of the Group's interests in joint ventures are as follows:

		二零一七年 2017	二零一六年 2016
		人民幣千元 RMB'000	人民幣千元 RMB'000
於合營企業非上市投資成本	Cost of unlisted investments in joint ventures	4,459,504	6,316,727
應佔收購後業績及其他全面收入， 扣除已收股息	Share of post-acquisition results and other comprehensive income, net of dividend received	1,343,045	1,187,739
		5,802,549	7,504,466

於二零一七年及二零一六年十二月三十一日，本集團合營企業的詳情載列如下：

合營企業名稱 Name of joint venture	註冊成立/ 成立地點 Place of incorporation/ establishment		經營地點 Place of operation	本集團應佔股權 Equity interest attributable to the Group		本集團所持投票權比率 Proportion of voting power held by the Group		主要業務 Principal activities
	二零一七年 2017	二零一六年 2016		二零一七年 2017	二零一六年 2016	二零一七年 2017	二零一六年 2016	
上海首嘉置業有限公司 Shanghai Shoujia Property Co., Ltd.	中國 PRC	中國 PRC		40%*	40%*	40%*	40%*	房地產開發 Property development
上海綠旭置業有限公司 Shanghai Lvxu Property Co., Ltd.	中國 PRC	中國 PRC		50%	50%	50%	50%	房地產開發 Property development
上海新城旭地房地產有限公司 Shanghai Xincheng Xudi Property Development Co., Ltd.	中國 PRC	中國 PRC		50%	50%	50%	50%	房地產開發 Property development
蘇州旭邦置業有限公司 Suzhou Xubang Property Co., Ltd.	中國 PRC	中國 PRC		50%	50%	50%	50%	房地產開發 Property development
重慶旭原創展房地產開發有限公司 Chongqing Xuyuan Chuangzhan Property Development Co., Ltd.	中國 PRC	中國 PRC		30%*	30%*	30%*	30%*	房地產開發 Property development

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### 18. 於合營企業的權益(續)

### 18. INTERESTS IN JOINT VENTURES (Continued)

合營企業名稱 Name of joint venture	註冊成立／ 成立地點 Place of incorporation/ establishment		經營地點 Place of operation		本集團應佔股權 Equity interest attributable to the Group	本集團所持投票權比率 Proportion of voting power held by the Group	主要業務 Principal activities			
	二零一七年 2017	二零一六年 2016	二零一七年 2017	二零一六年 2016						
蘇州旭悅置業有限公司 Suzhou Xuyue Property Co., Ltd.	中國 PRC	中國 PRC			40%*	40%*	40%* 房地產開發 Property development			
北京旭天恒置業有限公司 Beijing Xutianheng Property Co., Ltd.	中國 PRC	中國 PRC			49%*	49%*	49%* 房地產開發 Property development			
北京旭輝永同昌置業有限公司 Beijing Xuhui Yongtongchang Property Co., Ltd.	中國 PRC	中國 PRC			49%*	49%*	49%* 投資控股 Investment holding			
旭寶有限公司(「旭寶」) Xu Bao Co., Ltd. ("Xu Bao")	英屬處女群島 BVI	中國 PRC			50%	50%	50% 投資控股 Investment holding			
旭溥有限公司 Xu Pu Co. Limited	英屬處女群島 BVI	中國 PRC			35%*	35%*	35%* 投資控股 Investment holding			
上海旭梭實業有限公司 (附註39)(「上海旭梭」) Shanghai Xusuo Industry Co., Ltd. (note 39) ("Shanghai Xusuo")	中國 PRC	中國 PRC			34%*	34%*	34%* 房地產開發 Property development			
蘇州凱合投資諮詢有限公司 (附註39)(「蘇州凱合」) Suzhou Kaihe Investment Consultancy Co., Ltd. (note 39) ("Suzhou Kaihe")	中國 PRC	中國 PRC			34%*	34%*	34%* 房地產開發 Property development			
深圳市新威尚達投資有限公司 Shenzhen Xinwei Shangda Investment Co., Ltd.	中國 PRC	中國 PRC			50%	50%	50% 房地產開發 Property development			

## 18. 於合營企業的權益(續)

## 18. INTERESTS IN JOINT VENTURES (Continued)

合營企業名稱 Name of joint venture	註冊成立／ 成立地點 Place of incorporation/ establishment		經營地點 Place of operation	本集團應佔股權 Equity interest attributable to the Group		本集團所持投票權比率 Proportion of voting power held by the Group		主要業務 Principal activities
	二零一七年 2017	二零一六年 2016		二零一七年 2017	二零一六年 2016			
三亞海力投資置業有限公司 Sanya Haili Investment Property Co., Ltd.	中國 PRC	中國 PRC		50%	50%	50%	50%	房地產開發 Property development
杭州眾旭置業有限公司(附註a) Hangzhou Zhongxu Property Co., Ltd. (note a)	中國 PRC	中國 PRC		23%*	50%*	23%*	50%*	房地產開發 Property development
廣州市保瑞房地產開發有限公司 Guangzhou Baorui Property Development Co., Ltd.	中國 PRC	中國 PRC		23.5%**	19%**	23.5%**	19%**	房地產開發 Property development
成都益豐天成置業有限公司 Chengdu Yifengtiancheng Property Co., Ltd.	中國 PRC	中國 PRC		22.5%*	-	22.5%*	-	房地產開發 Property development
鄭州盛清房地產開發有限公司 Zhengzhou Shengqing Property Development Co., Ltd.	中國 PRC	中國 PRC		21%*	-	21%*	-	房地產開發 Property development
天津梅江秋實置業有限公司 Tianjin Meijiangqushi Property Co., Ltd.	中國 PRC	中國 PRC		25%*	-	25%*	-	房地產開發 Property development
天津市捷一房地產有限公司 Tianjin Jieyi Property Co., Ltd.	中國 PRC	中國 PRC		40%*	-	40%*	-	房地產開發 Property development
北京正德豐澤房地產開發有限公司 Beijing Zhengdefengze Property Development Co., Ltd.	中國 PRC	中國 PRC		25%*	-	25%*	-	房地產開發 Property development

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### 18. 於合營企業的權益 (續)

### 18. INTERESTS IN JOINT VENTURES (Continued)

合營企業名稱 Name of joint venture	註冊成立／ 成立地點 Place of incorporation/ establishment		經營地點 Place of operation		本集團應佔股權 attributable to the Group	本集團所持投票權比率 Proportion of voting power held by the Group	主要業務 Principal activities
	二零一七年 2017	二零一六年 2016	二零一七年 2017	二零一六年 2016			
重慶金碧輝房地產開發有限公司 Chongqing Jinbihui Property Development Co., Ltd.	中國 PRC	中國 PRC			33% <sup>#</sup>	—	33% <sup>#</sup> – 房地產開發 Property development
重慶碧金輝房地產開發有限公司 Chongqing Bijinhui Property Development Co., Ltd.	中國 PRC	中國 PRC			33% <sup>#</sup>	—	33% <sup>#</sup> – 房地產開發 Property development
重慶華宇盛泰房地產開發有限公司 Chongqing Huayushengtai Property Development Co., Ltd.	中國 PRC	中國 PRC			30% <sup>#</sup>	—	30% <sup>#</sup> – 房地產開發 Property development
重慶盛資房地產開發有限公司 Chongqing Shengzi Property Development Co., Ltd.	中國 PRC	中國 PRC			24.5% <sup>#</sup>	—	24.5% <sup>#</sup> – 房地產開發 Property development
上海璽越房地產開發有限公司 Shanghai Xirui Property Development Co., Ltd.	中國 PRC	中國 PRC			15% <sup>#</sup>	—	15% <sup>#</sup> – 房地產開發 Property development
合肥錦順房地產開發有限公司 Hefei Jinshun Property Development Co., Ltd.	中國 PRC	中國 PRC			25.4% <sup>#</sup>	—	25.4% <sup>#</sup> – 房地產開發 Property development
杭州宸盛置業有限公司 Hangzhou Chensheng Property Co., Ltd.	中國 PRC	中國 PRC			29.5% <sup>#</sup>	—	29.5% <sup>#</sup> – 房地產開發 Property development

## 18. 於合營企業的權益(續)

## 18. INTERESTS IN JOINT VENTURES (Continued)

合營企業名稱 Name of joint venture	註冊成立／ 成立地點 Place of incorporation/ establishment		經營地點 Place of operation		本集團應佔股權 Equity interest attributable to the Group	本集團所持投票權比率 Proportion of voting power held by the Group	主要業務 Principal activities
	二零一七年 2017	二零一六年 2016	二零一七年 2017	二零一六年 2016			
北京盛鵬置業有限公司 Beijing Shengpeng Property Co., Ltd.	中國 PRC	中國 PRC	16.7% <sup>#</sup>	—	16.7% <sup>#</sup>	—	房地產開發 Property development
上海旭沃實業有限公司 〔上海旭沃〕(附註39) Shanghai Xuwo Property Co., Ltd. ("Shanghai Xuwo") (note 39)	中國 PRC	中國 PRC	50% <sup>#</sup>	100%	50% <sup>#</sup>	100%	房地產開發 Property development
杭州臨盛置業有限公司 Hangzhou Linsheng Property Co., Ltd.	中國 PRC	中國 PRC	50%	—	50%	—	房地產開發 Property development
南京佳運城房地產開發有限公司 Nanjing Jiayuncheng Property Development Co., Ltd.	中國 PRC	中國 PRC	49% <sup>#</sup>	—	49% <sup>#</sup>	—	房地產開發 Property development
南京九城興房地產開發有限公司 Nanjing Jiuchengxing Property Development Co., Ltd.	中國 PRC	中國 PRC	49% <sup>#</sup>	—	49% <sup>#</sup>	—	房地產開發 Property development
長沙恒高房地產開發有限公司 Changsha Henggao Property Development Co., Ltd.	中國 PRC	中國 PRC	50%	—	50%	—	房地產開發 Property development
長沙紫荊置業有限公司 Changsha Zijing Property Co., Ltd.	中國 PRC	中國 PRC	50%	—	50%	—	房地產開發 Property development

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### 18. 於合營企業的權益 (續)

### 18. INTERESTS IN JOINT VENTURES (Continued)

合營企業名稱 Name of joint venture	註冊成立／ 成立地點 Place of incorporation/ establishment		經營地點 Place of operation		本集團應佔股權 attributable to the Group	本集團所持投票權比率 Proportion of voting power held by the Group	主要業務 Principal activities			
杭州東原致方科技有限公司 Hangzhou Dongyuanzhifang Techonology Co., Ltd.	中國 PRC	中國 PRC			50%	-	50% - 科學及技術延伸及 應用服務 Science & technology extension & application service			
蘇州旭隆置業有限公司 Suzhou Xulong Property Co., Ltd.	中國 PRC	中國 PRC			50%	-	50% - 房地產開發 Property development			
北京盛創置業有限公司 〔北京盛創〕(附註39) Beijing Shengchuang Property Co., Ltd. ("Beijing Shengchuang") (note 39)	中國 PRC	中國 PRC			50%	100%	50% 100% 房地產開發 Property development			
杭州茂輝商務諮詢有限公司 〔杭州茂輝〕(附註39) Hangzhou Maohui Business Consultancy Co., Ltd. ("Hangzhou Maohui") (note 39)	中國 PRC	中國 PRC			50%	100%	50% 100% 租賃及業務服務 Leasing & Business services			
海南新澳立洋實業有限公司 Hainan Xinaoliyang Property Co., Ltd.PRC	中國 PRC	中國 PRC			51% <sup>#</sup>	-	51% <sup>#</sup> - 房地產開發 Property development			
濟南輝明房地產開發有限公司 〔濟南輝明〕(附註39) Jinan Huiming Property Development Co., Ltd. ("Jinan Huiming") (note 39)	中國 PRC	中國 PRC			49% <sup>#</sup>	100%	49% <sup>#</sup> 100% 房地產開發 Property development			
旭昌有限公司〔旭昌〕(附註39) Xu Chang Co. Limited ("Xu Chang") (note 39)	中國 PRC	中國 PRC			50%	100%	50% 100% 房地產開發 Property development			

## 18. 於合營企業的權益(續)

## 18. INTERESTS IN JOINT VENTURES (Continued)

合營企業名稱 Name of joint venture	註冊成立／ 成立地點 Place of incorporation/ establishment		經營地點 Place of operation		本集團應佔股權 attributable to the Group	本集團所持投票權比率 Proportion of voting power held by the Group	主要業務 Principal activities			
	二零一七年 2017	二零一六年 2016	二零一七年 2017	二零一六年 2016						
上海夏鋒企業管理有限公司 Shanghai Xiafeng Business Management Co., Ltd.	中國 PRC	中國 PRC		50%	—	50%	— 租賃及業務服務 Leasing & Business services			
Wonder Sign Limited	英屬處女群島 BVI	香港 HK		50%	—	50%	— 房地產開發 Property development			
重慶業翰實業有限公司 Chongqing Yehan Property Co., Ltd.	中國 PRC	中國 PRC	27.91%*	—	27.91%*	— 房地產開發 Property development				
上海行棟實業有限公司 Shanghai Hangdong Property Co., Ltd.	中國 PRC	中國 PRC	27.91%*	—	27.91%*	— 房地產開發 Property development				
福州泰禾永盛置業有限公司 Fuzhou Taihe Yongsheng Property Co., Ltd.	中國 PRC	中國 PRC	49%*	—	49%*	— 房地產開發 Property development				
恒山發展有限公司 Henshan Development Limited Property Co., Ltd.	香港 HK	中國 PRC	50%*	—	50%*	— 投資控股 Investment holding				
東時 Eastime	香港 HK	中國 PRC	(附註b) (note b)	50%	(附註b) (note b)	50%	投資控股 Investment holding			
Coastwise Limited ("Coastwise")	英屬處女群島 BVI	中國 PRC	(附註b) (note b)	50%	(附註b) (note b)	50%	投資控股 Investment holding			

\* 該等公司於各期間結束日期根據各公司的章程大綱及細則入賬為合營企業，該等公司的主要財務及營運政策須由全體董事一致通過。

\* 由於本集團注資，故本集團所持該公司股權由19%增加至23.5%。

### 附註：

- a) 由於其他獨立股東注資，故本集團所持該公司股權由50%減少至23%。
- b) 於截至二零一七年十二月三十一日止年度，該等公司成為本集團附屬公司。

合營企業於二零一七年十二月三十一日擁有位於中國和香港擬作出售的開發中物業及持作出售物業分別總值人民幣60,902,000,000元(二零一六年：人民幣16,249,000,000元)及人民幣1,165,000,000元(二零一六年：人民幣2,472,000,000元)。

\* These companies are accounted for as joint ventures as at respective period end date as in accordance with the memorandum and articles of the companies, major financial and operating policies of these companies require the unanimous consent of all directors.

\* The equity interests of this company held by Group increased from 19% to 23.5% due to capital injection by the Group.

### Notes:

- a) The equity interests of this company held by the Group decreased from 50% to 23% due to capital injection by other independent shareholders.
- b) The companies became subsidiaries of the Group during the year ended 31 December 2017.

The joint ventures had properties under development for sale of RMB60,902 million (2016: RMB16,249 million) and properties held for sale of RMB1,165 million (2016: RMB2,472 million) as at 31 December 2017, all of which are situated in the PRC and Hong Kong.

## 綜合財務報表附註

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### 18. 於合營企業的權益(續)

以下載列有關本集團合營企業的財務資料概要：

下述財務資料概要為合營企業根據國際財務報告準則編製的未經審核管理賬目所示金額。

合營企業按權益法於該等綜合財務報表列賬。

旭寶

### 18. INTERESTS IN JOINT VENTURES (Continued)

Summarised financial information in respect of the Group's joint venture is set out below:

The summarised financial information below represents amounts shown in the joint ventures' unaudited management accounts prepared in accordance with IFRSs.

The joint ventures are accounted for using the equity method in these consolidated financial statements.

Xu Bao

		於 二零一七年 十二月三十一日 At 31 December 2017 人民幣千元 RMB'000	於 二零一六年 十二月三十一日 At 31 December 2016 人民幣千元 RMB'000
流動資產	Current assets	3,303,714	4,841,672
非流動資產	Non-current assets	3,574,965	3,575,085
流動負債	Current liabilities	2,654,077	3,935,529
非流動負債	Non-current liabilities	–	917,750

## 18. 於合營企業的權益(續)

以下載列有關本集團合營企業的財務資料概要：(續)

**旭寶(續)**

上述資產及負債金額包括以下各項：

## 18. INTERESTS IN JOINT VENTURES (Continued)

Summarised financial information in respect of the Group's joint venture is set out below: (Continued)

**Xu Bao (Continued)**

The above amounts of assets and liabilities included the following:

		於 二零一七年 十二月三十一日 At 31 December 2017 人民幣千元 RMB'000	於 二零一六年 十二月三十一日 At 31 December 2016 人民幣千元 RMB'000
現金及現金等價物	Cash and cash equivalents	232,308	410,895
流動金融負債	Current financial liabilities	2,581,847	3,719,687
非流動金融負債	Non-current financial liabilities	–	917,750

		截至 二零一七年 十二月三十一日 止年度 Year ended 31 December 2017 人民幣千元 RMB'000	截至 二零一六年 十二月三十一日 止年度 Year ended 31 December 2016 人民幣千元 RMB'000
收入	Revenue	1,418,024	5,543,941
年內利潤及全面收入總額	Profit and total comprehensive income for the year	651,944	383,051

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 18. 於合營企業的權益 (續)

以下載列有關本集團合營企業的財務資料概要：(續)

旭寶(續)

上述年內利潤及全面收入總額包括以下各項：

### 18. INTERESTS IN JOINT VENTURES (Continued)

Summarised financial information in respect of the Group's joint venture is set out below: (Continued)

Xu Bao (Continued)

The above profit and total comprehensive income for the year includes the following:

		於 二零一七年 十二月三十一日 At 31 December 2017 人民幣千元 RMB'000	於 二零一六年 十二月三十一日 At 31 December 2016 人民幣千元 RMB'000
折舊及攤銷	Depreciation and amortisation	164	85
利息收入	Interest income	2,752	8
所得稅開支	Income tax expenses	142,040	174,082

上述的財務資料概要與綜合財務報表中確認的旭寶賬面值對賬：

Reconciliation of the above summarised financial information to the carrying amount of the interest in Xu Bao recognised in the consolidated financial statements:

		於 二零一七年 十二月三十一日 At 31 December 2017 人民幣千元 RMB'000	於 二零一六年 十二月三十一日 At 31 December 2016 人民幣千元 RMB'000
旭寶的資產淨值	Net assets of Xu Bao	4,224,602	3,563,478
本集團於旭寶的擁有權比例	Proportion of the Group's ownership interest in Xu Bao	50%	50%
本集團於旭寶的權益的賬面值	Carrying amount of the Group's interest in Xu Bao	2,112,301	1,781,739

## 18. 於合營企業的權益(續)

以下載列有關本集團合營企業的財務資料概要：(續)

### *Coastwise*

截至二零一六年十二月三十一日止年度，Coastwise為重大合營企業，並於截至二零一七年十二月三十一日止年度成為附屬公司，於附註38詳述。

## 18. INTERESTS IN JOINT VENTURES (Continued)

Summarised financial information in respect of the Group's joint venture is set out below: (Continued)

### *Coastwise*

Coastwise was a material joint venture for year ended 31 December 2016 and become a subsidiary during the year ended 31 December 2017, as detailed in note 38.

		於 二零一六年 十二月三十一日 At 31 December 2016 人民幣千元 RMB'000
流動資產	Current assets	10,855,525
非流動資產	Non-current assets	4,255,139
流動負債	Current liabilities	5,329,093
非流動負債	Non-current liabilities	3,422,871

上述資產及負債金額包括以下各項：

The above amounts of assets and liabilities included the following:

		於 二零一六年 十二月三十一日 At 31 December 2016 人民幣千元 RMB'000
現金及現金等價物	Cash and cash equivalents	918,028
流動金融負債	Current financial liabilities	4,769,011
非流動金融負債	Non-current financial liabilities	3,422,871

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 18. 於合營企業的權益 (續)

以下載列有關本集團合營企業的財務資料概要：(續)

*Coastwise* (續)

### 18. INTERESTS IN JOINT VENTURES (Continued)

Summarised financial information in respect of the Group's joint venture is set out below: (Continued)

*Coastwise* (Continued)

截至 二零一六年 十二月三十一日 止年度 Year ended 31 December 2016 人民幣千元 RMB'000		
收入	Revenue	—
年內利潤及全面收入總額	Profit and total comprehensive income for the year	772,104

上述年內利潤及全面收入總額包括以下各項：  
The above profit and total comprehensive income for the year includes the following:

於 二零一六年 十二月三十一日 At 31 December 2016 人民幣千元 RMB'000		
折舊及攤銷	Depreciation and amortisation	47
利息收入	Interest income	16,817
所得稅開支	Income tax expenses	260,022

## 18. 於合營企業的權益(續)

以下載列有關本集團合營企業的財務資料概要：(續)

*Coastwise*(續)

上述財務資料概要與綜合財務報表中確認的*Coastwise*權益的賬面值對賬：

## 18. INTERESTS IN JOINT VENTURES (Continued)

Summarised financial information in respect of the Group's joint venture is set out below: (Continued)

*Coastwise* (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in *Coastwise* recognised in the consolidated financial statements:

	於 二零一六年 十二月三十一日 At 31 December 2016 人民幣千元 RMB'000
Coastwise的資產淨值	Net assets of <i>Coastwise</i> 6,358,700
本集團於 <i>Coastwise</i> 的擁有權比例	Proportion of the Group's ownership interest in <i>Coastwise</i> 50%
本集團於 <i>Coastwise</i> 的權益的賬面值	Carrying amount of the Group's interest in <i>Coastwise</i> 3,179,350

### 非個別重大合營企業的匯總資料

Aggregate information of joint ventures that are not individually material

	截至 二零一七年 十二月三十一日 止年度 Year ended 31 December 2017 人民幣千元 RMB'000	截至 二零一六年 十二月三十一日 止年度 Year ended 31 December 2016 人民幣千元 RMB'000
本集團應佔利潤及全面收入總額	The Group's share of profit and total comprehensive income 1,079,892	621,364

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 18. 於合營企業的權益 (續)

非個別重大合營企業的匯總資料 (續)

### 18. INTERESTS IN JOINT VENTURES (Continued)

Aggregate information of joint ventures that are not individually material

(Continued)

	於 二零一七年 十二月三十一日 At 31 December 2017 人民幣千元 RMB'000	於 二零一六年 十二月三十一日 At 31 December 2016 人民幣千元 RMB'000	
本集團於該等合營企業的 權益賬面值總額	Aggregate carrying amount of the Group's interests in these joint ventures	3,690,248	4,325,116

### 19. 於物業項目的投資

### 19. INVESTMENTS IN PROPERTY PROJECTS

	二零一七 2017 人民幣千元 RMB'000	二零一六 2016 人民幣千元 RMB'000	
於物業項目的投資	Investments in property projects	622,143	529,225

上述餘額指本集團於蘇州、宜昌及長沙物業項目的權益，而將予收取的金額乃根據與相關方訂立的各項安排所訂明相關物業單位的銷售及成本釐定，且將於報告期末按公平值列賬。於二零一七年及二零一六年十二月三十一日的公平值乃基於與本集團並無關連的獨立合資格專業估值師行第一太平戴維斯估值及專業顧問有限公司進行的估值而得出。第一太平戴維斯估值及專業顧問有限公司擁有合適評估資格，且近期於評估相關地點的類似物業方面擁有經驗。有關公平值計量的詳情載於附註49(g)。

The above balance represents the Group's interests in the property projects located in Suzhou, Yixing and Changsha of which the amounts to be receivable are determined based on the sales and costs of the relevant property units specified in the respective arrangement with the counterparts and it is carried at fair value at the end of the reporting period. The fair value at 31 December 2017 and 2016 has been arrived on the basis of valuation carried out by Savills Valuation and Professional Services Limited, a firm of independent qualified professional valuers which are not connected with the Group, who have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. Details of the fair value measurements are set out in note 49(g).

## 20. 可供出售投資

## 20. AVAILABLE-FOR-SALE INVESTMENTS

			二零一七年 2017	二零一六年 2016
	附註 Notes	人民幣千元 RMB'000	人民幣千元 RMB'000	
按公平值入賬的上市股本投資	Listed equity investment, at fair value	a	138,750	—
按成本入賬的上市股本投資	Listed equity investment, at cost	a	—	54,023
按成本入賬的非上市股本投資	Unlisted equity investments, at cost	b	484,880	484,880
按成本入賬的非上市私人基金	Unlisted private fund, at cost	c	—	202,073
			<b>623,630</b>	<b>740,976</b>

附註：

- a) 上市股本投資指於中國成立並於全國中小企業股份轉讓系統上市的實體投資。該投資於二零一六年十二月三十一日按成本計量，原因為並無活躍市場以供買賣及合理公平值估計範圍甚廣，故本公司董事認為無法可靠計量其公允值。當年內出現活躍市場以供投資買賣，該投資於二零一七年十二月三十一日按公允值計量。
- b) 非上市股本投資指於私人實體的投資。由於合理公平值的估計範圍甚廣，故本公司董事認為其公允值不能可靠計量，有關投資於報告期末按成本減減值計量。
- c) 於本年度，本集團按賬面值人民幣202,073,000元出售非上市私人基金，而有關資金於出售前按成本減減值列賬。

Notes:

- a) The listed equity investment represents investment in an entity established in the PRC and listed on the National Equities Exchange and Quotation System. The investment was measured at cost at 31 December 2016 because no active market is available for trading and the range of reasonable fair value estimates are so significant that the directors of the Company are of the opinion that their fair value cannot be reliably measured. When an active market for the investment trading is available during the year, the investment is measured at fair value at 31 December 2017.
- b) The unlisted equity investments represent investments in private entities. The investments are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates are so significant that the directors of the Company are of the opinion that their fair value cannot be reliably measured.
- c) In the current year, the Group disposed of the unlisted private fund at its carrying amount of RMB202,073,000, which had been carried at cost less impairment before the disposal.

## 21. 衍生金融工具

## 21. DERIVATIVE FINANCIAL INSTRUMENTS

			二零一七年 2017	二零一六年 2016
			人民幣千元 RMB'000	人民幣千元 RMB'000
衍生金融(負債)資產	Derivative financial (liabilities) assets			
外幣遠期合約	Foreign currency forward contracts		(333,193)	314,768

於二零一七年十二月三十一日，遠期合約名義總額為1,065,000,000美元（二零一六年：1,098,000,000美元），其中為減輕借款的外幣風險訂立遠期合約。

As at 31 December 2017, total notional amount of the forward contracts was USD1,065,000,000 (2016: USD1,098,000,000) in aggregate of which the forward contracts are entered into for mitigating the foreign currency exposure in relation to the borrowings.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 22. 就收購股權已付的按金

於二零一七年十二月三十一日，本集團擁有兩份就收購於中國註冊成立的若干實體的股權的按金合共為人民幣641,496,000元(二零一六年：622,213,000元)。年內，於過往年度的兩份按金人民幣392,046,600元已用作收購附屬公司的部分代價(如附註38所披露)。於過往年度的一份按金人民幣88,670,000元已用作收購合營企業的部分代價。

### 23. 長期保證金

於二零一七年十二月三十一日，本集團擁有保證金人民幣150,000,000元(二零一六年：人民幣300,000,000元)，以擔保本集團自報告期間末起計十二個月後將予開展的物業項目管理服務。年內，由於將開展物業項目管理服務及保證金將於二零一七年十二月三十一日起計十二個月內退還，故保證金人民幣150,000,000元已重新分類為即期並計入應收賬款及其他應收款項、按金及預付款項。

### 24. 持作出售物業

本集團的持作出售物業均位於中國及香港。所有持作出售物業按成本或可變現淨值(以較低者為準)列賬。

本集團於二零一七年十二月三十一日抵押約人民幣1,302,292,000元(二零一六年：人民幣2,828,419,000元)的持作出售物業，以擔保本集團的銀行及其他借款。

### 22. DEPOSITS PAID FOR ACQUISITIONS OF EQUITY INTERESTS

As at 31 December 2017, the Group had two deposits of RMB641,496,000 (2016: RMB622,213,000) in aggregate for the acquisitions of equity interests in certain PRC incorporated entities. During the year, two deposits in prior year of RMB392,046,600 were utilised as part of consideration for acquisitions of subsidiaries as disclosed in note 38. A deposit in prior year of RMB88,670,000 was utilised as part of consideration for acquisition of a joint venture.

### 23. LONG-TERM DEPOSIT

As at 31 December 2017, the Group had a deposit of RMB150,000,000 (2016: RMB300,000,000) for securing property project management service to be commenced by the Group after twelve months from the end of the reporting period. During the year, a deposit of RMB150,000,000 has been reclassified as current and included in accounts and other receivables, deposits and prepayments, as the property project management service will commence and the deposit will be refunded within twelve months from 31 December 2017.

### 24. PROPERTIES HELD FOR SALE

The Group's properties held for sale are situated in the PRC and Hong Kong. All the properties held for sale are stated at lower of cost and NRV.

The Group had pledged properties held for sale of approximately RMB1,302,292,000 (2016: RMB2,828,419,000) as at 31 December 2017 to secure bank and other borrowings of the Group.

## 25. 擬作出售的開發中物業

## 25. PROPERTIES UNDER DEVELOPMENT FOR SALE

		二零一七年 2017	二零一六年 2016
		人民幣千元 RMB'000	人民幣千元 RMB'000
<b>成本</b>	<b>COST</b>		
年初	At the beginning of the year	21,254,355	20,167,382
添置	Additions	23,396,616	13,987,273
收購附屬公司(附註38)	Acquisitions of subsidiaries (note 38)	15,670,711	2,166,795
出售附屬公司(附註39)	Disposal of subsidiaries (note 39)	(3,931,009)	(56,429)
轉撥至持作出售物業	Transfer to properties held for sale	(21,787,502)	(15,010,666)
年末	At the end of the year	34,603,171	21,254,355

擬作出售的開發中物業均位於中國，屬中期租賃，指竣工後擬作出售的開發中物業。

The properties under development for sale are located in the PRC under medium-term leases and represent properties under development for subsequent sale upon completion.

於二零一七年十二月三十一日，計入擬作出售的開發中物業約人民幣21,068,648,000元(二零一六年：人民幣10,090,651,000元)指預期自報告期末起逾十二個月後竣工並可供出售的物業。

Included in the properties under development for sale as at 31 December 2017 amounting to approximately RMB21,068,648,000 (2016: RMB10,090,651,000) which represent the properties expected to be completed and available for sale after more than twelve months from the end of the reporting period.

本集團於二零一七年十二月三十一日抵押約人民幣16,644,281,000元(二零一六年：人民幣9,247,319,000元)的擬作出售的開發中物業，以擔保本集團的銀行及其他借款。

The Group had pledged properties under development for sale of approximately RMB16,644,281,000 (2016: RMB9,247,319,000) at 31 December 2017 to secure bank and other borrowings of the Group.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 26. 應收賬款及其他應收款項、 按金及預付款項

貿易應收款項主要來自出售物業及租金收入。有關已售物業的代價乃根據相關買賣協議的條款且通常自協議日期起計介乎60至180日內支付。根據租賃協議，租金收入應由租戶於兩個月內支付。

### 26. ACCOUNTS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Trade receivables mainly arise from sales of properties and rental income. Considerations in respect of properties sold are paid in accordance with the terms of the related sales and purchase agreements, normally with a range of 60 days to 180 days from the date of agreement. Rental income is paid by tenants within two months in accordance to tenancy agreement.

		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
貿易應收款項(扣除撥備)	Trade receivables, net of allowance	636,613	1,315,103
其他應收款項(扣除撥備)(附註)	Other receivables, net of allowance (note)	8,080,901	7,077,230
預付稅項	Prepaid tax	327,477	360,420
按金及預付款項	Deposits and prepayments	1,762,966	872,396
		<b>10,807,957</b>	<b>9,625,149</b>

附註：有關金額主要包括就潛在物業發展項目的臨時付款及於完成開發項目後可返還的項目相關按金。其他應收款項並無固定還款期，董事認其須按要求償還，並將於借款日期起一年內收回。賬齡於一年內的其他應收款項(扣除撥備)為人民幣7,528,747,000元(二零一六年：人民幣5,885,549,000元)，而賬齡超過一年的其他應收款項為人民幣552,154,000元(二零一六年：人民幣1,191,681,000元)。

Note: The amount mainly includes temporary payments paid for potential property development projects and project-related deposits which would be refundable upon completion of the development projects. There is no fixed repayment term for other receivables and the directors consider they are repayable on demand and will be recovered in one year from the date of advance. The other receivables (net of allowance) amounted to RMB7,528,747,000 (2016: RMB5,885,549,000) with aged within one year and RMB52,154,000 (2016: RMB1,191,681,000) aged over one year respectively.

以下為於報告期末按協議日期編製的貿易應收款項賬齡分析(經扣除撥備)：

The following is an aged analysis of trade receivables, based on the date of agreement and net of allowance, at the end of the reporting period:

		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
於60日內	Within 60 days	309,973	815,941
61至180日	61–180 days	102,557	66,126
181至365日	181–365 days	98,432	202,118
1年以上	Over 1 year	125,651	230,918
		<b>636,613</b>	<b>1,315,103</b>

於接納任何企業客戶前，本集團使用內部信貸評估制度評估潛在客戶的信貸質素。

Before accepting any corporate customer, the Group uses an internal credit assessment system to assess the potential customers' credit quality.

## 26. 應收賬款及其他應收款項、 按金及預付款項(續)

於二零一七年十二月三十一日，於報告期末本集團尚未就此計提撥備的貿易應收款項賬面值約為人民幣98,432,000元(二零一六年：人民幣202,118,000元)及人民幣125,651,000元(二零一六年：人民幣230,918,000元)，該等款項於報告期末分別逾期0日至180日及超過181日，分別計入本集團的應收賬款餘額，原因在於信貸質素並無重大不利變動，且金額仍被視為可收回。

應收賬款及其他應收款項的呆賬撥備變動如下：

## 26. ACCOUNTS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Included in the Group's accounts receivable balance are trade receivables with a carrying amount of approximately RMB98,432,000 (2016: RMB202,118,000) and RMB125,651,000 (2016: RMB230,918,000) at 31 December 2017 which are past due at the end of the reporting date for 0 days to 180 days and over 181 days respectively at the end of the reporting period for which the Group has not provided for allowance as there has not been a significant adverse change in credit quality and the amounts are still considered recoverable.

Movements in the allowance for doubtful debts on accounts and other receivables are as follows:

		二零一七年	二零一六年
		2017	2016
	人民幣千元	人民幣千元	
	RMB'000	RMB'000	
年初結餘	Balance at the beginning of the year	(5,863)	(8,461)
撥回呆賬撥備	Write-back of allowance for doubtful debts	746	2,598
年末結餘	Balance at the end of the year	(5,117)	(5,863)

本集團根據過往違約率及還款記錄評估應收賬款及其他應收款項的信貸質素，並認為已於報告期末作出足夠撥備。

The Group assessed the credit quality of accounts and other receivables based on historical default rates and the repayment records and considered adequate allowance has been made at the end of the reporting period.

## 27. 應收／應付非控股權益款項

應收／應付非控股權益款項為無抵押、免息及須按要求償還。本公司董事預計該等款項將自報告期末起計十二個月內償還。

## 27. AMOUNTS DUE FROM/TO NON-CONTROLLING INTERESTS

The amounts due from/to non-controlling interests are unsecured, interest-free and are repayable on demand. The directors of the Company expect the amounts will be settled within 12 months from the end of the reporting period.

## 28. 應收／應付合營企業／聯營公司款項

應收／應付合營企業／聯營公司款項為無抵押、免息及須按要求償還。本公司董事預計該等款項將自報告期末起計十二個月內償還。

## 28. AMOUNTS DUE FROM/TO JOINT VENTURES AND ASSOCIATES

The amounts due from/to joint ventures and associates are unsecured, interest-free and are repayable on demand. The directors of the Company expect the amounts will be settled within 12 months from the end of the reporting period.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 29. 按公平值計入損益的金融資產 29. FINANCIAL ASSETS AT FVTPL

		二零一七年 2017	二零一六年 2016
		人民幣千元 RMB'000	人民幣千元 RMB'000
持作買賣投資	Held for trading investments	521,250	352,829

於二零一七年十二月三十一日，按公平值計入損益的金融資產人民幣521,250,000元(二零一六年：人民幣352,829,000元)指本集團在若干於聯交所及深圳證券交易所上市，並於活躍市場報價的公司的股本投資。

所有股本投資的公平值乃根據其於二零一七年十二月三十一日在活躍市場中的報價釐定。

於二零一七年十二月三十一日，本集團抵押按公平值計入損益的金融資產人民幣259,587,000元(二零一六年：人民幣138,392,000元)以擔保本集團獲授銀行及其他借款。

As at 31 December 2017, financial assets at FVTPL of RMB521,250,000 (2016: RMB352,829,000) represent the Group's equity investments in certain companies listed on the Stock Exchange and Shenzhen Stock Exchange, which are quoted in active markets.

The fair value of all equity investments are based on their quoted bid prices as of 31 December 2017 in active markets.

As at 31 December 2017, financial assets at FVTPL of RMB259,587,000 (2016: RMB138,392,000) were pledged to secure bank and other borrowings of the Group.

### 30. 已抵押銀行存款／銀行結餘及現金

於二零一七年十二月三十一日，計入綜合財務狀況表銀行結餘及現金內的受限制銀行結餘約為人民幣5,157,157,000元(二零一六年：人民幣922,492,000元)，而該等存款僅可用於指定房地產開發項目。

已抵押銀行存款指抵押予銀行作為本集團獲授短期銀行融資的擔保的存款，因而歸類為流動資產。

銀行結餘及現金包括本集團所持現金及原到期日為三個月或以下的活期存款。銀行結餘按現行市場利率計息。

### 30. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

Included in bank balances and cash in the consolidated statement of financial position are restricted bank balances of approximately RMB5,157,157,000 (2016: RMB922,492,000) at 31 December 2017, which can only be applied in the designated property development projects.

Pledged bank deposits represent deposits pledged to banks to secure short-term banking facilities granted to the Group and are therefore classified as current assets.

Bank balances and cash comprise cash held by the Group and demand deposits with an original maturity of three months or less. Bank balances carry prevailing market interest rates.

	二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
按貨幣計算的銀行結餘及現金分析： Analysis of bank balances and cash by currency:		
– 以人民幣計值	– Denominated in RMB	28,385,640
– 以港元計值	– Denominated in Hong Kong dollars	67,210
– 以美元計值	– Denominated in United States dollars	1,334,020
	29,786,870	19,097,634
		1,172,867
		57,896
	29,786,870	20,328,397

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 31. 應付賬款及其他應付款項以及應計開支

### 31. ACCOUNTS AND OTHER PAYABLES AND ACCRUED CHARGES

		二零一七年 2017	二零一六年 2016
		人民幣千元 RMB'000	人民幣千元 RMB'000
應付賬款	Accounts payables	4,739,387	3,737,989
其他應付款項及應計開支	Other payables and accrued charges	8,863,080	4,116,338
		<b>13,602,467</b>	<b>7,854,327</b>

有關建設的貿易應付款項及應計開支包括建造成本及其他項目相關開支，該等款項乃根據本集團計量的項目進度支付。

貿易應付款項的平均信貸期為60日。本集團已制訂財務風險管理政策，以確保所有應付款項均於信貸期限內償付。

以下為於報告期末按發票日期編製的貿易應付款項賬齡分析：

Accounts payables and accrued expenditure on construction comprise construction costs and other project-related expenses which are payable based on project progress measured by the Group.

The average credit period of trade payables is 60 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

The following is an aged analysis of accounts payables, based on the invoice date, at the end of the reporting period:

		二零一七年 2017	二零一六年 2016
		人民幣千元 RMB'000	人民幣千元 RMB'000
於60日內	Within 60 days	2,154,099	1,326,681
61至180日	61–180 days	470,202	631,624
181至365日	181–365 days	764,575	1,077,546
1年以上	Over 1 year	1,350,511	702,138
		<b>4,739,387</b>	<b>3,737,989</b>

其他應付款項及應計開支主要指應計貸款利息及就招標及執行施工合同自承包商收取的各類按金、就潛在物業開發項目收取的臨時付款以及將於開發項目完工時退還的項目相關按金。

Other payables and accrued charges mainly represent accrued loan interest, various deposits received from contractors in relation to tendering and execution of construction contracts and temporary payments received for potential property development projects and project-related deposits which will be refunded upon completion of the development projects.

## 32. 銀行及其他借款

## 32. BANK AND OTHER BORROWINGS

		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
有抵押銀行貸款(附註d)	Bank loans, secured (note d)	22,493,276	7,078,339
雙邊貸款(附註e)	Bilateral loans (note e)	2,358,594	1,305,723
銀團貸款(附註f)	Syndicated loans (note f)	8,261,145	5,182,585
		<b>33,113,015</b>	<b>13,566,647</b>

於各報告期末的若干銀行及其他借款乃以附註41所載抵押資產及若干附屬公司的股權擔保。

附註：

Notes:

a) 借款須按以下償還：

a) The borrowings are repayable:

		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
一年內或按要求	Within one year or on demand	6,727,108	2,367,536
一年以上，但不超過兩年	More than one year, but not exceeding two years	5,556,657	4,279,591
兩年以上，但不超過三年	More than two years, but not exceeding three years	13,868,191	5,501,963
三年以上，但不超過五年	More than three years, but not exceeding five years	6,558,149	532,227
五年以上	More than five years	402,910	885,330
減：流動負債項下所示一年內到期金額	Less: Amount due within one year shown under current liabilities	33,113,015 (6,727,108)	13,566,647 (2,367,536)
一年後到期金額	Amount due after one year	26,385,907	11,199,111

		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
以貨幣劃分的借款分析：	Analysis of borrowings by currency:		
-以人民幣計值	- Denominated in RMB	18,642,897	6,317,069
-以港元計值	- Denominated in HK\$	6,134,885	2,802,207
-以美元計值	- Denominated in USD	8,335,233	4,447,371
		<b>33,113,015</b>	<b>13,566,647</b>

b) 於二零一七年十二月三十一日，約人民幣3,379,345,000元(二零一六年：人民幣1,880,490,000元)的定息借款按介乎5.0厘至10厘(二零一六年：4.8厘至9厘)的年利率計息，令本集團面對公平值利率風險。餘下借款按浮動利率安排，於二零一七年十二月三十一日，實際年利率介乎1.5厘至6.65厘(二零一六年：1.5厘至6.7厘)，令本集團面對現金流利率風險。

b) Fixed-rate borrowings amounted to approximately RMB3,379,345,000 (2016: RMB1,880,490,000) carry interest ranging from 5.0% to 10% (2016: 4.8% to 9%) per annum at 31 December 2017 and expose the Group to fair value interest rate risk. The remaining borrowings are arranged at variable rates with the effective interest rates ranging from 1.5% to 6.65% (2016: 1.5% to 6.7%) per annum at 31 December 2017, and expose the Group to cash flow interest rate risk.

## 綜合財務報表附註

### Notes to the Consolidated Financial Statements

#### 32. 銀行及其他借款(續)

附註：(續)

c) 於各報告期末的實際利率範圍如下：

#### 32. BANK AND OTHER BORROWINGS (Continued)

Notes: (Continued)

c) The range of effective interest rates at the end of each reporting period are as follows:

		二零一七年 2017	二零一六年 2016
銀行貸款	Bank loans	1.5% – 10%	1.5% – 9%

- d) 於二零一七年十二月三十一日，計入本集團銀行貸款的金額分別約為人民幣1,050,000,000元(二零一六年：人民幣1,140,000,000元)乃由本公司若干附屬公司的股權作抵押(附註41)。
- e) 本公司(作為借款方)與多間離岸銀行及融資機構(作為貸款方)訂立融資協議(「雙邊貸款」)。該等貸款的尚未償還總額約為人民幣2,358,600,000元(二零一六年：人民幣1,305,700,000元)。雙邊貸款的年期最多為三年並由本公司若干離岸附屬公司的股權作抵押，並分別由香港銀行同業拆息率加2.25厘至香港銀行同業拆息率加3.70厘，中國人民銀行(「中國人民銀行」)基本利率及恒生銀行人民幣最優惠利率加1.90厘的浮動年利率計息。
- f) 於二零一七年九月二十日，本公司(作為借款方)，及本公司若干離岸附屬公司(作為初步擔保人)，與一組財務機構(作為貸款方)訂立銀團貸款協議。銀團貸款協議為美元固定期限貸款，總額為135,000,000美元，最終期限為自首次動用日期起計三年，並按倫敦銀行同業拆息率加3.30厘的年利率計息。
- 於二零一六年十二月三十日，本公司(作為借款方)，及本公司若干離岸附屬公司(作為初步擔保人)，與一組財務機構(作為貸款方)訂立銀團貸款協議。銀團貸款協議為雙幣種的固定期限貸款融資，分為兩部分：(i)港元部分合共2,920,000,000港元，最後期限為自首次動用日期起計四年，並按香港銀行同業拆息率加3.70厘的年利率計息；及(ii)人民幣部分合共人民幣800,000,000元，最後期限為自首次動用日期起計三年，並按固定年利率4.75厘計息；
- 於二零一六年三月十一日，本公司(作為借款方)，及本公司若干離岸附屬公司(作為初步擔保人)，與一組財務機構(作為貸款方)訂立銀團貸款協議。銀團貸款為雙幣種的固定期限貸款融資，總額約600,000,000美元，分為兩部分：(i)美元部分合共495,000,000美元；及(ii)港元部分合共819,000,000港元，最後期限為自首次動用日期起計三年，並按倫敦銀行同業拆息率或香港銀行同業拆息率加4.00厘的年利率計息。
- 於二零一五年一月二十日，本公司與一組財務機構訂立貸款協議。有關貸款為一筆美元／港元雙幣種總額約為130,000,000美元的定期貸款融資，最後還款期為自首次動用日期起計36個月，並以倫敦銀行同業拆息率或香港銀行同業拆息率加4.75厘的年利率計息。

Included in the Group's bank loans, amount of approximately RMB1,050,000,000 (2016: RMB1,140,000,000) as at 31 December 2017 is secured by equity interests of certain subsidiaries of the Company (note 41).

The Company as borrower, entered into facility agreements with various offshore banks and financial institutions as lenders ("Bilateral loans"). The aggregate outstanding amount under these loans amount to approximately RMB2,358.6 million (2016: RMB1,305.7 million). The Bilateral loans have terms ranging up to three years and were secured by equity interest of certain offshore subsidiaries of the Company and carried various interest from HIBOR plus 2.25% to HIBOR plus 3.70%, the People's Bank of China ("PBOC") Base Rate and the Hang Seng Bank RMB Prime Rate plus 1.90% per annum.

On 20 September 2017, the Company as borrower, and certain offshore subsidiaries of the Company as initial guarantors, entered into a syndicated loan agreement with a group of financial institutions as lenders. The syndicated loan is a USD dollars term loan with an aggregate amount of USD135 million with final maturity of three years from the date of first utilisation date and carried interest at LIBOR plus 3.30% per annum.

On 30 December 2016, the Company as borrower, and certain offshore subsidiaries of the Company as initial guarantors, entered into a syndicated loan agreement with a group of financial institutions as lenders. The syndicated loan is a dual-currency term loan facility divided into two tranches: (i) Hong Kong dollars tranche with an aggregate amount of HK\$2,920 million with final maturity of four years from the date of first utilisation date and carried interest at HIBOR plus 3.70% per annum; and (ii) Renminbi tranche with an aggregate amount of RMB800 million, with final maturity of three years from the date of first utilisation date and carried fixed interest of 4.75% per annum.

On 11 March 2016, the Company as borrower, and certain offshore subsidiaries of the Company as initial guarantors, entered into a syndicated loan agreement with a group of financial institutions as lenders. The syndicated loan is a dual-currency term loan facility with an aggregate amount of approximately USD600 million divided into two tranches: (i) United States dollars tranche with an aggregate amount of USD495 million; and (ii) Hong Kong dollars tranche with an aggregate amount of HK\$819 million, with final maturity of three years from the date of first utilisation date and carried at LIBOR or HIBOR plus 4.00% per annum.

On 20 January 2015, the Company entered into a facility agreement with a group of financial institutions. The relevant facility is a US dollar/Hong Kong dollar dual currency term loan facility with an aggregate amount of approximately USD130 million, with final maturity of thirty six months from the first utilisation date and carried interest at LIBOR or HIBOR plus 4.75% per annum.

### 33. 優先票據

### 33. SENIOR NOTES

	二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
以美元計值的優先票據	Senior notes denominated in USD	
二零一八年到期優先票據(附註a)	Senior notes due in 2019 (note a)	– 2,890,449
二零一九年到期優先票據(附註b)	Senior notes due in 2020 (note b)	2,651,344 2,792,562
二零二零年到期優先票據(附註c)	Senior notes due in 2022 (note c)	1,846,780 –
	<b>4,498,124</b>	<b>5,683,011</b>

附註：

Notes:

a) 於二零一四年一月二十七日，本公司以0.455厘折讓向公眾發行面值總額達200,000,000美元有擔保的定息優先票據(「二零一九年到期原先票據」)，以年利率8.875厘的定息計息(每半年支付一次應計利息)，並將於二零一九年一月二十七日悉數償還。

於二零一五年一月十二日，本公司訂立認購協議，據此，認購方同意認購面值總額達200,000,000美元的額外定息優先票據(「二零一九年到期額外票據」)，以年利率8.875厘的定息計息，並將於二零一九年一月二十七日前悉數償還。此批優先票據將合併並以二零一九到期年原先票據的相同條款及條件(發行日期及發行價除外)與二零一九年到期原先票據構成單一系列票據。

於二零一七年二月十六日，本公司以相當於本金額104.438%另加應計及未付利息以及提早贖回優先票據所產生虧損人民幣118,464,000元的贖回價，悉數贖回二零一九年到期原先票據及二零一九年到期額外票據(附註7)。

b) 於二零一五年六月五日，本公司以折讓0.509%發行面值總額達400,000,000美元有擔保的定息優先票據(「二零二零年到期票據」)，以年利率7.75厘的定息計息(每半年支付一次應付利息)，並將於二零二零年六月五日悉數償還。

就二零二零年到期票據而言，本公司可於二零一八年六月五日前隨時及不時運用出售其股本發售內普通證券的所得款項現金淨額，按二零二零年到期票據本金額107.75%的贖回價，另加計至(惟不包括)贖回日期的應計及未付利息(如有)，贖回本金總額最多35%的二零二零年到期票據(須受若干條件限制)。此外，本公司可於二零一八年六月五日前隨時及不時，按二零二零年到期票據本金額100%的贖回價，另加於贖回日期的二零二零年適用溢價以及計至(惟不包括)贖回日期的應計及未付利息(如有)，選擇贖回全部而非部分二零二零年到期票據。

a) On 27 January 2014, the Company issued guaranteed fixed rate senior notes to the public at discount of 0.455% with aggregate nominal value of USD200,000,000 (the “2019 due Original Notes”) which carry fixed interest of 8.875% per annum (interest payable semi-annually in arrears) and will be fully repayable by 27 January 2019.

On 12 January 2015, the Company entered into a subscription agreement pursuant to which the subscriber agreed to subscribe for additional fixed rate senior notes with the aggregate nominal value of USD200,000,000 (the “2019 due Additional Notes”) which carry fixed interest of 8.875% per annum and will be fully repayable by 27 January 2019. This batch of senior notes will be consolidated and form a single series with the 2019 due Original Notes with the same terms and conditions of the 2019 due Original Notes, except for the issue date and the issue price.

On 16 February 2017, the Company fully redeemed the 2019 due Original Notes and the 2019 due Additional Notes at a redemption price equal to 104.438% of the principal amount plus the accrued and unpaid interest and incurred loss on early redemption of senior notes amounted to RMB118,464,000 (note 7).

b) On 5 June 2015, the Company issued guaranteed fixed rate senior notes at discounted of 0.509% with aggregate nominal value of USD400,000,000 (the “2020 due Notes”) which carry fixed interest of 7.75% per annum (interest payable semi-annually in arrears) and will be fully repayable by 5 June 2020.

For the 2020 due Notes, at any time and from time to time prior to 5 June 2018, the Company may redeem up to 35% of the aggregate principal amount of the 2020 due Notes at a redemption price of 107.75% of the principal amount of the 2020 due Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the net cash proceeds from sales of its common stock in an equity offering, subject to certain conditions. In addition, at any time and from time to time prior to 5 June 2018, the Company may at its option redeem the 2020 due Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2020 due Notes plus the 2020 Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

## 綜合財務報表附註

### Notes to the Consolidated Financial Statements

#### 33. 優先票據(續)

附註：(續)

- b) 「二零二零年適用溢價」指於任何贖回日期，就二零二零年到期票據而言，(i)二零二零年到期票據本金額的1.00%與(ii)(A)(i)二零二零年到期票據於二零一八年六月五日的贖回價加(ii)直至二零一八年六月五日二零二零年到期票據所有規定餘下到期擬定利息付款(惟不包括直至贖回日期的應計及未付利息)的金額於有關贖回日期的現值(按相當於經調整國債利率加100個基點的貼現率計算)超出(B)於有關贖回日期二零二零年到期票據本金額的款額兩者之間的較高者。

倘於下文所示任何年度六月五日開始的十二個月期間贖回，則本公司可於二零一八年六月五日或之後隨時及不時按相等於下文載列的本金額百分比的贖回價，另加計至(惟不包括)贖回日期的應計及未付利息(如有)，贖回全部或部分二零二零年到期票據：

期間	Period	贖回價 Redemption Price
二零一八年	2018	103.8750%
二零一九年	2019	101.9375%

- c) 於二零一七年一月二十四日，本公司發行總面值285,000,000美元的擔保定期優先票據([二零二二年到期票據])，按固定年利率5.5厘計息(須每半年支付一次利息)，並將於二零二二年一月二十四日悉數償還。

就二零二二年到期票據而言，本公司可於二零二零年一月二十三日前隨時及不時運用出售其股本發售內普通證券的所得款項現金淨額，按二零二二年到期票據本金額105.5%的贖回價，另加計至(惟不包括)贖回日期的應計及未付利息(如有)，贖回本金總額最多35%的二零二二年到期票據(須受若干條件限制)。此外，本公司可於二零一八年六月五日前隨時及不時，按二零二二年到期票據截至贖回日期的本金額100%的贖回價，另加計至(惟不包括)贖回日期的應計及未付利息(如有)，選擇贖回全部而非部分二零二二年到期票據。

倘於下文所示任何年度一月二十三日開始的十二個月期間贖回，則本公司可於二零二零年一月二十三日或之後隨時及不時按相等於下文載列的本金額百分比的贖回價，另加計至(惟不包括)贖回日期的應計及未付利息(如有)，贖回全部或部分二零二二年到期票據：

期間	Period	贖回價 Redemption Price
二零二零年	2020	102.750%
二零二一年	2021	101.375%

於二零一七年十二月三十一日，二零二零年到期票據及二零二二年到期票據均於聯交所上市。彼等為本公司的無抵押優先責任，並由若干本公司現有附屬公司(不包括根據中國法律成立的附屬公司)擔保。該等擔保實際上從屬於各擔保人的其他已抵押責任，並以作為抵押的資產價值為限。

#### 33. SENIOR NOTES (Continued)

Notes: (Continued)

- b) “2020 Applicable Premium” means with respect to the 2020 due Notes at any redemption date, the greater of (1) 1.00% of the principal amount of such 2020 due Notes and (2) the excess of (A) the present value at such redemption date of (i) the redemption price of such 2020 due Notes on 5 June 2018 plus (ii) all required remaining scheduled interest payments due on such 2020 due Notes through 5 June 2018 (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 2020 due Notes on such redemption date.

At any time and from time to time on or after 5 June 2018, the Company may redeem the 2020 due 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 5 June of any year set forth below:

c) On 24 January 2017, the Company issued guaranteed fixed rate senior notes with aggregate nominal value of USD285,000,000 (the “2022 due Notes”) which carry fixed interest of 5.5% per annum (interest payable semi-annually in arrears) and will be fully repayable by 24 January 2022.

For the 2022 due Notes, at any time and from time to time prior to 23 January 2020, the Company may redeem up to 35% of the aggregate principal amount of the 2022 due Notes at a redemption price of 105.5% of the principal amount of the 2022 due Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the net cash proceeds from sales of its common stock in an equity offering, subject to certain conditions. In addition, at any time and from time to time prior to 5 June 2018, the Company may at its option redeem the 2022 due Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2022 due Notes as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time and from time to time on or after 23 January 2020, the Company may redeem the 2022 due 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 23 January of any year set forth below:

期間	Period	贖回價 Redemption Price
二零二零年	2020	102.750%
二零二一年	2021	101.375%

The 2020 due Notes and the 2022 due Notes as at 31 December 2017 are listed on the Stock Exchange. They are unsecured, senior obligations of the Company and guaranteed by certain of the Company’s existing subsidiaries, other than those organised under the laws of the PRC. The guarantees are effectively subordinated to the other secured obligations of each guarantor, to the extent of the value of assets serving as security.

### 33. 優先票據(續)

董事認為，於初步確認及報告期末，提早贖回購股權的公平值並不重大。

所有優先票據於二零一七年十二月三十一日的賬面淨值以扣除發行開支合共666,737,000美元(二零一六年：785,866,000美元)(相當於約人民幣4,336,217,000元(二零一六年：人民幣5,483,065,000元))後列示。

二零二零年到期票據及二零二二年到期票據的實際利率分別為每年9.06厘及6.28厘。

年內二零一九年到期原先票據、二零一九年到期額外票據、二零二零年到期票據及二零二二年到期票據的變動載列如下：

### 33. SENIOR NOTES (*Continued*)

In the opinion of directors, the fair values of the early redemption options are insignificant at initial recognition and the end of the reporting period.

The net carrying amounts of all senior notes as at 31 December 2017 are stated net of issue expenses totalling USD666,737,000 (2016: USD785,866,000) equivalent to approximately RMB4,336,217,000 (2016: RMB5,483,065,000).

The effective interest rates of the 2020 due Notes and 2022 due notes are 9.06% and 6.28% per annum respectively.

The movements of the 2019 due Original Notes, 2019 due Additional Notes, 2020 due Notes and 2022 due Notes for the year are set out below:

		二零一七年 2017	二零一六年 2016
	人民幣千元 RMB'000	人民幣千元 RMB'000	
於一月一日的賬面值	Carrying amount as at 1 January	5,683,011	8,275,958
發行二零二二年到期票據	Issue of 2022 due Notes	1,864,953	—
提早贖回優先票據	Early redemption of senior notes	(2,636,953)	(3,057,371)
匯兌(收益)虧損	Exchange (gain) loss	(401,065)	405,554
利息開支(附註8)	Interest expenses (note 8)	356,203	705,919
年內已付利息	Interest paid during the year	(368,025)	(647,049)
於十二月三十一日的賬面值	Carrying amount as at 31 December	4,498,124	5,683,011

經參考聯交所所報市價，所有優先票據於二零一七年十二月三十一日的公平值總額達約人民幣4,590,669,000元(二零一六年：人民幣5,920,209,000元)。

The aggregated fair value of all the senior notes at 31 December 2017 with reference to the quoted market price available on the Stock Exchange amounted to approximately RMB4,590,669,000 (2016: RMB5,920,209,000).

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 34. 公司債券

### 34. CORPORATE BONDS

		二零一七年 2017	二零一六年 2016
		人民幣千元 RMB'000	人民幣千元 RMB'000
以人民幣計值的公司債券	Corporate bonds denominated in RMB		
二零一八年到期的公司債券(附註a)	Corporate bonds due in 2018 (note a)	1,568,995	2,088,970
二零二零年到期的公司債券(附註b)	Corporate bonds due in 2020 (note b)	4,026,898	4,023,949
二零二一年到期的公司債券(附註c)	Corporate bonds due in 2021 (note c)	4,032,077	4,028,549
		9,627,970	10,141,468
減：計入流動負債內的一年內 到期金額	Less: amounts due within one year included in current liabilities	(5,093,233)	(2,088,970)
計入非流動負債內的一年後 到期金額	Amounts due after one year included in non-current liabilities	4,534,737	8,052,498

附註：

Notes:

a) 於二零一六年一月二十二日，本公司全資附屬公司旭輝集團股份有限公司(「旭輝中國」)發行人民幣2,000,000,000元的非公開發行公司債券(「二零一八年到期人民幣債券」)，於上海證券交易所(「上交所」)上市)。二零一八年到期人民幣債券按固定年利率4.99厘計息，並將於二零一八年一月二十二日到期，除非持有人提早向旭輝中國售回債券。

於二零一七年一月十九日，旭輝中國按贖回價人民幣500,000,000元贖回非公開發行的二零一八年到期公司債券。

a) On 22 January 2016, CIFI Group Co., Ltd. ("CIFI PRC"), a wholly owned subsidiary of the Company, issued non-public corporate bonds of RMB2,000,000,000 ("2018 due RMB Bond"), which are listed on the Shanghai Stock Exchange ("SSE"). 2018 due RMB Bond carry fixed interest of 4.99% per annum and will mature on 22 January 2018 unless the holders sell back the bonds to CIFI PRC earlier.

On 19 January 2017, CIFI PRC redeemed the non-public corporate bonds due 2018 at a redemption price of RMB500,000,000.

## 34. 公司債券(續)

附註：(續)

- b) 於二零一五年十月十四日，旭輝中國發行的人民幣3,495,000,000元的公開發行公司債券(「首期二零二零年到期人民幣債券」，於上交所上市)。首期二零二零年到期人民幣債券以年利率4.95厘計息，並須每年支付利息。首期二零二零年到期人民幣債券將於二零二零年十月十三日到期，除非持有人提早向旭輝中國售回債券。

於二零一五年十一月十二日，旭輝中國發行人民幣500,000,000元的公開發行公司債券(「第二期二零二零年到期人民幣債券」，於上交所上市)。第二期二零二零年到期人民幣債券以年利率5.96厘計息及利息每年支付一次。第二期二零二零年到期人民幣債券將於二零二零年十一月十一日到期。

於起始日期後第三年末，旭輝中國(作為發行人)有權調整利率，而首期二零二零年到期人民幣債券的持有人可選擇於到期前隨時按其本金額向旭輝中國售回全部或部分債券。

- c) 於二零一六年九月二十六日，旭輝中國發行人民幣4,000,000,000元的非公開發行公司債券(於上交所上市)，其中包括：(i)本金額人民幣3,500,000,000元(「首期二零二一年到期人民幣債券」)及(ii)本金額人民幣500,000,000元(「第二期二零二一年到期人民幣債券」)。首期二零二一年到期人民幣債券以年利率4.30厘計息及利息每年支付一次。首期二零二一年到期人民幣債券將於二零二一年九月二十六日到期，除非持有人提早向旭輝中國售回債券。第二期二零二一年到期人民幣債券以年利率5.50厘計息及利息每年支付一次。第二期二零二一年到期人民幣債券將於二零二一年九月二十六日到期。

於起始日期後的第三年末，旭輝中國(作為發行人)有權調整利率，而首期二零二一年到期人民幣債券持有人可選擇於到期前隨時按其本金額向旭輝中國售回全部或部分債券。

二零一八年到期人民幣債券、首期二零二零年到期人民幣債券、第二期二零二零年到期人民幣債券、首期二零二一年到期人民幣債券及第二期二零二一年到期人民幣債券的實際年利率分別為5.23厘、5.04厘、6.06厘、4.41厘及5.61厘。

董事認為，有關公司債券的提早贖回權的公平值於初步確認時及於報告期末並不重大。

## 34. CORPORATE BONDS (*Continued*)

Notes: (*Continued*)

- b) On 14 October 2015, CIFI PRC issued public corporate bonds of RMB3,495,000,000 ("First Tranche 2020 due RMB Bond") which are listed on the SSE. First Tranche 2020 due RMB Bond carry interest at rate of 4.95% per annum and interest is payable annually. First Tranche 2020 due RMB Bond will mature on 13 October 2020 unless the holders sell back the bonds to CIFI PRC earlier.

On 12 November 2015, CIFI PRC issued public corporate bonds of RMB500,000,000 ("Second Tranche 2020 due RMB Bond") which are listed on the SSE. Second Tranche 2020 due RMB Bond carry interest at rate of 5.96% per annum and interest is payable annually. Second Tranche 2020 due RMB Bond will mature on 11 November 2020.

At the end of the third year subsequent to the inception date, CIFI PRC as the issuer is entitled to adjust interest rate and the holders of First Tranche 2020 due RMB Bond may at their options to sell back the bonds to CIFI PRC in whole or in part at their principal amount at anytime prior to the maturity.

- c) On 26 September 2016, CIFI PRC issued non-public corporate bonds of RMB4,000,000,000 which are listed on the SSE and comprise: (i) a principal amount of RMB3,500,000,000 ("First Tranche 2021 due RMB Bond") and (ii) a principal amount of RMB500,000,000 ("Second Tranche 2021 due RMB Bond"). First Tranche 2021 due RMB Bond carry interest of 4.30% per annum and interest is payable annually. First Tranche 2021 due RMB Bond will mature on 26 September 2021 unless the holders sell back the bonds to CIFI PRC earlier. Second Tranche 2021 due RMB Bond carry interest of 5.50% per annum and interest is payable annually. Second Tranche 2021 due RMB Bond will mature on 26 September 2021.

At the end of the third year subsequent to the inception date, CIFI PRC as the issuer is entitled to adjust interest rate and the holders of First Tranche 2021 due RMB Bond may at their options to sell back the bonds to CIFI PRC in whole or in part at their principal amount at any time prior to the maturity.

The effective interest rates of the 2018 due RMB Bond, First Tranche 2020 due RMB Bond, Second Tranche 2020 due RMB Bond, First Tranche 2021 due RMB Bond and Second Tranche 2021 due RMB Bond are 5.23%, 5.04%, 6.06%, 4.41% and 5.61% per annum respectively.

In the opinion of directors, the fair values of the early redemption options related to the corporate bonds are insignificant at initial recognition and the end of the reporting period.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 34. 公司債券(續)

年內，二零一八年到期人民幣債券、首期二零二零年到期人民幣債券、第二期二零二零年到期人民幣債券、首期二零二一年到期人民幣債券及第二期二零二一年到期人民幣債券的變動載列如下：

### 34. CORPORATE BONDS (*Continued*)

The movements of the 2018 due RMB Bond, First Tranche 2020 due RMB Bond, Second Tranche 2020 due RMB Bond, First Tranche 2021 due RMB Bond and Second Tranche 2021 due RMB Bond for the year are set out below:

		二零一七年 2017	二零一六年 2016
	人民幣千元 RMB'000	人民幣千元 RMB'000	
於一月一日的賬面值	Carrying amount as at 1 January	10,141,468	4,021,032
於發行日期的初步公平值	Initial fair values on the dates of issuance	–	5,971,741
利息開支(附註8)	Interest expenses (note 8)	467,105	351,498
年內已付利息	Interest paid during the year	(480,603)	(202,803)
贖回	Redemption	(500,000)	–
於十二月三十一日的賬面值	Carrying amount as at 31 December	9,627,970	10,141,468

經參考上交所所報市價，二零一八年到期人民幣債券、首期二零二零年到期人民幣債券、第二期二零二零年到期人民幣債券、首期二零二一年到期人民幣債券及第二期二零二一年到期人民幣債券的公平值總額達約人民幣9,419,040,000元(二零一六年：人民幣9,884,456,000元)。

The aggregated fair values of the 2018 due RMB Bond, First Tranche 2020 due RMB Bond, Second Tranche 2020 due RMB Bond, First Tranche 2021 due RMB Bond and Second Tranche 2021 due RMB Bond with reference to the quoted market price available on the SSE amounted to approximately RMB9,419,040,000 (2016: RMB9,884,456,000).

## 35. 永久資本工具

## 35. PERPETUAL CAPITAL INSTRUMENTS

		二零一七年	二零一六年
		2017	2016
		人民幣千元	人民幣千元
		RMB'000	RMB'000
以美元計值的永久資本工具 於二零一七年八月發行的永久 資本工具(附註a)	Perpetual capital instruments denominated in USD Perpetual capital instruments issued in August 2017 (note a)	1,923,081	—
於二零一七年十二月發行的永久 資本工具(附註b)	Perpetual capital instruments issued in December 2017 (note b)	1,924,851	—
		<b>3,847,932</b>	<b>—</b>

附註：

Notes:

- a) 於二零一七年八月十五日，本公司透過與一組金融機構訂立協議(「該協議」)，發行本金總額300,000,000美元的永久資本工具(「二零一七年八月永久資本工具」)。

根據該協議，二零一七年八月永久資本工具並無固定到期日，且本公司可選擇按本金額另加應計、未付或遞延分派付款於二零二二年八月二十四日或之後贖回。工具於發行日期至二零二二年八月二十三日的分派率為每年5.375%，之後每年增加5%。本集團並無就二零一七年八月永久資本工具作出任何擔保或質押。

- b) 於二零一七年十二月十二日，本公司透過與一組金融機構訂立協議(「該協議」)，發行本金總額300,000,000美元的永久資本工具(「二零一七年十二月永久資本工具」)。

根據該協議，二零一七年十二月永久資本工具並無固定到期日，且本公司可選擇按本金額另加應計、未付或遞延分派付款於二零二一年二月二十八日或之後贖回。工具於發行日期至二零二一年二月二十七日的分派率為每年5.375%，之後每年增加4%。本集團並無就二零一七年十二月永久資本工具作出任何擔保或質押。

二零一七年八月及二零一七年十二月永久資本工具僅可由本公司選擇贖回，且本公司可酌情延遲分派付款，直至向本公司普通股持有人宣派或本公司結清二零一七年八月及二零一七年十二月永久資本工具為止。本公司並無責任就永久工具交付現金、支付利息或行使其贖回權利。因此，二零一七年八月永久資本工具及二零一七年十二月永久資本工具分類為股本工具，並於綜合財務狀況表呈列為股本的一部分。

- a) On 15 August 2017, the Company issued perpetual capital instruments (the "August 2017 Perpetual Capital Instruments") with the aggregate principal amount of USD300,000,000 by entering into an agreement (the "Agreement") with a group of financial institutions.

Pursuant to the Agreement, the August 2017 Perpetual Capital Instruments have no fixed maturity date and are redeemable on or after 24 August 2022 at the Company's option at the principal amount together with accrued, unpaid or deferred distribution payments. The distribution rate for the instruments is 5.375% per annum from date of issue to 23 August 2022, then increase by 5% per annum per annum thereafter. No guarantee or pledge was made by the Group for August 2017 Perpetual Capital Instruments.

- b) On 12 December 2017, the Company issued perpetual capital instruments (the "December 2017 Perpetual Capital Instruments") with the aggregate principal amount of USD300,000,000 by entering into an agreement (the "Agreement") with a group of financial institutions.

Pursuant to the Agreement, the December 2017 Perpetual Capital Instruments have no fixed maturity date and are redeemable on or after 28 February 2021 at the Company's option at the principal amount together with accrued, unpaid or deferred distribution payments. The distribution rate for the instruments is 5.375% per annum from date of issue to 27 February 2021, then increase by 4% per annum thereafter. No guarantee or pledge was made by the Group for December 2017 Perpetual Capital Instruments.

Both August 2017 and December 2017 Perpetual Capital Instruments can only be redeemed at the Company's option and the payments of distribution can be deferred at the discretion of the Company until declaration to ordinary shareholders of the Company by or the liquidation of the Company for both August 2017 and December 2017 Perpetual Capital Instruments. The Company has no obligation to deliver cash in respect of the perpetual instruments, pay interest nor exercise its right of redemption. Therefore, the August 2017 Perpetual Capital Instruments and December 2017 Perpetual Capital Instruments are classified as equity instruments and presented as a part of equity in the consolidated statement of financial position.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 36. 股本

### 36. SHARE CAPITAL

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
法定股本：	Authorised:		
10,000,000,000股(二零一六年： 10,000,000,000股)每股面值 0.1港元(二零一六年： 每股面值0.1港元)的普通股	10,000,000,000 (2016: 10,000,000,000) ordinary shares of HK\$0.1 each (2016: HK\$0.1 each)	1,000,000	1,000,000
已發行及繳足：	Issued and fully paid:		
於年初	At the beginning of the year	674,505	667,601
行使購股權時發行(附註a)	Issued upon exercise of share options (note a)	14,134	4,750
配售股份(附註b)	Placing of shares (note b)	68,000	–
以股代息發行(附註c)	Issued as scrip dividend (note c)	176	4,004
購回股份時註銷(附註d)	Cancelled upon repurchase of shares (note d)	–	(1,850)
於年末	At the end of the year	756,815	674,505
於綜合財務報表呈列為	Shown in the consolidated financial statements as	611,951	542,797

股本變動如下：

The movements in share capital are as follows:

附註：

Notes:

- a) 截至二零一七年十二月三十一日止年度，本公司於行使購股權時發行約141,335,252股(二零一六年：47,496,900股)每股面值0.10港元的普通股。年內，購股權的行使價介乎1.48港元至1.77港元(二零一六年：1.55港元至1.77港元)。新普通股與當時現有股份於各方面享有同等地位。
- b) 截至二零一七年十二月三十一日止年度，本公司分別按3.50港元及3.82港元的價格發行545,000,000股及135,000,000股股份。配售所得款項淨額約為2,423,000,000港元(相當於人民幣2,026,000,000元)。
- c) 截至二零一七年十二月三十一日止年度，本公司約1,764,948股(二零一六年：40,046,601股)每股面值0.10港元的普通股按每股2.98港元(二零一六年：1.768港元)以股代息發行。
- a) During the year ended 31 December 2017, the Company issued approximately 141,335,252 (2016: 47,496,900) ordinary shares of HK\$0.10 each upon exercise of share options. The exercise price of the share options during the year ranging from HK\$1.48 to HK\$1.77 (2016: HK\$1.55 to HK\$1.77). The new ordinary shares rank pari passu with the then existing shares in all respects.
- b) During the year ended 31 December 2017, the Company issued 545,000,000 shares at a price of HK\$3.50 and 135,000,000 shares at a price of HK\$3.82. The net proceeds from the placing is approximately HK\$2,423 million (equivalent to RMB2,026 million).
- c) During the year ended 31 December 2017, approximately 1,764,948 (2016: 40,046,601) ordinary shares of HK\$0.10 each in the Company were issued at HK\$2.98 (2016: HK\$1.768) per share as scrip dividend.

## 36. 股本(續)

附註：(續)

- d) 截至二零一六年十二月三十一日止年度，本公司於透過聯交所購回及註銷18,500,000股股份如下：

購回月份	每股0.1港元		所付 合共代價
	普通股 的數量	每股價格	
	最高	最低	
一月	18,500,000	1.45港元	1.37港元 26,086,000港元

年內，概無本公司股東購買、出售或贖回本公司上市證券。

- e) 根據本公司組織章程細則第24.2條，本公司可通過股份溢價賬及保留利潤賬支付末期股息。

有關參考上述本公司已發行股本及股份溢價變動的交易概述如下：

## 36. SHARE CAPITAL (Continued)

Notes: (Continued)

- d) During the year ended 31 December 2016, the Company repurchased and cancelled upon 18,500,000 shares through the Stock Exchange as follows:

Month of repurchase	No. of ordinary shares of HK\$0.1 each	Price per share		Aggregate consideration paid
	Highest	Lowest		
January	18,500,000	HK\$1.45	HK\$1.37	HK\$26,086,000

None of the Company's shareholders purchased, sold or redeemed, any of the Company's listed securities during the year.

- e) Pursuant to article 24.2 of the Company's Articles of Association, the Company is permitted to pay out final dividend from share premium account and retained profits account.

A summary of the transactions with reference to the above-mentioned movements in the Company's issued share capital and share premium is as follows:

		已發行繳足	普通股面值		股份溢價		總計
		普通股數目	普通股面值	股份溢價	等值	等值	
		Number	Nominal		nominal		
		of issued	value of		value of	Equivalent	
		fully paid	ordinary	Share	ordinary	share	
		ordinary	shares	premium	shares	premium	
		shares	千港元	千港元	人民幣千元	人民幣千元	
			HK\$'000	HK\$'000	RMB'000	RMB'000	
於二零一六年一月一日	At 1 January 2016	6,676,009,822	667,601	1,812,673	537,157	1,256,083	1,793,240
行使購股權時發行股份	Issue of shares upon exercise of share options	47,496,963	4,750	92,951	4,073	79,708	83,781
就以股代息發行股份	Issue of shares for scrip dividend	40,046,601	4,004	66,798	3,384	(3,384)	-
於購回股份時註銷	Cancelled upon repurchase of shares	(18,500,000)	(1,850)	(24,236)	(1,817)	(21,517)	(23,334)
已付股息(附註(e))	Dividend paid (note (e))	-	-	(1,002,846)	-	(794,500)	(794,500)
於二零一六年十二月三十一日	At 31 December 2016	6,745,053,386	674,505	945,340	542,797	516,390	1,059,187
行使購股權時發行股份	Issue of shares upon exercise of share options	141,335,252	14,134	298,793	12,161	249,761	261,922
就以股代息發行股份	Issue of shares for scrip dividend	1,764,948	176	5,083	152	4,371	4,523
配售股份	Placing of shares	680,000,000	68,000	2,355,200	56,841	1,968,712	2,025,553
於二零一七年十二月三十一日	At 31 December 2017	7,568,153,586	756,815	3,604,416	611,951	2,739,234	3,351,185

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 37. 遲延稅項

以下為於年內確認的主要遲延稅項資產(負債)及其中變動：

### 37. DEFERRED TAXATION

The following are the major deferred taxation assets (liabilities) recognised and movements thereon during the years:

		公司間交易		土地增值稅			
		未變現收益 (虧損)的 臨時差額	投資物業 公平值	其他物業 公平值	撥備的 稅務虧損	臨時差額	總計
於二零一六年一月一日	At 1 January 2016	11,685	(1,018,047)	(115,632)	63,203	71,714	(987,077)
於損益(扣除)計入	(Charge) credit to profit or loss	(7,065)	25,108	(2,540)	(35,405)	15,760	(4,142)
收購附屬公司(附註38)	Acquisitions of subsidiaries (note 38)	-	-	(25,521)	-	-	(25,521)
於二零一六年十二月三十一日	At 31 December 2016	4,620	(992,939)	(143,693)	27,798	87,474	(1,016,740)
於損益(扣除)計入	(Charge) credit to profit or loss	(27,644)	(164,448)	235,556	33,824	407,260	484,548
收購附屬公司(附註38)	Acquisitions of subsidiaries (note 38)	-	-	(1,849,256)	-	-	(1,849,256)
於二零一七年十二月三十一日	At 31 December 2017	(23,024)	(1,157,387)	(1,757,393)	61,622	494,734	(2,381,448)

為呈報綜合財務狀況表，若干遲延稅項資產(負債)已抵銷。以下為就財務報告作出的遲延稅項結餘分析：

For the presentation purposes on the consolidated statement of financial position, certain deferred taxation assets (liabilities) have been offset. The following is the analysis of the deferred taxation balances for financial reporting purposes:

		二零一七年 2017	二零一六年 2016
		人民幣千元 RMB'000	人民幣千元 RMB'000
遞延稅項資產	Deferred taxation assets	502,637	319,795
遞延稅項負債	Deferred taxation liabilities	(2,884,085)	(1,336,535)
		(2,381,448)	(1,016,740)

### 37. 遲延稅項(續)

於二零一七年十二月三十一日，本集團擁有未動用稅務虧損約人民幣1,003,469,000元(二零一六年：人民幣915,981,000元)可供抵銷未來利潤。於二零一七年十二月三十一日，已就約人民幣246,486,000元(二零一六年：人民幣105,398,000元)虧損確認遞延稅項資產。由於不可預測未來利潤來源，故於二零一七年十二月三十一日概無就餘下虧損約人民幣756,983,000元(二零一六年：人民幣810,583,000元)確認遞延稅項資產。未確認稅務虧損將於下列年度屆滿：

		二零一七年 2017	二零一六年 2016
		人民幣千元 RMB'000	人民幣千元 RMB'000
二零一七年	2017	—	5,664
二零一八年	2018	7,134	8,694
二零一九年	2019	56,721	149,662
二零二零年	2020	156,066	245,416
二零二一年	2021	245,653	401,147
二零二二年	2022	432,497	—
		898,071	810,583

於二零一七年十二月三十一日，本集團來自有關建造物業的公司間交易及已峻工物業的公司間轉讓產生的可扣稅臨時差額約為人民幣131,652,000元(二零一六年：人民幣89,104,000元)。由於不大可能有應課稅利潤可供抵銷可扣稅臨時差額，故並無就該等可扣稅臨時差額確認遞延稅項資產。

根據《中國企業所得稅法》，由二零零八年一月一日起，就中國附屬公司賺取的利潤所宣派股息須徵收預提所得稅。綜合財務報表中未有就於二零一七年十二月三十一日的中國附屬公司累計利潤應佔臨時差額約人民幣16,889,278,000元(二零一六年：人民幣11,709,428,000元)作出遞延稅項撥備，乃因本集團能夠控制臨時差額撥回時間，且該等臨時差額在可見將來不大可能撥回。

### 37. DEFERRED TAXATION (Continued)

At 31 December 2017, the Group had unused tax losses of approximately RMB 1,003,469,000 (2016: RMB915,981,000) available to offset against future profits. Deferred taxation assets have been recognised in respect of such losses of approximately RMB246,486,000 (2016: RMB105,398,000) at 31 December 2017. No deferred taxation asset has been recognised in respect of the remaining losses of approximately RMB756,983,000 (2016: RMB810,583,000) at 31 December 2017 due to the unpredictability of future profit streams. The unrecognised tax losses will expire in the following years:

At 31 December 2017, the Group had deductible temporary differences arising from inter-company transactions in relation to construction of properties and inter-company transfer of completed properties amounted to approximately RMB131,652,000 (2016: RMB89,104,000). No deferred taxation asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Under the PRC enterprise income law, withholding income tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to approximately RMB16,889,278,000 (2016: RMB11,709,428,000) as at 31 December 2017, as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 38. 收購附屬公司

截至二零一七年十二月三十一日止年度

#### (a) 收購業務

- (i) 東時及其附屬公司（「東時集團」）列賬為本集團擁有50%權益的合營企業，此乃由於所有策略性財務及經營決策均需經其董事會所有董事一致同意批准。於截至二零一七年十二月三十一日止年度，東時的合營企業夥伴訂立一項補充協議（「補充協議I」），據此，合營企業夥伴同意就東時董事會的組成補充合作框架協議。透過簽立補充協議I，所有策略性財務及經營決策均需經董事會簡單大多數批准，其中四名董事及三名董事分別由本集團及另一名合營企業夥伴提名。由於本集團已取得投票權的實際控制權，以規管東時的相關活動，故東時已成為本集團的附屬公司。於收購日期，本公司董事認為，由於東時持有物業及適用於該等物業的重大程序，故收購事項構成業務合併。因此，該項交易已按收購會計法列賬。

### 38. ACQUISITIONS OF SUBSIDIARIES

For the year ended 31 December 2017

#### (a) Acquisition of businesses

- (i) Eastime and its subsidiaries (the "Eastime Group") was accounted for as a 50% interests joint venture of the Group as all of the strategic financial and operating decisions required approval by unanimous consent of all of its directors of the board of directors. During the year ended 31 December 2017, the joint venture partner of Eastime entered into a supplemental agreement ("the Supplemental Agreement I") pursuant to which the joint venture partner agreed to supplement the cooperation framework agreement with respect to the composition of the board of directors of Eastime. By execution of the Supplemental Agreement I, all of the strategic financial and operating decisions required approval by simple majority of the board of directors, of which four directors and three directors are nominated by the Group and the other joint venture partner, respectively. Since the Group obtained effective control of voting power to govern the relevant activities of Eastime, Eastime became a subsidiary of the Group. At the date of acquisition, the directors of the Company are of the view that the acquisition constitutes a business combination as Eastime holds properties and significant processes are applied to the properties. The transaction has been accounted for using acquisition method accordingly.

### 38. 收購附屬公司(續)

截至二零一七年十二月三十一日止年度  
(續)

(a) 收購業務(續)

(i) (續)

### 38. ACQUISITIONS OF SUBSIDIARIES (Continued)

For the year ended 31 December 2017 (Continued)

(a) Acquisition of businesses (Continued)

(i) (Continued)

	人民幣千元 RMB'000
物業、廠房及設備	Property, plant and equipment 145
擬作出售的開發中物業	Properties under development for sale 4,260,000
應收賬款及其他應收款項、按金以及預付款項	Accounts and other receivables, deposits and prepayments 68,280
應收本集團款項	Amount due from the Group 2,076,862
應收非控股權益款項	Amount due from non-controlling interests 2,081,977
可收回稅項	Taxation recoverable 95,823
銀行結餘及現金	Bank balances and cash 386,571
應付賬款及其他應付款項以及應計開支	Accounts and other payables and accrued charges (12,972)
已收物業銷售按金	Deposits received from property sales (4,759,074)
遞延稅項負債	Deferred taxation liabilities (744,110)
銀行及其他借款	Bank and other borrowings (903,200)
	2,550,302
已轉撥代價，以於合營企業的權益支付	Consideration transferred, satisfied by interest in a joint venture (1,275,151)
加：非控股權益(附註)	Add: Non-controlling interests (note) (1,275,151)
減：本集團所收購資產淨值的公平值	Less: Fair value of net assets acquired by the Group 2,550,302
	—
現金流入淨額：	Net cash inflow:
所收購的銀行結餘及現金	Bank balances and cash acquired 386,571
東時50%股權的公平值	Fair value of 50% equity interest of Eastime 1,275,151
減：本集團所持有合營企業的權益	Less: Interest in a joint venture held by the Group (700,846)
重新計量收益	Gain on remeasurement 574,305

附註： 非控股權益乃根據資產淨值的公平值計量。

Note: The non-controlling interests was measured in accordance with the fair value of net assets.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 38. 收購附屬公司(續)

截至二零一七年十二月三十一日止年度  
(續)

#### (a) 收購業務(續)

(ii) 於截至二零一七年十二月三十一日止年度，本集團以代價人民幣25,000,000元收購濟南銀盛泰的50%權益。根據濟南銀盛泰的組織章程大綱及細則，所有策略性財務及經營決策必須經董事會簡單大多數批准，其中兩名董事及一名董事分別由本集團及另一名股東提名。自此，本集團已取得對濟南銀盛泰的實際控制權。於收購日期，本公司董事認為，由於濟南銀盛泰持有物業及適用於該等物業的重大程序，故收購事項構成業務合併。因此，該項交易已按收購會計法列賬。

### 38. ACQUISITIONS OF SUBSIDIARIES (Continued)

For the year ended 31 December 2017 (Continued)

#### (a) Acquisition of businesses (Continued)

(ii) During the year ended 31 December 2017, the Group acquired 50% equity interests of Jinan Yinshengtai at a consideration of RMB25,000,000. According to the memorandum and articles of association of Jinan Yinshengtai, all of the strategic financial and operating decisions must be approved by simple majority of the board of directors, of which two directors and one director are nominated by the Group and the other shareholder, respectively. Since the Group obtained effective control over Jinan Yinshengtai. At the date of acquisition, the directors of the Company are of the view that the acquisition constitutes a business combination as Jinan Yinshengtai holds properties and significant processes are applied to the properties. The transaction has been accounted for using acquisition method accordingly.

	人民幣千元 RMB'000
物業、廠房及設備	524
擬作出售的開發中物業	1,903,000
應收賬款及其他應收款項、按金以及 預付款項	428,730
可收回稅項	42,303
銀行結餘及現金	373,020
應付賬款及其他應付款項以及應計開支	(362)
應付本集團款項	(81,907)
已收物業銷售按金	(1,468,896)
銀行及其他借款	(474,340)
遞延稅項負債	(301,448)
	420,624
已轉撥代價，以現金支付	(25,000)
加：非控股權益(附註i)	(195,594)
減：本集團所收購資產淨值的公平值	420,624
業務合併收益(附註ii)	200,030

### 38. 收購附屬公司(續)

截至二零一七年十二月三十一日止年度  
(續)

(a) 收購業務(續)

(ii) (續)

### 38. ACQUISITIONS OF SUBSIDIARIES (Continued)

For the year ended 31 December 2017 (Continued)

(a) Acquisition of businesses (Continued)

(ii) (Continued)

		人民幣千元 RMB'000
收購產生的現金流入淨額：	Net cash inflow arising on acquisitions:	
年內已付的現金代價	Cash consideration paid during the year	(25,000)
所收購的銀行結餘及現金	Bank balances and cash acquired	373,020
		348,020

附註：

- i) 非控股權益乃根據資產淨值的公平值計量。
- ii) 據本公司董事所深知，業務合併收益乃由於賣方急需資金而提供的折扣。
- 收購東時及濟南銀盛泰以繼續拓展本集團房地產開發業務。
- 收購相關成本並不重大，已於本年度確認為一項開支及已計入綜合損益及其他全面收益表「行政開支」項目。
- 年內，東時及濟南銀盛泰帶來的額外業務應佔虧損人民幣621,539,000元計入損益。年內收入包括東時所產生的人民幣2,776,017,000元。年內，濟南銀盛泰並無產生收入。

倘收購事項於年初進行，則本集團於截至二零一七年十二月三十一日止年度的收入總額應為人民幣31,824,288,000元，而年內利潤應為人民幣6,134,638,000元。備考資料僅供說明用途，且未必顯示本集團於年初完成收購時將實際達至的收入及經營業績，亦無意作為未來業績的預測。

Notes:

- i) The non-controlling interests was measured in accordance with the fair value of net assets.
- ii) Gain from business combination was attributable to the discount offered by the seller for its immediate funding needs based on the best knowledge of the director of the Company.
- Eastime Group and Jinan Yinshengtai were acquired so as to continue the expansion of the Group's property development business.
- Acquisition-related costs were insignificant and have been recognised as an expense in the current year and included in the "administrative expenses" line item in the consolidated statement of profit or loss and other comprehensive income.
- Included in the profit for the year is loss of RMB621,539,000 attributable to the additional businesses generated by Eastime and Jinan Yinshengtai. Revenue for the year includes RMB2,776,017,000 generated from Eastime. No revenue was generated by Jinan Yinshengtai for the year.

Had the acquisition been effected at the beginning of the year, the total amount of revenue of the Group for the year ended 31 December 2017 would have been RMB31,824,288,000 and the amount of the profit for the year would have been RMB6,134,638,000. The pro forma information is for illustrative purpose only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the year, nor is it intended to be a projection of future results.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 38. 收購附屬公司(續)

截至二零一七年十二月三十一日止年度  
(續)

(b) 透過視作收購附屬公司收購資產及負債

由於Coastwise及其附屬公司(「Coastwise集團」)所有戰略融資及經營決策須獲其董事會全體董事一致同意批准，故其已作為本集團擁有50%權益的合營企業列賬。截至二零一七年十二月三十一日止年度，Coastwise的合營企業夥伴訂立補充協議(「補充協議II」)，據此，合營企業夥伴同意就Coastwise的董事會成員組成補充合作框架協議。透過簽立補充協議II，所有戰略融資及經營決策必須由董事會簡單大多數成員批准，當中四名董事及三名董事分別由本集團及另一合營企業夥伴提名。由於本集團取得Coastwise的實際投票控制權，可管理Coastwise的相關活動，故Coastwise成為本集團的附屬公司。

由於Coastwise集團主要持有的物業並無執行適用於該等物業之重大程序，故此上述交易按透過視為收購附屬公司收購資產及負債入賬。有關所收購資產及所承擔負債的詳情如下：

### 38. ACQUISITIONS OF SUBSIDIARIES (Continued)

For the year ended 31 December 2017 (Continued)

(b) Acquisition of assets and liabilities through deemed acquisition of subsidiaries

Coastwise and its subsidiaries (the "Coastwise Group") was accounted for as a 50% interest joint venture of the Group as all of the strategic financial and operating decisions required approval by unanimous consent of all of its directors of the board of directors. During the year ended 31 December 2017, the joint venture partner of Coastwise entered into a supplemental agreement ("the Supplemental Agreement II") pursuant to which the joint venture partner agreed to supplement the cooperation framework agreement with respect to the composition of the board of directors of Coastwise. By execution of the Supplemental Agreement II, all of the strategic financial and operating decisions required approval by simple majority of the board of directors, of which four directors and three directors are nominated by the Group and the other joint venture partner, respectively. Since the Group obtained effective control of voting power to govern the relevant activities of Coastwise, Coastwise became a subsidiary of the Group.

The above transaction is accounted for as acquisition of assets and liabilities through deemed acquisition of subsidiaries because the Coastwise Group mainly holds properties without significant processes applied to the properties. Details of the assets acquired and liabilities assumed are as below:

	人民幣千元 RMB'000
物業、廠房及設備	Property, plant and equipment
投資物業	5,874,000
持作出售物業	738,635
擬作出售的開發中物業	2,531,201
應收賬款及其他應收款項、按金以及預付款項	111,357
應收本集團款項	1,982,574
應收一名非控股股東款項	1,961,488
可收回稅項	236,918
銀行結餘及現金	1,600,539
應付賬款及其他應付款項以及應計開支	(432,743)
已收物業銷售按金	(2,587,255)
應付稅項	(157,719)
遞延稅項負債	(803,698)
銀行及其他借款—於一年內到期	(3,464,469)
	7,590,942
以於合營企業的權益支付	Satisfied by: Interest in a joint venture
非控股權益應佔資產淨值	3,795,471
	Net assets shared by: non-controlling interests
	3,795,471
	7,590,942
現金流入淨額： 所收購的銀行結餘及現金	Net cash inflow: Bank balances and cash acquired
	1,600,539

### 38. 收購附屬公司(續)

截至二零一七年十二月三十一日止年度  
(續)

(c) 透過收購附屬公司收購資產及負債

(i) 於截至二零一七年十二月三十一日止年度，本集團透過以下方式間接收購蘇州旭嘉置業有限公司(「蘇州旭嘉」)的全部股本權益：(i)收購旭皇(其為本集團擁有25%權益的聯營公司，其擁有蘇州旭嘉50%股本權益)的額外75%股本權益；及(ii)收購蘇州旭盈投資諮詢有限公司(「蘇州旭盈」，其持有蘇州旭嘉另外50%股本權益)的全部股本權益，合共總代價為人民幣128,211,000元。旭皇及蘇州旭盈為投資控股公司，蘇州旭嘉則從事房地產開發業務。

上述收購事項完成後，本集團取得100%實際投票控制權，可管理旭皇、蘇州旭嘉及蘇州旭盈的相關活動。因此，該等公司其後作為本集團附屬公司入賬。

### 38. ACQUISITIONS OF SUBSIDIARIES (Continued)

For the year ended 31 December 2017 (Continued)

(c) Acquisitions of assets and liabilities through acquisition of subsidiaries

(i) During the year ended 31 December 2017, the Group (i) indirectly acquired 100% equity interest of Suzhou Xujia Property Co., Ltd (“Suzhou Xujia”) through acquisition of additional 75% equity interest of Xu Huang, which was the Group’s 25% owned associate. Xu Huang held 50% equity interest in Suzhou Xujia, and (ii) acquired 100% equity interest of Suzhou Xuying Investment Advisory Co., Ltd (“Suzhou Xuying”), which held another 50% equity interest in Suzhou Xujia, at a total consideration of RMB128,211,000. Xu Huang and Suzhou Xuying are investment holding companies and Suzhou Xujia is engaged in property development.

Upon the completion of the acquisitions mentioned above, the Group has 100% effective control of voting power to govern the relevant activities of Xu Huang, Suzhou Xujia, and Suzhou Xuying. Accordingly, they were accounted for as subsidiaries of the Group thereafter.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 38. 收購附屬公司 (續)

截至二零一七年十二月三十一日止年度  
(續)

(c) 透過收購附屬公司收購資產及負債  
(續)

(i) (續)

由於該等公司並無於收購日期  
開始預售發展中物業，故此上  
述交易按透過收購一間附屬公  
司收購資產及負債入賬。有關  
所收購資產及所承擔負債詳情  
如下：

### 38. ACQUISITIONS OF SUBSIDIARIES (Continued)

For the year ended 31 December 2017 (Continued)

(c) Acquisitions of assets and liabilities through acquisition of  
subsidiaries (Continued)

(i) (Continued)

The above transaction is accounted for as acquisition of assets and  
liabilities through acquisition of subsidiaries because these companies  
hold properties without significant process applied to the properties'  
projects at the date of the acquisition. Details of the assets acquired  
and liabilities assumed are as below:

	人民幣千元 RMB'000
物業、廠房及設備	344
擬作出售的發展中物業	2,240,718
其他應收款項	172,269
可收回稅項	226,995
銀行結餘及現金	15,407
應付賬款及其他應付款項以及應計開支	(350,275)
應付本集團款項	(1,573,247)
銀行及其他借款—於一年內到期	(604,000)
	128,211

	人民幣千元 RMB'000
支付代價方式：	Consideration satisfied by:
現金代價	Cash consideration
	128,211
收購產生的現金流出淨額：	Net cash outflow arising on acquisition:
期內已付現金代價	Cash consideration paid during the period
所收購的銀行結餘及現金	Bank balances and cash acquired
	(128,211)
	15,407
	(112,804)

### 38. 收購附屬公司(續)

截至二零一七年十二月三十一日止年度  
(續)

(c) 透過收購附屬公司收購資產及負債  
(續)

(ii) 於截至二零一七年十二月三十一日止年度，本集團以總代價1,588,000,000港元(相當於約人民幣1,413,320,000元)收購裕恩發展有限公司(「裕恩」)100%股本權益及股東貸款550,494,000港元(相當於約人民幣489,939,000元)。裕恩從事房地產開發業務，且目前持有已完成待售物業。

上述收購完成後，本集團取得100%實際投票控制權，可管理裕恩的相關活動，該公司其後作為本集團附屬公司入賬。

由於該等公司於收購日期持有物業且並無適用於該等物業的重大程序，故上述交易按透過收購一間附屬公司收購資產及負債入賬。有關所收購資產及所承擔負債詳情如下：

### 38. ACQUISITIONS OF SUBSIDIARIES (Continued)

For the year ended 31 December 2017 (Continued)

(c) Acquisitions of assets and liabilities through acquisition of subsidiaries (Continued)

(ii) During the year ended 31 December 2017, the Group acquired 100% equity interests in Grace Wealth Development Limited ("Grace Wealth") and a shareholder's loan of HK\$550,494,000 (equivalent to approximately RMB489,939,000) at a total consideration of HK\$1,588,000,000 (equivalent to approximately RMB1,413,320,000). Grace Wealth is engaged in property development and is holding completed properties for sale.

Upon the completion of the acquisition mentioned above, the Group has 100% effective control of voting power to govern the relevant activities of Grace Wealth, accordingly it was accounted for as a subsidiary of the Group thereafter.

The above transactions is accounted for as acquisition of assets and liabilities through acquisition of a subsidiary because these companies held properties without significant processes applied to the properties at the date of the acquisition. Details of the assets acquired and liabilities assumed are as below:

	人民幣千元 RMB'000
持作出售物業	Properties held for sale
應收賬款及其他應收款項、按金以及預付款項	Accounts and other receivables, deposits and prepayments
銀行結餘及現金	Bank balances and cash
應付賬款及其他應付款項以及應計開支	Accounts and other payables and accrued charges
股東貸款	Shareholders' loans
	923,381
轉讓予本集團的股東貸款	Shareholders' loans assigned to the Group
	489,939
	1,413,320

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 38. 收購附屬公司 (續)

截至二零一七年十二月三十一日止年度  
(續)

- (c) 透過收購附屬公司收購資產及負債  
(續)
- (ii) (續)

### 38. ACQUISITIONS OF SUBSIDIARIES (Continued)

For the year ended 31 December 2017 (Continued)

- (c) Acquisitions of assets and liabilities through acquisition of subsidiaries (Continued)
- (ii) (Continued)

		人民幣千元 RMB'000
支付代價方式：	Consideration satisfied by:	
現金	Cash	1,271,273
收購股本權益按金	Deposits paid for acquisition of equity interests	142,047
		<b>1,413,320</b>
收購產生的現金流出淨額：	Net cash outflow arising on the acquisitions:	
年內已付現金代價 (包括貸款轉讓)	Cash consideration paid during the year (including the loan assignments)	(1,271,273)
所收購的銀行結餘及現金	Bank balances and cash acquired	56
		<b>(1,271,217)</b>

(iii) 於截至二零一七年十二月三十一日止年度，本集團以總代價人民幣425,335,000元收購蘇州市龍盈泰投資有限公司(「蘇州市龍盈泰」)100%股本權益及股東貸款人民幣225,334,000元。蘇州市龍盈泰持有一幅可用作房地產開發的地塊。

於上述收購事項完成後，本集團取得100%實際投票控制權，可管理蘇州市龍盈泰的相關活動，該公司其後作為本集團附屬公司入賬。

(iii) During the year ended 31 December 2017, the Group acquired 100% equity interests in Suzhou Longyingtai Investment Co., Ltd. (蘇州市龍盈泰投資有限公司) ("Suzhou Longyingtai") and a shareholder's loan of RMB225,334,000 a consideration of RMB425,335,000. Suzhou Longyingtai is holding a piece of land for property development.

Upon the completion of the acquisition mentioned above, the Group has 100% effective control of voting power to govern the relevant activities of Suzhou Longyingtai, accordingly it was accounted for as a subsidiary of the Group thereafter.

### 38. 收購附屬公司(續)

截至二零一七年十二月三十一日止年度  
(續)

(c) 透過收購附屬公司收購資產及負債  
(續)

(iii) (續)

由於該等公司於收購日期持有一幅用於物業發展的土地，故上述交易按透過一間收購附屬公司收購資產及負債入賬。有關所收購資產及所承擔負債詳情如下：

### 38. ACQUISITIONS OF SUBSIDIARIES (Continued)

For the year ended 31 December 2017 (Continued)

(c) Acquisitions of assets and liabilities through acquisition of subsidiaries (Continued)

(iii) (Continued)

The above transaction is accounted for as acquisition of assets and liabilities through acquisition of a subsidiary because the company is holding a piece of land for property development at the date of the acquisition. Details of the assets acquired and liabilities assumed are as below:

	人民幣千元 RMB'000
物業、廠房及設備	Property, plant and equipment
擬作出售的發展中物業	Properties under development for sale
應收賬款及其他應收款項、按金以及 預付款項	Accounts and other receivables, deposits and prepayments
銀行結餘及現金	Bank balances and cash
應付賬款及其他應付款項以及應計開支	Accounts and other payables and accrued charges
股東貸款	Shareholders' loans
	200,001
轉讓予本集團的股東貸款	Shareholders' loans assigned to the Group
	225,334
	425,335
支付代價方式：	Consideration satisfied by:
現金	Cash
收購股本權益的按金	Deposits for acquisition of equity interests
	425,335
收購產生的現金流出淨額：	Net cash outflow arising on the acquisitions:
年內已付現金代價 (包括貸款轉讓)	Cash consideration paid during the year (including the loan assignments)
所收購的銀行結餘及現金	Bank balances and cash acquired
	(175,335)
	206
	(175,129)

(iv) 於截至二零一七年十二月三十一日止期間，本集團以代價人民幣100,000,000元收購合肥盛展房地產開發有限公司(「合肥盛展」)100%股本權益。合肥盛展持有一幅可用作房地產開發的地塊。

(iv) During the year ended 31 December 2017, the Group acquired 100% equity interests of Hefei Shengzhan Property Development Co., Ltd. (合肥盛展房地產開發有限公司) ("Hefei Shengzhan") at a consideration of RMB100,000,000. Hefei Shengzhan is holding a piece of land for property development.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 38. 收購附屬公司(續)

截至二零一七年十二月三十一日止年度  
(續)

(c) 透過收購附屬公司收購資產及負債  
(續)

- (v) 於截至二零一七年十二月三十一日止年度，本集團以代價人民幣60,000,000元收購安徽乾泰房地產開發有限公司(「安徽乾泰」)30%股本權益。根據安徽乾泰的組織章程大綱及細則，所有戰略融資及經營決策必須由董事會簡單大多數成員批准，當中四名董事及三名董事分別由本集團及其他股東提名。由於本集團取得安徽乾泰的實際控制權，故安徽乾泰已成為本公司的附屬公司。安徽乾泰持有一幅可用作房地產開發的地塊。
- (vi) 於截至二零一七年十二月三十一日止年度，本集團以代價人民幣474,000元收購東萬投資有限公司(「東萬」)100%股本權益。東萬目前持有已完成待售物業。
- (vii) 於截至二零一七年十二月三十一日止年度，本集團以總代價人民幣225,851,000元收購豐萬投資有限公司(「豐萬」)100%股本權益及股東貸款人民幣220,000,000元。豐萬目前持有已完成待售物業。
- (viii) 於截至二零一七年十二月三十一日止年度，本集團以代價人民幣125,536,000元收購西安地聯有限責任公司(「西安地聯」)95%股本權益。西安地聯目前持有一幅可用作房地產開發的地塊。

### 38. ACQUISITIONS OF SUBSIDIARIES (Continued)

For the year ended 31 December 2017 (Continued)

- (c) Acquisitions of assets and liabilities through acquisition of subsidiaries (Continued)
- (v) During the year ended 31 December 2017, the Group acquired 30% equity interests of Anhui Qiantai Property Co., Ltd. (安徽乾泰房地產開發有限公司) ("Anhui Qiantai") at a consideration of RMB60,000,000. According to the memorandum and articles of association of Anhui Qiantai, all of the strategic financial and operating decisions must be approved by simple majority of the board of directors, of which four directors and three directors are to be nominated by the Group and the other shareholders, respectively. Since the Group obtained effective control over Anhui Qiantai, Anhui Qiantai became a subsidiary of the Company. Anhui Qiantai is holding a piece of land for property development.
- (vi) During the year ended 31 December 2017, the Group acquired 100% equity interest of Top Media Investment Limited. ("Top Media") at a consideration of RMB474,000. Top Media is holding completed properties for sale.
- (vii) During the year ended 31 December 2017, the Group acquired 100% equity interests of Full Metro Investment Limited ("Full Metro") and a shareholder's loan of RMB220,000,000 at a total consideration of RMB225,851,000. Full Metro is holding completed properties for sale.
- (viii) During the year ended 31 December 2017, the Group acquired 95% equity interest of Xian Dilian Development Co., Ltd. (西安地聯有限責任公司) ("Xian Dilian") at a consideration of RMB125,536,000. Xian Dilian is holding a piece of land for property development.

### 38. 收購附屬公司(續)

截至二零一七年十二月三十一日止年度  
(續)

(c) 透過收購附屬公司收購資產及負債  
(續)

- (ix) 於截至二零一七年十二月三十一日止年度，本集團以代價人民幣274,463,000元收購西安君都僑商置業有限公司(「西安君都僑商」)70%股本權益及股東貸款人民幣239,462,000元。西安君都僑商目前持有一幅可用作房地產開發的地塊。
- (x) 於截至二零一七年十二月三十一日止年度，本集團以代價人民幣7,000,000元收購西安榮科置業有限責任公司(「西安榮科」)70%股本權益。西安榮科目前持有一幅可用作房地產開發的地塊。
- (xi) 於截至二零一七年十二月三十一日止年度，本集團以代價人民幣132,000,000元收購青島山海秀都置業有限公司(「青島山海」)50%股本權益。根據青島山海的組織章程大綱及細則，所有戰略融資及經營決策必須由董事會三分之二投票權批准，當中兩名董事及一名董事分別由本集團及其他股東提名。由於本集團取得青島山海的實際控制權，故青島山海已成為本集團的附屬公司。青島山海持有一幅可用作房地產開發的地塊。
- (xii) 於截至二零一七年十二月三十一日止年度，本集團以代價人民幣10,000,000元收購青島銀盛泰嘉博房地產有限公司(「青島銀盛泰嘉博」)50%股本權益。根據青島銀盛泰嘉博的組織章程大綱及細則，所有戰略融資及經營決策必須由董事會三分之二投票權批准，當中兩名董事及一名董事分別由本集團及其他股東提名。由於本集團取得青島銀盛泰嘉博的實際控制權，故青島銀盛泰嘉博已成為本公司的附屬公司。青島銀盛泰嘉博持有一幅可用作房地產開發的地塊。

### 38. ACQUISITIONS OF SUBSIDIARIES (Continued)

For the year ended 31 December 2017 (Continued)

(c) Acquisitions of assets and liabilities through acquisition of subsidiaries (Continued)

- (ix) During the year ended 31 December 2017, the Group acquired 70% equity interest of Xian Jundu Qiaoshang Development Co., Ltd. (西安君都僑商置業有限公司) ("Xian Jundu Qiaoshang") and a shareholder's loan of RMB239,462,000 at a consideration of RMB274,463,000. Xian Jundu Qiaoshang is holding a piece of land for property development.
- (x) During the year ended 31 December 2017, the Group acquired 70% equity interest of Xian Rongke Development Co., Ltd. (西安榮科置業有限責任公司) ("Xian Rongke") at a consideration of RMB7,000,000. Xian Rongke is holding a piece of land for property development.
- (xi) During the year ended 31 December 2017, the Group acquired 50% equity interest of Qingdao Shanhai Xiudu Development Co., Ltd. (青島山海秀都置業有限公司) ("Qingdao Shanhai") at a consideration of RMB132,000,000. According to the memorandum and articles of association of Qingdao Shanhai, all of the strategic financial and operating decisions must be approved by two-thirds voting rights of the board of directors, of which two directors and one director are nominated by the Group and the other shareholder, respectively. Since the Group obtained effective control over Qingdao Shanhai, Qingdao Shanhai became a subsidiary of the Group. Qingdao Shanhai is holding a piece of land for property development.
- (xii) During the year ended 31 December 2017, the Group acquired 50% equity interest of Qingdao Yinshengtai Jiabo Property Development Co., Ltd. (青島銀盛泰嘉博房地產有限公司) ("Qingdao Yinshengtai Jiabo") at a consideration of RMB10,000,000. According to the memorandum and articles of association of Qingdao Yinshengtai Jiabo, all of the strategic financial and operating decisions must be approved by two-thirds voting rights of the board of directors, of which two directors and one director are nominated by the Group and the other shareholder, respectively. Since the Group obtained effective control over Qingdao Yinshengtai Jiabo, Qingdao Yinshengtai Jiabo became a subsidiary of the Company. Qingdao Yinshengtai Jiabo is holding a piece of land for property development.

## 綜合財務報表附註

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### 38. 收購附屬公司 (續)

截至二零一七年十二月三十一日止年度  
(續)

#### (c) 透過收購附屬公司收購資產及負債 (續)

於上述收購事項(iv)至(xii)完成後，本集團持有合肥盛展、東萬及豐萬全部股本權益、安徽乾泰的30%股本權益、西安地聯的95%股本權益、西安君都僑商及西安榮科的70%股本權益，以及青島山海及青島銀盛泰嘉博的50%股本權益，並於其後成為本集團的附屬公司。

上述交易(iv)至(xii)按透過收購附屬公司收購資產及負債入賬。有關所收購資產及所承擔負債詳情如下：

### 38. ACQUISITIONS OF SUBSIDIARIES (Continued)

For the year ended 31 December 2017 (Continued)

#### (c) Acquisitions of assets and liabilities through acquisition of subsidiaries (Continued)

Upon the completion of the acquisitions mentioned from (iv) to (xii), the Group holds 100% equity interests in Hefei Shengzhan, Top Media and Full Metro, 30% equity interests in Anhui Qiantai, 95% equity interests in Xi'an Dilian, 70% equity interests in Xian Jundu Qiaoshang and Xian Rongke, 50% equity interest in Qingdao Shanhai and Qingdao Yinshengtai Jiabo and they become subsidiaries of the Group thereafter.

The above transactions (iv) to (xii) are accounted for as acquisition of assets and liabilities through acquisition of subsidiaries. Details of the assets acquired and liabilities assumed are as below:

	人民幣千元 RMB'000
物業、廠房及設備	Property, plant and equipment 5
擬作出售的發展中物業	Properties under development for sale 4,310,214
持作出售物業	Properties held for sale 788,212
其他應收款項、按金以及預付款項	Other receivables, deposits and prepayments 233,799
可收回稅項	Tax recoverable 626
銀行結餘及現金	Bank balances and cash 40,896
應收賬款及其他應收款項以及應計開支	Accounts and other payables and accrued charges (684,099)
應付本集團款項	Amount due to the Group (1,398,671)
應付稅項	Taxation payable (390)
銀行及其他借款	Bank and other borrowings (827,658)
股東貸款	Shareholders' loans (1,655,763)
	807,171
轉讓予本集團的股東貸款	Shareholders' loans assigned to the Group 459,462
非控股權益應佔資產淨值	Net asset shared by non-controlling interests (331,309)
	935,324
支付代價方式：	Consideration satisfied by:
現金	Cash 935,324
收購產生的現金流出淨額：	Net cash outflow arising on the acquisition:
年內已付現金代價 (包括貸款轉讓)	Cash consideration paid during the year (including the loan assignments) (935,324)
所收購的銀行結餘及現金	Bank balances and cash acquired 40,896
	(894,428)

## 38. 收購附屬公司(續)

截至二零一六年十二月三十一日止年度

### (a) 收購業務

截至二零一六年十二月三十一日止年度，本集團透過收購其控股公司天津旭達房地產資訊諮詢有限公司(「天津旭達」)全部股本權益收購其擁有50%權益的合營企業天津旭科房地產開發有限公司(「天津旭科」)額外50%股本權益，代價為人民幣9,000,000元，乃參考天津旭達及天津旭科在買賣協議於二零一六年一月十日簽署時的資產淨值後釐定。天津旭達為投資控股公司及天津旭科從事物業開發業務。

於上文所述收購事項在二零一六年三月十七日完成後，本集團取得天津旭達及天津旭科100%控制權，而該兩間公司其後作為本公司的附屬公司入賬。於收購時，本公司董事認為該項收購構成一項業務收購，此乃由於天津旭科持有開發中物業及適用於該等物業的重大程序。因此，該交易以收購會計法列賬。

## 38. ACQUISITIONS OF SUBSIDIARIES (*Continued*)

*For the year ended 31 December 2016*

### (a) Acquisition of business

During the year ended 31 December 2016, the Group acquired additional 50% equity interest of its 50% owned joint venture, Tianjin Xuke Property Development Co., Ltd. ("Tianjin Xuke") through the acquisition of the 100% equity interests of its holding company, Tianjin Xuda Property Information Consultancy Co., Ltd. (天津旭達房地產資訊諮詢有限公司) ("Tianjin Xuda"), at a consideration of RMB9,000,000, which was determined with reference to the net assets value of Tianjin Xuda and Tianjin Xuke at the time when the sales and purchase agreement was signed on 10 January 2016. Tianjin Xuda is an investment holding company and Tianjin Xuke is engaged in property development.

Upon the completion of the acquisition mentioned above on 17 March 2016, the Group obtained 100% control over Tianjin Xuda and Tianjin Xuke, which was accounted for as subsidiaries of the Group thereafter. At the time of acquisition, the directors of the Company are of the view that the acquisition constitutes a business acquisition as Tianjin Xuke held properties under development and significant process are applied to the properties' projects. The transaction has been accounted for using the acquisition method accordingly.

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### 38. 收購附屬公司 (續)

截至二零一六年十二月三十一日止年度  
(續)

#### (a) 收購業務 (續)

所收購資產淨值的詳情如下：

### 38. ACQUISITIONS OF SUBSIDIARIES (Continued)

For the year ended 31 December 2016 (Continued)

#### (a) Acquisition of business (Continued)

Details of the net assets acquired are as follows:

	人民幣千元 RMB'000
以下列方式達成代價：	Consideration satisfied by:
應付代價(計入其他應付款項)	Cash consideration payable (included in other payables) 9,000
已收購天津旭達及天津旭科的可識別資產淨值公允值：	Fair value of net identifiable assets of Tianjin Xuda and Tianjin Xuke acquired: 13,474
應收一間合營企業款項	Amount due from a joint venture
銀行結餘及現金	Bank balances and cash 213,770
擬作出售的開發中物業	Properties under development for sale 993,000
應收賬款及其他應收款項、按金及預付款項	Accounts and other receivables, deposits and prepayments 358,376
可收回稅項	Taxation recoverable 22,738
應付賬款及其他應付款項以及應計開支	Accounts and other payables and accrued charges (118,590)
已收物業銷售按金	Deposits received from property sales (329,640)
銀行及其他借款	Bank and other borrowings (348,000)
遞延稅項負債	Deferred taxation liabilities (25,521)
應付本集團款項	Amount due to the Group (353,683)
	425,924

已收購公平值人民幣108,374,000元的應收賬款及其他應收款項與其合約總額相若。概無預期無法收取的合約現金流量。

The accounts and other receivables acquired with a fair value of RMB108,374,000 approximate its gross contractual amount. There was no contracted cash flows not expected to be collected.

	人民幣千元 RMB'000
應付代價	Consideration payable 9,000
加：按公平值計量的先前所持權益 (指於天津旭科的權益)	Add: Previously held interest represented by interest in Tianjin Xuke at fair value 383,057
減：所收購的資產淨值	Less: Fair value of net assets acquired by the Group (425,924)
業務合併收益(附註)	Gain from business combinations (note) (33,867)

附註：業務合併收益主要指天津旭科於完成收購日期時作出售的開發中物業的公平值增幅。

Note: Gain from business combination mainly represented the fair value increment of the properties under development for sale held by Tianjian Xuke at the date of completion of the acquisition.

### 38. 收購附屬公司(續)

截至二零一六年十二月三十一日止年度  
(續)

#### (a) 收購業務(續)

### 38. ACQUISITIONS OF SUBSIDIARIES (Continued)

For the year ended 31 December 2016 (Continued)

#### (a) Acquisition of business (Continued)

		人民幣千元 RMB'000
本集團所持有天津旭科50%股本權益的 公平值	Fair value of 50% equity interest of Tianjin Xuke held by the Group	383,057
減：本集團所持合營企業的權益	Less: Interest in joint venture held by the Group	(344,774)
重新計量收益	Gain on remeasurement	38,283
		人民幣千元 RMB'000
收購產生的現金流入淨額： 所收購的銀行結餘及現金	Net cash inflow arising on acquisition: Bank balances and cash acquired	213,770

收購相關成本並不重大，已於本年度確認為一項開支及已計入綜合損益及其他全面收益表「行政開支」項目。

年內，本集團應佔虧損人民幣3,440,000元計入損益。於報告期間，概無本集團應佔收入。

倘收購事項於年初進行，則本集團於截至二零一六年十二月三十一日止年度的收入總額將為人民幣22,224,447,000元，而年內利潤將為人民幣3,165,348,000元。備考資料僅供說明用途，且未必顯示本集團於年初完成收購時將實際達至的收入及經營業績，亦無意作為未來業績的預測。

Acquisition-related costs were insignificant and have been recognised as an expense in the current year and included in the "administrative expenses" line item in the consolidated statement of profit or loss and other comprehensive income.

Included in the profit for the year is loss of RMB3,440,000 attributable to the Group. No revenue is attributable to the Group for the reporting period.

Had the acquisition been effected at the beginning of the year, the total amount of revenue of the Group for the year ended 31 December 2016 would have been RMB22,224,447,000 and the amount of the profit for the year would have been RMB3,165,348,000. The pro forma information is for illustrative purpose only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the year, nor is it intended to be a projection of future results.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 38. 收購附屬公司(續)

截至二零一六年十二月三十一日止年度  
(續)

(b) 透過收購附屬公司收購資產及負債

截至二零一六年十二月三十一日止年度，本集團以總代價人民幣415,403,000元收購佛山市華祥房地產開發有限公司(「佛山華祥」)100%股本權益及股東貸款人民幣115,766,000元。佛山華祥持有一塊可予開發的地塊。

截至二零一六年十二月三十一日止年度，本集團以總代價人民幣528,723,000元收購佛山市匯金恒天房地產開發有限公司(「佛山匯金」)100%股本權益及股東貸款人民幣306,082,000元。佛山華祥持有一塊可予開發的地塊。

截至二零一六年十二月三十一日止年度，本集團以代價人民幣110,000,000元收購武漢惠譽華天置業有限公司(「武漢惠譽華天」)55%股本權益。武漢惠譽華天持有一塊可予開發的地塊。

### 38. ACQUISITIONS OF SUBSIDIARIES (Continued)

For the year ended 31 December 2016 (Continued)

(b) Acquisitions of assets and liabilities through acquisition of subsidiaries

During the year ended 31 December 2016, the Group acquired 100% equity interests and a shareholder's loan of RMB115,766,000 of Foshan Huaxiang Property Development Co., Ltd. (佛山市華祥房地產開發有限公司) ("Foshan Huaxiang") at a total consideration of RMB415,403,000. Foshan Huaxiang is holding a piece of land for property development.

During the year ended 31 December 2016, the Group acquired 100% equity interests and a shareholder's loan of RMB306,082,000 of Foshan Huijin Hengtian Property Development Co., Ltd. (佛山市匯金恒天房地產開發有限公司) ("Foshan Huijin") at a total consideration of RMB528,723,000. Foshan Huijin is holding a piece of land for property development.

During the year ended 31 December 2016, the Group acquired 55% equity interest of Wuhan Huiyu Huatian Property Co., Ltd. (武漢惠譽華天置業有限公司) ("Wuhan Huiyu Huatian") at a consideration of RMB110,000,000. Wuhan Huiyu Huatian is holding a piece of land for property development.

### 38. 收購附屬公司(續)

截至二零一六年十二月三十一日止年度  
(續)

(b) 透過收購附屬公司收購資產及負債  
(續)

上述交易按透過收購附屬公司的資產收購入賬。有關所收購資產及所承擔負債的詳情如下：

### 38. ACQUISITIONS OF SUBSIDIARIES (Continued)

For the year ended 31 December 2016 (Continued)

(b) Acquisitions of assets and liabilities through acquisition of subsidiaries (Continued)

The above transactions are accounted for as acquisition of assets through acquisition of subsidiaries. Details of the assets acquired and liabilities assumed are as below:

	人民幣千元 RMB'000
支付代價方式：	Consideration satisfied by:
現金	Cash 880,000
應付代價(包括於其他應付款項)	Consideration payable (included in other payables) 174,126
	<hr/> 1,054,126
所收購資產淨值：	Net assets acquired:
擬作出售的開發中物業	Properties under development for sale 1,173,795
應收賬款及其他應收款項、按金及預付款項	Accounts and other receivables, deposits and prepayments 773,042
銀行結餘及現金	Bank balances and cash 26,552
應付賬款、其他應付款項及應計開支	Accounts and other payables and accrued charges (1,221)
應付本集團款項	Amount due to the Group (10,000)
應付非控股權益款項	Amount due to non-controlling interests (78,752)
應付稅項	Taxation payable (23)
銀行及其他借款	Bank and other borrowings (740,000)
股東貸款	Shareholders' loans (421,848)
	<hr/> 721,545
轉讓予本集團的股東貸款	Shareholders' loan assigned to the Group 421,848
非控股權益應佔資產淨值	Net assets shared by non-controlling interests (89,267)
	<hr/> 1,054,126
收購時產生的現金流出淨額：	Net cash outflow arising on the acquisitions:
年內已付現金代價	Cash consideration paid during the year (880,000)
所收購的銀行結餘及現金	Bank balances and cash acquired 26,552
	<hr/> (853,448)

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 39. 出售附屬公司

截至二零一七年十二月三十一日止年度

#### (a) 出售一間附屬公司

於二零一七年一月二十六日，本集團與一間由本公司董事林偉先生及林峰先生實益擁有的關聯公司寧波昌瑞投資有限公司（「寧波昌瑞」）訂立買賣協議，內容有關向寧波昌瑞出售本集團間接全資附屬公司上海旭備實業有限公司（「上海旭備」）的全部已發行股本，代價為人民幣373,955,000元，包括現金代價人民幣1,000,000元及轉讓應付本集團的股東貸款人民幣372,955,000元。

上述交易按出售一間附屬公司入賬。有關出售的資產淨值詳情概述如下：

### 39. DISPOSAL OF SUBSIDIARIES

*For the year ended 31 December 2017*

#### (a) Disposal of a subsidiary

On 26 January 2017, the Group and a related company beneficially owned by Mr. Lin Wei and Mr. Lin Feng, the directors of the Company, namely Ningbo Changrui Investments Co., Ltd. ("Ningbo Changrui"), entered into a sale and purchase agreement relating to the sale of the entire issued share capital of Shanghai Xubei Enterprise Co., Ltd ("Shanghai Xubei") to Ningbo Changrui, an indirect wholly owned subsidiary of the Group at a consideration of RMB373,955,000 which comprised of cash consideration of RMB1,000,000 and the assignment of shareholders' loan due to the Group of RMB372,955,000.

The above transaction is accounted for as disposal of a subsidiary. Details of the net assets disposed of are summarised below:

		人民幣千元 RMB'000
支付代價方式：	Consideration satisfied by:	
現金	Cash	1,000
就失去控制權的資產及負債分析：	Analysis of assets and liabilities over which control was lost:	
其他應收款項	Other receivables	373,950
銀行結餘及現金	Bank balances and cash	111
應付本集團款項	Amount due to the Group	(372,955)
出售的資產淨值	Net assets disposed of	1,106
出售一間附屬公司的虧損：	Loss on disposal of a subsidiary:	
現金代價	Cash consideration	1,000
出售的資產淨值	Net assets disposed of	(1,106)
出售一間附屬公司虧損	Loss on disposal of a subsidiary	(106)
出售產生的現金流入淨額：	Net cash inflow arising on disposal:	
現金代價	Cash consideration	1,000
轉讓股東貸款	Assignment of shareholders' loan	372,955
出售的銀行結餘及現金	Bank balances and cash disposed of	(111)
		373,844

### 39. 出售附屬公司(續)

截至二零一七年十二月三十一日止年度  
(續)

- (b) 出售附屬公司部分權益導致失去控制權
- (i) 截至二零一七年十二月三十一日止年度，本集團以代價人民幣750,000元向一名獨立第三方出售其附屬公司上海旭技的75%股本權益。此項交易按出售一間附屬公司部份權益導致失去控制權入賬。上海旭技及上海輝羅從事房地產開發業務。

於出售事項後，上海旭技的餘下25%權益仍然由本集團持有，並成為本集團的聯營公司。

- (ii) 截至二零一七年十二月三十一日止年度，本集團以代價人民幣500,000元向一名獨立第三方出售其附屬公司上海旭沃的50%股本權益。此項交易按出售一間附屬公司部份權益導致失去控制權入賬。上海旭沃及上海輝均從事房地產開發業務。

於出售事項後，上海旭沃的餘下50%權益仍然由本集團持有，並根據股東協議成為本集團的合營企業，上海旭沃的相關活動須經全體董事一致同意。

- (iii) 截至二零一七年十二月三十一日止年度，本集團以代價人民幣242,750元向一名獨立第三方出售其附屬公司上海旭導的50%股本權益。此項交易按出售一間附屬公司部份權益導致失去控制權入賬。上海旭導從事房地產開發業務。

於出售事項後，上海旭導的餘下50%權益仍然由本集團持有，並根據股東協議成為本集團的聯營公司，上海旭導的相關活動須經董事會三分之二的投票權批准，其中一名董事及兩名董事分別由本集團及其他股東提名。

### 39. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 December 2017 (Continued)

- (b) Disposal of partial interest in subsidiaries resulting in loss of control
- (i) During the year ended 31 December 2017, the Group disposed of 75% equity interest in its subsidiary, Shanghai Xuji to an independent third party at a consideration of RMB750,000. This transaction was accounted for as disposal of partial interest in a subsidiary resulting in loss of control. Shanghai Xuji and Shanghai Huiluo was engaged in property development.

Subsequent to the disposal, the remaining 25% interest of Shanghai Xuji are still held by the Group and became an associate of the Group.

- (ii) During the year ended 31 December 2017, the Group disposed of 50% equity interest in its subsidiary, Shanghai Xuwo to an independent third party at a consideration of RMB500,000. This transaction was accounted for as disposal of partial interest in a subsidiary resulting in loss of control. Shanghai Xuwo and Shanghai Huijun was engaged in property development.

Subsequent to the disposal, the remaining 50% interest of Shanghai Xuwo are still held by the Group and became a joint venture of the Group as in accordance with the shareholders' agreement, relevant activities of Shanghai Xuwo require unanimous consent of all directors.

- (iii) During the year ended 31 December 2017, the Group disposed of 50% equity interest in its subsidiary, Shanghai Xudao to an independent third party at a consideration of RMB242,750. This transaction was accounted for as disposal of partial interest in a subsidiary resulting in loss of control. Shanghai Xudao was engaged in property development.

Subsequent to the disposal, the remaining 50% interest of Shanghai Xudao are still held by the Group and became an associate of the Group as in accordance with the shareholders' agreement, relevant activities of Shanghai Xudao were approval by two-thirds voting rights of the board of directors, of which one director and two directors are nominated by the Group and other shareholder.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 39. 出售附屬公司(續)

截至二零一七年十二月三十一日止年度  
(續)

(b) 出售附屬公司部分權益導致失去控制權(續)

(iv) 截至二零一七年十二月三十一日止年度，本集團以代價人民幣10,200,000元向一名獨立第三方出售其附屬公司濟南輝明的51%股本權益。此項交易按出售一間附屬公司部份權益導致失去控制權入賬。濟南輝明從事房地產開發業務。

於出售事項後，濟南輝明的餘下49%權益仍然由本集團持有，並根據股東協議成為本集團的合營企業，濟南輝明的相關活動須經全體董事一致同意。

(v) 截至二零一七年十二月三十一日，本集團以代價人民幣1,000,000元向一名獨立第三方出售其附屬公司北京盛創的50%股本權益。此項交易按出售一間附屬公司部份權益導致失去控制權入賬。北京盛創從事房地產開發業務。

於出售事項後，北京盛創的餘下50%權益仍然由本集團持有，並根據股東協議成為本集團的合營企業，北京盛創的相關活動須經全體董事一致同意。

### 39. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 December 2017 (Continued)

(b) Disposal of partial interest in subsidiaries resulting in loss of control  
(Continued)

(iv) During the year ended 31 December 2017, the Group disposed of 51% equity interest in its subsidiary, Jinan Huiming to an independent third party at a consideration of RMB10,200,000. This transaction was accounted for as disposal of partial interest in a subsidiary resulting in loss of control. Jinan Huiming was engaged in property development.

Subsequent to the disposal, the remaining 49% interest of Jinan Huiming are still held by the Group and became a joint venture of the Group as in accordance with the shareholders' agreement, relevant activities of Jinan Huiming require the unanimous consent of all directors.

(v) During the year ended 31 December 2017, the Group disposed of 50% equity interest in its subsidiary, Beijing Shengchuang to an independent third party at a consideration of RMB1,000,000. This transaction was accounted for as disposal of partial interest in a subsidiary resulting in loss of control. Beijing Shengchuang was engaged in property development.

Subsequent to the disposal, the remaining 50% interest of Beijing Shengchuang are still held by the Group and became joint venture of the Group as in accordance with the shareholders' agreement, relevant activities of Beijing Shengchuang require the unanimous consent of all shareholders.

### 39. 出售附屬公司(續)

截至二零一七年十二月三十一日止年度  
(續)

(b) 出售附屬公司部分權益導致失去控制權(續)

上述交易按出售附屬公司部份權益導致失去控制權入賬。有關上述交易出售資產淨值詳情概述如下：

### 39. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 December 2017 (Continued)

(b) Disposal of partial interest in subsidiaries resulting in loss of control  
(Continued)

The above transactions are accounted for as disposal of partial interest in subsidiaries. Details of the net assets disposed of in respect of the above transactions are summarised below:

		人民幣千元 RMB'000
支付代價方式：	Consideration satisfied by:	
現金	Cash	1,493
應收代價	Consideration receivable	11,200
就失去控制權的資產及負債分析：	Analysis of assets and liabilities over which control was lost:	
物業、廠房及設備	Property, plant and equipment	31
於一間聯營公司的權益	Interests in an associate	35,938
擬作出售的發展中物業	Properties under development for sale	3,496,421
其他應收款項	Other receivables	756,383
銀行結餘及現金	Bank balances and cash	200,337
應付賬款及其他應付款項以及應計開支	Accounts and other payables and accrued charges	(859,128)
應付本集團附屬公司款項	Amounts due to the subsidiaries of the Group	(2,816,020)
銀行及其他借款—於一年後到期	Bank and other borrowings – due after one year	(815,000)
出售的負債淨額	Net liabilities disposed of	(1,038)
出售附屬公司的收益：	Gain on disposal of subsidiaries:	
現金代價	Cash consideration	1,493
應收代價	Consideration receivable	11,200
於聯營公司及合營企業所保留股本權益的公允值	Fair value of the retained equity interest in associates and joint ventures	21,050
出售的負債淨額	Net liabilities disposed of	1,038
出售附屬公司收益	Gain on disposal of subsidiaries	34,781
出售產生的現金流入淨額：	Net cash outflow arising on disposal:	
現金代價	Cash consideration	1,493
出售的銀行結餘及現金	Bank balances and cash disposed of	(200,337)
		(198,844)

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 39. 出售附屬公司(續)

截至二零一七年十二月三十一日止年度  
(續)

(c) 視作出售附屬公司

- (i) 於二零一七年九月十九日，本集團過往全資擁有的附屬公司旭昌將其繳足股本由1美元增加至2美元。本公司獨立股東透過其全資附屬公司注資1美元。

注資後，本集團及獨立股東分別持有旭昌的50%股本權益。旭昌的經修訂組織章程大綱及細則規定董事會所作決策必須經全體董事批准。

經考慮上述因素及情況後，本公司董事得出結論，認為本集團對旭昌並無控制權，因此自二零一七年九月十九日起，本集團將於旭昌的權益分類為於合營企業的權益。

- (ii) 於二零一七年六月二十一日，本公司過往全資擁有的附屬公司杭州茂輝將其繳足股本由人民幣100,000元增加至人民幣200,000元。杭州茂輝的獨立股東注入人民幣100,000元作為注資。

注資後，本集團及獨立股東分別持有杭州茂輝的50%股本權益。杭州茂輝的經修訂組織章程大綱及細則規定股東大會所作決策必須經過半數投票權批准。

經考慮上述因素及情況後，本公司董事得出結論，認為本集團對杭州茂輝並無控制權，因此自二零一七年六月二十一日起，本集團將於杭州茂輝的權益分類為於合營企業的權益。

### 39. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 December 2017 (Continued)

(c) Deemed disposal of subsidiaries

- (i) On 19 September 2017, Xu Chang, a previously wholly owned subsidiary of the Group, increased its paid up capital from USD1 to USD2. An independent shareholder of the Company, through its wholly owned subsidiary contributed USD1 for the capital injection.

After the capital injections, the Group and the independent shareholder held 50% and 50% equity interest of Xu Chang, respectively. The revised Memorandum and Articles of Association of Xu Chang has stipulated that decision made by board of directors must be approved by all directors.

After considering the above fact and circumstances, the directors of the Company conclude that the Group does not have the power of control over Xu Chang, therefore the Group classified interest in Xu Chang as interest in a joint venture since 19 September 2017.

- (ii) On 21 June 2017, Hangzhou Maohui, a previously wholly owned subsidiary of the Group, increased its paid up capital from RMB100,000 to RMB200,000. The independent shareholder of Hangzhou Maohui contributed RMB100,000 for the capital injection.

After the capital injection, the Group and the independent shareholder held 50% and 50% equity interest of Hangzhou Maohui, respectively. The revised Memorandum and Articles of Association of Hangzhou Maohui has stipulated that decision made by board of shareholders must be approved by over half of voting rights.

After considering the above fact and circumstances, the directors of the Company conclude that the Group does not have the power of control over Hangzhou Maohui, therefore the Group classified interest in Hangzhou Maohui as interest in a joint venture since 21 June 2017.

### 39. 出售附屬公司(續)

截至二零一七年十二月三十一日止年度  
(續)

(c) 視作出售附屬公司(續)

(ii) (續)

上述交易按視作出售附屬公司部分  
權益入賬。有關上述交易出售負債  
淨額詳情概述如下：

### 39. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 December 2017 (Continued)

(c) Deemed disposal of subsidiaries (Continued)

(ii) (Continued)

The above transactions are accounted for as disposal of partial interest in  
subsidiaries. Details of the net liabilities disposed of in respect of the above  
transactions are summarised below:

	人民幣千元 RMB'000
就失去控制權的資產及負債分析：	Analysis of assets and liabilities over which control was lost:
發展中物業	Properties under development 434,588
其他應收款項	Other receivables 579
銀行結餘及現金	Bank balances and cash 11,419
應付本集團款項	Amounts due to the Group (409,258)
其他應付款項	Other payables (38,434)
出售的負債淨額	Net liabilities disposed of (1,106)
視作出售附屬公司收益：	Gain on deemed disposal of subsidiaries:
於合營企業所保留50%股本權益的公平值	Fair value of the retained 50% equity interest in joint ventures 100
出售的負債淨額	Net liabilities disposed of 1,106
視作出售附屬公司收益	Gain on deemed disposal of subsidiaries 1,206
出售產生的現金流出淨額：	Net cash outflow arising on disposal:
出售的銀行結餘及現金	Bank balances and cash disposed of (11,419)

截至二零一六年十二月三十一日止年度

(a) 出售附屬公司

截至二零一六年十二月三十一日止年度，本集團向上海建浦投資管理有限公司(「上海建浦」，由本公司董事林中先生、林偉先生及林峰先生控制的關聯公司)出售其於全資附屬公司上海永升的70%股本權益，代價約為人民幣91,000,000元。上海永升從事物業管理業務。

於出售完成後，本集團失去對上海永升的控制權，而所保留的上海永升30%股本權益已分類為本集團的一間聯營公司。

For the year ended 31 December 2016

(a) Disposal of subsidiaries

During the year ended 31 December 2016, the Group disposed of its 70% equity interest in a wholly owned subsidiary, Shanghai Yongsheng, to a related company controlled by Mr. Lin Zhong, Mr. Lin Wei and Mr. Lin Feng, the directors of the Company, namely Shanghai Jianpu Investment Management Co., Ltd. (上海建浦投資管理有限公司)(“Shanghai Jianpu”), at a consideration of approximately RMB91,000,000. Shanghai Yongsheng was engaged in property management.

Upon completion of the disposal, the Group lost control over Shanghai Yongsheng and retained 30% equity interest in Shanghai Yongsheng which has been classified as an associate of the Group.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 39. 出售附屬公司 (續)

截至二零一六年十二月三十一日止年度  
(續)

#### (a) 出售附屬公司 (續)

上述交易按出售一間附屬公司入賬。有關出售的資產淨值詳情概述如下：

### 39. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 December 2016 (Continued)

#### (a) Disposal of subsidiaries (Continued)

The above transaction is accounted for as disposal of a subsidiary. Details of the net assets disposed of are summarised below:

		人民幣千元 RMB'000
支付代價方式：	Consideration satisfied by:	
現金	Cash	91,000
就失去控制權的資產及負債分析：	Analysis of assets and liabilities over which control was lost:	
物業、廠房及設備	Property, plant and equipment	3,091
擬作出售的發展中物業	Properties under development for sale	56,429
應收賬款及其他應收款項、按金以及 預付款項	Accounts and other receivables, deposits and prepayments	103,383
應收本集團款項	Amounts due from the Group	25,096
可收回稅項	Taxation recoverable	10,000
銀行結餘及現金	Bank balances and cash	152,300
應付賬款及其他應付款項以及應計開支	Accounts and other payables and accrual charges	(171,033)
應付本集團款項	Amounts due to the Group	(39,465)
應付稅項	Taxation payable	(5,559)
出售的資產淨值	Net assets disposed of	134,242
出售附屬公司虧損：	Loss on disposal of subsidiaries:	
現金代價	Cash consideration	91,000
於一間聯營公司所保留30%股本 權益的公平值	Fair value of the retained 30% equity interest in an associate	39,000
出售的資產淨值	Net assets disposed of	(134,242)
出售附屬公司虧損	Loss on disposal of subsidiaries	(4,242)
出售產生的現金流出淨額：	Net cash outflow arising on disposal:	
現金代價	Cash consideration	91,000
出售的銀行結餘及現金	Bank balances and cash disposed of	(152,300)
		(61,300)

### 39. 出售附屬公司(續)

截至二零一六年十二月三十一日止年度  
(續)

(b) 視作出售附屬公司

- (i) 於二零一六年三月十七日，上海旭梭(先前為本集團一間全資附屬公司)增加其繳足股本，由人民幣1,000,000元增加至人民幣10,000,000元，本集團及上海旭梭兩名獨立股東分別向上海旭梭注資人民幣2,400,000元、人民幣3,300,000元及人民幣3,300,000元。

注資後，本集團及兩名獨立股東分別持有上海旭梭34%、33%及33%股本權益。根據上海旭梭的經修訂組織章程大綱及細則，上海旭梭董事會包括五名董事，其中三名及兩名董事分別由本集團及兩名獨立股東委任，且所有戰略融資及經營決策須由全體董事批准。

經考慮上述事實及情況後，本公司董事認為，本集團對上海旭梭並無控制權，因此，自二零一六年三月十七日起，本集團將於上海旭梭的權益分類為於合營企業的權益。

### 39. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 December 2016 (Continued)

(b) Deemed disposal of subsidiaries

- (i) On 17 March 2016, Shanghai Xusuo, a previously wholly owned subsidiary of the Group, increased its paid up capital from RMB1,000,000 to RMB10,000,000. The Group and two independent shareholders of Shanghai Xusuo contributed RMB2,400,000, RMB3,300,000 and RMB3,300,000 respectively, for the capital injection.

After the capital injections, the Group and the two independent shareholders held 34%, 33% and 33% equity interests of Shanghai Xusuo respectively. Under the revised Memorandum and Articles of Association of Shanghai Xusuo, the board of directors comprises of five directors, of which three directors and two directors were appointed by the Group and the two independent shareholders, respectively, and all the strategic financial and operating decisions are required to be approved by all the directors.

After considering the above fact and circumstances, the directors of the Company conclude that the Group does not have the power of control over Shanghai Xusuo, therefore the Group classified interest in Shanghai Xusuo as interest in a joint venture since 17 March 2016.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 39. 出售附屬公司(續)

截至二零一六年十二月三十一日止年度  
(續)

#### (b) 視作出售附屬公司(續)

- (ii) 於二零一六年三月九日，蘇州凱合(先前為本集團一間全資附屬公司)增加其繳足股本，由人民幣500,000元增加至人民幣10,000,000元，本集團及蘇州凱合兩名獨立股東分別注資人民幣2,900,000元、人民幣3,300,000元及人民幣3,300,000元。

注資後，本集團及兩名獨立股東分別持有蘇州凱合34%、33%及33%股本權益。根據蘇州凱合的經修訂組織章程大綱及細則，蘇州凱合董事會包括五名董事，其中三名及兩名董事分別由本集團及兩名獨立股東委任，且所有戰略融資及經營決策須由全體董事批准。

經考慮上述事實及情況後，本公司董事認為，本集團於蘇州凱合併無控制權，因此，自二零一六年三月九日起，本集團將於蘇州凱合的權益分類為於合營企業的權益。

上述交易完成後，本集團失去對上海旭梭及蘇州凱合的控制權，而於上海旭梭及蘇州凱合34%的股本權益被分類為於合營企業的權益。

### 39. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 December 2016 (Continued)

#### (b) Deemed disposal of subsidiaries (Continued)

- (ii) On 9 March 2016, Suzhou Kaihe, a previously wholly owned subsidiary of the Group, increased its paid up capital from RMB500,000 to RMB10,000,000. The Group and two independent shareholders of Suzhou Kaihe contributed RMB2,900,000, RMB3,300,000 and RMB3,300,000 respectively, for the capital injection.

After the capital injections, the Group and the two independent shareholders held 34%, 33% and 33% equity interests of Suzhou Kaihe respectively. Under the revised Memorandum and Articles of Association of Suzhou Kaihe, the board of directors comprises of five directors, of which three directors and two directors were appointed by the Group and the two independent shareholders respectively, and all the strategic financial and operating decisions are required to be approved by all the directors.

After considering the above fact and circumstances, the directors of the Company conclude that the Group does not have the power of control over Suzhou Kaihe, therefore the Group classified interest in Suzhou Kaihe as interest in a joint venture since 9 March 2016.

Upon completion of the aforesaid transactions, the Group lost control over Shanghai Xusuo and Suzhou Kaihe and the 34% equity interest of Shanghai Xusuo and Suzhou Kaihe are classified as interests in joint ventures.

### 39. 出售附屬公司(續)

截至二零一六年十二月三十一日止年度  
(續)

#### (b) 視作出售附屬公司(續)

上述交易按視作出售附屬公司入賬。有關上述交易出售的資產淨值詳情概述如下：

### 39. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 December 2016 (Continued)

#### (b) Deemed disposal of subsidiaries (Continued)

The above transactions are accounted for as deemed disposal of subsidiaries. Details of the net assets disposed of in respect of the above transactions are summarised below:

	人民幣千元 RMB'000
就失去控制權的資產及負債分析：	Analysis of assets and liabilities over which control was lost:
持作出售物業土地使用權按金	Deposits for land use rights for properties held for sale 618,000
銀行結餘及現金	Bank balances and cash 249
應付本集團款項	Amounts due to the Group (616,315)
其他應付款項	Other payables (114)
出售的資產淨值	Net assets disposed of 1,820
視作出售附屬公司虧損：	Loss on deemed disposal of subsidiaries:
於合營公司的權益	Interests in joint ventures 6,909
本集團向上海旭梭及蘇州凱合	Cash contributions to Shanghai Xusuo and Suzhou Kaihe from the Group (5,300)
作出現金注資	
出售的資產淨值	Net assets disposed of (1,820)
視作出售附屬公司虧損	Loss on deemed disposal of subsidiaries (211)
出售產生的現金流入淨額：	Net cash inflow arising on disposal:
本集團向上海旭梭及蘇州凱合	Cash contributions to Shanghai Xusuo and Suzhou Kaihe from the Group (5,300)
作出現金注資	
出售的銀行結餘及現金	Bank balances and cash disposed of (249)
	(5,549)

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 40. 退休福利計劃

根據中國相關法律及法規，本公司的中國附屬公司須參與地方市政府推行的定額供款退休計劃。本集團的中國附屬公司按地方市政府所規定平均僱員薪金的若干百分比向計劃供款，以就僱員的退休福利撥付資金。本集團有關退休福利計劃的主要責任為根據計劃作出規定供款。

本集團亦為香港所有合資格僱員參與強制性公積金計劃(一項定額供款計劃)。該計劃的資產與本集團資產分開，存放於受託人管理的基金。本集團向該計劃作出的供款為有關薪金成本的5%，而僱員亦須作出同樣供款。

截至二零一七年十二月三十一日止年度，本集團已確認退休福利供款人民幣60,531,000元(二零一六年：人民幣58,168,000元)。

### 41. 抵押資產

下列資產於報告期末予以抵押以擔保本集團獲授若干銀行及其他融資：

### 40. RETIREMENT BENEFIT PLANS

According to the relevant laws and regulations of the PRC, the Company's PRC subsidiaries are required to participate in defined contribution retirement schemes administrated by the local municipal governments. The Group's PRC subsidiaries contribute funds which are calculated on certain percentage of the average employee salary as required by local municipal government to the scheme to fund the retirement benefits of the employees. The principal obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

The Group also operates a Mandatory Provident Fund Scheme, a defined Contribution Scheme, for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustee. The Group contributes 5% of relevant payroll costs to the scheme, which contribution is matched by employees.

The Group recognised the retirement benefit contribution of RMB60,531,000 (2016: RMB58,168,000) for the year ended 31 December 2017.

### 41. PLEDGE OF ASSETS

The following assets were pledged to secure certain banking and other facilities granted to the Group at the end of the reporting period:

		二零一七年 2017	二零一六年 2016
		人民幣千元 RMB'000	人民幣千元 RMB'000
投資物業	Investment properties	5,895,550	5,560,000
擬作出售的發展中物業	Properties under development for sale	16,644,281	9,247,319
持作出售物業	Properties held for sale	1,302,292	2,828,419
已抵押銀行存款	Pledged bank deposits	–	348,855
按公平值計入損益的金融資產	Financial assets at FVTPL	259,587	138,392
		<b>24,101,710</b>	<b>18,122,985</b>

本集團於若干持有上述若干已抵押的擬作出售的開發中物業的附屬公司的股本權益，已予以抵押，以擔保本集團獲授若干銀行融資。

The Group's equity interests in certain subsidiaries, which hold certain pledged properties under development for sale included above, have been pledged to secure certain banking facilities granted to the Group.

## 42. 租賃安排

本集團作為出租人

於報告期末，本集團已與租戶訂約的未來最低租賃付款如下：

## 42. LEASE ARRANGEMENTS

The Group as a lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments as follows:

		二零一七年 2017	二零一六年 2016
		人民幣千元 RMB'000	人民幣千元 RMB'000
一年內	Within one year	101,550	81,395
第二年至第五年(包括首尾兩年)	In the second to fifth year inclusive	346,313	303,799
五年後	After five years	296,153	13,593
		744,016	398,787

本集團持作租賃用途的投資物業擁有租期介乎一至九年(二零一六年：一至九年)的已訂約租戶。投資物業的租約載有或然租金條款，而或然租金以租戶所賺取的營業額若干百分比釐定。由於租戶的未來收入不能夠可靠釐定，故上文並無計入有關或然租金，且上表僅計入最低租賃承擔。

The investment properties held by the Group for rental purpose have committed tenants from one to nine years (2016: one to nine years). Lease of an investment property has clauses of contingent rentals determined by a certain percentage of turnover earned by the tenant. As the future revenue of the tenant could not be reliably determined, the relevant contingent rentals have not been included above and only the minimum lease commitments have been included in the table above.

本集團作為承租人

The Group as a lessee

		二零一七年 2017	二零一六年 2016
		人民幣千元 RMB'000	人民幣千元 RMB'000
年內根據經營租約已付的 最低租賃付款	Minimum lease payments paid under operating lease during the year	35,805	10,821

## 綜合財務報表附註

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### 42. 租賃安排(續)

於報告期末，本集團根據不可撤銷經營租約就有關租賃物業支付的未來最低租賃付款如下：

### 42. LEASE ARRANGEMENTS *(Continued)*

At the end of the reporting period, the Group had future minimum lease payments under non-cancellable operating leases in respect of leased properties as follows:

		二零一七年 2017	二零一六年 2016
	人民幣千元 RMB'000	人民幣千元 RMB'000	
一年內	Within one year	26,040	3,669
第二年至第五年(包括首尾兩年)	In the second to fifth year inclusive	27,524	–
		53,564	3,669

經營租賃付款指本集團就若干辦公室物業應付的租金。租金於簽署租賃協議日期確定。

Operating lease payments represent rentals payable by the Group for certain of its office premises. The rentals are fixed at the date of signing of lease agreements.

### 43. 承擔

於報告期末，本集團擁有下列承擔：

### 43. COMMITMENTS

At the end of the reporting period, the Group had the following commitments:

		二零一七年 2017	二零一六年 2016
		人民幣千元 RMB'000	人民幣千元 RMB'000
已訂約但未於綜合財務報表內撥備的有關收購土地使用權的開支	Expenditure in respect of acquisition of land use rights contracted for but not provided for in the consolidated financial statements	7,694,441	3,905,676
已訂約但未於綜合財務報表內撥備的有關收購股權的開支	Expenditure in respect of acquisition of equity interests contracted for but not provided for in the consolidated financial statements	1,019,810	1,720,547
		<b>8,714,251</b>	<b>5,626,223</b>

本集團分佔與其他投資者就其合營企業共同作出的承擔如下：

The Group's share of commitments made jointly with other investors relating to its joint ventures are as follows:

		二零一七年 2017	二零一六年 2016
		人民幣千元 RMB'000	人民幣千元 RMB'000
已訂約但未於綜合財務報表內撥備的有關收購土地使用權的開支	Expenditure in respect of acquisition of land use rights contracted for but not provided for in the consolidated financial statements	2,530,970	2,030,244

### 44. 或然負債

- (i) 本集團於二零一七年十二月三十一日就授予本集團已開發物業買家的按揭銀行貸款提供約人民幣12,714,583,000元(二零一六年：人民幣7,644,577,000元)的擔保。

### 44. CONTINGENT LIABILITIES

- (i) The Group provided guarantees amounting to approximately RMB12,714,583,000 (2016: RMB7,644,577,000) as at 31 December 2017 in respect of mortgage bank loans granted to purchasers of the Group's developed properties.

## 綜合財務報表附註

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### 44. 或然負債(續)

- (ii) 本公司對這類開發其項目的合營企業及聯營公司的境外及境內銀行貸款項下尚未履行的責任按若干基準(包括按其各自持股比例)提供擔保。於二零一七年十二月三十一日，本集團就該等合營企業公司及聯營公司所產生銀行貸款提供的應佔擔保分別合共約人民幣1,666,392,000元(二零一六年十二月三十一日：人民幣2,596,147,000元)及約人民幣965,510,000元(二零一六年十二月三十一日：人民幣977,845,000元)。

本公司董事認為，本集團該等財務擔保合約的公平值於初步確認時並非重大，且本公司董事認為有關訂約方違約的可能性極小，故於訂立擔保合約時及於二零一七年及二零一六年十二月三十一日的綜合財務狀況表內概無確認價值。

### 45. 以股份支付的交易

#### a. 首次公開發售前股份獎勵計劃

本集團的首次公開發售前股份獎勵計劃(根據於聯交所上市的建議作出修訂)(「股份獎勵計劃」)乃於二零一零年十二月採納並取代原本根據於二零零七年五月十九日通過的決議案採納的首次公開發售前股份獎勵計劃。根據股份獎勵計劃，本公司控股股東兼董事林中先生將彼持有的本公司股份(「獎勵股份」)贈予本集團若干僱員作為獎勵。股份獎勵計劃的目的為表揚本集團若干僱員所作出的貢獻並給予獎勵。

獎勵股份於授出日期屬或然，倘承授人離職則予以註銷，並須待本公司股份在聯交所成功上市的歸屬條件達成後且有關僱員的年度表現評估令人滿意方可作實。於截至二零一六年十二月三十一日止年度，概無確認就向若干本集團僱員授出獎勵股份的開支。

### 44. CONTINGENT LIABILITIES (*Continued*)

- (ii) The Company provided guarantees on several basis covering its respective equity shares of outstanding obligations under the offshore and onshore bank loan incurred by the joint venture and associate companies developing their projects. As at 31 December 2017, the Group's aggregate shares of such guarantees provided in respect of loans incurred by these joint venture companies amounted to approximately RMB1,666,392,000 (31 December 2016: RMB2,596,147,000) and associate companies amounted to approximately RMB965,510,000 (31 December 2016: RMB977,845,000).

In the opinion of the directors of the Company, the fair values of these financial guarantee contracts of the Group are insignificant at initial recognition and the directors of the Company consider that the possibility of the default of the parties involved is remote, accordingly, no value has been recognised at the inception of the guarantee contracts and on the consolidated statement of financial position as at 31 December 2017 and 2016.

### 45. SHARE-BASED PAYMENT TRANSACTION

#### a. Pre-IPO share award scheme

The Group's Pre-IPO share award scheme, as amended in accordance with the proposed listing on the Stock Exchange, (the "Share Award Scheme") was adopted in December 2010 and then replaced the Pre-IPO share award scheme originally adopted pursuant to a resolution passed on 19 May 2007. Under the Share Award Scheme, Mr Lin Zhong, a controlling shareholder and director of the Company, awards the Company's shares (the "Awarded Shares") held by him to certain employees of the Group. The objective of the Share Award Scheme is to recognise the contributions of certain employees of the Group and to incentivise them.

The Awarded Shares are contingent at grant date and are subject to the cancellation in the event of resignation of the grantees; and the vesting conditions of successful listing of the Company's shares on the Stock Exchange and satisfactory performance of such employee based on his or her annual performance appraisal. During the year ended 31 December 2016, no expense in relation to the Awarded Shares granted to certain employees of the Group was recognised.

#### 45. 以股份支付的交易(續)

##### a. 首次公開發售前股份獎勵計劃(續)

年內所作授出的條款及條件如下：

#### 45. SHARE-BASED PAYMENT TRANSACTION (*Continued*)

##### a. Pre-IPO share award scheme (*Continued*)

The terms and conditions of the grants that existed during the year are as follows:

	獎勵 股份數目 Number of share awards	歸屬條件 Vesting Conditions
授予僱員的股份獎勵： －於二零一零年十二月三十一日	136,500,000	25%自二零一三年一月一日起至二零一三年十二月三十一日止 25% from 1 January 2013 to 31 December 2013
Share Award granted to employees: － on 31 December 2010		25%自二零一四年一月一日起至二零一四年十二月三十一日止 25% from 1 January 2014 to 31 December 2014
		25%自二零一五年一月一日起至二零一五年十二月三十一日止 25% from 1 January 2015 to 31 December 2015
		25%自二零一六年一月一日起至二零一六年十二月三十一日止 25% from 1 January 2016 to 31 December 2016

年內，僱員所持本公司股份獎勵的變動： The movements of the Company's share awards held by employees during the year:

	獎勵股份數目 Number of share awards		
	於二零一六年 一月一日 發行在外 Outstanding	於年內已行使 Exercised	於二零一六年 十二月三十一日 發行在外 Outstanding
授出日期 Grant date	as at 1 January 2016	during the year	as at 31 December 2016
獎勵股份 Share awards	二零一零年十二月三十一日 31 December 2010	34,125,000	(34,125,000) －

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Notes to the Consolidated Financial Statements

### 45. 以股份支付的交易(續)

#### b. 二零一二年購股權計劃

根據本公司於二零一二年十月九日採納的購股權計劃(「二零一二年購股權計劃」)，董事可邀請參與者按董事會釐定的價格獲得購股權，惟該價格須至少為以下三者的最高者：(a)於本公司向承授人提呈要約當日(該日須為營業日)(「要約日期」)聯交所日報表列明的股份收市價；(b)緊接要約日期前5個營業日聯交所日報表所列明本公司股份的平均收市價(惟發售價須用作本公司股份上市前期間任何營業日的收市價，而本公司已於要約日期前五個營業日內上市)；及(c)於要約日期當日本公司股份的面值。

根據二零一二年購股權計劃將予授出的所有購股權獲行使後可予發行的股份總數不得超過合共557,000,000股股份(相當於二零一二年購股權計劃採納日期已發行股份總數的10%)，除非本公司另行取得股東批准以更新上限。

除股東於本公司股東大會上另行批准外，於任何12個月期間內，每位參與者因行使根據二零一二年購股權計劃獲授的購股權(包括已行使及尚未行使購股權)而獲發行及將予發行的股份總數上限，不得超過已發行股份總數的1%。

承授人可於董事會提呈要約時釐定及知會承授人的購股權期間內隨時根據二零一二年購股權計劃條款行使購股權，惟該期間不得於要約日期起計十年後屆滿。

### 45. SHARE-BASED PAYMENT TRANSACTION *(Continued)*

#### b. 2012 Share option scheme

Pursuant to the share option scheme ("2012 Share Option Scheme") adopted by the Company on 9 October 2012, the directors may invite participants to take up options at a price determined by the board of directors provided that it shall be at least the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date on which an offer is made by the Company to the grantee (which date must be a business day, "Offer Date"); (b) a price being the average of the closing prices of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the Offer Date (provided that the offer price shall be used as the closing price for any business day falling within the period before listing of the shares of the Company where the Company has been listed for less than five business days as at the Offer Date); and (c) the nominal value of a share of the Company on the Offer Date.

The total number of shares which may be issued upon exercise of all options to be granted under the 2012 Share Option Scheme shall not in aggregate exceed 557,000,000 shares, representing 10% of the total number of shares in issue as at the date of adoption of the 2012 Share Option Scheme unless the Company obtains a fresh approval from the shareholders to refresh the limit.

The maximum entitlement for any one participant is that the total number of the shares issued and to be issued upon exercise of the options granted under the 2012 Share Option Scheme to each participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue unless otherwise approved by the shareholders at a general meeting of the Company.

The option may be exercised in accordance with the terms of the 2012 Share Option Scheme at any time during the option period which may be determined and notified by the board of directors to the grantee at the time of making an offer which shall not expire later than 10 years from the offer date.

## 45. 以股份支付的交易(續)

### b. 二零一二年購股權計劃(續)

根據二零一二年購股權計劃，四批購股權已於二零一七年十二月三十一日授出。該等購股權的公平值乃使用二項式模式計算。模式的輸入數據如下：

## 45. SHARE-BASED PAYMENT TRANSACTION (*Continued*)

### b. 2012 Share option scheme (*Continued*)

Four tranches of share options have been granted under the 2012 Share Option Scheme as at 31 December 2017. Fair value of these share options were calculated using the binomial model. The inputs into the model were as follows:

	於以下日期授出的購股權			
	Share options granted on			
	二零一三年	二零一三年	二零一五年	二零一六年
	二月二十六日	十月二十九日	七月十三日	一月二十日
	26 February	29 October	13 July	20 January
授出日期股價	Grant date share price	HK\$1.58港元	HK\$1.51港元	HK\$1.77港元
行使價	Exercise price	HK\$1.684港元	HK\$1.55港元	HK\$1.77港元
預期年期	Expected life	6個月6 months	6個月6 months	18個月18 months
預期波幅	Expected volatility	60%	57%	55%
股息收益率	Dividend yield	2.53%	2.65%	6.21%
無風險利率	Risk-free interest rate	0.624%	0.830%	0.972%
				1.288%

附註：購股權的預期年期按(歸屬期間+行使期間)／2的算式計算。

Note: Expected life of the option is calculated by the formula of (vesting period + exercise period)/2.

預期波幅乃根據可資比較公司每日回報的歷史波幅釐定。在管理層慎重估算下，模式中的預期年期已因應不可轉讓性、行使限制及行為考慮因素的影響而作出調整。

Expected volatility was determined by using the historical volatility of the daily return of comparable companies. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

於二零一七年十二月三十一日，根據二零一二年購股權計劃已授出而尚未行使的購股權所涉及的股份數目為306,159,000股(二零一六年：447,494,000股)，佔本公司於二零一七年十二月三十一日股份數目的4%(二零一六年：7%)。

The number of shares in respect of which options had been granted and remained outstanding under the 2012 Share Option Scheme as at 31 December 2017 was 306,159,000 (2016: 447,494,000), representing 4% (2016: 7%) of the shares of the Company as at 31 December 2017.

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### 45. 以股份支付的交易(續)

#### b. 二零一二年購股權計劃(續)

於二零一三年二月二十六日、二零一三年十月二十九日、二零一五年七月十三日及二零一六年一月二十日授出的購股權的估計公平值分別為人民幣83,349,000元、人民幣75,912,000元、人民幣39,125,000元及人民幣30,054,000元。

根據二零一二年購股權計劃的購股權行使期間如下：

### 45. SHARE-BASED PAYMENT TRANSACTION (*Continued*)

#### b. 2012 Share option scheme (*Continued*)

The estimated fair values of the options granted on 26 February 2013, 29 October 2013, 13 July 2015 and 20 January 2016 are RMB83,349,000, RMB75,912,000, RMB39,125,000 and RMB30,054,000 respectively.

於二零一三年二月二十六日授出的購股權	Share options granted on 26 February 2013
25%：於二零一四年七月一日歸屬，並自二零一四年七月一日起至二零一八年六月三十日可行使	25%: vested on 1 July 2014 and exercisable from 1 July 2014 to 30 June 2018
25%：於二零一五年七月一日歸屬，並自二零一五年七月一日起至二零一八年六月三十日可行使	25%: vested on 1 July 2015 and exercisable from 1 July 2015 to 30 June 2018
25%：於二零一六年七月一日歸屬，並自二零一六年七月一日起至二零一八年六月三十日可行使	25%: vested on 1 July 2016 and exercisable from 1 July 2016 to 30 June 2018
25%：於二零一七年七月一日歸屬，並自二零一七年七月一日起至二零一八年六月三十日可行使	25%: vested on 1 July 2017 and exercisable from 1 July 2017 to 30 June 2018
於二零一三年十月二十九日授出的購股權	Share options granted on 29 October 2013
25%：於二零一四年七月一日歸屬，並自二零一四年七月一日起至二零一八年六月三十日可行使	25%: vested on 1 July 2014 and exercisable from 1 July 2014 to 30 June 2018
25%：於二零一五年七月一日歸屬，並自二零一五年七月一日起至二零一八年六月三十日可行使	25%: vested on 1 July 2015 and exercisable from 1 July 2015 to 30 June 2018
25%：於二零一六年七月一日歸屬，並自二零一六年七月一日起至二零一八年六月三十日可行使	25%: vested on 1 July 2016 and exercisable from 1 July 2016 to 30 June 2018
25%：於二零一七年七月一日歸屬，並自二零一七年七月一日起至二零一八年六月三十日可行使	25%: vested on 1 July 2017 and exercisable from 1 July 2017 to 30 June 2018

**45. 以股份支付的交易(續)****b. 二零一二年購股權計劃(續)****45. SHARE-BASED PAYMENT TRANSACTION (Continued)****b. 2012 Share option scheme (Continued)**

於二零一五年七月十三日授出的購股權	Share options granted on 13 July 2015
25%：於二零一五年七月十三日歸屬，並自二零一五年七月十三日起至 二零一九年六月三十日可行使	25%: vested on 13 July 2015 and exercisable from 13 July 2015 to 30 June 2019
25%：於二零一六年七月一日歸屬，並自二零一六年七月一日起至 二零一九年六月三十日可行使	25%: vested on 1 July 2016 and exercisable from 1 July 2016 to 30 June 2019
25%：於二零一七年七月一日歸屬，並自二零一七年七月一日起至 二零一九年六月三十日可行使	25%: vested on 1 July 2017 and exercisable from 1 July 2017 to 30 June 2019
25%：於二零一八年七月一日歸屬，並自二零一八年七月一日起至 二零一九年六月三十日可行使	25%: vested on 1 July 2018 and exercisable from 1 July 2018 to 30 June 2019
於二零一六年一月二十日授出的購股權	Share options granted on 20 January 2016
25%：於二零一六年七月一日歸屬，並自二零一六年七月一日起至 二零二零年六月三十日可行使	25%: vested on 1 July 2016 and exercisable from 1 July 2016 to 30 June 2020
25%：於二零一七年七月一日歸屬，並自二零一七年七月一日起至 二零二零年六月三十日可行使	25%: vested on 1 July 2017 and exercisable from 1 July 2017 to 30 June 2020
25%：於二零一八年七月一日歸屬，並自二零一八年七月一日起至 二零二零年六月三十日可行使	25%: vested on 1 July 2018 and exercisable from 1 July 2018 to 30 June 2020
25%：於二零一九年七月一日歸屬，並自二零一九年七月一日起至 二零二零年六月三十日可行使	25%: vested on 1 July 2019 and exercisable from 1 July 2019 to 30 June 2020

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### 45. 以股份支付的交易 (續)

#### b. 二零一二年購股權計劃 (續)

本集團於截至二零一七年十二月三十一日止年度就本公司根據二零一二年購股權計劃授出的購股權確認開支總額為人民幣19,711,000元(二零一六年：人民幣47,971,000元)。

### 45. SHARE-BASED PAYMENT TRANSACTION (Continued)

#### b 2012 Share option scheme (Continued)

The Group recognised the total expense of RMB19,711,000 (2016: RMB47,971,000) for the year ended 31 December 2017 in relation to share options granted by the Company under the 2012 Share Option Scheme.

	購股權數目 Number of Options	行使期間 Exercisable period	購股權 訂約年期 Contractual life of options
<b>截至二零一三年十二月三十一日 止年度授出：</b>			
Granted during the year ended 31 December 2013:			
授予董事的購股權： －於二零一三年二月二十六日	2,400,000	25% : 於二零一四年七月一日歸屬，並自二零一四年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2014 and exercisable from 1 July 2014 to 30 June 2018	四年 4 years
Share options granted to directors: － on 26 February 2013		25% : 於二零一五年七月一日歸屬，並自二零一五年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2015 and exercisable from 1 July 2015 to 30 June 2018	四年 4 years
		25% : 於二零一六年七月一日歸屬，並自二零一六年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2016 and exercisable from 1 July 2016 to 30 June 2018	四年 4 years
		25% : 於二零一七年七月一日歸屬，並自二零一七年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2017 and exercisable from 1 July 2017 to 30 June 2018	四年 4 years
－於二零一三年十月二十九日 － on 29 October 2013	5,100,000	25% : 於二零一四年七月一日歸屬，並自二零一四年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2014 and exercisable from 1 July 2014 to 30 June 2018	四年 4 years
		25% : 於二零一五年七月一日歸屬，並自二零一五年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2015 and exercisable from 1 July 2015 to 30 June 2018	四年 4 years
		25% : 於二零一六年七月一日歸屬，並自二零一六年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2016 and exercisable from 1 July 2016 to 30 June 2018	四年 4 years
		25% : 於二零一七年七月一日歸屬，並自二零一七年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2017 and exercisable from 1 July 2017 to 30 June 2018	四年 4 years

**45. 以股份支付的交易(續)**

b. 二零一二年購股權計劃(續)

**45. SHARE-BASED PAYMENT TRANSACTION (Continued)**

b. 2012 Share option scheme (Continued)

	購股權數目 Number of Options	行使期間 Exercisable period	購股權 訂約年期 Contractual life of options
授予僱員的購股權： －於二零一三年二月二十六日	150,000,000	25%：於二零一四年七月一日歸屬，並自二零一四年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2014 and exercisable from 1 July 2014 to 30 June 2018	四年 4 years
Share options granted to employees: － on 26 February 2013		25%：於二零一五年七月一日歸屬，並自二零一五年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2015 and exercisable from 1 July 2015 to 30 June 2018	四年 4 years
		25%：於二零一六年七月一日歸屬，並自二零一六年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2016 and exercisable from 1 July 2016 to 30 June 2018	四年 4 years
		25%：於二零一七年七月一日歸屬，並自二零一七年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2017 and exercisable from 1 July 2017 to 30 June 2018	四年 4 years
－於二零一三年十月二十九日 － on 29 October 2013	144,900,000	25%：於二零一四年七月一日歸屬，並自二零一四年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2014 and exercisable from 1 July 2014 to 30 June 2018	四年 4 years
		25%：於二零一五年七月一日歸屬，並自二零一五年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2015 and exercisable from 1 July 2015 to 30 June 2018	四年 4 years
		25%：於二零一六年七月一日歸屬，並自二零一六年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2016 and exercisable from 1 July 2016 to 30 June 2018	四年 4 years
		25%：於二零一七年七月一日歸屬，並自二零一七年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2017 and exercisable from 1 July 2017 to 30 June 2018	四年 4 years

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### 45. 以股份支付的交易(續)

#### b. 二零一二年購股權計劃(續)

### 45. SHARE-BASED PAYMENT TRANSACTION (Continued)

#### b. 2012 Share option scheme (Continued)

購股權數目 Number of Options	行使期間 Exercisable period	購股權 訂約年期 Contractual life of options
<b>截至二零一五年十二月三十一日止年度授出：</b>		
<b>Granted during the year ended</b>		
<b>31 December 2015:</b>		
授予董事的購股權： －於二零一五年七月十三日	4,600,000 25%：於二零一五年七月十三日歸屬，並自二零一五年七月十三日起至二零一九年六月三十日可行使	四年 4 years
Share options granted to directors: – on 13 July 2015	25%: vested on 13 July 2015 and exercisable from 13 July 2015 to 30 June 2019	
	25%：於二零一六年七月一日歸屬，並自二零一六年七月一日起至二零一九年六月三十日可行使	四年 4 years
	25%: vested on 1 July 2016 and exercisable from 1 July 2016 to 30 June 2019	
	25%：於二零一七年七月一日歸屬，並自二零一七年七月一日起至二零一九年六月三十日可行使	四年 4 years
	25%: vested on 1 July 2017 and exercisable from 1 July 2017 to 30 June 2019	
	25%：於二零一八年七月一日歸屬，並自二零一八年七月一日起至二零一九年六月三十日可行使	四年 4 years
	25%: vested on 1 July 2018 and exercisable from 1 July 2018 to 30 June 2019	
授予僱員的購股權： －於二零一五年七月十三日	95,400,000 25%：於二零一五年七月十三日歸屬，並自二零一五年七月十三日起至二零一九年六月三十日可行使	四年 4 years
Share options granted to employees: – on 13 July 2015	25%: vested on 13 July 2015 and exercisable from 13 July 2015 to 30 June 2019	
	25%：於二零一六年七月一日歸屬，並自二零一六年七月一日起至二零一九年六月三十日可行使	四年 4 years
	25%: vested on 1 July 2016 and exercisable from 1 July 2016 to 30 June 2019	
	25%：於二零一七年七月一日歸屬，並自二零一七年七月一日起至二零一九年六月三十日可行使	四年 4 years
	25%: vested on 1 July 2017 and exercisable from 1 July 2017 to 30 June 2019	
	25%：於二零一八年七月一日歸屬，並自二零一八年七月一日起至二零一九年六月三十日可行使	四年 4 years
	25%: vested on 1 July 2018 and exercisable from 1 July 2018 to 30 June 2019	

**45. 以股份支付的交易(續)****b. 二零一二年購股權計劃(續)****45. SHARE-BASED PAYMENT TRANSACTION (Continued)****b. 2012 Share option scheme (Continued)**

購股權數目 Number of Options	行使期間 Exercisable period	購股權 訂約年期 Contractual life of options
<b>截至二零一六年十二月三十一日止年度授出：</b>		
<b>Granted during the year ended</b>		
31 December 2016:		
授予董事的購股權： －於二零一六年一月二十日	100,000,000    25%：於二零一六年七月一日歸屬，並自二零一六年七月一日起至二零二零年六月三十日可行使 25%: vested on 1 July 2016 and exercisable from 1 July 2016 to 30 June 2020	四年 4 years
Share options granted to directors: – on 20 January 2016	25%：於二零一七年七月一日歸屬，並自二零一七年七月一日起至二零二零年六月三十日可行使 25%: vested on 1 July 2017 and exercisable from 1 July 2017 to 30 June 2020	四年 4 years
	25%：於二零一八年七月一日歸屬，並自二零一八年七月一日起至二零二零年六月三十日可行使 25%: vested on 1 July 2018 and exercisable from 1 July 2018 to 30 June 2020	四年 4 years
	25%：於二零一九年七月一日歸屬，並自二零一九年七月一日起至二零二零年六月三十日可行使 25%: vested on 1 July 2019 and exercisable from 1 July 2019 to 30 June 2020	四年 4 years

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### 45. 以股份支付的交易 (續)

#### b. 二零一二年購股權計劃 (續)

下表披露董事及僱員根據二零一二年購股權計劃持有本公司購股權的詳情：

截至二零一七年十二月三十一日止年度

### 45. SHARE-BASED PAYMENT TRANSACTION (Continued)

#### b. 2012 Share option scheme (Continued)

The following tables disclose details of the Company's share options held by directors and employees under the 2012 Share Option Scheme:

For the year ended 31 December 2017

授出日期 Date of grant	每股 行使價 Exercise price per share	行使期間 Exercisable period	購股權數目 Number of Options							
			於 二零一七年 一月一日 尚未行使 Outstanding at 1.1.2017	期內授出 Granted during the year	期內已行使 Exercised during the year	期內已失效 Lapsed during the year	尚未行使 Outstanding at 31.12.2017			
<b>購股權</b> <b>Share option</b>										
二零一三年二月二十六日 26 February 2013										
	1.684	1 July 2014 to 30 June 2018	131,511,340	-	(59,071,984)	-	72,439,356			
二零一三年十月二十九日 29 October 2013										
	1.55	1 July 2014 to 30 June 2018	123,453,599	-	(55,055,268)	-	68,398,331			
二零一五年七月十三日 13 July 2015										
	1.77	13 July 2015 to 30 June 2019	94,992,000	-	(17,362,000)	-	77,630,000			
二零一六年一月二十日 20 January 2016										
	1.48	1 July 2016 to 30 June 2020	97,537,000	-	(9,846,000)	-	87,691,000			
<b>期末可行使</b> <b>Exercisable at the end of the period</b>										
加權平均行使價(港元) Weighted average exercise price (HK\$)								231,158,687		
<b>於行使日期的加權平均行使價 (港元)</b> <b>Weighted average exercise price at the date of exercise (HK\$)</b>										
				1.62	-	1.63	-	1.61		
						1.62				

**45. 以股份支付的交易(續)**

**b. 二零一二年購股權計劃(續)**

截至二零一六年十二月三十一日止年度

**45. SHARE-BASED PAYMENT TRANSACTION (Continued)**

**b. 2012 Share option scheme (Continued)**

For the year ended 31 December 2016

授出日期 Date of grant	行使價 per share	行使期間 Exercisable period	購股權數目 Number of Options					
			於 二零一六年 一月一日 尚未行使 Outstanding at	於 二零一六年 期內授出 Granted during	於 二零一六年 期內已行使 Exercised during	於 二零一六年 期內已失效 Lapsed during	於 二零一六年 尚未行使 Outstanding at	
		港元		1.1.2016	the year	the year	the year	31.12.2016
		HK\$						
<b>購股權</b>								
Share option								
二零一三年二月二十六日 26 February 2013	1.684	二零一四年七月一日至二零一八年六月三十日 1 July 2014 to 30 June 2018	149,033,122	-	(17,521,782)	-	131,511,340	
二零一三年十月二十九日 29 October 2013	1.55	二零一四年七月一日至二零一八年六月三十日 1 July 2014 to 30 June 2018	145,957,780	-	(22,504,181)	-	123,453,599	
二零一五年七月十三日 13 July 2015	1.77	二零一五年七月十三日至二零一九年六月三十日 13 July 2015 to 30 June 2019	100,000,000	-	(5,008,000)	-	94,992,000	
二零一六年一月二十日 20 January 2016	1.48	二零一六年七月一日至二零二零年六月三十日 1 July 2016 to 30 June 2020	-	100,000,000	(2,463,000)	-	97,537,000	
<b>期末可行使</b>								
Exercisable at the end of the period								
加權平均行使價(港元) Weighted average exercise price (HK\$)								
			1.66	1.47	1.63	-	1.62	
<b>於行使日期的加權平均行使價 (港元)</b>								
Weighted average exercise price at the date of exercise (HK\$)								
					1.62			

除上文所披露者外，自二零一二年購股權計劃獲採納以來，概無據此授出其他購股權。

Save as disclosed above, no other option was granted under 2012 Share Option Scheme since adoption.

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### 45. 以股份支付的交易(續)

#### c. 二零一六年購股權計劃

根據本公司於二零一六年四月二十七日採納的購股權計劃(「二零一六年購股權計劃」)，董事可邀請參與者按董事會的絕對酌情權而釐定的價格獲得購股權，然而在任何情況下不得低於以下三者中的最高者：(a)本公司向承授人提呈要約當日(「授出日期」，必須為營業日)在聯交所發出的日報表列明的本公司股份收市價；(b)緊接授出日期前5個營業日在聯交所發出的日報表列明的股份平均收市價(惟發售價須用作本公司股份上市前期間任何營業日的收市價，而本公司已於要約日期前五個營業日內上市；及(c)本公司股份於授出日期的面值。

根據二零一六年購股權計劃及本公司任何其他購股權計劃將予授出的所有購股權獲行使後可予發行的股份總數不得超過合共666,640,000股股份(相當於二零一六年購股權計劃採納日期已發行股份總數的10%)，除非本公司另行取得股東批准以更新上限。

除股東於本公司股東大會上另行批准外，於任何12個月期間內，每位參與者因行使根據二零一六年購股權計劃獲授的購股權(包括已行使及尚未行使購股權)而獲發行及將予發行的股份總數上限，不得超過已發行股份總數的1%。

### 45. SHARE-BASED PAYMENT TRANSACTION *(Continued)*

#### c. 2016 Share option scheme

Pursuant to the share option scheme ("2016 Share Option Scheme") adopted by the Company on 27 April 2016, the directors may invite participants to take up options at a price determined by the board of directors in its absolute discretion but in any event shall not be less than the highest of (a) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date on which an offer is made by the Company to the grantee ("Date of Grant") which must be a business day; (b) the average closing prices of the shares of the Company as stated in the daily quotations sheets issued by the Stock Exchange for the 5 business days immediately preceding the Date of Grant (provided that the offer price shall be used as the closing price for any business day falling within the period before listing of the shares of the Company where the Company has been listed for less than five business days as at the Date of Grant); and (c) the nominal value of a share of the Company on the Date of Grant.

The total number of shares which may be issued upon exercise of all options to be granted under the 2016 Share Option Scheme and any other share option scheme of the Company shall not in aggregate exceed 666,640,000 shares, representing 10% of the total number of shares in issue as at the date of adoption of the 2016 Share Option Scheme unless the Company obtains a fresh approval from the shareholders to refresh the limit.

The maximum entitlement for any one participant is that the total number of the shares issued and to be issued upon exercise of the options granted under the 2016 Share Option Scheme to each participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue unless otherwise approved by the shareholders at a general meeting of the Company.

## 45. 以股份支付的交易(續)

### c. 二零一六年購股權計劃(續)

授承人可於董事會提呈要約時釐定及知會承授人的購股權期間內隨時根據二零一六年購股權計劃條款行使購股權，惟該期間不得於要約日期起計十年後屆滿。

根據二零一六年購股權計劃，一批購股權已於二零一七年十二月三十一日授出。該等購股權的公平值乃使用二項式模式計算。模式的輸入數據如下：

## 45. SHARE-BASED PAYMENT TRANSACTION (*Continued*)

### c. 2016 Share option scheme (*Continued*)

The option may be exercised in accordance with the terms of the 2016 Share Option Scheme at any time during the option period which may be determined and notified by the board of directors to the grantee at the time of making an offer which shall not expire later than 10 years from the offer date.

One tranche of share options has been granted under the 2016 Share Option Scheme as at 31 December 2017. Fair value of these share options were calculated using the binomial model. The inputs into the model were as follows:

		於二零一七年 十月三日 授出的 購股權 Share options granted on 3 October 2017
授出日期的股價	Grant date share price	HK\$4.34港元
行使價	Exercise price	HK\$4.34港元
預期年期	Expected life	4年4 years
預期波幅	Expected volatility	38.1%
股息收益率	Dividend yield	4.15%
無風險利率	Risk-free interest rate	1.347%

附註： 購股權的預期年期按(歸屬期間+行使期間)／2  
的算式計算。

Note: Expected life of the option is calculated by the formula of (vesting period + exercise period)/2.

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### 45. 以股份支付的交易(續)

#### c. 二零一六年購股權計劃(續)

預期波幅乃根據可資比較公司每日回報的歷史波幅釐定。在管理層慎重估算下，模式中的預期年期已因應不可轉讓性、行使限制及行為考慮因素的影響而作出調整。

於二零一七年十二月三十一日，根據二零一六年購股權計劃已授出而尚未行使的購股權所涉及的股份數目為220,000,000股，佔本公司於二零一七年十二月三十一日股份數目的3%。

於二零一七年十月三日授出的購股權的估計公平值為人民幣202,567,778元。

根據二零一六年購股權計劃的購股權行使期間如下：

於二零一七年十月三日授出的購股權	Share options granted on 3 October 2017
5%：於二零一九年一月一日歸屬， 並自二零一九年一月一日起至 二零二二年十二月三十一日可行使	5%: vested on 1 January 2019 and exercisable from 1 January 2019 to 31 December 2022
10%：於二零二零年一月一日歸屬， 並自二零二零年一月一日起至 二零二二年十二月三十一日可行使	10%: vested on 1 January 2020 and exercisable from 1 January 2020 to 31 December 2022
20%：於二零二一年一月一日歸屬， 並自二零二一年一月一日起至 二零二二年十二月三十一日可行使	20%: vested on 1 January 2021 and exercisable from 1 January 2021 to 31 December 2022
65%：於二零二二年一月一日歸屬， 並自二零二二年一月一日起至 二零二二年十二月三十一日可行使	65%: vested on 1 January 2022 and exercisable from 1 January 2022 to 31 December 2022

## 45. 以股份支付的交易(續)

### c. 二零一六年購股權計劃(續)

本集團於截至二零一七年十二月三十一日止年度就本公司根據二零一六年購股權計劃授出的購股權確認開支總額為人民幣15,064,000元。

## 45. SHARE-BASED PAYMENT TRANSACTION (Continued)

### c. 2016 Share option scheme (Continued)

The Group recognised the total expense of RMB15,064,000 for the year ended 31 December 2017 in relation to share options granted by the Company under the 2016 Share Option Scheme.

	購股權數目 Number of Options	行使期間 Exercisable period	購股權 訂約年期 Contractual life of options
<b>於截至二零一七年十二月三十一日止年度授出：</b>			
Granted during the year ended			
31 December 2017:			
授予董事的購股權：			
－於二零一七年十月三日	2,100,000	5%：於二零一九年一月一日歸屬，並自二零一九年一月一日起至二零二二年十二月三十一日可行使 5%: vested on 1 January 2019 and exercisable from 1 January 2019 to 31 December 2022	四年 4 years
Share options granted to directors:			
－ on 3 October 2017	10%	：於二零二零年一月一日歸屬，並自二零二零年一月一日起至二零二二年十二月三十一日可行使 10%: vested on 1 January 2020 and exercisable from 1 January 2020 to 31 December 2022	四年 4 years
	20%	：於二零二一年一月一日歸屬，並自二零二一年一月一日起至二零二二年十二月三十一日可行使 20%: vested on 1 January 2021 and exercisable from 1 January 2021 to 31 December 2022	四年 4 years
	65%	：於二零二二年一月一日歸屬，並自二零二二年一月一日起至二零二二年十二月三十一日可行使 65%: vested on 1 January 2022 and exercisable from 1 January 2022 to 31 December 2022	四年 4 years

	購股權數目 Number of Options	行使期間 Exercisable period	購股權 訂約年期 Contractual life of options
<b>於截至二零一七年十二月三十一日止年度授出：</b>			
Granted during the year ended			
31 December 2017:			
授予董事的購股權：			
－於二零一七年十月三日	217,900,000	5%：於二零一九年一月一日歸屬，並自二零一九年一月一日起至二零二二年十二月三十一日可行使 5%: vested on 1 January 2019 and exercisable from 1 January 2019 to 31 December 2022	四年 4 years
Share options granted to employees:			
－ on 3 October 2017	10%	：於二零二零年一月一日歸屬，並自二零二零年一月一日起至二零二二年十二月三十一日可行使 10%: vested on 1 January 2020 and exercisable from 1 January 2020 to 31 December 2022	四年 4 years
	20%	：於二零二一年一月一日歸屬，並自二零二一年一月一日起至二零二二年十二月三十一日可行使 20%: vested on 1 January 2021 and exercisable from 1 January 2021 to 31 December 2022	四年 4 years
	65%	：於二零二二年一月一日歸屬，並自二零二二年一月一日起至二零二二年十二月三十一日可行使 65%: vested on 1 January 2022 and exercisable from 1 January 2022 to 31 December 2022	四年 4 years

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### 45. 以股份支付的交易(續)

#### c. 二零一六年購股權計劃(續)

下表披露董事及僱員持有本公司購股權的詳情：

截至二零一七年十二月三十一日止年度

### 45. SHARE-BASED PAYMENT TRANSACTION (Continued)

#### c. 2016 Share option scheme (Continued)

The following table discloses details of the Company's share options held by directors and employees:

For the year ended 31 December 2017

授出日期 Date of grant	每股 行使價 per share	行使期間 Exercisable period	購股權數目 Number of Options					
			於 二零一七年 1月一日 尚未行使 Outstanding at	期內授出 Granted during	期內已行使 Exercised during	期內已失效 Lapsed during	尚未行使 Outstanding at 31.12.2017	
二零一七年十月三日 3 October 2017	4.34	二零一九年一月一日至二零二二年十二月三十一日 1 January 2019 to 31 December 2022	—	220,000,000	—	—	—	220,000,000
<b>期末可行使</b> <b>Exercisable at the end of the period</b>								
加權平均行使價(港元) Weighted average exercise price (HK\$)								
—								

除披露者外，自二零一六年購股權計劃獲採納以來，概無據此授出其他購股權。

Save as disclosed, no other option was granted under 2016 Share Option Scheme since their adoption.

## 45. 以股份支付的交易(續)

### d. 二零一七年股份獎勵計劃

於二零一七年十二月十八日，董事局採納股份獎勵計劃(「二零一七年股份獎勵計劃」)，據此，Prosperity Fountain (PTC) Limited(「受託人」)，即於受託人所訂立日期為二零一七年十二月十八日的信託契據(經不時重列、補充及修訂)(「信託契據」)中宣佈為信託的受託人，將以本集團付出的現金於公開市場購買或向本公司認購新股份以作為獎勵股份，並代由董事會所挑選參與二零一七年股份獎勵計劃的合資格人士以信託形式持有，直至有關股份根據二零一七年股份獎勵計劃的條文歸屬於相關參與者為止。二零一七年股份獎勵計劃旨在肯定若干任何(i)主要管理人員，包括董事及本集團的高級管理層；及(ii)本集團任何成員公司的僱員的貢獻，並向彼等提供獎勵，以留聘彼等為本集團的持續營運及發展提供服務。二零一七年股份獎勵計劃將由董事會及受託人根據二零一七年股份獎勵計劃及信託契據的規則進行管理。

除非根據董事會可能決定提早終止，否則二零一七年股份獎勵計劃將自二零一七年十二月十八日起計十年期內有效及生效。

董事會不得進一步獎勵任何二零一七年獎勵股份，以致股份總數將超過不時本公司已發行股份數目的5%。於任何十二個月期間內根據二零一七年股份獎勵計劃可向參與者授出的股份最高數目不得超過已發行股份數目的1%。

二零一七年股份獎勵計劃的主要條款及條件概要載列於本公司日期為二零一七年十二月十八日及二零一七年十二月二十九日的公告內。

於採納後，本公司並無根據二零一七年股份獎勵計劃授出任何股份。

## 45. SHARE-BASED PAYMENT TRANSACTION *(Continued)*

### d. 2017 Share award scheme

On 18 December 2017, the board of directors adopted a share award scheme (the "2017 Share Award Scheme"), pursuant to which the shares to be awarded will be purchased by Prosperity Fountain (PTC) Limited as trustee (the "Trustee") of the trust declared in the Trust Deed dated 18 December 2017 entered into by the Trustee (as restated, supplemented and amended from time to time (the "Trust Deed")) from the open market or subscribed from the Company as new shares out of cash contributed by the Group and held on trust for the eligible persons selected by the board of directors for participation in the 2017 Share Award Scheme until such shares are vested with the relevant participants in accordance with the provisions of the 2017 Share Award Scheme. The purpose of the 2017 Share Award Scheme is to recognise the contributions by certain any of the (i) key management personnel including the board of directors and senior management of the Group; and (ii) employee of any member of the Group to provide them with incentives in order to retain them for the continual operation and development of the Group. The 2017 Share Award Scheme shall be subject to administration of the board of directors and the Trustee in accordance with the rules of the 2017 Share Award Scheme and the Trust Deed.

Subject to any early termination as may be determined by the board of directors, the 2017 Share Award Scheme shall be valid and effective for a term of 10 years commencing on 18 December 2017.

The board of directors shall not make any further award of 2017 Awarded Shares which will result in the total number of shares exceeding 5% of the number of issued shares from time to time. The maximum number of shares which may be awarded to a participant under the 2017 Share Award Scheme in any 12-month period shall not exceed 1% of the number of the shares in issue.

The summary of the principal terms and conditions of the 2017 Share Award Scheme were set out in the Company's announcements dated 18 December 2017 and 29 December 2017.

The Company has not awarded any shares under the 2017 Share Award Scheme since its adoption.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 46. 融資活動所產生負債的對賬

下表載列本集團自融資活動所產生的負債變動詳情，包括現金及非現金變動。融資活動所產生的負債為其現金流已經或未來現金流將會於本集團自融資活動的綜合現金流量表進行分類的負債。

### 46. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or the future cash flows will be, classified in the Group's consolidated statement of cash flows from financing activities.

		應付 非控股 權益款項 銀行及其他 借款	應付 合營企業 及聯營公司 Amounts	應付 聯營 公司款項 due to controlling interests	應付 公司款項 due to associates	優先票據 notes	公司債券 Corporate bonds	總計 Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於二零一七年一月一日	At 1 January 2017	13,566,647	965,649	8,023,842	6,395,599	5,683,011	10,141,468	44,776,216
融資現金流量	Financing cash flow	13,510,675	10,719,532	(1,326,614)	(2,302,297)	(1,258,489)	(980,603)	18,362,204
收購附屬公司	Acquisitions of subsidiaries	6,273,667	1,196,301	-	-	-	-	7,469,968
出售附屬公司	Disposal of subsidiaries	(815,000)	-	-	-	-	-	(815,000)
外匯換算	Foreign exchange translation	(910,439)	(38,906)	(17,887)	(31,041)	(401,065)	-	(1,399,338)
利息開支	Interest expenses	1,487,465	-	-	-	356,203	467,105	2,310,773
提早贖回優先票據虧損	Loss on early redemption of senior notes	-	-	-	-	118,464	-	118,464
於二零一七年十二月三十一日	At 31 December 2017	33,113,015	12,842,576	6,679,341	4,062,261	4,498,124	9,627,970	70,823,287

## 47. 關聯方披露

本集團年內與其關聯方進行以下重大交易：

### (a) 與關聯方交易

## 47. RELATED PARTY DISCLOSURES

During the year, the Group entered into the following significant transactions with its related parties:

### (a) *Transactions with related parties*

關聯方 Related party	交易性質 Nature of transaction	二零一七年 二零一六年 2017 2016	
		人民幣千元 RMB'000	人民幣千元 RMB'000
林中先生、林偉先生及 林峰先生控制的關連公司  A related company controlled by Mr. Lin Zhong, Mr. Lin Wei & Mr. Lin Feng	租金收入  Rental Income	2,286	2,333
董事  Directors	銷售物業  Sales of properties	—	3,815
聯營公司  Associates	公寓租賃及裝修服務收入  Apartment leasing and renovation services income  項目管理服務開支  Project management services expense  預製建築材料供應及相關施工與技術服務  Prefabricated construction materials supply and related installation and technical services expense	28,870  154,426  1,771	—  16,743  —

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 47. 關聯方披露(續)

#### (b) 合營企業及聯營公司結餘

### 47. RELATED PARTY DISCLOSURES (Continued)

#### (b) Balances with joint ventures and associates

		二零一七年 2017	二零一六年 2016
		人民幣千元 RMB'000	人民幣千元 RMB'000
應收合營企業款項	Amounts due from joint ventures	8,308,615	2,801,445
應收聯營公司款項	Amounts due from associates	9,143,176	1,819,487
		17,451,791	4,620,932
應付合營企業款項	Amounts due to joint ventures	6,679,341	8,023,842
應付聯營公司款項	Amounts due to associates	4,062,261	6,395,599
		10,741,602	14,419,441

應收／應付若干合營企業及聯營公司款項為無抵押、免息及須按要求償還。

The amounts due from/to certain joint ventures and associates are unsecured, interest-free and repayable on demand.

(c) 於年內已付及應付兼任本公司董事的本集團主要管理人員的薪酬載於附註11。

(c) The remuneration paid and payable to the key management personnel of the Group who are also the directors of the Company for the year is set out in note 11.

(d) 於截至二零一七年十二月三十一日止年度，本集團將其附屬公司上海旭備的全部股權出售予寧波昌瑞。詳情載於附註39(a)。

(d) During the year ended 31 December 2017, the Group disposed of its entire equity interest in its subsidiary, Shanghai Xubei to Ningbo Changrui. Details are set out in note 39(a).

## 47. 關聯方披露(續)

- (e) 於截至二零一七年十二月三十一日止年度，本集團與一間由本公司董事林中先生及林峰先生實益擁有的關聯公司(即上海旭輝企業發展有限公司)以及其他獨立投資者訂立資本投資協議，據此，本集團同意向上海領昱注入人民幣30,000,000元。緊隨上述資本投資後，上海領昱成為本集團的聯營公司。
- (f) 於截至二零一六年十二月三十一日止年度，本集團向上海建浦出售其附屬公司上海永升的70%股本權益。有關詳情載於附註39。

## 48. 資本風險管理

本集團管理其資本以確保本集團旗下實體將可持續經營，同時透過改善債務與股本權益結餘為股東帶來最大回報。

本集團的資本架構包括淨負債，而淨負債包括附註32、33及34各自所披露銀行及其他借款、優先票據及公司債券(扣除現金及現金等價物)及本公司擁有人應佔股本權益(包含已發行股本、儲備及保留利潤)。

本公司董事定期檢討資本架構。作為是項檢討其中一環，本公司董事考量資本成本及與各類資本有關的風險，並採取適當行動平衡整體資本架構。

## 49. 金融工具

### a. 重大會計政策

有關各類金融資產、金融負債及股本工具所採用的重大會計政策(包括確認的條件)、計量的基準以及收入及開支的確認基準的詳情於附註3披露。

## 47. RELATED PARTY DISCLOSURES (Continued)

- (e) During the year ended 31 December 2017, the Group entered into capital investment agreement with a related company beneficially owned by Mr. Lin Zhong and Mr. Lin Feng, the directors of the company, namely Shanghai Xuhui Enterprise Development Co., Ltd. and other independent investors, which the Group agreed to contribute RMB30,000,000 in Shanghai Lingyu. Immediately after the aforesaid capital investment, Shanghai Lingyu became an associate of the Group.
- (f) During the year ended 31 December 2016, the Group disposed of its 70% equity interest in its subsidiary, Shanghai Yongsheng to Shanghai Jianpu. Details are set out in note 39.

## 48. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt, which includes the bank and other borrowings, senior notes and corporate bonds disclosed in notes 32, 33 and 34, respectively, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital, and take appropriate actions to balance its overall capital structure.

## 49. FINANCIAL INSTRUMENTS

### a. Significant accounting policies

Details of the significant accounting policies adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets, financial liabilities and equity instruments are disclosed in note 3.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 49. 金融工具(續)

#### b. 金融工具的類別

### 49. FINANCIAL INSTRUMENTS (Continued)

#### b. Categories of financial instruments

		二零一七年 2017	二零一六年 2016
		人民幣千元 RMB'000	人民幣千元 RMB'000
<b>金融資產</b>	<b>Financial assets</b>		
可供出售投資	Available-for-sale investments	623,630	740,976
按公平值計入損益的金融資產	Financial assets at FVTPL		
衍生金融工具	Derivative financial instruments		
－持作買賣	– Held for trading	–	314,768
上市股本工具	Listed equity instruments	521,250	352,829
		521,250	667,597
－於物業項目的投資(指定為 按公平值計入損益)	– Investments in property projects (Designated as at FVTPL)	622,143	529,225
		1,143,393	1,196,822
貸款及應收款項(包括現金 及現金等價物)	Loans and receivables (including cash and cash equivalents)	66,443,977	36,378,195
		66,211,000	38,315,993
<b>金融負債</b>	<b>Financial liabilities</b>		
按公平值計入損益的金融負債	Financial liabilities at FVTPL		
衍生金融工具	Derivative financial instruments		
－持作買賣	– Held for trading	333,193	–
攤銷成本	Amortised cost	84,363,282	52,166,638
		84,696,475	52,166,638

## 49. 金融工具(續)

### c. 財務風險管理目標及政策

本集團的主要金融工具包括可供出售投資、衍生金融工具、貿易應收款項、其他應收款項、按公平值計入損益的金融資產、房地產項目投資、已抵押銀行存款、銀行結餘及現金、應收／應付非控股權益、合營企業及聯營公司款項、貿易應付款項、其他應付款項、銀行及其他借款、優先票據以及公司債券。該等金融工具的詳情載於相關附註。與此等金融工具有關的風險及如何減低該等風險的政策載列如下。管理層管理及監控該等風險，確保及時有效地採取適當措施。

### d. 市場風險

本集團的業務主要面對利率、外幣匯率變動的市場風險及其他價格風險(參見下文)。

本集團於年內面對的市場風險或其管理及衡量風險的方式概無重大變動。

#### 利率風險管理

由於銀行存款與銀行及其他借款(按中國人民銀行所報利率加額外費用的浮動利率計息)的現行市場利率波動，因此本集團承受現金流量利率風險。

本集團的公平值利率風險主要與按固定利率計息的銀行及其他借款、企業債券以及優先票據有關。本集團現時並無利用任何衍生工具合約對沖其面對的利率風險。然而，管理層於有需要時會考慮對沖重大利率風險。

本集團承受與金融負債有關的利率風險，詳情載於本附註流動資金風險管理一節。

## 49. FINANCIAL INSTRUMENTS (*Continued*)

### c. Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale investments, derivative financial instruments, trade receivables, other receivables, financial assets at FVTPL, investments in property projects, pledged bank deposits, bank balances and cash, amounts due from/to non-controlling interests, joint ventures and associates, trade payables, other payables, bank and other borrowings, senior notes and corporate bonds. Details of these financial instruments are set out in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

### d. Market risk

The Group's activities expose primarily to the market risks of changes in interest rates, foreign currency exchange rates and other price risk (see below).

There has been no significant change to the Group's exposure to market risks or the manner in which it manages and measures the risk over the year.

#### Interest rate risk management

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits and bank and other borrowings which carry at variable rates based on the interest rates quoted by the PBOC plus a premium.

The Group's fair value interest rate risk relates primarily to its fixed rate bank and other borrowings, corporate bonds and senior notes. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 49. 金融工具(續)

#### d. 市場風險(續)

##### 利率風險管理(續)

###### 利率敏感度

以下敏感度分析乃根據非衍生工具(銀行結餘以及銀行及其他借款)利率風險編製。分析乃假設於報告期末未到期金融工具於整年內均未到期而編製。向主要管理人員內部匯報利率風險時會以升跌100個基點(就銀行及其他借款而言)及升跌50個基點(就銀行存款而言)為基準，即管理人員分別對銀行及其他借款以及銀行存款利率可能變動的評估。

於報告期末，倘利率上升／下降100及50個基點(分別就銀行及其他借款以及銀行存款而言)，而所有其他變數維持不變，則本集團截至二零一七年十二月三十一日止年度的除稅前利潤會減少／增加約人民幣148,402,000元(二零一六年：人民幣13,475,000元)。

###### 外幣風險管理

本集團以人民幣收取其所有收入，而大部分支出(包括物業銷售產生的支出以及資本開支)亦以人民幣計值。

本集團進行若干以外幣計值的交易，因而承受所產生的匯率波動風險。本集團目前並無外幣對沖政策。然而，管理層會監察外匯風險承受程度及於有需要時考慮對沖重大的外幣風險。

於二零一七年十二月三十一日，本集團擁有以外幣計值的指定為按公平值計入損益的金融資產、銀行結餘及現金、銀行及其他借款以及優先票據(分別載於附註29、30、32及33)，使本集團承受外幣風險。本集團已訂立遠期合約以減輕借款的外幣風險。

### 49. FINANCIAL INSTRUMENTS (Continued)

#### d. Market risk (Continued)

##### Interest rate risk management (Continued)

###### Interest rate sensitivity

The sensitivity analyses below have been prepared based on the exposure to interest rates for non-derivative instruments (bank balances and bank and other borrowings). The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis point increase or decrease for bank and other borrowings and a 50 basis point increase or decrease for bank deposits are used when reporting interest rate risk internally to key management personnel and represent management's assessment of the possible change in interest rate in respect of bank and other borrowings and bank deposits respectively.

At the end of the reporting period, if interest rates had been increased/decreased by 100 and 50 basis points in respect of bank and other borrowings and bank deposits respectively and all other variables were held constant, the Group's profit before taxation would decrease/increase by approximately RMB148,402,000 (2016: RMB13,475,000) for the year ended 31 December 2017.

###### Foreign currency risk management

The Group collects all of its revenue in RMB and most of the expenditures including expenditures incurred in property sales as well as capital expenditures are also denominated in RMB.

The Group undertakes certain transactions denominated in foreign currencies, hence exposure to exchange rate fluctuations arises. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

As at 31 December 2017, the Group had financial assets at FVTPL, bank balances and cash, bank and other borrowings and senior notes denominated in foreign currencies as set out in notes 29, 30, 32 and 33, respectively, which expose the Group to foreign currency risk. The Group has entered into forward contracts for mitigating the foreign currency exposure in relation to the borrowings.

## 49. 金融工具(續)

### d. 市場風險(續)

#### 外幣風險管理(續)

##### 外幣匯率敏感度

下表詳列本集團對人民幣兌相關外幣升值及貶值5%的敏感度。5%為向主要管理人員內部報告外幣風險所使用的敏感度，指管理層對外幣匯率可能合理變動的評估。敏感度分析僅包括以外幣計值的未到期貨幣項目，並於報告期末就外幣匯率的5%變動調整其換算。當人民幣相對於相關貨幣升值5%時，下表中的正數表示利潤增加；當人民幣相對於相關貨幣貶值5%時，會對利潤產生一個相等並相反的影響，以下結餘也將變成負數。

## 49. FINANCIAL INSTRUMENTS (Continued)

### d. Market risk (Continued)

#### Foreign currency risk management (Continued)

##### Foreign currency rate sensitivity

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjust their translation at the end of reporting period of 5% changes in foreign currency rates. A positive number below indicates an increase in profit where RMB strengthen 5% against the relevant currency. For a 5% weakening of RMB against the relevant currency, there would be an equal and opposite impact on the profit and the balances below would be negative.

		二零一七年	二零一六年
		2017	2016
		人民幣千元	人民幣千元
		RMB'000	RMB'000
港元	Hong Kong Dollars	287,972	64,474
美元	United States Dollars	573,383	469,642

### e. 信貸風險管理

於二零一七年十二月三十一日，除該等帶有最大信貸風險的金融資產外，就本集團所提供之財務擔保的或然負債金額所產生並將導致本集團財務虧損的本集團最大信貸風險於附註44披露。

為將信貸風險降至最低，已執行監控程序以確保採取跟進行動收回過期債務。此外，本集團於報告期末定期審閱每項個別賬款及其他應收款項以及應收關聯公司款項的可收回金額，確保就不可收回金額作出充分的減值虧損。呈列於綜合財務狀況表中的金額乃經扣除呆壞賬撥備，並由本集團管理層基於先前經驗及其對現時經濟環境的評估作出估計。

### e. Credit risk management

As at 31 December 2017, other than those financial assets whose carrying best present the maximum exposure to credit risk, the Group's maximum exposure to credit risk which will cause a financial loss to the Group arising from the amount of contingent liabilities in relation to financial guarantees provided by the Group is disclosed in note 44.

In order to minimise the credit risk, the monitoring procedures are carried out to ensure that follow up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual accounts and other receivables and amounts due from related companies at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. The amounts presented in the consolidated statement of financial position are net of allowances for doubtful debts, estimated by the Group's management based on prior experience and their assessment of the current economic environment.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 49. 金融工具(續)

#### e. 信貸風險管理(續)

由於對手方為國際評級機構給予高信貸評級的銀行或中國的國有銀行，故流動資金信貸風險有限。

除存於多家高信貸評級銀行的流動資金有信貸風險集中的情況外，本集團的信貸風險並無顯著集中，風險分佈於多個對手方及客戶。

就已預售但未完成發展的物業而言，本集團通常就客戶借入按揭貸款以為購買物業籌集資金而向銀行提供擔保，擔保金額最高為個別物業購買價的70%至80%。如果買方於擔保期間未能償還按揭，則持有按揭的銀行可要求本集團償還未償還貸款及任何有關應計利息。在此等情況下，本集團可沒收已收銷售按金並轉售收回的物業。因此，管理層認為其將有可能收回本集團所提供之擔保引致的任何虧損。管理層認為，由於該等融資以物業擔保而物業的市場價格高於擔保金額，故提供予物業買家的財務擔保承受的信貸風險有限。就此而言，本公司董事認為，本集團的信貸風險已顯著降低。

#### f. 流動資金風險

本集團的目標是透過使用借款在經營活動所得資金的持續性與靈活性之間取得平衡。本公司董事嚴密監察流動資金狀況，並預期會有足夠資金來源撥付本集團的項目及業務。

下表詳列本集團非衍生金融負債及衍生金融負債的預期剩餘合約到期日。該表按本集團可能須付款的最早日期的非衍生金融負債未貼現現金流量編製，表中包括利息及本金現金流量。

### 49. FINANCIAL INSTRUMENTS (*Continued*)

#### e. Credit risk management (*Continued*)

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies or state-owned banks in the PRC.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group has no significant concentration of credit risk, which exposure spread over a number of counterparties and customers.

For properties that are presold but development has not been completed, the Group typically provides guarantees to banks in connection with the customers' borrowing of mortgage loans to finance their purchase of the properties for an amount up to 70% to 80% of the purchase price of the individual property. If a purchaser defaults on the payment of its mortgage during the period of guarantee, the bank holding the mortgage may demand the Group to repay the outstanding loan and any interest accrued thereon. Under such circumstances, the Group is able to forfeit the sales deposit received and re-sell the repossessed properties. Therefore, the management considers it would likely recover any loss incurred arising from the guarantee by the Group. The management considers the credit risk exposure to financial guarantees provided to property purchasers is limited because the facilities are secured by the properties and the market prices of the properties are higher than the guaranteed amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

#### f. Liquidity risk

The Group's objective is to maintain a balance between continuity of funding generated from operating activities and the flexibility through the use of borrowings. The directors of the Company closely monitor the liquidity position and expect to have adequate sources of funding to finance the Group's projects and operations.

The following table details the Group's expected remaining contractual maturity for its non-derivative financial liabilities and derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

## 49. 金融工具(續)

### f. 流動資金風險(續)

此外，下表詳列本集團對其衍生金融工具的流動性分析。本集團的衍生金融工具分析乃按照管理層參照房地產開發項目進度估計的到期日編製。

## 49. FINANCIAL INSTRUMENTS (Continued)

### f. Liquidity risk (Continued)

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The analysis for the Group's derivative financial instruments are prepared based on the maturities estimated by the management with reference to the progress of property development projects.

利率 Interest rate	非衍生金融負債 Non-derivative financial liabilities	於二零一七年 十二月三十一日 的賬面值 Carrying amount at 31 December						未貼現 現金流量總額 Total undiscounted cash flows
		0到60日 0-60 days	61到180日 61 to 180 days	181至365日 181 to 365 days	1至2年 1 - 2 years	2至3年 2 - 3 years	3年以上 Over 3 years	
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	
不計息 Non-interest bearing	-	37,124,173	37,124,173	-	-	-	-	37,124,173
定息工具 Fixed interest rate instruments	4.3% - 10%	17,505,439	1,627,419	1,942,118	4,457,942	836,491	8,605,441	2,069,261
浮息工具 Variable interest rate instruments	1.46% - 6.65%	29,733,670	801,416	678,052	4,405,458	6,238,200	13,571,758	7,315,589
財務擔保 Financial guarantees	-	-	12,714,583	38,500	53,500	695,000	235,010	1,609,892
								15,346,485

利率 Interest rate	衍生工具—結算淨額 Derivative – net settlement 外匯遠期合約 Foreign exchange forward contracts	於二零一七年 十二月三十一日 的賬面值 Carrying amount at 31 December						未貼現 現金流量總額 Total undiscounted cash flows
		0到60日 0-60 days	61到180日 61 to 180 days	181至365日 181 to 365 days	1至2年 1 - 2 years	2至3年 2 - 3 years	3年以上 Over 3 years	
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	
		333,193	6,608	98,516	228,069	-	-	333,193

利率 Interest rate	非衍生金融負債 Non-derivative financial liabilities	於二零一六年 十二月三十一日 的賬面值 Carrying amount at 31 December						未貼現 現金流量總額 Total undiscounted cash flows
		0到60日 0-60 days	61到180日 61 to 180 days	181至365日 181 to 365 days	1至2年 1 - 2 years	2至3年 2 - 3 years	3年以上 Over 3 years	
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	
不計息 Non-interest bearing	-	22,775,512	22,775,512	-	-	-	-	22,775,512
定息工具 Fixed interest rate instruments	4.8% - 9.0%	17,704,969	2,223,644	403,638	913,007	1,743,273	4,082,755	11,452,788
浮息工具 Variable interest rate instruments	1.5% - 6.7%	11,686,157	-	436,927	1,411,711	3,774,560	5,598,894	1,792,017
財務擔保 Financial guarantees	-	-	7,794,577	194,400	46,000	1,818,747	447,345	917,500
								11,218,569

上述財務擔保合約包含的金額為在擔保對手方索償情況下，本集團根據安排可能須結付全數擔保金額的最高金額。根據各報告期末的預期，本集團認為須根據安排付款的機會極微。然而，該估計將視乎對手方根據擔保提出索償的可能性而有所改變，而提出索償的可能性則取決於對手方所持獲擔保財務應收款項出現信貸虧損的可能性。

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of each reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 49. 金融工具(續)

#### g. 金融工具的公平值計量

按經常性基準以公平值計量的本集團金融資產及負債的公平值

本集團的部分金融資產及負債按於各報告期末的公平值釐定。下表提供有關如何釐定該等金融資產及負債公平值的資料(特別是所用的估值方法及輸入數據)，以及根據公平值計量輸入數據的可觀察程度而將公平值計量分類到所屬公平值架構級別(第一級至第三級)。

- 第一級公平值計量乃根據相同資產或負債於活躍市場中所報價格(未經調整)得出；
- 第二級公平值計量乃除第一級計入的報價外，根據資產或負債可直接(即價格)或間接(即自價格衍生)觀察的輸入數據得出；及
- 第三級公平值計量乃指由包含並非依據可觀察的市場數據的資產或負債的輸入數據(不可觀察輸入數據)的估值方法得出的公平值計量。

### 49. FINANCIAL INSTRUMENTS (Continued)

#### g. Fair value measurements of financial instruments

*Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis*

Some of the Group's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## 49. 金融工具(續)

### g. 金融工具的公平值計量(續)

按經常性基準以公平值計量的本集團金融資產及負債的公平值(續)

## 49. FINANCIAL INSTRUMENTS (Continued)

### g. Fair value measurements of financial instruments

*Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)*

金融資產 Financial assets	於以下日期的公平值 Fair value as at		公平值等級 Fair value hierarchy	估值方法及主要輸入數據 Valuation techniques and key inputs
	二零一七年 十二月三十一日 31 December 2017	二零一六年 十二月三十一日 31 December 2016		
	人民幣千元 RMB'000	人民幣千元 RMB'000		
作為衍生金融工具的外幣遠期合約 Foreign currency forward contracts as derivative financial instruments	<b>負債 – (333,193)</b> Liabilities – (333,193)	<b>資產 – 314,768 Assets – 314,768</b>	<b>第二級 Level 2</b>	貼現現金流量。未來現金流量根據遠期利率(從報告期末可觀察的遠期利率)及合同利率進行估計，以反映各交易對手的信用風險的利率折現。 Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable forward interest rates at the end of the reporting period) and the contracted interest rates, discounted at a rate that reflects the credit risk of various counterparties.
分類為按公平值計入損益的金融資產的 上市股份投資 Investments in listed shares classified as financial assets at FVTPL	<b>資產 Assets</b>  –在香港上市 – listed in HK  –在中國上市 – listed in the PRC	<b>資產 Assets</b>  70,741  450,509  <b>521,250</b>	<b>第一級 Level 1</b>	活躍市場所報買入價 Quoted bid prices in an active market
分類為按公平值計入損益的金融資產的 物業項目投資 Investments in property projects classified as financial assets at FVTPL	<b>資產 – 622,143 Assets – 622,143</b>	<b>資產 – 529,225 Assets – 529,225</b>	<b>第三級 Level 3</b>	折現現金流量。未來現金流量根據預期回報及合同投資成本進行 估計，以反映各物業項目的內部回報率的利率折現。 Discounted cash flow. Future cash flows are estimated based on expected return, and the contracted investment costs, discounted at a rate that reflects the internal rate of return of varies property projects.
可供出售投資 Available-for-sale investments –在中國上市 – listed in the PRC	<b>資產 – 138,750 Assets – 138,750</b>	<b>資產 – – Assets – –</b>	<b>第一級 Level 1</b>	活躍市場所報買入價 Quoted bid prices in an active market

除分別於附註33及34所披露具有公平值的優先票據及公司債券外，本集團管理層認為，綜合財務報表中以攤銷成本入賬的其他金融資產及金融負債的賬面值與其於報告期末的公平值相若。

本集團以攤銷成本入賬的金融資產及金融負債的公平值乃根據按照折現現金流量分析建立的公認定價模式而釐定。

Except for the senior notes and corporate bonds with fair value as disclosed in notes 33 and 34, respectively, the management of the Group consider that the carrying amounts of the other financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values at the end of the reporting period.

The fair value of financial assets and financial liabilities of the Group recorded at amortised cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 50. 本公司財務狀況表及儲備

(a) 本公司財務狀況表：

### 50. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(a) Statement of financial position of the Company:

		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
<b>非流動資產</b>	<b>NON-CURRENT ASSETS</b>		
物業、廠房及設備	Property, plant and equipment	41	34
於一間附屬公司的投資	Investment in a subsidiary	1,150,630	1,014,322
應收附屬公司款項	Amounts due from subsidiaries	28,438,917	22,837,541
收購股權的按金	Deposits for acquisitions of equity interests	–	142,047
長期保證金	Long-term deposit	–	34,639
衍生金融工具	Derivative financial instruments	–	314,768
		<b>29,589,588</b>	<b>24,343,351</b>
<b>流動資產</b>	<b>CURRENT ASSETS</b>		
應收賬款及其他應收款項、按金以及預付款項	Accounts and other receivables, deposits and prepayments	240,738	274,257
應收合營企業款項	Amounts due from joint ventures	2,511,064	3,109,249
銀行結餘及現金	Bank balances and cash	1,234,711	310,151
		<b>3,986,513</b>	<b>3,693,657</b>
<b>流動負債</b>	<b>CURRENT LIABILITIES</b>		
应付賬款及應計開支	Accounts payables and accrued charges	27	28
应付附屬公司款項	Amounts due to subsidiaries	798,450	1,458,348
应付合營企業款項	Amounts due to joint ventures	671,929	721,035
衍生金融工具	Derivative financial instruments	333,193	–
銀行借款－於一年內到期	Bank borrowings – due within one year	3,392,111	1,480,398
		<b>5,195,710</b>	<b>3,659,809</b>
<b>流動(負債)資產淨值</b>	<b>NET CURRENT (LIABILITIES) ASSETS</b>	<b>(1,209,197)</b>	<b>33,848</b>
<b>總資產減流動負債</b>	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>28,380,391</b>	<b>24,377,199</b>
<b>資本及儲備</b>	<b>CAPITAL AND RESERVES</b>		
股本	Share capital	611,951	542,797
儲備	Reserves	12,230,167	12,053,914
本公司股東權益應佔股本權益	Equity attributable to equity owners of the company	12,842,118	12,596,711
永久資本工具	Perpetual capital instruments	3,847,932	–
<b>股本權益總額</b>	<b>TOTAL EQUITY</b>	<b>16,690,050</b>	<b>12,596,711</b>
<b>非流動負債</b>	<b>NON-CURRENT LIABILITIES</b>		
優先票據	Senior notes	4,498,124	5,683,011
銀行借款－於一年後到期	Bank borrowings – due after one year	7,192,217	6,097,477
		<b>11,690,341</b>	<b>11,780,488</b>
		<b>28,380,391</b>	<b>24,377,199</b>

**50. 本公司財務狀況表及儲備(續)**

(b) 本公司儲備變動：

**50. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)**

(b) Movements of the Company's reserves:

			(累計虧損)				
			股份溢價	購股權儲備	Capital	(Accumulated	保留利潤 總額
			Share	Share option	contribution	losses)	
			premium	reserve	reserve	retained profits	Total
			人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
			RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
於二零一六年一月一日	At 1 January 2016		1,256,083	143,625	39,440	(635,584)	803,564
年內利潤及全面收入總額	Profit and total comprehensive						
	income for the year		-	-	-	11,959,918	11,959,918
行使購股權時發行股份	Issue of shares upon exercise						
	of shares options		79,708	(17,846)	-	-	61,862
就以股代息發行股份	Issue of shares for scrip dividend		56,445	-	-	-	56,445
於購回股份時註銷	Cancelled upon repurchase of shares		(21,517)	-	-	-	(21,517)
確認以股本權益結算並	Recognition of equity-settled						
以股份付款	share-based payments		-	47,971	-	-	47,971
已宣派股息	Dividend declared		(854,329)	-	-	-	(854,329)
於二零一六年十二月三十一日	At 31 December 2016		516,390	173,750	39,440	11,324,334	12,053,914
年內利潤及全面收入總額	Profit and total comprehensive						
	income for the year		-	-	-	(931,645)	(931,645)
行使購股權時發行股份	Issue of shares upon exercise						
	of shares options		249,761	(63,835)	-	-	185,926
就以股代息發行股份	Issue of shares for scrip dividend		4,371	-	-	-	4,371
配售股份	Placing of shares		1,968,712	-	-	-	1,968,712
確認以股本權益結算並	Recognition of equity-settled						
以股份付款	share-based payments		-	34,775	-	-	34,775
已宣派股息	Dividend declared		-	-	-	(1,085,886)	(1,085,886)
於二零一七年十二月三十一日	At 31 December 2017		2,739,234	144,690	39,440	9,306,803	12,230,167

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 51. 主要附屬公司詳情

本公司的主要附屬公司於二零一七年及二零一六年十二月三十一日的詳情載列如下：

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31 December 2017 and 2016 are set out below:

直接附屬公司名稱 Name of direct subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017	2016			
		%	%			
旭昇有限公司 Xu Sheng Limited	英屬處女群島 二零一一年五月九日 BVI 9 May 2011	100	100	註冊資本 50,000美元 實繳資本1美元 Registered USD50,000 paid up capital USD1	香港 Hong Kong	投資控股 Investment holding
北京旭輝順欣置業有限公司 Beijing Xuhui Shunxin Property Co., Ltd.	中國 二零一一年十二月十二日 PRC 12 December 2011	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
北京旭輝陽光置業有限公司 Beijing Xuhui Sunshine Property Co., Ltd.	中國 二零一一年一月十三日 PRC 13 January 2011	80	80	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development

**51. 主要附屬公司詳情(續)**

**51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)**

直接附屬公司名稱 Name of direct subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December 二零一七年 二零一六年		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017 %	2016 %			
北京旭輝興勝置業有限公司 Beijing Xuhui Xingsheng Property Co., Ltd.	中國 PRC 16 June 2011	100	100	註冊資本 人民幣10,000,000元  實繳資本 人民幣10,000,000元  Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development
北京旭科置業有限公司 Beijing Xuke Property Co., Ltd.	中國 PRC 19 March 2013	100	100	註冊資本 人民幣20,000,000元  實繳資本 人民幣20,000,000元  Registered RMB20,000,000 paid up capital RMB20,000,000	中國 PRC	房地產開發 Property development
北京旭興城置業有限公司 Beijing Xuxingcheng Property Co., Ltd.	中國 PRC 13 January 2011	100	100	註冊資本 人民幣10,000,000元  實繳資本 人民幣10,000,000元  Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 51. 主要附屬公司詳情(續)

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

直接附屬公司名稱 Name of direct subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017 %	2016 %			
北京旭輝興科置業有限公司 Beijing Xuhui Xingke Property Co., Ltd.	中國 二零零九年八月十二日 PRC 12 August 2009	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
北京旭輝興騰置業有限公司 Beijing Xuhui Xingteng Property Co., Ltd.	中國 二零零九年八月十二日 PRC 12 August 2009	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
北京永旭置業有限公司 Beijing Yongxu Property Co., Ltd.	中國 二零零四年四月五日 PRC 5 April 2004	100	100	註冊資本 人民幣20,000,000元 實繳資本 人民幣20,000,000元 Registered RMB20,000,000 paid up capital RMB20,000,000	中國 PRC	房地產開發 Property development
長沙鼎尊房地產開發有限公司 Changsha Dingzun Real Estate Development Co., Ltd.	中國 二零一二年十二月六日 PRC 6 December 2012	100	100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development

**51. 主要附屬公司詳情(續)**

**51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES** (*Continued*)

直接附屬公司名稱 Name of direct subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December 二零一七年 二零一六年		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017 %	2016 %			
長沙旭海房地產開發有限公司 Changsha Xuhai Real Estate Development Co., Ltd.	中國 二零一一年六月十日 PRC 10 June 2011	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
湖南融惠房地產開發有限公司 Hunan Ronghui Real Estate Development Co., Ltd.	中國 二零一二年十二月十八日 PRC 18 December 2012	80	80	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
上海旭亘實業有限公司 Shanghai Xugen Enterprise Co., Ltd.	中國 二零一四年十一月五日 PRC 5 November 2014	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	房地產開發 Property development

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 51. 主要附屬公司詳情(續)

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017 %	2016 %			
重慶旭昌房地產開發有限公司 Chongqing Xuchang Real Estate Development Co., Ltd.	中國 二零一一年三月十日 PRC 10 March 2011	100	100	註冊資本 人民幣20,000,000元 實繳資本 人民幣20,000,000元 Registered RMB20,000,000 paid up capital RMB20,000,000	中國 PRC	房地產開發 Property development
重慶旭鵬房地產開發有限公司 Chongqing Xupeng Real Estate Development Co., Ltd.	中國 二零零五年七月四日 PRC 4 July 2005	100	100	註冊資本 人民幣80,000,000元 實繳資本 人民幣80,000,000元 Registered RMB80,000,000 paid up capital RMB80,000,000	中國 PRC	房地產開發 Property development
重慶旭中房地產開發有限公司 Chongqing Xuzhong Real Estate Development Co., Ltd.	中國 二零一四年八月十九日 PRC 19 August 2014	100	100	註冊資本 50,000,000美元 實繳資本 50,000,000美元 Registered USD50,000,000 paid up capital USD50,000,000	中國 PRC	房地產開發 Property development
旭輝中國 CIFI PRC	中國 二零零零年八月十五日 PRC 15 August 2000	100	100	註冊資本 人民幣3,500,000,000元 實繳資本 人民幣3,500,000,000元 Registered RMB3,500,000,000 paid up capital RMB3,500,000,000	中國 PRC	投資控股 Investment holding

**51. 主要附屬公司詳情(續)**

**51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES** *(Continued)*

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December 二零一七年 二零一六年		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017	2016			
		%	%			
旭輝企發有限公司 CIFI Enterprises Co., Ltd.	香港 二零一一年五月十二日 Hong Kong 12 May 2011	100	100	註冊資本 10,000港元 實繳資本 1港元 Authorised HK\$10,000 paid up capital HK\$1	香港 Hong Kong	投資控股 Investment holding
福州萬誠房地產開發有限公司 Fuzhou Wancheng Real Estate Development Co., Ltd.	中國 二零零四年七月十四日 PRC 14 July 2004	100	100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development
杭州旭廣置業有限公司 Hangzhou Xuguang Property Co., Ltd.	中國 二零一四年六月二十日 PRC 20 June 2014	100	100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 51. 主要附屬公司詳情(續)

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES *(Continued)*

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日				經營地點 Place of operation	主要業務 Principal activities
		應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital			
		2017 %	2016 %				
合肥旭濱房地產開發有限公司 Hefei Xubin Real Estate Development Co., Ltd.	中國 PRC 二零一一年一月十九日 19 January 2011	100	100	註冊資本 人民幣200,000,000元 實繳資本 人民幣200,000,000元 Registered RMB200,000,000 paid up capital RMB200,000,000	註冊資本 人民幣200,000,000元 實繳資本 人民幣200,000,000元 Registered RMB200,000,000 paid up capital RMB200,000,000	中國 PRC	房地產開發 Property development
合肥旭海房地產開發有限公司 Hefei Xuhai Real Estate Development Co., Ltd.	中國 PRC 二零零七年十一月十二日 12 November 2007	100	100	註冊資本 人民幣50,000,000元 實繳資本 人民幣50,000,000元 Registered RMB50,000,000 paid up capital RMB50,000,000	註冊資本 人民幣50,000,000元 實繳資本 人民幣50,000,000元 Registered RMB50,000,000 paid up capital RMB50,000,000	中國 PRC	房地產開發 Property development
合肥旭皖房地產開發有限公司 Hefei Xuwan Real Estate Development Co., Ltd.	中國 PRC 二零一四年六月七日 7 June 2014	100	100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development

**51. 主要附屬公司詳情(續)**

**51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)**

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities	
		2017	2016				
		%	%				
合肥旭遠 Hefei Xuyuan	中國 二零一四年七月二日 PRC 2 July 2014	100	63	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元	中國 PRC	房地產開發 Property development	
				Registered RMB100,000,000 paid up capital RMB100,000,000			
湖南隆晟置業發展有限公司 Hunan Longsheng Property Development Co., Ltd.	中國 二零零六年五月二十九日 PRC 29 May 2006	100	100	註冊資本 人民幣50,000,000元 實繳資本 人民幣50,000,000元	中國 PRC	房地產開發 Property development	
				Registered RMB50,000,000 paid up capital RMB50,000,000			
蘇州旭盈 Suzhou Xuyin	中國 二零一三年十月十日 PRC 10 October 2013	100 (附註38) (note 38)	-	註冊資本 人民幣500,000元 實繳資本 人民幣500,000元	中國 PRC	投資控股 Investment holding	
				Registered RMB500,000 paid up capital RMB500,000			

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Notes to the Consolidated Financial Statements

### 51. 主要附屬公司詳情(續)

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017	2016			
		%	%			
嘉興旭誠置業有限公司 Jaxing Xucheng Property Co., Ltd.	中國 二零一四年十一月一日 PRC 1 November 2014	100	100	註冊資本 60,000,000美元 實繳資本 60,000,000美元 Registered USD60,000,000 paid up capital USD60,000,000	中國 PRC	房地產開發 Property development
嘉興旭領置業有限公司 Jaxing Xuling Property Co., Ltd.	中國 二零一四年三月六日 PRC 6 March 2014	100	100	註冊資本 25,500,000美元 實繳資本 25,500,000美元 Registered USD25,500,000 paid up capital USD25,500,000	中國 PRC	房地產開發 Property development
嘉興旭美商業管理有限公司 Jaxing Xumei Business Management Co., Ltd.	中國 二零一一年一月二十日 PRC 20 January 2011	100	100	註冊資本 人民幣5,000,000元 實繳資本 人民幣5,000,000元 Registered RMB5,000,000 paid up capital RMB5,000,000	中國 PRC	物業管理 Property management

**51. 主要附屬公司詳情(續)**

**51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES** (*Continued*)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017	2016			
		%	%			
上海海際房地產有限公司 Shanghai Haiji Real Estate Co., Ltd.	中國 二零零五年三月十一日 PRC 11 March 2005	53	53	註冊資本 人民幣170,000,000元 實繳資本 人民幣170,000,000元 Registered RMB170,000,000 paid up capital RMB170,000,000	中國 PRC	房地產開發 Property development
上海漢普卡商業管理有限公司 Shanghai Hanpuka Commercial Management Co., Ltd.	中國 二零一一年八月十七日 PRC 17 August 2011	100	100	註冊資本 10,000,000美元 實繳資本 10,000,000美元 Registered USD10,000,000 paid up capital USD10,000,000	中國 PRC	投資控股 Investment holding
上海旭邦置業有限公司 Shanghai Xubang Property Co., Ltd.	中國 二零一一年四月十四日 PRC 14 April 2011	100	100	註冊資本 人民幣30,000,000元 實繳資本 人民幣30,000,000元 Registered RMB30,000,000 paid up capital RMB30,000,000	中國 PRC	房地產開發 Property development

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 51. 主要附屬公司詳情(續)

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權				已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		to the Group at 31 December		2017	2016			
		%	%					
上海旭和置業有限公司 Shanghai Xuhe Property Co., Ltd.	中國 二零一二年十月二十四日 PRC 24 October 2012	100	100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000		中國 PRC	房地產開發 Property development	
上海旭強置業有限公司 Shanghai Xuqiang Property Co., Ltd.	中國 二零一一年九月十九日 PRC 19 September 2011	100	100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000		中國 PRC	房地產開發 Property development	
上海旭為置業有限公司 Shanghai Xuwei Property Co., Ltd.	中國 二零一二年十二月十日 PRC 10 December 2012	100	100	註冊資本 人民幣5,000,000元 實繳資本 人民幣5,000,000元 Registered RMB5,000,000 paid up capital RMB5,000,000		中國 PRC	房地產開發 Property development	

**51. 主要附屬公司詳情(續)**

**51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES** (*Continued*)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December 二零一七年 二零一六年		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017	2016			
		%	%			
上海旭祥置業有限公司 Shanghai Xuxiang Property Co., Ltd.	中國 二零一二年十二月十日 PRC 10 December 2012	100	100	註冊資本 人民幣5,000,000元 實繳資本 人民幣5,000,000元 Registered RMB5,000,000 paid up capital RMB5,000,000	中國 PRC	房地產開發 Property development
上海旭煜置業有限公司 Shanghai Xuyu Property Co., Ltd.	中國 二零一一年一月十二日 PRC 12 January 2011	100	100	註冊資本 人民幣44,000,000元 實繳資本 人民幣44,000,000元 Registered RMB44,000,000 paid up capital RMB44,000,000	中國 PRC	房地產開發 Property development
上海旭柏置業有限公司 Shanghai Xubai Property Co., Ltd.	中國 二零一四年一月五日 PRC 5 January 2014	100	100	註冊資本 人民幣5,000,000元 實繳資本 人民幣5,000,000元 Registered RMB5,000,000 paid up capital RMB5,000,000	中國 PRC	房地產開發 Property development

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 51. 主要附屬公司詳情(續)

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES *(Continued)*

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		二零一七年 2017	二零一六年 2016			
		%	%			
上海旭協酒店管理有限公司 Shanghai Xuxie Hotel Management Co., Ltd.	中國 PRC 3 May 2015	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	房地產開發 Property development
上海豐旭置業有限公司 (「上海豐旭」) Shanghai Fengxu Property Co., Ltd. (“Shanghai Fengxu”)	中國 PRC 25 December 2014	45 (附註e) (note e)	45 (附註e) (note e)	註冊資本 人民幣220,000,000元 實繳資本 人民幣220,000,000元 Registered RMB220,000,000 paid up capital RMB220,000,000	中國 PRC	房地產開發 Property development
瀋陽旭全置業有限公司 Shengyeng Xuquan Property Co., Ltd.	中國 PRC 21 October 2014	100	100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development

**51. 主要附屬公司詳情(續)**

**51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)**

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017	2016			
		%	%			
上海同碩房地產發展有限公司 Shanghai Tongshuo Real Estate Development Co., Ltd.	中國 二零零五年二月一日 PRC 1 February 2005	100	100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development
上海欣博房地產有限公司 Shanghai Xinbo Real Estate Co., Ltd.	中國 二零零三年三月十三日 PRC 13 March 2003	100	100	註冊資本 人民幣80,000,000元 實繳資本 人民幣80,000,000元 Registered RMB80,000,000 paid up capital RMB80,000,000	中國 PRC	房地產開發 Property development
上海鑫辰置業發展有限公司 Shanghai Xinchen Property Development Co., Ltd.	中國 一九九八年四月十四日 PRC 14 April 1998	100	100	註冊資本 人民幣30,000,000元 實繳資本 人民幣30,000,000元 Registered RMB30,000,000 paid up capital RMB30,000,000	中國 PRC	房地產開發 Property development

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 51. 主要附屬公司詳情(續)

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES *(Continued)*

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日				經營地點 Place of operation	主要業務 Principal activities
		應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital			
		2017 %	2016 %				
上海新置建築工程有限公司 Shanghai Xinzhi Construction Co., Ltd.	中國 二零零五年七月二十日 PRC 20 July 2005	100	100	註冊資本 人民幣60,000,000元 實繳資本 人民幣60,000,000元 Registered RMB60,000,000 paid up capital RMB60,000,000	中國 PRC	物業建設 Property construction	
上海旭輝投資諮詢有限公司 Shanghai Xuhui Investment Advisory Co., Ltd.	中國 二零零六年十一月九日 PRC 9 November 2006	100	100	註冊資本 人民幣160,000,000元 實繳資本 人民幣160,000,000元 Registered RMB160,000,000 paid up capital RMB160,000,000	中國 PRC	投資控股 Investment holding	
上海旭美商業投資管理有限公司 Shanghai Xumei Business Investment Management Co., Ltd.	中國 二零一零年六月八日 PRC 8 June 2010	100	100	註冊資本 人民幣20,000,000元 實繳資本 人民幣20,000,000元 Registered RMB20,000,000 paid up capital RMB20,000,000	中國 PRC	物業管理 Property management	

**51. 主要附屬公司詳情(續)**

**51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)**

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017	2016			
		%	%			
上海旭創置業有限公司 Shanghai Xuchuang Property Co., Ltd.	中國 二零零七年九月十一日 PRC 11 September 2007	100	100	註冊資本 人民幣60,000,000元 實繳資本 人民幣60,000,000元 Registered RMB60,000,000 paid up capital RMB60,000,000	中國 PRC	房地產開發 Property development
上海旭匯置業有限公司 Shanghai Xuhui Property Co., Ltd.	中國 二零零九年十月十四日 PRC 14 October 2009	100	100	註冊資本 人民幣35,000,000元 實繳資本 人民幣35,000,000元 Registered RMB35,000,000 paid up capital RMB35,000,000	中國 PRC	房地產開發 Property development
上海旭通置業有限公司 Shanghai Xutong Property Co., Ltd.	中國 二零一二年八月八日 PRC 8 August 2012	100	100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 51. 主要附屬公司詳情(續)

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December				已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities			
		二零一七年 二零一六年									
		2017	2016	%	%						
<b>蘇州旭名置業有限公司</b>											
Suzhou Xu Ming Property Development Co., Ltd.	中國 PRC 29 May 2012	100	100	註冊資本 人民幣560,000,000元 實繳資本 人民幣560,000,000元 Registered RMB560,000,000 paid up capital RMB560,000,000	中國 PRC	中國 PRC	房地產開發 Property development				
<b>蘇州旭峰置業有限公司</b>											
Suzhou Xufeng Property Co., Ltd.	中國 PRC 22 February 2014	100	100	註冊資本 人民幣20,000,000元 實繳資本 人民幣20,000,000元 Registered RMB20,000,000 paid up capital RMB20,000,000	中國 PRC	中國 PRC	房地產開發 Property development				
<b>蘇州旭輝高科置業有限公司</b>											
Suzhou Xuhui High-Tech Property Co., Ltd.	中國 PRC 3 December 2009	100	100	註冊資本 人民幣649,000,000元 實繳資本 人民幣649,000,000元 Registered RMB649,000,000 paid up capital RMB649,000,000	中國 PRC	中國 PRC	房地產開發 Property development				
<b>蘇州旭輝置業有限公司</b>											
Suzhou Xuhui Property Co., Ltd.	中國 PRC 13 March 2007	100	100	註冊資本 人民幣140,000,000元 實繳資本 人民幣140,000,000元 Registered RMB140,000,000 paid up capital RMB140,000,000	中國 PRC	中國 PRC	房地產開發 Property development				

51. 主要附屬公司詳情(續)

51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES *(Continued)*

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December				已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities			
		二零一七年		二零一六年							
		2017	2016	%	%						
蘇州旭輝興騰置業有限公司 Suzhou Xuhui Xingpeng Property Co., Ltd.	中國 PRC 3 December 2009	100	100	註冊資本 人民幣191,000,000元 實繳資本 人民幣191,000,000元 Registered RMB191,000,000 paid up capital RMB191,000,000	註冊資本 人民幣191,000,000元 實繳資本 人民幣191,000,000元 Registered RMB191,000,000 paid up capital RMB191,000,000	中國 PRC	中國 PRC	房地產開發 Property development			
上海旭明置業有限公司 Shanghai Xuming Property Co., Ltd.	中國 PRC 28 December 2010	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	中國 PRC	房地產開發 Property development			
上海旭浦置業有限公司 Shanghai Xupu Property Co., Ltd.	中國 PRC 5 November 2003	100	100	註冊資本 人民幣30,000,000元 實繳資本 人民幣30,000,000元 Registered RMB30,000,000 paid up capital RMB30,000,000	註冊資本 人民幣30,000,000元 實繳資本 人民幣30,000,000元 Registered RMB30,000,000 paid up capital RMB30,000,000	中國 PRC	中國 PRC	房地產開發 Property development			
上海旭盛房地產經紀有限公司 Shanghai Xusheng Real Estate Agency Co., Ltd.	中國 PRC 27 November 2006	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	中國 PRC	房地產代理服務 Property agency service			

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 51. 主要附屬公司詳情(續)

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December				已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities			
		二零一七年 二零一六年									
		2017	2016	%	%						
上海旭豐房地產開發有限公司 Shanghai Xufeng Real Estate Development Co., Ltd.	中國 二零零五年一月二十五日 PRC 25 January 2005	100	100	註冊資本 人民幣80,000,000元 實繳資本 人民幣80,000,000元 Registered RMB80,000,000 paid up capital RMB80,000,000	註冊資本 人民幣80,000,000元 實繳資本 人民幣80,000,000元 Registered RMB80,000,000 paid up capital RMB80,000,000	中國 PRC	中國 PRC	房地產開發 Property development			
上海旭泰房地產有限公司 Shanghai Xutai Real Estate Co., Ltd.	中國 二零一零年十一月五日 PRC 5 November 2010	100	100	註冊資本 人民幣59,000,000元 實繳資本 人民幣59,000,000元 Registered RMB59,000,000 paid up capital RMB59,000,000	註冊資本 人民幣59,000,000元 實繳資本 人民幣59,000,000元 Registered RMB59,000,000 paid up capital RMB59,000,000	中國 PRC	中國 PRC	房地產開發 Property development			
上海永匯房地產開發有限公司 Shanghai Yonghui Real Estate Development Co., Ltd.	中國 二零零一年四月十八日 PRC 18 April 2001	100	100	註冊資本 人民幣8,000,000元 實繳資本 人民幣8,000,000元 Registered RMB8,000,000 paid up capital RMB8,000,000	註冊資本 人民幣8,000,000元 實繳資本 人民幣8,000,000元 Registered RMB8,000,000 paid up capital RMB8,000,000	中國 PRC	中國 PRC	房地產開發 Property development			
上海藝建建築設計諮詢有限公司 Shanghai Yijian Architectural Design & Consulting Co., Ltd.	中國 二零零二年八月十二日 PRC 12 August 2002	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	中國 PRC	諮詢服務 Consultancy services			

**51. 主要附屬公司詳情(續)**

**51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)**

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017	2016			
		%	%			
天津旭濱創意產業園管理有限公司 Tianjin Xu Bin Creative Industrial Park Managements Limited	中國 二零一二年七月二十五日 PRC 25 July 2012	100	100	註冊資本 20,000,000美元 實繳資本 20,000,000美元 Registered USD20,000,000 paid up capital USD20,000,000	中國 PRC	房地產開發 Property development
天津旭海房地產開發有限公司 Tianjin Xuhai Real Estate Development Co., Ltd.	中國 二零一一年八月五日 PRC 5 August 2011	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
武漢市旭潤投資諮詢有限公司 Wuhan Xurun Investment Advisory Co., Ltd.	中國 二零一四年五月二十九日 PRC 29 May 2014	100	100	註冊資本 人民幣500,000元 實繳資本 人民幣500,000元 Registered RMB500,000 paid up capital RMB500,000	中國 PRC	諮詢服務 Consultancy services
旭名(香港)有限公司 Xu Ming (HK) Limited	香港 二零一一年九月二十七日 Hong Kong 27 September 2011	100	100	法定資本10,000港元 實繳資本1港元 Authorised HK\$10,000 paid up capital HK\$1	香港 Hong Kong	投資控股 Investment holding

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 51. 主要附屬公司詳情(續)

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日				經營地點 Place of operation	主要業務 Principal activities
		應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital			
		二零一七年 2017	二零一六年 2016	%	%		
旭名有限公司 Xu Ming Limited	英屬處女群島 BVI 20 September 2011	100	100	註冊資本50,000美元 實繳資本1美元 Registered USD50,000 paid up capital USD1	註冊資本50,000美元 實繳資本1美元 Registered USD50,000 paid up capital USD1	香港 Hong Kong	投資控股 Investment holding
旭凱(上海)投資顧問有限公司 Consultant Co., Ltd.	中國 PRC 8 April 2005	100	100	註冊資本 人民幣20,000,000元 實繳資本 人民幣20,000,000元 Registered RMB20,000,000 paid up capital RMB20,000,000	註冊資本 人民幣20,000,000元 實繳資本 人民幣20,000,000元 Registered RMB20,000,000 paid up capital RMB20,000,000	中國 PRC	投資控股 Investment holding
浙江旭輝置業有限公司 Zhejiang Xuhui Property Co., Ltd.	中國 PRC 23 August 2006	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
鎮江市旭潤房地產開發有限公司 Zhenjiang City Xurun Real Estate Development Co., Ltd.	中國 PRC 19 July 2010	100	100	註冊資本 人民幣50,000,000元 實繳資本 人民幣50,000,000元 Registered RMB50,000,000 paid up capital RMB50,000,000	註冊資本 人民幣50,000,000元 實繳資本 人民幣50,000,000元 Registered RMB50,000,000 paid up capital RMB50,000,000	中國 PRC	房地產開發 Property development

**51. 主要附屬公司詳情(續)**

**51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES** (*Continued*)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December 二零一七年 二零一六年		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017 %	2016 %			
中石房地產開發有限公司 Zhongshi Real Estate Development Co., Ltd.	中國 二零零六年十一月十四日 PRC 14 November 2006	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
上海旭康置業有限公司 Shanghai Xukang Property Co., Ltd.	中國 二零一三年五月十日 PRC 10 May 2013	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
蘇州旭陽置業有限公司 Suzhou Xuyang Property Co., Ltd.	中國 二零一二年 十二月二十二日 PRC 22 December 2012	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development

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Notes to the Consolidated Financial Statements

### 51. 主要附屬公司詳情(續)

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權				已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		to the Group at 31 December		2017	2016			
		%	%					
北京旭輝德龍置業有限公司 Beijing Xuhui Delong Property Co., Ltd.	中國 二零一五年三月二日 PRC 2 March 2015	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000		中國 PRC		房地產開發 Property development
北京樂優富拓投資有限公司 Beijing Yueyou Futuo Investment Co., Ltd.	中國 二零一五年二月二十八日 PRC 28 February 2015	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000		中國 PRC		投資管理 Investment management
北京旭輝企業管理有限公司 Beijing Xuhui Business Management Co., Ltd.	中國 二零一五年二月二十八日 PRC 28 February 2015	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000		中國 PRC		投資管理 Investment management

**51. 主要附屬公司詳情(續)**

**51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)**

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December 二零一七年 二零一六年		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017	2016			
		%	%			
北京德順富興投資有限公司 Beijing Deshun Investment Co., Ltd.	中國 二零一五年四月八日 PRC 8 April 2015	55	55	註冊資本 人民幣20,000,000元 實繳資本 人民幣20,000,000元 Registered RMB20,000,000 paid up capital RMB20,000,000	中國 PRC	投資管理 Investment management
上海旭奕置業有限公司 Shanghai Xuyi Property Co., Ltd.	中國 二零一五年二月十六日 PRC 16 February 2015	75	75	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development
上海新安亭置業有限公司 Shanghai Xinanting Property Co., Ltd.	中國 二零零五年三月二十四日 PRC 24 March 2005	90	90	註冊資本 人民幣20,000,000元 實繳資本 人民幣20,000,000元 Registered RMB20,000,000 paid up capital RMB20,000,000	中國 PRC	房地產開發 Property development

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 51. 主要附屬公司詳情(續)

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		二零一七年 2017	二零一六年 2016			
		%	%			
南京寧康投資管理有限公司 Nanjing Ningkang Investment Management Co., Ltd.	中國 二零一五年五月七日 PRC 7 May 2015	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	投資及投資管理 Investment and investment management
蘇州旭高房地產開發有限公司 Suzhou Xugao Property Development Co., Ltd.	中國 二零一五年四月十四日 PRC 14 April 2015	100 (附註d) (note d)	-	註冊資本 240,000,000美元 實繳資本 240,000,000美元 Registered USD240,000,000 paid up capital USD240,000,000	中國 PRC	房地產開發 Property development
上海永磐實業有限公司 Shanghai Yongpan Enterprise Co., Ltd.	中國 二零一四年四月十四日 PRC 14 April 2014	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development

**51. 主要附屬公司詳情(續)**

**51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)**

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December 二零一七年 二零一六年		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017 %	2016 %			
上海旭度實業有限公司 Shanghai Xudu Enterprise Co., Ltd.	中國 二零一五年十一月四日 PRC 4 November 2015	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	房地產開發 Property development
上海友築實業有限公司 Shanghai Youzhu Enterprise Co., Ltd.	中國 二零一五年十一月六日 PRC 6 November 2015	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	房地產開發 Property development
上海友築實業有限公司 Shanghai Youzhu Enterprise Co., Ltd.	中國 二零一五年十一月六日 PRC 6 November 2015	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	房地產開發 Property development

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 51. 主要附屬公司詳情(續)

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017	2016			
		%	%			
天津旭元房地產資訊諮詢有限公司 Tianjin Xuyuan Real Estate Information Consulting Co., Ltd.	中國 二零一四年十月十日 PRC 10 October 2014	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	物業資訊諮詢 Property information consulting
天津旭輝企業管理有限公司 Tianjin Xuhui Business Management Co., Ltd.	中國 二零一五年五月二十日 PRC 20 May 2015	100	100	註冊資本 人民幣30,000,000元 實繳資本 人民幣30,000,000元 Registered RMB30,000,000 paid up capital RMB30,000,000	中國 PRC	房地產開發 Property development
天津旭唯房地產開發有限公司 Tianjin Xuwei Property Development Co., Ltd.	中國 二零一五年五月二十日 PRC 20 May 2015	100	100	註冊資本 人民幣30,000,000元 實繳資本 人民幣30,000,000元 Registered RMB30,000,000 paid up capital RMB30,000,000	中國 PRC	房地產開發 Property development

**51. 主要附屬公司詳情(續)**

**51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES** (*Continued*)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December				已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		二零一七年 二零一六年		2017	2016			
		%	%					
天津旭津房地產開發有限公司 Tianjin Xujing Property Development Co., Ltd.	中國 PRC 26 February 2013	100	100	註冊資本 人民幣103,000,000元 實繳資本 人民幣103,000,000元 Registered RMB103,000,000 paid up capital RMB103,000,000	註冊資本 人民幣103,000,000元 實繳資本 人民幣103,000,000元 Registered RMB103,000,000 paid up capital RMB103,000,000	中國 PRC	中國 PRC	房地產開發 Property development
瀋陽旭強商業管理有限公司 Shenyang Xuqiang Business Management Co., Ltd.	中國 PRC 1 January 2015	100	100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	中國 PRC	房地產開發 Property development
瀋陽旭盛企業管理有限公司 Shenyang Xusheng Business Management Co., Ltd.	中國 PRC 16 October 2015	100	100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	中國 PRC	企業管理 Business management

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 51. 主要附屬公司詳情(續)

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December 二零一七年 二零一六年		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017	2016			
		%	%			
南京旭寧房地產開發有限公司 Nanjing Xuning Real Estate Development Co., Ltd.	中國 二零一四年十二月二十六日 PRC 26 December 2014	100	100	註冊資本 人民幣20,000,000元 實繳資本 人民幣20,000,000元 Registered RMB20,000,000 paid up capital RMB20,000,000	中國 PRC	房地產開發 Property development
南京旭城房地產開發有限公司 Nanjing Xucheng Real Estate Development Co., Ltd.	中國 二零一四年十二月三十一日 PRC 31 December 2014	51	51	註冊資本 人民幣50,000,000元 實繳資本 人民幣50,000,000元 Registered RMB50,000,000 paid up capital RMB50,000,000	中國 PRC	房地產開發 Property development
南京寧博投資管理有限公司 Nanjing Ningbo Investment Management Co., Ltd.	中國 二零一五年五月七日 PRC 7 May 2015	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	投資及投資管理 Investment and investment management

**51. 主要附屬公司詳情(續)**

**51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)**

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017	2016			
		%	%			
蘇州旭嘉 Suzhou Xujia	中國 二零一五年一月五日 PRC 5 January 2015	50 (附註38) (note 38)	-	註冊資本 人民幣1,300,000,000元 實繳資本 人民幣1,300,000,000元 Registered RMB1,300,000,000 paid up capital RMB1,300,000,000	中國 PRC	房地產開發 Property development
南京寧卓投資管理有限公司 Nanjing Ningzhuo Investment Management Co., Ltd.	中國 二零一五年九月一日 PRC 1 September 2015	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	投資及投資管理 Investment and investment management
蘇州旭蘇投資諮詢有限公司 Suzhou Xusu Investment Advisory Co., Ltd.	中國 二零一五年一月二十九日 PRC 29 January 2015	100	100	註冊資本 人民幣500,000元 實繳資本 人民幣500,000元 Registered RMB500,000 paid up capital RMB500,000	中國 PRC	投資諮詢 Investment consultation

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 51. 主要附屬公司詳情(續)

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017	2016			
		%	%			
蘇州旭利投資諮詢有限公司 Suzhou Xuli Investment Advisory Co., Ltd.	中國 二零一四年 十二月二十五日 PRC 25 December 2014	100	100	註冊資本 人民幣500,000元 實繳資本 人民幣500,000元 Registered RMB500,000 paid up capital RMB500,000	中國 PRC	投資諮詢 Investment consultation
蘇州旭譜投資諮詢有限公司 Suzhou Xuxie Investment Advisory Co., Ltd.	中國 二零一五年一月二十九日 PRC 29 January 2015	100	100	註冊資本 人民幣500,000元 實繳資本 人民幣500,000元 Registered RMB500,000 paid up capital RMB500,000	中國 PRC	投資諮詢 Investment consultation
合肥旭榮置業有限公司 Hefei Xurong Property Co., Ltd.	中國 二零一五年五月五日 PRC 5 May 2015	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development

**51. 主要附屬公司詳情(續)**

**51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)**

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017	2016			
		%	%			
合肥旭輝企業管理有限公司 Hefei Xuhui Business Management Co., Ltd.	中國 PRC 18 May 2015	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	企業管理 Business management
杭州旭辰投資有限公司 Hangzhou Xuchen Investment Co., Ltd.	中國 PRC 5 January 2015	100	100	註冊資本 人民幣5,000,000元 實繳資本 人民幣5,000,000元 Registered RMB5,000,000 paid up capital RMB5,000,000	中國 PRC	房地產開發 Property development
杭州卓德投資管理有限公司 Hangzhou Zhoude Investment Management Co., Ltd.	中國 二零一四年 十二月二十八日 PRC 28 December 2014	100	100	註冊資本 人民幣100,000元 實繳資本 人民幣100,000元 Registered RMB100,000 paid up capital RMB100,000	中國 PRC	投資管理 Investment management

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 51. 主要附屬公司詳情(續)

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017	2016			
		%	%			
上海旭登實業有限公司 Shanghai Xudeng Enterprise Co., Ltd.	中國 二零一五年二月九日 PRC 9 February 2015	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	房地產開發 Property development
杭州旭輝置業有限公司 Hangzhou Xuhui Property Co., Ltd.	中國 二零一五年四月二十日 PRC 20 April 2015	100	100	註冊資本 人民幣5,000,000元 實繳資本 人民幣5,000,000元 Registered RMB5,000,000 paid up capital RMB5,000,000	中國 PRC	房地產開發 Property development
武漢旭輝企業管理有限公司 Wuhan Xuhui Business Management Co., Ltd.	中國 二零一五年七月十三日 PRC 13 July 2015	100	100	註冊資本 人民幣500,000元 實繳資本 人民幣500,000元 Registered RMB500,000 paid up capital RMB500,000	中國 PRC	投資諮詢公司 Investment consultancy corporation

**51. 主要附屬公司詳情(續)**

**51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES** (*Continued*)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017	2016			
		%	%			
武漢惠譽禦恒置業有限公司 Wuhan Huiyu Yuheng Property Co., Ltd.	中國 二零一二年八月二日 PRC 2 August 2012	55	55	註冊資本 人民幣200,000,000元 實繳資本 人民幣200,000,000元 Registered RMB200,000,000 paid up capital RMB200,000,000	中國 PRC	房地產開發 Property development
武漢旭程置業有限公司 Wuhan Xucheng Property Co., Ltd.	中國 二零一三年九月五日 PRC 5 September 2013	100	100	註冊資本 人民幣200,000,000元 實繳資本 人民幣200,000,000元 Registered RMB200,000,000 paid up capital RMB200,000,000	中國 PRC	房地產開發 Property development
上海旭涇置業有限公司 Shanghai Xujing Property Co., Ltd.	中國 二零一四年十月十一日 PRC 11 October 2014	50 (附註c) (note c)	-	註冊資本 人民幣4,200,000,000元 實繳資本 人民幣4,200,000,000元 Registered RMB4,200,000,000 paid up capital RMB4,200,000,000	中國 PRC	房地產開發 Property development

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 51. 主要附屬公司詳情(續)

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES *(Continued)*

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017	2016			
		%	%			
旭安有限公司 Xu An Co., Limited	英屬處女群島 二零一三年一月十七日 BVI 17 January 2013	50 (附註e) (note e)	50	註冊資本 50,000美元 實繳資本 2美元 Registered USD50,000 paid up capital USD2	中國 PRC	投資控股 Investment holding
上海旭弘置業有限公司 Shanghai Xuhong Property Co., Ltd.	中國 二零一三年 十二月二十日 PRC 20 December 2013	50 (附註e) (note e)	50	註冊資本 220,000,000美元 實繳資本 220,000,000美元 Registered USD220,000,000 paid up capital USD220,000,000	中國 PRC	房地產開發 Property development
杭州旭開置業有限公司 Hangzhou Xukai Property Co., Ltd.	中國 二零一三年 八月二十二日 PRC 22 August 2013	100	100	註冊資本 130,000,000美元 實繳資本 130,000,000美元 Registered USD130,000,000 paid up capital USD130,000,000	中國 PRC	房地產開發 Property development

**51. 主要附屬公司詳情(續)**

**51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)**

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日				經營地點 Place of operation	主要業務 Principal activities
		應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital			
		二零一七年 2017	二零一六年 2016	%	%		
湖南物華投資發展有限公司 Hunan Wuhua Investment Development Co., Ltd.	中國 二零一一年十一月二十八日 PRC 28 November 2011	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
旭安有限公司 Xu Zheng Co., Limited.	英屬處女群島 二零一二年 九月六日 BVI 6 September 2012	100	100	註冊資本 50,000美元 實繳資本 100美元 Registered USD50,000 paid up capital USD100	註冊資本 50,000美元 實繳資本 100美元 Registered USD50,000 paid up capital USD100	中國 PRC	投資控股 Investment holding
天津旭達 Tianjin Xuda	中國 二零一四年十二月八日 PRC 8 December 2014	100 (附註38) (note 38)	100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	投資控股 Investment holding
天津旭科 Tianjin Xuke	中國 二零一五年四月三日 PRC 3 April 2015	100 (附註38) (note 38)	100	註冊資本 人民幣700,000,000元 實繳資本 人民幣700,000,000元 Registered RMB700,000,000 paid up capital RMB700,000,000	註冊資本 人民幣700,000,000元 實繳資本 人民幣700,000,000元 Registered RMB700,000,000 paid up capital RMB700,000,000	中國 PRC	房地產開發 Property development

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 51. 主要附屬公司詳情(續)

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日				經營地點 Place of operation	主要業務 Principal activities
		應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation		
		二零一七年 2017	二零一六年 2016	%	%		
佛山華祥 Foshan Huaxiang	中國 二零零六年三月六日 PRC 6 March 2006	100 (附註38) PRC (note 38)	100 100 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	中國 PRC	房地產開發 Property development
佛山匯金 Foshan Huijin	中國 二零零五年十二月二十九日 PRC 29 December 2005	100 (附註38) PRC (note 38)	100 100 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	中國 PRC	房地產開發 Property development
武漢惠譽華天 Wuhan Huiyu Huatian	中國 二零一二年七月十九日 PRC 19 July 2012	100 (附註38) PRC (note 38)	100 100 人民幣20,000,000元 實繳資本 人民幣20,000,000元 Registered RMB20,000,000 paid up capital RMB20,000,000	註冊資本 人民幣20,000,000元 實繳資本 人民幣20,000,000元 Registered RMB20,000,000 paid up capital RMB20,000,000	中國 PRC	中國 PRC	房地產開發 Property development
青島銀盛泰嘉博 Qingdao Yingshengtai Jiabo	中國 二零一七年五月九日 PRC 9 May 2017	50 (附註38) PRC (note 38)	- 人民幣20,000,000.00元 實繳資本 人民幣20,000,000.00元 Registered RMB20,000,000.00 paid up capital RMB20,000,000.00	註冊資本 人民幣20,000,000.00元 實繳資本 人民幣20,000,000.00元 Registered RMB20,000,000.00 paid up capital RMB20,000,000.00	中國 PRC	中國 PRC	房地產開發 Property development

**51. 主要附屬公司詳情(續)**

**51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES** (*Continued*)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December 二零一七年 二零一六年		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017	2016			
		%	%			
濟南銀盛泰 Jinan Yinshengtai	中國 二零一五年七月三十日 PRC 30 July 2015	50 (附註38) (note 38)	-	註冊資本 人民幣10,000,000.00元 實繳資本 人民幣10,000,000.00元 Registered RMB10,000,000.00 paid up capital RMB10,000,000.00	中國 PRC	房地產開發 Property development
青島山海 Qingdao Shanhai	中國 二零一六年三月二十三日 PRC 23 March 2016	50 (附註38) (note 38)	-	註冊資本 人民幣20,000,000.00元 實繳資本 人民幣20,000,000.00元 Registered RMB20,000,000.00 paid up capital RMB20,000,000.00	中國 PRC	房地產開發 Property development
寧波旭昇置業有限公司 Ningbo Xuying Property Co., Ltd.	中國 二零一六年六月十三日 PRC 13 June 2016	70 (附註f) (note f)	100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development

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### 51. 主要附屬公司詳情(續)

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017	2016			
		%	%			
天津旭明房地產開發有限公司 Tianjin Xuming Enterprise Co., Ltd.	中國 PRC 二零一六年十二月七日 7 December 2016	100	100	註冊資本 人民幣30,000,000元 實繳資本 人民幣30,000,000元 Registered RMB30,000,000 paid up capital RMB30,000,000	中國 PRC	房地產開發 Property development
天津旭同房地產開發有限公司 Tianjin Xutong Real Estate Development Co., Ltd.	中國 PRC 二零一五年十一月二十五日 25 November 2015	100	100	註冊資本 人民幣30,000,000元 實繳資本 人民幣30,000,000元 Registered RMB30,000,000 paid up capital RMB30,000,000	中國 PRC	房地產開發 Property development
瀋陽金地順成房地產開發有限公司 Shenyang Jindi Shuncheng Property Development Co., Ltd.	中國 PRC 二零一五年十一月三日 3 November 2015	50 (附註e) (note e)	50	註冊資本 人民幣50,000,000元 實繳資本 人民幣50,000,000元 Registered RMB50,000,000 paid up capital RMB50,000,000	中國 PRC	房地產開發 Property development

**51. 主要附屬公司詳情(續)**

**51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)**

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017	2016			
		%	%			
瀋陽旭傑企業管理有限公司 Shenyang Xujie Business Management Co., Ltd.	中國 二零一五年十二月一日 PRC 1 December 2015	100	100	註冊資本 人民幣10,000,000元  實繳資本 人民幣10,000,000元  Registered RMB10,000,000  paid up capital RMB10,000,000	中國 PRC	企業管理 Business management
瀋陽旭騰企業管理有限公司 Shenyang Xuhui Business Management Co., Ltd.	中國 二零一五年十一月四日 PRC 4 November 2015	100	100	註冊資本 人民幣10,000,000元  實繳資本 人民幣10,000,000元  Registered RMB10,000,000  paid up capital RMB10,000,000	中國 PRC	企業管理 Business management
瀋陽輝能置業有限公司 Shenyang Huineng Property Co., Ltd.	中國 二零一六年三月十六日 PRC 16 March 2016	100	100	註冊資本 人民幣10,000,000元  實繳資本 人民幣10,000,000元  Registered RMB10,000,000  paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 51. 主要附屬公司詳情(續)

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017 %	2016 %			
武漢旭恒管理諮詢 有限公司 Wuhan Xuheng Management Consultancy Co., Ltd.	中國 二零一六年一月十一日 PRC 11 January 2016	100	100	註冊資本 人民幣500,000元 實繳資本 人民幣500,000元 Registered RMB500,000 paid up capital RMB500,000	中國 PRC	企業管理 Business management
合肥輝泰房地產開發 有限公司 Hefei Huitai Property Development Co., Ltd.	中國 二零一六年四月十五日 PRC 15 April 2016	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
重慶輝平房地產開發 有限公司 Chongqing Huiping Property Development Co., Ltd.	中國 二零一六年四月十四日 PRC 14 April 2016	100	100	註冊資本 人民幣8,000,000元 實繳資本 人民幣8,000,000元 Registered RMB8,000,000 paid up capital RMB8,000,000	中國 PRC	房地產開發 Property development
佛山輝泰昌房地產開發 有限公司 Foshan Huitaichang Property Development Co., Ltd.	中國 二零一六年五月十二日 PRC 12 May 2016	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development

51. 主要附屬公司詳情(續)

51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES *(Continued)*

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日				經營地點 Place of operation	主要業務 Principal activities
		應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital			
		二零一七年 2017	二零一六年 2016	%	%		
鄭州輝秀企業管理諮詢有限公司(附註) Zhengzhou Huixiu Business Management Consultancy Co., Ltd.	中國 PRC 15 April 2016	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC RMB100,000,000 paid up capital RMB100,000,000	企業管理 Business management	
北京輝拓置業有限公司 Beijing Huituo Property Co., Ltd.	中國 PRC 22 December 2016	33.4	-	註冊資本 人民幣50,000,000元 實繳資本 人民幣50,000,000元 Registered RMB50,000,000 paid up capital RMB50,000,000	中國 PRC RMB50,000,000 paid up capital RMB50,000,000	房地產開發 Property development	
重慶盛尊房地產開發有限公司 Chongqing Shengzun Property Development Co., Ltd.	中國 PRC 27 March 2017	100	-	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC RMB10,000,000 paid up capital RMB10,000,000	房地產開發 Property development	
武漢輝韻置業有限公司 Wuhan Huiyun Property Co., Ltd.	中國 PRC 6 December 2016	100	-	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC RMB10,000,000 paid up capital RMB10,000,000	房地產開發 Property development	

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Notes to the Consolidated Financial Statements

### 51. 主要附屬公司詳情(續)

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017 %	2016 %			
堆龍德慶智旭企業管理有限公司 Duilong Deqin Zhixu Business Management Co., Ltd.	中國 二零一六年十一月十六日 PRC 16 November 2016	100 (附註a) (note a)	-	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	企業管理 Business management
青島旭輝置業有限公司 Qingdao Xuhui Property Co., Ltd.	中國 二零一七年二月二十八日 PRC 28 February 2017	100 (附註a) (note a)	-	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development
合肥盛恩房地產開發有限公司 Hefei Shengen Property Development Co., Ltd.	中國 二零一七年三月二十四日 PRC 24 March 2017	67 (附註a) (note a)	-	註冊資本 人民幣20,000,000元 實繳資本 人民幣20,000,000元 Registered RMB20,000,000 paid up capital RMB20,000,000	中國 PRC	房地產開發 Property development
北京盛拓置業有限公司 Beijing Shengtuo Property Co., Ltd.	中國 二零一七年八月十日 PRC 10 August 2017	100 (附註a) (note a)	-	註冊資本 人民幣20,000,000元 實繳資本 人民幣20,000,000元 Registered RMB20,000,000 paid up capital RMB20,000,000	中國 PRC	房地產開發 Property development

**51. 主要附屬公司詳情(續)**

**51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)**

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日				經營地點 Place of operation	主要業務 Principal activities
		應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital			
		二零一七年 2017	2016	%	%		
嘉善盛誠置業有限公司 Jiashan Shengchen Property Co., Ltd.	中國 二零一七年七月十日 PRC 10 July 2017	100 (附註a) (note a)	-	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	中國 PRC	房地產開發 Property development
平湖盛平置業有限公司 Pinghu Shengping Property Co., Ltd.	中國 二零一七年八月二日 PRC 2 August 2017	100 (附註a) (note a)	-	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	中國 PRC	房地產開發 Property development
嘉善盛安置業有限公司 Jiashan Shengan Property Co., Ltd.	中國 二零一七年八月二十二日 PRC 22 August 2017	100 (附註a) (note a)	-	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	中國 PRC	房地產開發 Property development
南京輝煜企業管理有限公司 Nanjing Huiyu Business Management Co., Ltd.	中國 二零一六年十一月八日 PRC 8 November 2016	100 (附註a) (note a)	-	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	中國 PRC	業務發展 Business development

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Notes to the Consolidated Financial Statements

### 51. 主要附屬公司詳情(續)

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017	2016			
		%	%			
武漢盛全置業有限公司 Wuhan Shengquan Property Co., Ltd.	中國 二零一七年八月三日 PRC 3 August 2017	51 (附註a) (note a)	-	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
武漢旭祥置業有限公司 Wuhan Xuxiang Property Co., Ltd.	中國 二零一七年八月十四日 PRC 14 August 2017	51 (附註a) (note a)	-	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
河北盛韻房地產開發有限公司 Hebei Shengyun Property Development Co., Ltd.	中國 二零一七年四月十九日 PRC 19 April 2017	75 (附註a) (note a)	-	註冊資本 人民幣5,000,000元 實繳資本 人民幣5,000,000元 Registered RMB5,000,000 paid up capital RMB5,000,000	中國 PRC	房地產開發 Property development
大連盛拓房地產開發有限公司 Dalian Shengtuo Property Development Co., Ltd.	中國 二零一七年八月二日 PRC 2 August 2017	100 (附註a) (note a)	-	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development

51. 主要附屬公司詳情(續)

51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (*Continued*)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2017	2016			
		%	%			
合肥盛哲房地產開發有限公司 Hefei Shengzhe Property Development Co., Ltd.	中國 二零一七年八月一日 PRC 1 August 2017	51 (附註a) (note a)	-	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
杭州盛哲商務資訊諮詢有限公司 Hangzhou Shengzhe Business Consultancy Co., Ltd.	中國 二零一七年十一月二十八日 PRC 28 November 2017	100 (附註a) (note a)	-	註冊資本 人民幣100,000元 實繳資本 人民幣100,000元 Registered RMB100,000 paid up capital RMB100,000	中國 PRC	業務發展 Business development
溫州裕園房地產開發有限公司 Wenzhou Yuyuan Property Development Co., Ltd.	中國 二零一七年七月二十四日 PRC 24 July 2017	100 (附註a) (note a)	-	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development
湖南盛創房地產開發有限公司 Hunan Shengchuang Property Development Co., Ltd.	中國 二零一七年二月二十一日 PRC 21 February 2017	70 (附註a) (note a)	-	註冊資本 人民幣20,000,000元 實繳資本 人民幣20,000,000元 Registered RMB20,000,000 paid up capital RMB20,000,000	中國 PRC	房地產開發 Property development

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### 51. 主要附屬公司詳情(續)

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日				經營地點 Place of operation	主要業務 Principal activities
		應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital			
		2017 %	2016 %				
溫州佳盛置業有限公司 Wenzhou Jiasheng Property Co., Ltd.	中國 二零一七年八月四日 PRC 4 August 2017	100 (附註a) (note a)	-	註冊資本 人民幣29,412,000元 實繳資本 人民幣29,412,000元 Registered RMB29,412,000 paid up capital RMB29,412,000	中國 PRC	中國 PRC	房地產開發 Property development
蘇州市龍盈泰 Suzhou Longyingtai	中國 二零零六年十一月二日 PRC 2 November 2006	100 (附註38) (note 38)	-	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	中國 PRC	建設 Construction
合肥盛展 Hefei Shengzhan	中國 二零一七年三月九日 PRC 9 March 2017	100 (附註38) (note 38)	-	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	中國 PRC	房地產開發 Property development
安徽乾泰 Anhui Qiantai	中國 二零一七年三月十日 PRC 10 March 2017	30 (附註38) (note 38)	-	註冊資本 人民幣200,000,000元 實繳資本 人民幣200,000,000元 Registered RMB200,000,000 paid up capital RMB200,000,000	中國 PRC	中國 PRC	房地產開發 Property development

**51. 主要附屬公司詳情(續)**

**51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)**

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		應佔股權 Equity interest attributable to the Group at 31 December	%			
		二零一七年 2017	2016			
西安地聯 Xian Dilian	中國 二零一二年七月二日 PRC 2 July 2012	95 (附註38) (note 38)	-	註冊資本 人民幣48,000,000元 實繳資本 人民幣48,000,000元 Registered RMB48,000,000 paid up capital RMB48,000,000	中國 PRC	房地產開發 Property development
西安君都僑商 Xian Jundu Qiaoshang	中國 二零一一年五月二十六日 PRC 26 May 2011	70 (附註38) (note 38)	-	註冊資本 人民幣50,000,000元 實繳資本 人民幣50,000,000元 Registered RMB50,000,000 paid up capital RMB50,000,000	中國 PRC	業務發展 Business development
西安榮科 Xian Rongke	中國 二零一六年七月四日 PRC 4 July 2016	70 (附註38) (note 38)	-	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development
太原旭鳳房地產開發有限公司 Taiyuan Xuhuang Real Estate Development Co., Ltd.	中國 二零一七年八月十七日 PRC 17 August 2017	55 (附註a) (note a)	-	註冊資本 人民幣50,000,000元 實繳資本 人民幣50,000,000元 Registered RMB50,000,000 paid up capital RMB50,000,000	中國 PRC	房地產開發 Property development
東萬 Top Media	香港 二零一五年五月二十四日 HK 24 May 2015	100 (附註38) (note 38)	-	註冊資本 10,000港元 實繳資本 10,000港元 Registered HKD10,000 paid up capital HKD10,000	香港 HK	房地產開發 Property development

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### 51. 主要附屬公司詳情(續)

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities			
		應佔股權 Equity interest attributable to the Group at 31 December							
		二零一七年 2017	二零一六年 2016						
		%	%						
豐萬 Full Metro	香港 二零一五年五月二十日 HK 20 May 2015	100 (附註38) (note 38)	-	註冊資本 10,000港元 實繳資本 10,000港元 Registered HKD10,000 paid up capital HKD10,000	香港 HK	房地產開發 Property development			
杭州旭海置業有限公司 Hangzhou Xuhai Property Co., Ltd.	中國 二零一六年十月十九日 PRC 19 October 2016	30 (附註g) (note g)	100	註冊資本 人民幣66,666,000元 實繳資本 人民幣66,666,000元 Registered RMB66,666,000 paid up capital RMB66,666,000	中國 PRC	房地產開發 Property development			
蘇州輝煜置業有限公司 Suzhou Huiyu Property Co., Ltd.	中國 二零一六年七月七日 PRC 7 July 2016	50 (附註h) (note h)	100	註冊資本 人民幣1,000,000,000元 實繳資本 人民幣1,000,000,000元 Registered RMB1,000,000,000 paid up capital RMB1,000,000,000	中國 PRC	房地產開發 Property development			
瀋陽輝明置業有限公司 Shenyang Huiming Property Co., Ltd.	中國 二零一六年八月十七日 PRC 17 August 2016	70 (附註f) (note f)	100	註冊資本 人民幣15,000,000元 實繳資本 人民幣15,000,000元 Registered RMB15,000,000 paid up capital RMB15,000,000	中國 PRC	房地產開發 Property development			

**51. 主要附屬公司詳情(續)**

**51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES** (*Continued*)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		應佔股權 Equity interest attributable to the Group at 31 December	2017 %			
		二零一七年 二零一六年 2017 2016 %				
瀋陽輝羽置業有限公司 Shenyang Huiyu Property Co., Ltd.	中國 PRC 11 November 2016	50 (附註i) (note i)	100	註冊資本 人民幣203,000,000元 實繳資本 人民幣203,000,000元 Registered RMB203,000,000 paid up capital RMB203,000,000	中國 PRC	房地產開發 Property development
Coastwise	英屬處女群島 BVI 23 March 2015	50 (附註38) (note 38)	-	註冊資本2美元 實繳資本2美元 Registered USD2 paid up capital USD2	中國 PRC	房地產開發 Property development
東時 Eastime	英屬處女群島 BVI 2 January 2008	50 (附註38) (note 38)	-	註冊資本2美元 實繳資本2美元 Registered USD2 paid up capital USD2	中國 PRC	房地產開發 Property development

## 綜合財務報表附註

### Notes to the Consolidated Financial Statements

#### 51. 主要附屬公司詳情(續)

附註：

- a) 該等公司為於截至二零一七年十二月三十一日止年度新成立的附屬公司。
- b) 本集團於截至二零一七年十二月三十一日止年度收購該公司的額外37%股本權益。
- c) 該公司為Coastwise的附屬公司，由本集團於截至二零一七年十二月三十一日止年度新收購。
- d) 該公司為東時的附屬公司，由本集團於截至二零一七年十二月三十一日止年度新收購。
- e) 根據該公司的組織章程大綱及細則，該公司列賬為一間附屬公司，而該公司相關活動須經該公司董事會過半數董事同意。本集團有權委任該公司董事會一半以上的董事，故本集團對該公司有主導控制權，因此其被視為本集團的附屬公司。
- f) 於截至二零一七年十二月三十一日止年度，本集團以代價人民幣9,001,000元出售該公司的30%股權。
- g) 於截至二零一七年十二月三十一日止年度，本集團出售該公司的70%股權。根據該公司的組織章程大綱及細則，該公司列賬為一間附屬公司，而該公司相關活動須經股東大會過半數投票權同意。本公司於51%的股東大會投票權，故該公司被視為本集團的附屬公司。
- h) 於截至二零一七年十二月三十一日止年度，本集團以代價人民幣20,000,000元出售該公司的50%股權。根據該公司的組織章程大綱及細則，該公司列賬為一間附屬公司，而該公司相關活動須經董事會五分之三投票據同意，其中三名董事及兩名董事分別由本集團及其他股東提名。
- i) 於截至二零一七年十二月三十一日止年度，本集團以代價人民幣95,000,000元出售該公司的50%股權。根據該公司的組織章程大綱及細則，該公司列賬為一間附屬公司，而該公司相關活動須經董事會五分之三投票據同意，其中三名董事及兩名董事分別由本集團及其他股東提名。

#### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (*Continued*)

Notes:

- a) These companies are newly set up subsidiaries during the year ended 31 December 2017.
- b) The Group acquired additional 37% equity interest in the company during the year ended 31 December 2017.
- c) The company is a subsidiary of Coastwise that was newly acquired by the Group during the year ended 31 December 2017.
- d) The company is a subsidiary of Eastime that was newly acquired by the Group during the year ended 31 December 2017.
- e) The company is accounted for as a subsidiary as in accordance with the memorandum and articles of the company, relevant activities of the company require consent with more than half of the directors in the board of the company. The Group has the power to appoint more than half of the directors in the board of the company, thus the Group has dominant control of the company and thus it is regard as a subsidiary of the Group.
- f) The Group disposed 30% equity interest of the company at a consideration of RMB 9,001,000 during the year ended 31 December 2017.
- g) The Group disposed 70% equity interest of the company during the year ended 31 December 2017. The company is accounted for as a subsidiary as in accordance with the memorandum and articles of the company, relevant activities of the company require consent with more than half of voting rights of the board of the shareholders. The Group has 51% voting rights of the board of the shareholders, thus the company is regard as a subsidiary of the Group.
- h) The Group disposed 50% equity interest of the company at a consideration of RMB 20,000,000 during the year ended 31 December 2017. The company is accounted for as a subsidiary as in accordance with the memorandum and articles of the company, relevant activities were approval by three-fifths voting rights of the board of directors, of which three directors and two directors are nominated by the Group and other shareholder.
- i) The Group disposed 50% equity interest of the company at a consideration of RMB 95,000,000 during the year ended 31 December 2017. The company is accounted for as a subsidiary as in accordance with the memorandum and articles of the company, relevant activities were approval by three-fifths voting rights of the board of directors, of which three directors and two directors are nominated by the Group and other shareholder.

## 51. 主要附屬公司詳情(續)

上表列出董事認為主要影響年內業績或構成本集團資產淨值絕大部分的本公司附屬公司。董事認為列出其他附屬公司詳情會令篇幅過份冗長。

除旭輝中國已發行公司債券人民幣9,495,000,000元(本集團於當中並無權益)外，概無附屬公司於年末發行任何債務證券。

下表載列擁有重大非控股權益的本集團非全資附屬公司詳情：

擁有重大非控股權益的本集團非全資附屬公司詳情：

## 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year except for CIFI PRC which has issued RMB9,495 million of corporate bonds, in which the Group has no interest.

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

**Details of non-wholly owned subsidiaries that have material non-controlling interests:**

附屬公司名稱 Name of subsidiary	註冊成立地點 Place of incorporation	非控股權益 於十二月三十一日 所持有擁有權及 投票權比例					
		主要辦事處 地點 Principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests at 31 December		於十二月三十一日分配至非控股權益的利潤 Profit allocated to non-controlling interests at 31 December		於十二月三十一日累計的非控股權益 Accumulated non-controlling interests at 31 December
			二零一七年 2017	二零一六年 2016	二零一七年 2017	二零一六年 2016	
			百分比 %	百分比 %	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
Coastwise	英屬處女群島 BVI	中國 PRC	50 (附註) (note)	-	728,810	-	4,442,750
個別擁有非控股權益的非重大附屬公司 Individually immaterial subsidiaries with non-controlling interests					591,602	356,826	5,075,860
					1,320,412	356,826	9,518,610
							2,302,815

附註： 誠如附註4所披露，Coastwise由本集團及其他股東分別持有50%股權，且先前列賬為合營企業。於截至二零一七年十二月三十一日止年度，本集團與其他股東訂立補充協議。透過簽立補充協議，本集團能夠行使對Coastwise的控制權，而Coastwise成為本公司的附屬公司。有關詳情載於附註38(b)。

Note: As disclosed in note 4, Coastwise was 50% held by the Group and 50% held by the other shareholder, and was accounted for as a joint venture previously. During the year ended 31 December 2017, the Group entered into a supplemental agreement with the other shareholder. By execution of the supplemental agreement, the Group is able to exercise control over Coastwise and Coastwise became a subsidiary of the Company. Details of these are set out in note 38(b).

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 51. 主要附屬公司詳情(續)

Coastwise

### 51. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

Coastwise

		於二零一七年 十二月 三十一日 At 31 December 2017 人民幣千元 RMB'000
流動資產	Current assets	8,420,624
非流動資產	Non-current assets	8,130,721
流動負債	Current liabilities	3,244,914
非流動負債	Non-current liabilities	4,421,021
本公司擁有人應佔股本權益	Equity attributable to owners of the Company	4,442,705
Coastwise的非控股權益	Non-controlling interest of Coastwise	4,442,705

		截至 二零一七年 十二月 三十一日 止年度 Year ended 31 December 2017 人民幣千元 RMB'000
收入	Revenue	3,811,285
年內利潤及全面收入總額	Profit and total comprehensive income for the year	1,457,620
本集團應佔利潤	Profit attributable to the Group	728,810
Coastwise的非控股權益應佔利潤	Profit attributable to the non-controlling interests of Coastwise	728,810
年內利潤及全面收入總額	Profit and total comprehensive income for the year	1,457,620
已付Coastwise非控股權益的股息	Dividend paid to non-controlling interests of Coastwise	–
來自經營活動的現金流入淨額	Net cash inflow from operating activities	2,384,222
來自投資活動的現金流出淨額	Net cash outflow from investing activities	(1,352,311)
來自融資活動的現金流入淨額	Net cash inflow from financing activities	16,228
現金流入淨額	Net cash inflow	1,048,139

## 52. 報告期末後事項

- (a) 於二零一八年一月二十三日，本公司發行面值總額達300,000,000美元有擔保定期優先票據（「二零二三年到期票據」），以年利率5.5厘的定息計息（每半年期末支付利息），並將於二零二三年一月二十三日悉數償還。

二零二三年到期票據均於聯交所上市，為本公司無抵押優先責任，由本公司若干並非根據中國法律成立的現有附屬公司擔保。該等擔保實際從屬於各擔保方的其他有抵押承擔，惟以所抵押的資產價值為限。

- (b) 於二零一八年二月十四日，本公司根據一般授權發行本金總額2,790,000,000港元於二零一九年到期的零息有擔保可換股債券（「可換股債券」）。按每股股份9.30港元的初步轉換價計算，可換股債券可轉換為300,000,000股股份（「轉換股份」），相當於本公司於二零一八年一月二十六日的已發行股本約3.95%。

本公司已向新加坡證券交易所有限公司（「新交所」）申請將可換股債券於新交所上市，另本公司已向聯交所申請批准將轉換股份於聯交所上市及買賣。可換股債券由本公司若干附屬公司以同等權益方式作擔保，連同本公司於其現有債務下的責任。

本公司董事正在評估財務影響。

- (c) 於二零一八年一月十一日，旭輝中國（為本公司的全資附屬公司）；青島銀盛泰集團；姜女士；及任先生（即控制青島銀盛泰集團的最終實益擁有人）訂立合作協議，據此，旭輝中國（及透過本集團任何其他指定成員公司）建議收購目標公司（即青島銀盛泰房地產有限公司（「目標公司」）合共50%股本權益。本集團就收購目標公司50%股本權益的應付總代價將為人民幣1,519,810,000元。截至本報告日期，該項收購尚未完成。

## 52. EVENTS AFTER THE END OF THE REPORTING PERIOD

- (a) On 23 January 2018, the Company issued guaranteed fixed rate senior notes with aggregate nominal value of USD300,000,000 (the "2023 due Notes") which carry fixed interest of 5.5% per annum (interest payable semi-annually in arrears) and will be fully repayable by 23 January 2023.

The 2023 due Notes are listed on the Stock Exchange. They are unsecured, senior obligations of the Company and guaranteed by certain of the Company's existing subsidiaries, other than those organised under the laws of the PRC. The guarantees are effectively subordinated to the other secured obligations of each guarantor, to the extent of the value of assets serving as security.

- (b) On 14 February 2018, the Company issued zero coupon guaranteed convertible bonds under general mandate in an aggregate principal amount of HK\$2,790,000,000 (the "Convertible Bonds") due in 2019. Based on the initial conversion price of HK\$9.30 per share, the Convertible Bonds are convertible into 300,000,000 shares (the "Conversion Shares"), representing approximately 3.95% of the issued share capital of the Company as at 26 January 2018.

An application was made by the Company to the Singapore Exchange Securities Trading Limited ("SGX-ST") for the listing of the Convertible Bonds on the SGX-ST and an application was made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange. The Convertible Bonds are guaranteed by the some subsidiaries of the Company on a pari passu basis with the obligations of the Company under the existing indebtedness of the Company.

The director of the Company are at the process of assessing the financial impact.

- (c) On 11 January 2018, CIFI PRC (being the wholly owned subsidiary of the Company), Qingdao Yinshengtai Group, Ms. Jiang, and Mr. Ren (representing the ultimate beneficial owners controlling Qingdao Yinshengtai Group) entered into a cooperation agreement pursuant to which CIFI PRC (and through any other designated member of the Group) proposes to acquire an aggregate of 50% equity interest in a target company, namely Qingdao Yinshengtai Property Co., Ltd (the "Target Company"). The aggregate consideration payable by the Group for the acquisition of 50% equity interest in the Target Company will be RMB1,519,810,000. The acquisition is not completed up to the date of this report.

# 獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

**Deloitte.**

**德勤**

致旭輝控股(集團)有限公司各股東  
(於開曼群島註冊成立的有限公司)

## 意見

本核數師(以下簡稱「吾等」)已審計載列於第129至295頁旭輝控股(集團)有限公司(「貴公司」)及其附屬公司(合稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一六年十二月三十一日的綜合財務狀況表、截至該日止年度的綜合損益及其他全面收益表、綜合股本權益變動表、綜合現金流量表以及綜合財務報表附註，包括主要會計政策概要。

吾等認為，該等綜合財務報表均已按照國際財務報告準則(「國際財務報告準則」)的規定真實而中肯地反映 貴集團於二零一六年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現和綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

## 意見的基礎

吾等已根據香港會計師公會(「香港會計師公會」)頒布的香港審計準則(「香港審計準則」)進行審核。吾等於該等準則下承擔的責任已在本報告「核數師就審核綜合財務報表須承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的專業會計師道德守則(以下簡稱「守則」)，吾等獨立於 貴集團，並已履行守則中的其他專業道德責任。吾等相信，吾等所獲得的審計憑證充足及適當地為吾等的審計意見提供基礎。

**TO THE MEMBERS OF CIFI HOLDINGS (GROUP) CO. LTD.**  
(incorporated in the Cayman Islands with limited liability)

## OPINION

We have audited the consolidated financial statements of CIFI Holdings (Group) Co. Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 129 to 295, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR OPINION

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

**獨立核數師報告**  
INDEPENDENT AUDITOR'S REPORT

**關鍵審計事項**

關鍵事項是根據吾等的專業判斷，認為對本期綜合財務報表最為重要的事項。這些事項是在吾等審計整體綜合財務報表及出具意見時進行處理的。吾等不會對這些事項提供單獨的意見。

**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.

<b>關鍵審核事項 Key audit matters</b>	<b>吾等於審核中處理關鍵審核事項的方法 How our audit addressed the key audit matters</b>
<b>投資物業估值 Valuation of investment properties</b>	
由於管理層釐定公平值時須作出判斷，吾等將投資物業估值釐定為關鍵審核事項。	吾等評估投資物業估值適當性的程序包括： <ul style="list-style-type: none"><li>評估估值師的資歷、能力和客觀性；</li><li>透過比較 貴集團及市場的特定資料，瞭解估值師所用的估值技術及重大不可觀察輸入數據的合理性；</li><li>透過按抽樣形式將租金細節與相應現有租賃協議比較，評估估值師所提供之資料的完整性；及</li><li>重新對重大無法觀察輸入數據進行敏感度分析，以評估其浮動對投資物業公平值的影響。</li></ul>
貴集團的投資物業指位於中華人民共和國（「中國」）的購物商場及辦公室單位，於二零一六年十二月三十一日的賬面值為人民幣5,773,000,000元（佔 貴集團總資產的6.5%）。投資物業公平值變動人民幣100,000,000元已於截至該日止年度的綜合損益及其他全面收益表內確認。	We identified the valuation of investment properties as a key audit matter due to the management's judgements associated with determining the fair value. Our procedures in relation to assessing the appropriateness of the valuation of the investment properties included: <ul style="list-style-type: none"><li>Evaluating the Valuers' competence, capabilities and objectivity;</li><li>Obtaining an understanding from the Valuers about the valuation techniques and reasonableness of the significant unobservable inputs used by the Valuers by comparing to specific information of the Group and market;</li><li>Assessing the integrity of information provided by the Valuers by comparing details of rentals on a sample basis to the respective underlying existing lease agreements; and</li><li>Reperforming sensitivity analysis on the significant unobservable inputs to evaluate the fluctuations of their impacts on the fair values of the investment properties.</li></ul>
All of the Group's investment properties are stated at fair value based on valuations performed by independent qualified professional valuers not connected with the Group (the "Valuers"). Details of the valuation techniques and significant unobservable inputs used in the valuations are disclosed in note 14 in the consolidated financial statements. The valuations of the completed investment properties are dependent on certain significant unobservable inputs which involve management's judgements, including term yield, reversionary yield and market unit rental.	

關鍵審核事項 Key audit matters	吾等於審核中處理關鍵審核事項的方法 How our audit addressed the key audit matters
<b>擬作出售的開發中物業／持作出售物業的估值 Valuation of properties under development for sales and properties held for sales</b>	
由於可變現淨值(「可變現淨值」)涉及重大判斷及評估擬作出售的開發中物業(「擬作出售的開發中物業」)未來的完工成本，故吾等將 貴集團擬作出售的開發中物業及持作出售物業(「持作出售物業」)的估值釐定為關鍵審核事項。	吾等評估擬作出售的開發中物業及持作出售物業估值適當性的程序包括：
誠如財務狀況報表所披露， 貴集團於二零一六年十二月三十一日擁有擬作出售的開發中物業人民幣21,254,000,000元及持作出售物業人民幣6,829,000,000元(「物業」)，全部位於中國。	<ul style="list-style-type: none"> <li>根據吾等對 貴集團業務及中國房地產行業的瞭解，透過將可變現淨值與相同項目或可資比較物業所達至最近期市價比較，評估管理層按抽樣形式釐定物業可變現淨值的合理性；及</li> <li>透過評估管理層於過往期間所用估計流程的有效性核實管理層估計擬作出售的開發中物業完工成本時所用的開發中物業項目總預算成本評估，以釐定管理層方面是否有可能偏頗及評估支持管理層估計的判斷與假設的合理性。</li> </ul>
誠如綜合財務報表附註4所披露， 貴集團管理層藉參考物業估計市價釐定其可變現淨值，其中考慮多項因素，包括同一項目中同類物業或類似物業所達致的近期價格及中國房地產的當前及預期市況，以及按當時市況銷售物業所產生成本。	
倘物業可變現淨值低於其賬面值，則將物業賬面值將減至其可變現淨值。	
根據管理層對該等物業的可變現淨值分析，概無撇賬需求。	
We identified the valuation of the Group's properties under development for sales (the "PUD") and properties held for sales (the "PFS") as a key audit matter due to the significant judgements involved in the net realisable value ("NRV") and the estimation of future costs to completion of the PUD.	Our procedures in relation to assessing the appropriateness of the valuation of the PUD and PFS included:
As disclosed in the statement of financial position, the Group had PUD of RMB21,254 million and PFS of RMB6,829 million (the "Properties") as at 31 December 2016, all of which are situated in the PRC.	<ul style="list-style-type: none"> <li>Assessing the reasonableness of the NRV of the Properties that determined by management on a sample basis, by comparing the NRV to the latest market prices achieved in the same projects or by comparable properties, in accordance with our understanding of the Group's business and the real estate industry in the PRC; and</li> <li>Challenging the estimation of the total budget cost of the properties project under development used by managements in estimating the cost to completion of the PUD by evaluating the effectiveness of management's prior period estimation process to determine whether there is an indication of a possible bias on the part of management and to evaluate the reasonableness of judgements and assumptions supporting management estimates.</li> </ul>
As disclosed in note 4 to the consolidated financial statements, the management of the Group determined the NRV of the Properties by reference to the estimated market prices of the Properties, which takes into account a number of factors including recent prices achieved for similar property types in the same project or by similar properties, and the prevailing and forecasted real estate market conditions in the PRC and the costs to be incurred in selling the properties based in prevailing market conditions.	
If the NRV of the Properties are found to be lower than their carrying amounts, the carrying amounts of the Properties are reduced to their NRV.	
Based on management's analysis of the NRV of the Properties, no write-downs were considered to be necessary.	

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關鍵審核事項 Key audit matters	吾等於審核中處理關鍵審核事項的方法 How our audit addressed the key audit matters
<b>銷售物業已確認收入 Revenue recognised from sales of properties</b>	
由於收入確認於數量上對綜合損益及其他全面收入表而言屬重大且於釐定銷售物業收入的適當確認點時涉及判斷，因此吾等將其釐定為關鍵審核事項。	吾等有關評估釐定銷售物業收入的適當確認點所涉及判斷的程序包括：
誠如綜合財務報表附註3所披露，銷售物業的收入達到以下所披露的五項標準後予以確認：	<ul style="list-style-type: none"><li>• 瞭解並測試管理層對向買方交付物業程序的控制；及</li><li>• 以抽樣基準審閱買賣協議中列明的條款，並取得貴集團向買家發出的交付通知以評估是否達到綜合財務報表附註3「收入確認」披露的所有標準。</li></ul>
• 物業擁有權的重大風險及回報已轉移予買方；	
• 並無保留一般與擁有權有關的持續管理權或對物業的實際控制權；	
• 收入金額能夠可靠地計量；	
• 與交易相關的經濟利益很可能流入 貴集團；及	
• 有關交易所產生或將予產生的成本能夠可靠地計量。	
誠如綜合財務報表附註5所披露，截至二零一六年十二月三十一日止年度， 貴集團確認銷售物業收入人民幣20,713,000,000元。	
We identified revenue recognised from sales of properties as a key audit matter as it is quantitatively significant to the consolidated statement of profit or loss and other comprehensive income and there is judgement involved in determining the appropriate point at which to recognise revenue from sales of properties.	Our procedures in relation to revenue recognised from sales of properties included:
As disclosed in note 3 to the consolidated financial statements, revenue from sales of properties is recognised when all of the below five criteria are satisfied:	
<ul style="list-style-type: none"><li>• the significant risks and rewards of ownership of the properties are transferred to buyers;</li><li>• neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties are retained;</li><li>• the amount of revenue can be measured reliably;</li><li>• it is probable that the economic benefits associated with the transaction will flow to the Group; and</li><li>• the costs incurred or to be incurred in respect of the transaction can be measured reliably.</li></ul>	<ul style="list-style-type: none"><li>• Obtaining an understanding of and testing the management's control over the process of properties delivery to buyers; and</li><li>• Assessing the terms stated in the sales and purchase agreements, on a sample basis, and obtaining the delivery notices issued by the Group to the buyers to assess whether all the criteria as disclosed in note 3 "Revenue recognition" to the consolidated financial statements are satisfied.</li></ul>
The Group recognised revenue of RMB20,713 million from sales of properties for the year ended 31 December, 2016 as disclosed in note 5 in the consolidated financial statements.	

關鍵審核事項 Key audit matters	吾等於審核中處理關鍵審核事項的方法 How our audit addressed the key audit matters
<b>土地增值稅計算的準確性 Accuracy of land appreciation tax calculations</b> <p>由於估計 貴集團就各物業開發項目應付土地增值稅金額時須作出主要判斷，因此吾等將中國土地增值稅計算的準確性釐定為關鍵審核事項。</p> <p>當物業交付予買家且確認收入時將產生中國土地增值稅。誠如綜合財務報表附註9所披露，截至二零一六年十二月三十一日止年度，於綜合損益及其他全面收入表確認土地增值稅人民幣602百萬元。誠如綜合財務報表附註4所披露，土地增值稅的計算與所使用根據土地增值金額釐定的比率的適當性高度相關。土地增值金額由估計銷售收入所得減去相關可扣除支出(包括土地成本及估計建造成本)釐定。</p> <p>We identified the accuracy of land appreciation tax (LAT) calculations in the PRC as a key audit matter since significant judgement is required in estimating the amount of LAT to be paid by the Group within each of the property development projects.</p> <p>LAT arises in the PRC when properties are delivered to the buyers and revenue is recognised. As disclosed in note 9 to the consolidated financial statements, LAT amounted to RMB602 million is recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2016. As disclosed in note 4 to the consolidated financial statements, the LAT calculations are highly dependent on the appropriateness of the rates used, which are determined by the amount of the land appreciation. The amount of the land appreciation is determined by subtracting the related deductible expenditures, including the cost of land and estimated construction costs, from the estimates of sales revenue.</p>	<p>吾等有關土地增值稅計算準確性的程序包括：</p> <ul style="list-style-type: none"> <li>• 比較可扣除支出及最近期項目產生的預算成本，評估土地增值稅計算所使用數據的合理性；</li> <li>• 透過比較管理層於過往期間所作出的判斷與實際結果，評估彼等於估計土地增值金額及土地增值稅費用率時所採用的判斷；及</li> <li>• 委任本所稅務專家對各物業開發項目評估土地增值金額的準確性，並與中國國家稅務總局所公佈土地增值稅費用率進行比較，以評估各物業開發項目所使用土地增值稅費用率的合理性。</li> </ul> <p>Our procedures in relation to the accuracy of LAT calculations included:</p> <ul style="list-style-type: none"> <li>• Assessing the reasonableness of the input used in the LAT calculation by comparing the related deductible expenditure with the latest budgeted cost incurred for the project;</li> <li>• Assessing the judgement adopted by the management in estimating the land appreciation amount and the LAT charge rate by comparing their judgements made in previous periods to actual results; and</li> <li>• Involving our tax experts to assess the accuracy of the land appreciation amount for each of the property development projects, and to assess the reasonableness of the LAT charge rate used for each of the property development projects by comparing it to the LAT charge rate announced by the State Administration of Taxation in the PRC.</li> </ul>

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## INDEPENDENT AUDITOR'S REPORT

### 其他信息

貴公司董事需對其他信息負責。其他信息包括年度報告書內的所有信息，但不包括綜合財務報表及吾等就此發出的核數師報告。

吾等對綜合財務報表的意見並不涵蓋其他信息，吾等亦不對其他信息發表任何形式的審計結論。

就吾等對綜合財務報表的審計而言，吾等的責任是閱讀其他信息，從而考慮其他信息是否與綜合財務報表或吾等在審計過程中所瞭解的情況存在重大不符，或似存在重大錯誤陳述。基於吾等已執行的工作，倘吾等認為該其他信息存在重大錯誤陳述，則吾等需要報告該事實。吾等就此並無須報告事項。

### 董事及管治層就綜合財務報表須承擔的責任

貴公司董事須負責根據國際財務報告準則及香港公司條例擬備真實且中肯的綜合財務報表，並對其認為為使財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

管治層須負責監督 貴集團的財務報告過程。

### OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF THE DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## 核數師就審核綜合財務報表須承擔的責任

吾等的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得的合理保證，並根據協定的委聘條款僅向閣下（作為整體）出具包括吾等意見的核數師報告，除此之外本報告別無其他目的。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引致，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表作出的經濟決定，則有關錯誤陳述可被視作重大。

根據香港審計準則進行審計的過程中，吾等運用了專業判斷，保持了專業懷疑態度。吾等亦：

- 識別和評估由於欺詐或錯誤而導致重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致重大錯誤陳述的風險。
- 了解與審計相關的內部監控，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及所作會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴公司的持續經營能力產生重大疑慮。如果吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關披露不足，則吾等應當發表非無保留意見。吾等的結論乃基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

## 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 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.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism 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.

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- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映有關交易和事項。
- 就 貴集團內實體或業務活動的財務資料獲取充分、適當的審核憑證，以對綜合財務報表發表意見。吾等負責指導、監督和執行 貴集團的審核。吾等對審核意見承擔全部責任。

除其他事項外，吾等與管治層溝通了計劃的審計範圍、時間安排及重大審計發現等，包括吾等於審計中識別出內部控制的任何重大缺陷。

吾等還向管治層提交聲明，說明吾等已符合有關獨立性的相關職業道德要求，並與他們溝通有合理地被認為會影響吾等獨立性的關係及其他事項，以及在適用的情況下，相關的防範措施。

從與管治層溝通的事項中，吾等確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審核事項。吾等在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在吾等報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

本獨立核數師報告的審核項目合夥人為羅遠江。

**德勤 • 關黃陳方會計師行**  
執業會計師  
香港

二零一七年三月八日

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Law Yuen Kong.

**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong

8 March 2017

# 綜合損益及其他全面收益表

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

截至二零一六年十二月三十一日止年度 For the year ended 31 December 2016

		附註 NOTES	二零一六年 2016	二零一五年 2015
			人民幣千元 RMB'000	人民幣千元 RMB'000
<b>收入</b>	<b>Revenue</b>	5	<b>22,224,447</b>	18,230,788
銷售及服務成本	Cost of sales and services		(16,578,838)	(14,087,196)
<b>毛利</b>	<b>Gross profit</b>		<b>5,645,609</b>	4,143,592
其他收入、收益及虧損	Other income, gains and losses	7	<b>161,834</b>	541,660
投資物業公平值變動	Change in fair value of investment properties		(100,433)	128,100
營銷及市場推廣開支	Selling and marketing expenses		(524,456)	(370,910)
行政開支	Administrative expenses		(878,878)	(607,355)
應佔合營企業業績	Share of results of joint ventures		<b>1,007,416</b>	205,533
應佔聯營公司業績	Share of results of associates		<b>55,324</b>	(32,908)
融資成本	Finance costs	8	(529,651)	(202,885)
<b>除稅前利潤</b>	<b>Profit before taxation</b>		<b>4,836,765</b>	3,804,827
<b>所得稅開支</b>	<b>Income tax expense</b>	9	(1,672,390)	(1,334,039)
<b>年內利潤及全面收入總額</b>	<b>Profit and total comprehensive income for the year</b>	10	<b>3,164,375</b>	2,470,788
以下各項應佔：	Attributable to:			
本公司股東權益	Equity owners of the Company		<b>2,807,549</b>	2,095,464
永久資本工具擁有人	Owners of perpetual capital instruments		—	38,030
其他非控股權益	Other non-controlling interests		<b>356,826</b>	337,294
			<b>356,826</b>	375,324
<b>年內利潤及全面收入總額</b>	<b>Profit and total comprehensive income for the year</b>		<b>3,164,375</b>	2,470,788
<b>每股盈利(人民幣元)：</b>	<b>Earnings per share, in RMB:</b>			
<b>基本</b>	<b>Basic</b>	13	<b>0.42</b>	0.32
<b>攤薄</b>	<b>Diluted</b>	13	<b>0.42</b>	0.32

# 綜合財務狀況表

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零一六年十二月三十一日 At 31 December 2016

		附註 NOTES	二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
<b>非流動資產</b>	<b>NON-CURRENT ASSETS</b>			
投資物業	Investment properties	14	<b>5,773,100</b>	5,842,300
物業、廠房及設備	Property, plant and equipment	15	<b>75,783</b>	48,604
預付租賃款項	Prepaid lease payments	16	<b>32,742</b>	32,742
於聯營公司的權益	Interests in associates	17	<b>1,334,453</b>	588,620
於合營企業的權益	Interests in joint ventures	18	<b>7,504,466</b>	7,109,797
於房地產項目的投資	Investments in property projects	19	<b>529,225</b>	—
可供出售投資	Available-for-sale investments	20	<b>740,976</b>	54,023
衍生金融工具	Derivative financial instruments	21	<b>314,768</b>	—
遞延稅項資產	Deferred taxation assets	36	<b>319,795</b>	286,753
就收購股權已付的按金	Deposits paid for acquisitions of equity interests	22	<b>622,213</b>	—
長期保證金	Long-term deposit	23	<b>300,000</b>	—
			<b>17,547,521</b>	13,962,839
<b>流動資產</b>	<b>CURRENT ASSETS</b>			
持作出售物業	Properties held for sale	24	<b>6,829,221</b>	6,917,170
擬作出售的開發中物業	Properties under development for sale	25	<b>21,254,355</b>	20,167,382
應收賬款及其他應收款項、按金及預付款項	Accounts and other receivables, deposits and prepayments	26	<b>9,625,149</b>	5,711,469
應收非控股權益款項	Amounts due from non-controlling interests	27	<b>2,387,678</b>	831,339
應收合營企業及聯營公司的款項	Amounts due from joint ventures and associates	28	<b>4,620,932</b>	2,593,242
持作出售物業土地使用權按金	Deposits for land use rights for properties held for sale		<b>4,373,075</b>	1,818,236
可收回稅項	Taxation recoverable		<b>812,197</b>	544,851
按公平值計入損益的金融資產	Financial assets at fair value through profit or loss ("FVTPL")	29	<b>352,829</b>	—
已質押銀行存款	Pledged bank deposits	30	<b>348,855</b>	31,500
銀行結餘及現金	Bank balances and cash	30	<b>20,328,397</b>	14,873,736
			<b>70,932,688</b>	53,488,925
<b>流動負債</b>	<b>CURRENT LIABILITIES</b>			
應付賬款及其他應付款項以及應計開支	Accounts and other payables, and accrued charges	31	<b>7,854,327</b>	7,319,089
已收物業銷售按金	Deposits received from property sales		<b>15,391,289</b>	10,396,275
應付非控股權益款項	Amounts due to non-controlling interests	27	<b>965,649</b>	995,208
應付合營企業及聯營公司的款項	Amounts due to joint ventures and associates	28	<b>14,419,441</b>	6,895,062
應付稅項	Taxation payable		<b>1,838,829</b>	1,334,245
銀行及其他借款(於一年內到期)	Bank and other borrowings – due within one year	32	<b>2,367,536</b>	2,793,500
公司債券(於一年內到期)	Corporate bonds – due within one year	34	<b>2,088,970</b>	—
			<b>44,926,041</b>	29,733,379
<b>流動資產淨值</b>	<b>NET CURRENT ASSETS</b>		<b>26,006,647</b>	23,755,546
<b>總資產減流動負債</b>	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>43,554,168</b>	37,718,385

			二零一六年 <b>2016</b>	二零一五年 2015
			附註 NOTES	人民幣千元 <b>RMB'000</b>
<b>資本及儲備</b>	<b>CAPITAL AND RESERVES</b>			
股本	Share capital	35	<b>542,797</b>	537,157
儲備	Reserves		<b>14,437,365</b>	12,289,940
本公司股東權益	Equity attributable to equity owners of the Company		<b>14,980,162</b>	12,827,097
應佔股本權益				
非控股權益	Non-controlling interests		<b>2,302,851</b>	2,456,065
<b>股本權益總額</b>	<b>TOTAL EQUITY</b>		<b>17,283,013</b>	15,283,162
<b>非流動負債</b>	<b>NON-CURRENT LIABILITIES</b>			
銀行及其他借款(於一年後到期)	Bank and other borrowings – due after one year	32	<b>11,199,111</b>	8,864,403
優先票據	Senior notes	33	<b>5,683,011</b>	8,275,958
公司債券(於一年後到期)	Corporate bonds – due after one year	34	<b>8,052,498</b>	4,021,032
遞延稅項負債	Deferred taxation liabilities	36	<b>1,336,535</b>	1,273,830
			<b>26,271,155</b>	22,435,223
			<b>43,554,168</b>	37,718,385

第129至295頁的綜合財務報表已於二零一七年三月八日獲董事會批准及授權刊發，並由下列人士代表簽署：

The consolidated financial statements on pages 129 to 295 were approved and authorised for issue by the Board of directors on 8 March 2017 and are signed on its behalf by:

林中  
董事

林峰  
董事

**LIN ZHONG**  
*DIRECTOR*

**LIN FENG**  
*DIRECTOR*

# 綜合股本權益變動表

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二零一六年十二月三十一日止年度 For the year ended 31 December 2016

本公司股東權益應佔 Attributable to equity owners of the Company													
	股本 Share capital	股份溢價 Share premium	其他儲備 and other reserve	法定 Statutory surplus	盈餘儲備 Share option reserve	出資儲備 Capital contribution	保留利潤 Retained profits	小計 Subtotal	永久 資本工具 Perpetual instruments	Non- controlling interests	小計 Subtotal	總計 Total	
	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	
	(附註c) (Note c)												
於二零一五年一月一日	At 1 January 2015	487,896	826,202	202,284	736,268	98,155	37,468	7,816,776	10,205,049	585,710	792,159	1,377,869	11,582,918
年內利潤及全面收入總額	Profit and total comprehensive income for the year	-	-	-	-	-	-	2,095,464	2,095,464	38,030	337,294	375,324	2,470,788
轉撥至儲備	Appropriations to reserve	-	-	-	108,792	-	-	(108,792)	-	-	-	-	-
非控股權益出資	Capital contributions from non-controlling interests	-	-	-	-	-	-	-	-	173,496	173,496	173,496	173,496
收購附屬公司(附註37)	Acquisition of subsidiaries (Note 37)	-	-	-	-	-	-	-	-	1,166,952	1,166,952	1,166,952	1,166,952
向非控股權益出售附屬公司 部分權益(附註38c)	Disposal of partial interests in subsidiaries to non-controlling interests (Note 38c)	-	-	-	-	-	-	-	-	(13,836)	(13,836)	(13,836)	(13,836)
確認以股本權益結算並以 股份付款	Recognition of equity-settled share based payments	-	-	-	-	47,898	1,972	-	49,870	-	-	-	49,870
行使購股權時發行股份 (附註35)	Issue of shares upon exercise of share options (Note 35)	593	11,384	-	-	(2,428)	-	-	9,549	-	-	-	9,549
發行股份以配售股份(附註35)	Issue of shares for share placement (Note 35)	47,280	980,272	-	-	-	-	-	1,027,552	-	-	-	1,027,552
就以股代息發行股份(附註35)	Issue of shares for scrip dividend (Note 35)	10,430	226,538	-	-	-	-	-	236,968	-	-	-	236,968
購回股份時註銷(附註35)	Cancelled upon repurchase of shares (Note 35)	(9,042)	(95,179)	-	-	-	-	-	(104,221)	-	-	-	(104,221)
贖回永久資本工具(附註d)	Redemption of perpetual capital instrument (Note d)	-	-	-	-	-	-	-	-	(585,710)	-	(585,710)	(585,710)
分派予永久資本工具擁有人	Distribution to owners of perpetual capital instruments	-	-	-	-	-	-	-	-	(38,030)	-	(38,030)	(38,030)
已宣派股息(附註12)	Dividend declared (Note 12)	-	(693,134)	-	-	-	-	-	(693,134)	-	-	-	(693,134)
於二零一五年十二月三十一日	At 31 December 2015	537,157	1,256,083	202,284	845,060	143,625	39,440	9,803,448	12,827,097	-	2,456,065	2,456,065	15,283,162
年內利潤及全面收入總額	Profit and total comprehensive income for the year	-	-	-	-	-	-	2,807,549	2,807,549	-	356,826	356,826	3,164,375
轉撥至儲備	Appropriations to reserve	-	-	-	183,864	-	-	(183,864)	-	-	-	-	-
非控股權益出資	Capital contributions from non-controlling interests	-	-	-	-	-	-	-	-	64,900	64,900	64,900	64,900
收購附屬公司(附註37)	Acquisition of subsidiaries (Note 37)	-	-	-	-	-	-	-	-	89,267	89,267	89,267	89,267
收購非控股股東附屬公司 額外權益(附註a)	Acquisition of additional interests in subsidiaries from non-controlling interests (Note a)	-	-	19,586	-	-	-	19,586	-	(80,164)	(80,164)	(80,164)	(80,164)
向非控股權益出售附屬公司 部分權益(附註b)	Disposal of partial interests in subsidiaries to non-controlling interests (Note b)	-	-	29,858	-	-	-	29,858	-	16,142	16,142	16,142	16,142
一間附屬公司撤銷註冊	Deregistration of a subsidiary	-	-	-	-	-	-	-	-	2,065	2,065	2,065	2,065
確認以股本權益結算並以 股份付款	Recognition of equity-settled share based payments	-	-	-	-	47,971	-	-	47,971	-	-	-	47,971
行使購股權時發行股份 (附註35)	Issue of shares upon exercise of share options (Note 35)	4,073	79,708	-	-	(17,846)	-	-	65,935	-	-	-	65,935
就以股代息發行股份(附註35)	Issue of shares for scrip dividend (Note 35)	3,384	56,445	-	-	-	-	-	59,829	-	-	-	59,829
購回股份時註銷(附註35)	Cancelled upon repurchase of shares (Note 35)	(1,817)	(21,517)	-	-	-	-	-	(23,334)	-	-	-	(23,334)
已宣派股息(附註12)	Dividend declared (Note 12)	-	(854,329)	-	-	-	-	-	(854,329)	-	-	-	(854,329)
派發予非控股權益的股息	Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(602,250)	(602,250)	(602,250)	(602,250)
於二零一六年十二月三十一日	At 31 December 2016	542,797	516,390	251,728	1,028,924	173,750	39,440	12,427,133	14,980,162	-	2,302,851	2,302,851	17,283,013

附註：

- a) 於二零一六年三月十日，本集團以代價人民幣27,578,000元向非控股股東收購上海新安亭置業有限公司(「上海新安亭」)39%額外權益。於完成上述收購後，本集團持有上海新安亭90%股本權益。
- 於二零一六年五月二十三日，本集團以代價人民幣33,000,000元向非控股股東收購湖南物華投資發展有限公司(「湖南物華」)33%額外權益。於完成上述收購後，本集團持有湖南物華全部股本權益。
- 於收購日期的已付代價與於上海新安亭及湖南物華所收購股權應佔非控股權益賬面值的差額人民幣19,586,000元獲確認為股權。
- b) 於二零一六年一月八日，本集團以代價人民幣9,000,000元向非控股股東出售北京德順富興投資有限公司(「北京德順」)45%股權，但並無失去對北京德順的控制權。於出售日期的已收代價與北京德順的已售出權益應佔非控股權益賬面值變動的差額人民幣324,000元獲確認為股權。於上述出售完成後，本集團持有北京德順55%股本權益。
- 於二零一六年十一月十七日，本集團以代價人民幣37,000,000元向非控股股東出售合肥旭遠房地產開發有限公司(「合肥旭遠」)37%股權，但並無失去對合肥旭遠的控制權。於出售日期的已收代價與合肥旭遠的已售出權益應佔非控股權益賬面值變動的差額人民幣29,534,000元獲確認為股權。於上述出售完成後，本集團持有合肥旭遠63%股本權益。
- c) 根據於中國成立的所有附屬公司的組織章程細則，該等附屬公司須轉撥5%至10%除稅後利潤至法定盈餘儲備，直至該儲備達到註冊資本的50%。轉撥至此儲備須於向股本權益持有人分派股息前作出。法定盈餘儲備可用作彌補過往年度的虧損、擴充現時經營的業務或轉換為附屬公公司的額外資本。
- d) 截至二零一五年十二月三十一日止年度，本集團已購回面值為人民幣585,710,000元的全部永久資本工具。
- Notes:
- a) On 10 March 2016, the Group acquired additional 39% equity interest in Shanghai Xinanting Property Co., Ltd. (上海新安亭置業有限公司) ("Shanghai Xinanting") from the non-controlling shareholder at a consideration of RMB27,578,000. Upon completion of the aforesaid acquisition, the Group holds 90% equity interest in Shanghai Xinanting.
- On 23 May 2016, the Group acquired additional 33% equity interest in Hunan Wuhua Investment Development Co., Ltd. (湖南物華投資發展有限公司) ("Hunan Wuhua") from the non-controlling shareholder at a consideration of RMB33,000,000. Upon completion of the aforesaid acquisition, the Group holds 100% equity interest in Hunan Wuhua.
- The differences between the consideration paid and the carrying amount of the non-controlling interests attributable to the acquired interests in Shanghai Xinanting and Hunan Wuhua at the date of acquisition amounted to RMB19,586,000 were recognised in equity.
- b) On 8 January 2016, the Group disposed of 45% equity interest in Beijing Deshun Fuxing Investment Co., Ltd. (北京德順富興投資有限公司) ("Beijing Deshun") to the non-controlling shareholder at a consideration of RMB9,000,000, without loss of control over Beijing Deshun. The difference between the consideration received and the change in the carrying amount of the non-controlling interest attributable to the disposed interest in Beijing Deshun at the date of disposal amounted to RMB324,000 was recognised in equity. Upon completion of the aforesaid disposal, the Group holds 55% equity interest in Beijing Deshun.
- On 17 November 2016, the Group disposed of 37% equity interest in Hefei Xuyuan Property Development Co., Ltd. (合肥旭遠房地產開發有限公司) ("Hefei Xuyuan") to the non-controlling shareholder at a consideration of RMB37,000,000, without loss of control over Hefei Xuyuan. The difference between the consideration received and the change in the carrying amount of the non-controlling interest attributable to the disposed interest in Hefei Xuyuan at the date of disposal amounted to RMB29,534,000 was recognised in equity. Upon completion of the aforesaid disposal, the Group holds 63% equity interest in Hefei Xuyuan.
- In accordance with the Articles of Association of all subsidiaries established in the PRC, those subsidiaries are required to transfer 5% to 10% of the profit after taxation to the statutory surplus reserve until the reserve reaches 50% of the registered capital. Transfer to reserve must be made before the distribution of dividends to equity holders. The statutory surplus reserve can be used to make up for previous years' losses, expand the existing operations or convert into additional capital of the subsidiaries.
- During the year ended 31 December 2015, the Group had repurchased all perpetual capital instruments with nominal amount of RMB585,710,000.

# 綜合現金流量表

## CONSOLIDATED STATEMENT OF CASH FLOWS

截至二零一六年十二月三十一日止年度 For the year ended 31 December 2016

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
<b>經營活動</b>	<b>OPERATING ACTIVITIES</b>		
除稅前利潤	Profit before taxation	<b>4,836,765</b>	3,804,827
就以下各項作出調整：	Adjustments for:		
融資成本	Finance costs	<b>529,651</b>	202,885
(撥回)呆賬撥備	(Write-back of) allowance for doubtful debts	<b>(2,598)</b>	2,573
物業、廠房及設備折舊	Depreciation of property, plant and equipment	<b>15,950</b>	18,280
衍生金融工具公平值變動	Change in fair value of derivative financial instruments	<b>(314,768)</b>	–
按公平值計入損益的金融資產變動	Change in fair value of financial asset at FVTPL	<b>(33,356)</b>	–
投資物業的公平值減少(增加)	Decrease (increase) in fair value of investment properties	<b>100,433</b>	(128,100)
重新計量收益	Gain on remeasurement	<b>(38,283)</b>	(166,498)
業務合併的收益	Gain from business combinations	<b>(33,867)</b>	(76,770)
出售附屬公司虧損(收益)	Loss (gain) on disposal of subsidiaries	<b>4,242</b>	(219,296)
視作出售附屬公司虧損	Loss on deemed disposal of subsidiaries	<b>211</b>	–
出售預付租賃款項收益	Gain on disposal of prepaid lease payments	<b>–</b>	(60,097)
出售物業、廠房及設備的虧損 (收益)淨額	(Gain) loss on disposal of property, plant and equipment, net	<b>(219)</b>	216
提早贖回優先票據虧損	Loss on early redemption of senior notes	<b>182,263</b>	–
應佔合營企業業績	Share of results of joint ventures	<b>(1,007,416)</b>	(205,533)
應佔聯營公司業績	Share of results of associates	<b>(55,324)</b>	32,908
利息收入	Interest income	<b>(232,184)</b>	(97,372)
可供出售投資股息收入	Dividend income from available-for-sale investments	<b>–</b>	(3,628)
確認以股本權益結算並以股份付款	Recognition of equity-settled share based payments	<b>47,971</b>	49,870
外匯虧損淨額	Net foreign exchange loss	<b>459,657</b>	302,127
營運資金變動前經營現金流量	Operating cash flows before movements in working capital	<b>4,459,128</b>	3,456,392
持作出售物業減少	Decrease in properties held for sale	<b>15,455,399</b>	12,265,516
擬作出售的開發中物業增加	Increase in properties under development for sale	<b>(11,658,253)</b>	(9,433,955)
應收賬款及其他應收款項、 按金及預付款項(增加)減少	(Increase) decrease in accounts and other receivables, deposits and prepayments	<b>(3,387,669)</b>	1,956,855
持作出售物業土地使用權按金增加	Increase in deposits for land use rights for properties held for sale	<b>(4,238,075)</b>	(1,721,298)
按公平值計入損益的金融資產增加	Increase in financial assets at FVTPL	<b>(319,473)</b>	–
應付賬款及應計開支增加(減少)	Increase (decrease) in accounts payables and accrued charges	<b>393,852</b>	(328,872)
已收物業銷售按金增加(減少)	Increase (decrease) in deposits received from property sales	<b>4,665,374</b>	(58,204)
經營所得現金	Cash generated from operations	<b>5,370,283</b>	6,136,434
已付中國所得稅	PRC income tax paid	<b>(1,412,737)</b>	(1,882,189)
<b>經營活動所得現金淨額</b>	<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>3,957,546</b>	4,254,245

		附註 NOTES	二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
<b>投資活動</b>	<b>INVESTING ACTIVITIES</b>			
就收購股權支付的按金	Deposits paid for acquisitions of equity interests	(622,213)	–	–
向合營企業及聯營公司墊款	Advances to joint ventures and associates	(3,732,861)	(2,565,542)	
合營企業及聯營公司還款	Repayment from joint ventures and associates	1,718,645	1,013,954	
向非控股權益墊款	Advances to non-controlling interests	(2,075,345)	(726,635)	
償還非控股權益	Repayment from non-controlling interests	519,006	–	–
添置投資物業	Additions to investment properties	(31,233)	(494,101)	
購買物業、廠房及設備	Purchase of property, plant and equipment	(49,642)	(15,444)	
出售物業、廠房及設備所得款項	Proceeds from disposal of property, plant and equipment	3,641	1,651	
出售預付租賃款項所得款項	Proceeds from disposal of prepaid lease payments	–	85,000	
收購附屬公司的現金(流出)	Net cash (outflow) inflow from acquisition of subsidiaries	37 (639,678)	1,992,452	
流入淨額	Net cash outflow from deemed disposal of subsidiaries	38 (5,549)	–	–
視作出售附屬公司的現金流出淨額	Net cash inflow from disposal of subsidiaries	38 20,125	61,680	
出售附屬公司現金流入淨額	Placement of pledged bank deposits	(348,855)	(31,500)	
配售已質押銀行存款	Withdrawal of pledged bank deposits	31,500	30,000	
提取已質押銀行存款	Capital injection into joint ventures	(64,439)	(3,120,982)	
向合營企業注入資本	Capital injection into associates	(312,188)	(221,410)	
向聯營公司注入資本	Purchase of available-for-sale investments	(686,953)	(3,500)	
購買可供出售投資	Dividends received from available-for-sale investments	–	3,628	
已收可供出售投資股息	Interest received	232,184	97,372	
已收利息	Addition to investments in property projects	(529,225)	–	–
新增投資物業項目				
<b>投資活動所用現金淨額</b>	<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(6,573,080)</b>	<b>(3,893,377)</b>
<b>融資活動</b>	<b>FINANCING ACTIVITIES</b>			
合營企業及聯營公司的墊款	Advances from joint ventures and associates	9,514,292	5,233,769	
向合營企業及聯營公司還款	Repayment to joint ventures and associates	(1,999,913)	(3,265,432)	
非控股權益的墊款	Advances from non-controlling interests	578,965	759,770	
非控股權益的還款	Repayment to non-controlling interests	(687,276)	(241,469)	
收購非控股股東附屬公司 額外權益	Acquisition of additional interests in subsidiaries from non-controlling interest	(60,578)	–	–
新增銀行及其他借款	New bank and other borrowings raised	11,706,426	10,543,338	
償還銀行及其他借款	Repayment of bank and other borrowings	(10,885,682)	(11,494,864)	
發行優先票據及公司債券 所得款項淨額	Net proceeds from issue of senior notes and corporate bond	5,971,741	7,659,767	
償還優先票據	Repayment of senior notes	(3,239,635)	(174,002)	
已付利息	Interest paid	(1,666,269)	(1,628,133)	
向非控股權益出售附屬公司 部分權益的所得款項	Proceeds from disposal of partial interests in subsidiaries to non-controlling interests	46,000	–	–
發行永久資本工具所得款項	Repayment of perpetual capital instruments	–	(585,710)	
分派予永久資本工具擁有人	Distribution to owners of perpetual capital instruments	–	(38,030)	
非控股權益注資	Capital contributions from non-controlling interests	64,900	173,496	
發行股份所得款項淨額	Net proceeds from issue of shares	–	1,027,552	
行使購股權所得款項	Proceed from exercise of share options	65,935	9,549	
購回股份款項	Payment on repurchase of shares	(23,334)	(104,221)	
派發予非控股權益的股息	Dividend paid to non-controlling interests	(602,250)	–	–
已付股息	Dividend paid	(794,500)	(456,166)	

# 綜合現金流量表

## CONSOLIDATED STATEMENT OF CASH FLOWS

截至二零一六年十二月三十一日止年度 For the year ended 31 December 2016

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
融資活動所得現金淨額	<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>7,988,822</b>	7,419,214
現金及現金等價物增加淨額	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>5,373,288</b>	7,780,082
年初現金及現金等價物	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>14,873,736</b>	7,093,654
外匯影響	Effect of foreign exchanges	81,373	–
年末現金及現金等價物	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>20,328,397</b>	14,873,736
現金及現金等價物結餘分析	<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
銀行結餘及現金	Bank balances and cash	20,328,397	14,873,736

# 綜合財務報表附註

## Notes to the Consolidated Financial Statements

截至二零一六年十二月三十一日止年度 For the year ended 31 December 2016

### 1. 一般資料

本公司乃於開曼群島註冊成立的公眾有限公司及其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司的註冊辦事處地址及主要營業地點於年報內公司資料一節披露。

本公司為投資控股公司。其附屬公司的主要業務詳情載於附註49。

綜合財務報表乃以本公司的功能貨幣人民幣(「人民幣」)呈列。

### 2. 應用新訂國際財務報告準則及國際財務報告準則修訂本

本集團已於本年度首次應用以下新訂國際財務報告準則及國際財務報告準則修訂本(「國際財務報告準則」)。

國際財務報告準則 第11號(修訂本)	收購合營業務權益的 會計處理
國際會計準則第1號 (修訂本)	披露計劃
國際會計準則第16號及 國際會計準則第38號 (修訂本)	澄清可接受的折舊及 攤銷方法
國際財務報告準則 (修訂本)	二零一二年至二零一四 年期間國際財務報告 準則的年度改善
國際財務報告準則 第10號、國際財務報告 準則第12號及國際會計 準則第28號(修訂本)	投資實體：應用綜合 入賬的例外情況

於本年度應用上述新訂國際財務報告準則及國際財務報告準則修訂本並無對本集團於本年度及過往年度的財務表現與狀況及／或對該等綜合財務報表所載的披露構成重大影響。

本集團並無提早應用以下已頒佈但尚未生效的新訂國際財務報告準則及國際財務報告準則修訂本。

### 1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company acts as an investment holding company. Details of the principal activities of its subsidiaries are set out in note 49.

The consolidated financial statements are presented in Renminbi ("RMB"), which is the functional currency of the Company.

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has applied for the first time in the current year the following new and amendments to International Financial Reporting Standards ("IFRSs").

Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to IAS 1	Disclosure Initiative
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to IFRSs	Annual Improvements to IFRSs 2012 – 2014 Cycle
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception

The application of the above new and amendments to IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and amendment to IFRSs that have been issued but are not yet effective.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 2. 應用新訂國際財務報告準則及國際財務報告準則修訂本 (續)

國際財務報告準則第9號	金融工具 <sup>1</sup>
國際財務報告準則第15號	來自客戶合約的收入及相關修訂本 <sup>1</sup>
國際財務報告準則第16號	租賃 <sup>2</sup>
國際財務報告詮釋委員會詮釋第22號	外幣交易及預付代價 <sup>1</sup>
國際財務報告準則第2號(修訂本)	以股份為基礎付款交易的分類及計量 <sup>1</sup>
國際財務報告準則第4號(修訂本)	適用國際財務報告準則第9號金融工具及國際財務報告準則第4號保險合約 <sup>1</sup>
國際財務報告準則第10號及國際會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間的資產出售或注資 <sup>3</sup>
國際會計準則第7號(修訂本)	披露計劃 <sup>4</sup>
國際會計準則第12號(修訂本)	就未變現虧損確認遞延稅項資產 <sup>4</sup>
國際會計準則第40號(修訂本)	轉讓投資物業 <sup>1</sup>
國際財務報告準則(修訂本)	二零一四年至二零一六年期間國際財務報告準則的年度改善 <sup>5</sup>

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

IFRS 9	Financial Instruments <sup>1</sup>
IFRS 15	Revenue from Contracts with Customers and the related Amendments <sup>1</sup>
IFRS 16	Leases <sup>2</sup>
IFRIC 22	Foreign Currency Transactions and Advance Consideration <sup>1</sup>
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions <sup>1</sup>
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS4 Insurance Contracts <sup>1</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to IAS 7	Disclosure Initiative <sup>4</sup>
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses <sup>4</sup>
Amendments to IAS 40	Transfers of Investment Property <sup>1</sup>
Amendments to IFRSs	Annual Improvements to IFRS Standards 2014–2016 Cycle <sup>5</sup>

<sup>1</sup> 於二零一八年一月一日或其後開始的年度期間生效。

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2018.

<sup>2</sup> 於二零一九年一月一日或其後開始的年度期間生效。

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2019.

<sup>3</sup> 於將予釐定的日期或之後開始的年度期間生效。

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>4</sup> 於二零一七年一月一日或其後開始的年度期間生效。

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2017.

<sup>5</sup> 於二零一七年一月一日或二零一八年一月一日(如適用)或其後開始的年度期間生效。

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

## 2. 應用新訂國際財務報告準則及國際財務報告準則修訂本 (續)

### 國際財務報告準則第9號「金融工具」

國際財務報告準則第9號引入金融資產、金融負債以及金融資產的一般對沖會計處理及減值分類及計量的新要求。

其中有關本集團國際財務報告準則第9號的主要規定如下：

- 所有屬國際財務報告準則第9號範疇內的已確認金融資產其後須按攤銷成本或公平值計量。具體而言，於目的為收回合約現金流量的業務模式中持有的債務投資，及合約現金流量僅為償還本金及尚未償還本金利息的債務投資，一般按其後按會計期間結算日的攤銷成本計量。於目的為同時收回合約現金流量及出售金融資產的業務模式中持有的債務工具，及金融資產合約條款令於特定日期產生的現金流僅為償還本金及尚未償還本金利息的債務工具，按公平值計入其他綜合收益的方式計量。所有其他債務投資及股權投資則按其後報告期結算日的公平值計量及其公平值變動於損益中確認。此外，根據國際財務報告準則第9號，實體可作出不可撤回的選擇以於其他綜合收益內呈列股權投資(並非持作買賣)公平值其後的變動，而僅有股息收入一般於損益中確認。

## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

### IFRS 9 “Financial Instruments”

IFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment for financial assets.

Key requirements of IFRS 9 which are relevant to the Group are:

- All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods and their fair value changes are recognised in profit or loss. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 2. 應用新訂國際財務報告準則及國際財務報告準則修訂本 (續)

### 國際財務報告準則第9號「金融工具」(續)

- 就金融資產減值而言，與國際會計準則第39號「金融工具：確認及計量」項下按已產生信貸虧損模式計算相反，國際財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損的變動入賬，以反映信貸風險自初始確認以來的變動。換言之，毋須再待發生信貸事件即可確認信貸虧損。

根據本集團於二零一六年十二月三十一日的金融工具及風險管理政策，日後應用國際財務報告準則第9號或會對本集團金融資產分類及計量構成重大影響。本集團的可供出售投資(包括現時該等以成本減減值列示的投資)將按公平值計量入賬損益或指定為按公平值計入其他綜合損益。此外，預期信貸虧損模式或會導致就有關本集團按攤銷成本計量金融資產尚未產生的信貸虧損提早計提撥備。

## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

### IFRS 9 "Financial Instruments" (Continued)

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39 "Financial Instruments: Recognition and Measurement". The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group's financial instruments and risk management policies as at 31 December 2016, application of IFRS 9 in the future may have a material impact on the classification and measurement of the Group's financial assets. The Group's available-for-sale investments, including those currently stated at cost less impairment will either be measured at FVTPL or be designated at fair value through other comprehensive income. In addition, the expected credit loss model may result in early provision of credit loss which are not yet incurred in relation of the Group's financial assets measured at amortised cost.

## 2. 應用新訂國際財務報告準則及國際財務報告準則修訂本(續)

國際財務報告準則第15號「來自客戶合約的收入」

國際財務報告準則第15號已獲頒佈，其確立實體對客戶合同所產生的收入進行會計處理的單一全面模式。國際財務報告準則第15號將於生效後取代現有收入確認指引，包括國際會計準則第18號「收入」、國際會計準則第11號「建築合同」及相關詮釋。國際財務報告準則第15號的核心原則為實體所確認的收入應為描述向客戶轉移承諾貨品或服務時的收入金額，有關金額為反映該實體預期就交換該等貨品及服務而有權獲得的代價。具體而言，該準則引入確認收入的五個步驟：

- 第一步：識別與客戶的合約
  - 第二步：識別合約內的履約責任
  - 第三步：釐定交易價格
  - 第四步：將交易價格分配至合約內的履約責任
  - 第五步：當(或於)實體履行履約責任時確認收入
- Step 1: Identify the contract(s) with customer
  - Step 2: Identify the performance obligations in the contract
  - Step 3: Determine the transaction price
  - Step 4: Allocate the transaction price to the performance obligations in the contract
  - Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

根據國際財務報告準則第15號，當(或於)履行履約責任時，即於特定履約責任相關的貨品或服務的「控制權」轉讓予客戶時，實體確認收入。國際財務報告準則第15號已就特別情況的處理方法收錄更多說明指引。此外，國際財務報告準則第15號要求作出詳盡披露。

## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

### IFRS 15 "Revenue from contracts with Customer"

IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 "Revenue", IAS 11 "Construction Contracts" and the related interpretations when it becomes effective. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods and services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 2. 應用新訂國際財務報告準則及國際財務報告準則修訂本 (續)

#### 國際財務報告準則第15號「來自客戶合約的收入」(續)

於二零一六年，國際會計準則理事會就國際財務報告準則第15號有關識別履約責任、主體對代理代價以及發牌申請指引的發佈澄清。

本公司董事預期，日後應用國際財務報告準則第15號導致更多披露，然而，本公司董事預期應用國際財務報告準則第15號將不會於各報告期間對確認收入的金額和時間產生重大影響。

#### 國際財務報告準則第16號「租賃」

國際財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一項綜合模式。國際財務報告準則第16號生效時將取代國際會計準則第17號租賃及其相關詮釋。

國際財務報告準則第16號以顧客能否控制識別資產來區分租賃及服務合約。除短期租賃及低價值資產租賃外，經營及融資租賃的差異自承租人會計處理中移除並由承租人須就所有租賃將予確認使用權資產及相對應負債的模式取代。

使用權資產初始按成本計量並隨後按成本計量(根據若干例外情況)減累計折舊及減值虧損，就任何租賃負債重新計量而調整。租賃負債初始按當日尚未支付的租賃款項的現值計量。隨後，租賃負債就利息及租賃款項調整，以及(其中包括)租賃修訂的影響。就現金流分類而言，本集團目前將提前預付租賃款項呈列為有關自用租賃土地且該等分類為投資物業的投資現金流量，而其他經營租賃付款呈列為經營現金流量。根據國際財務報告準則第16號，有關租賃負債的租賃款項將分配至呈列為融資現金流量的主要及利息的部分。

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

#### IFRS 15 "Revenue from contracts with Customer" (Continued)

In 2016, the IASB issued Clarifications to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations as well as licensing application guidance.

The directors of the Company anticipate that the application of IFRS 15 in the future may result in more disclosures, however, the directors of the Company do not anticipate that the application of IFRS 15 will have a material impact on the timing and amounts of revenue recognised in respective reporting periods.

#### IFRS 16 "Leases"

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees IFRS 16 will supersede IAS 17 Leases and the related interpretations when it becomes effective.

IFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finances leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognise for all leases by lessees, except for short-term leases and leases of low values assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payment that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst other. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Under the IFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows.

## 2. 應用新訂國際財務報告準則及國際財務報告準則修訂本 (續)

### 國際財務報告準則第16號「租賃」(續)

根據國際會計準則第17號，本集團已就融資租賃安排確認一項資產及一項融資租賃相關負債及就本集團為承租人的租賃土地確認已償還租賃款項。應用國際財務報告準則第16號可能導致該等資產分類潛在變動，視乎本集團是否分開呈列有權使用的資產或按將呈列相應相關資產(倘擁有)的相同項目內呈列。

與承租人會計處理相比，國際財務報告準則第16號大致轉承國際會計準則第17號的出租人會計處理規定，並且繼續要求出租人將其租賃分類為經營租賃或融資租賃。

此外，國際財務報告準則第16號要求作出詳盡披露。

誠如附註41所披露，於二零一六年十二月三十一日，本集團(作為承租人)擁有不可撤銷經營租約承擔人民幣3,669,000元。初步評估顯示此等安排符合國際財務報告準則第16號項下租賃的定義，因此本集團將確認一項使用權資產及有關所有該等租賃相對應的負債，除非其於應用國際財務報告準則第16號時符合低價值或短期租賃。此外，應用新規定可能導致上述列示的計量、呈列及披露的變動。然而，於本公司董事進行詳細審閱前，對財務影響作出合理估計屬不切實際。

除上述影響外，本公司董事預期應用其他新訂及經修訂國際財務報告準則將不會對本集團的綜合財務報表構成重大影響。

## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

### IFRS 16 "Leases" (Continued)

Under IAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and repaid lease payment for leasehold lands where the Group is a lessee. The application of IFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

As at 31 December 2016, the Group as lessee has non-cancellable operating lease commitments of RMB3,669,000 as disclosed in note 41. A preliminary assessment indicates that these arrangements will meet the definition of a lease under IFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of IFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the directors of the Company complete a detailed review.

Except for the above impact, the directors of the Company do not anticipate that the application of other new and amendments to IFRSs will have significant impact on the Group's consolidated financial statements.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 3. 重大會計政策

綜合財務報表乃根據國際會計準則委員會頒佈的國際財務報告準則編製。此外，綜合財務報表載有香港聯合交易所有限公司證券上市規則及香港公司條例所規定的適用披露事項。

綜合財務報表已根據歷史成本基準編製，惟根據下文載列的會計政策所說明於各報告期末按公平值計量的若干投資物業及金融工具除外。

歷史成本一般根據貨品及服務交換所得代價的公平值釐定。

公平值為於計量日市場參與者間於有秩序交易中出售資產所收取或轉讓負債所支付的價格，而不論該價格是否可直接觀察取得或可使用其他估值方法估計。於估計資產或負債的公平值時，倘市場參與者於計量日對資產或負債定價時將考慮資產或負債的特徵，則本集團會考慮資產或負債的特徵。於該等綜合財務報表中作計量及／或披露目的的公平值乃按此基準釐定，惟屬國際財務報告準則第2號「以股份支付」的交易範疇內以股份支付的交易及屬國際會計準則第17號「租賃」範疇內的租賃交易以及與公平值存在部分相似之處但並非公平值(如國際會計準則第2號「存貨」的可變現淨值或國際會計準則第36號「資產減值」的使用價值)的計量除外。

非金融資產的公平值計量計及市場參與者透過最大限度使用該資產及最佳用途或透過將資產出售予將最大限度使用該資產達至最佳用途的另一名市場參與者而產生經濟利益的能力。

### 3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain investment properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 "Share-based Payment", leasing transactions that are within the scope of IAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value, such as NRV in IAS 2 "Inventories" or value in use in IAS 36 "Impairment of Assets".

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

### 3. 重大會計政策(續)

此外，就財務報告而言，公平值計量按公平值計量的輸入數據的可觀察程度及該等輸入數據對公平值計量整體的重要性劃分為第一、二或三級，詳情如下：

- 第一級輸入數據為實體於計量日可獲得的相同資產或負債於活躍市場的報價(未調整)；
- 第二級輸入數據為不包括計入第一級報價的資產或負債的可直接或間接觀察的輸入數據；及
- 第三級輸入數據為資產或負債的無法觀察輸入數據。

主要會計政策載列如下。

#### 綜合基準

綜合財務報表包括本公司及其附屬公司所控制的本公司及實體的財務報表。當本公司符合以下各項時，即取得控制權：

- 對投資對象擁有權力；
- 於來自其參與投資對象業務的可變回報上承受風險或擁有權利；及
- 能夠使用其權力影響回報。

本集團重新評估在事實及情況表明上文所列控制權的三個元素中的一個或多個有變時是否控制投資對象。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 3. 重大會計政策(續)

#### 綜合基準(續)

倘本集團未能佔有投資對象的大多數投票權，但只要投票權足以賦予本集團實際能力可單方面掌控投資對象的相關業務時，本集團即對投資對象擁有權力。在評估本集團於投資對象的投票權是否足以賦予其權力時，本集團考慮所有相關事實及情況，包括：

- 本集團持有投票權的規模相對於其他選票持有人持有投票權的規模及分散性；
- 本集團、其他選票持有人或其他各方持有的潛在投票權；
- 其他合同安排產生的權利；及
- 於將需作出決定時，表明本集團當前是否能夠掌控相關業務的任何額外事實及情況(包括於過往股東大會上的投票方式)。

附屬公司於本集團取得對該附屬公司的控制權時綜合入賬，並於本集團喪失對該附屬公司的控制權時終止綜合入賬。具體而言，自本集團取得控制權之日起直至本集團不再控制附屬公司之日，於年內收購或出售附屬公司的收入及開支均計入綜合損益及其他全面收益表。

損益及其他全面收入各組成部分歸屬至本公司擁有人及非控股權益。附屬公司的全面收入總額歸屬至本公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧蝕結餘。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Basis of consolidation (Continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of the other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

### 3. 重大會計政策(續)

#### 綜合基準(續)

倘有需要，會對附屬公司的財務報表作出調整，以使其會計政策與本集團的會計政策一致。

所有集團內公司間的資產與負債、股本權益、收入、開支及與本集團成員公司間交易相關的現金流量，均於綜合入賬時全數對銷。

#### 本集團於現有附屬公司擁有權權益的變動

本集團於附屬公司擁有權權益的變動如不會導致本集團對該等附屬公司喪失控制權，將作為股權交易入賬。本集團的股本權益相關部分(包括儲備權益)與非控股權益的賬面值應予調整，以反映附屬公司中相關權益的變動。經重新劃撥相關股本權益部分後獲調整的非控股權益金額與所支付或收取代價的公平值之間的任何差額直接於股本權益確認並歸屬於本公司擁有人。

當本集團喪失對附屬公司的控制權時，收益或虧損於損益中確認，並以(i)所收代價公平值及任何保留權益公平值的總額與(ii)本公司擁有人應佔附屬公司資產(包括商譽)及負債的賬面值之間的差額計算。過往於其他全面收入確認與該附屬公司有關的所有金額，採用如同本集團已直接出售該附屬公司相關資產或負債的方法入賬，即重新分類至損益或按適用國際財務報告準則所規定／所准許者轉撥至另一類別股本權益。前附屬公司在喪失控制權之日所保留的任何投資公平值於其後的會計處理中被視為按照國際會計準則第39號進行初步確認的公平值，或(如適用)於聯營公司或合營企業的投資初步確認的成本。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Basis of consolidation (Continued)

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### *Changes in the Group's ownership interests in existing subsidiaries*

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity including reserves interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted after re-attribution of the relevant equity component and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 3. 重大會計政策(續)

#### 業務合併

收購業務乃以收購法入賬。業務合併所轉讓代價以公平值計量，而公平值按本集團所轉讓資產、本集團對被收購方前擁有人所產生負債以及本集團就交換被收購方控制權所發行股本權益於收購日期的公平值總和計算。收購有關成本一般於產生時於損益內確認。

於收購日期，所購入可識別資產及所承擔負債，按其公平值確認，但以下各項除外：

- 遲延稅項資產或負債及有關僱員福利安排的資產或負債分別遵循國際會計準則第12號「所得稅」及國際會計準則第19號「僱員福利」確認及計量；
- 與被收購方以股份為基礎的付款安排或為替代被收購方以股份為基礎的付款安排而訂立本集團以股份為基礎的付款安排有關的負債或股本工具，於收購日期根據國際財務報告準則第2號「以股份為基礎的支付」計量（見下文會計政策）；及
- 根據國際財務報告準則第5號「持作出售非流動資產及已終止經營業務」分類為持作出售的資產（或出售組合）按該準則計量。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquire and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits" respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquire or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 "Share-based Payment" at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.

### 3. 重大會計政策(續)

#### 業務合併(續)

商譽按所轉讓代價、於被收購方任何非控股權益的金額及收購方過往所持有被收購方股本權益(如有)公平值的總和減所收購的可識別資產及所承擔負債於收購日期的淨額後，所超出的差額計值。倘經過重估後，所收購的可識別資產與所承擔負債的淨額高於轉讓代價、於被收購方任何非控股權益的金額及收購方過往所持有被收購方股本權益(如有)公平值的總和，則差額即時於損益內確認為議價購買收益。

非控股權益為現有所有權權益及授權持有人於清盤時按比例分佔相關附屬公司的資產淨額，其可初步按公平值或非控股權益按比例分佔被收購方可識別資產淨額的已確認金額計量。計量基準可按個別交易選擇。

當本集團於一項業務合併轉讓的代價包括或然代價安排所產生的資產或負債，則或然代價乃按收購日期的公平值計算，並計入於合併業務轉讓代價的一部分。符合資格為計量期間調整的或然代價公平值變動將予以追溯調整，對商譽作出相應調整。計量期間調整為於「計量期間」(不得超過自收購日期起計一年)因取得有關於收購日期已存在事實及情況的額外資料而作出的調整。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Business combinations (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 3. 重大會計政策(續)

#### 業務合併(續)

不符合作為計量期間調整的或然代價的其後會計處理，取決於或然代價如何分類。分類為權益的或然代價於其後報告日期不會重新計量，其後結算於權益內進行入賬處理。分類為資產或負債的或然代價於其後報告日期按公平值重新計量，而相應收益或虧損乃於損益中確認。

倘業務合併分階段達成，則本集團以往所持的被收購方股權於收購日期(即本集團取得控制權當日)按公平值重新計量，而所產生的盈虧(如有)於損益確認。倘出售被收購方權益，則以往於其他綜合收益中確認的被收購方權益於收購日期前所產生的金額重新分類至損益(如此處理方式屬合適)。

#### 收購一間附屬公司但不構成一項業務

當本集團收購一組資產及負債但不構成一項業務時，本集團首先透過按金融資產及金融負債各自的公平值分配購買價格以識別及確認取得的個別可識別資產及承擔的負債，餘下購買價結餘其後按各自於購買日期的相對公平值分配予其他個別可識別資產及負債。該等交易並不會產生商譽或議價購買收益。

#### 於合營企業及聯營公司的投資

合營企業是指對安排擁有共同控制權的各方對該合營安排的資產淨額享有權利的合營安排。共同控制權是指對安排合約約定的共享控制權，其僅在有關活動決定須獲共享控制權的各方一致同意時存在。

聯營公司為本集團對其具有重大影響的實體。重大影響指本集團有權參與投資對象的財務及營運政策決定，但未能控制或共同控制該等政策。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Business combinations (Continued)

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in the other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

#### Acquisition of a subsidiary not constituting a business

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to the financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

#### Investments in joint ventures and associates

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

### 3. 重大會計政策(續)

#### 於合營企業及聯營公司的投資(續)

合營企業及聯營公司的業績以及資產及負債以權益會計法於該等綜合財務報表入賬。任何尚未分類為持作出售的合營企業或聯營公司的任何保留投資部分應以權益法入賬。根據權益法，於合營企業或聯營公司的投資初步按成本於綜合財務狀況表確認，並於其後就確認本集團應佔該合營企業及聯營公司的損益及其他全面收入予以調整。當本集團應佔合營企業或聯營公司的虧損超出本集團於該合營企業及聯營公司的權益(包括實質上成為本集團於該合營企業及聯營公司投資淨額一部分的任何長期權益)時，本集團終止確認其應佔的進一步虧損。僅於本集團已產生法定或推定責任，或已代表該合營企業及聯營公司支付款項的情況下，方會確認額外虧損。

於合營企業及聯營公司的投資於投資對象成為合營企業及聯營公司之日採用權益法入賬。在收購合營企業或聯營公司投資時，投資成本超過本集團應佔該投資對象可識別資產及負債公平值淨額的任何部分確認為商譽，並計入投資的賬面值。本集團應佔可識別資產及負債的公平值淨額超過投資成本的任何部分，於重新評估後在投資被收購的期間即時於損益確認。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Investments in joint ventures and associates (Continued)

The results and assets and liabilities of joint ventures and associates are incorporated in these consolidated financial statements using the equity method of accounting. Any retained portion of an investment in a joint venture or an associate that has not been classified as held for sale shall be accounted for using the equity method. Under the equity method, an investment in a joint venture or an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture and associate. When the Group's share of losses of a joint venture or an associate exceeds the Group's interest in that joint venture and associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture and associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture and associate.

An investment in a joint venture and an associate is accounted for using the equity method from the date on which the investee becomes a joint venture and an associate. On acquisition of the investment in a joint venture or an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 3. 重大會計政策(續)

#### 於合營企業及聯營公司的投資(續)

應用國際會計準則第39號的規定，以釐定是否需要確認有關本集團投資合營企業及聯營公司的任何減值虧損。於有需要時，投資(包括商譽)的全部賬面值將會根據國際會計準則第36號按單一資產進行減值測試，方法為比較其可收回金額(使用價值與公平值減出售成本的較高者)與其賬面值。被確認的任何減值虧損為投資賬面值的一部分。

該減值虧損的任何撥回根據國際會計準則第36號確認，惟受隨後增加的可收回投資金額規限。

倘本集團不再對一間合營企業擁有共同控制權或對一間聯營公司擁有重大影響力，則出售投資對象的全部權益的收益或損失將會計入損益表內。倘本集團保留於前合營企業或聯營公司的權益且該保留權益屬國際會計準則第39號項下的金融資產，則本集團會於該日按公平值計量保留權益，而該公平值被視為初步確認時的公平值。合營企業或聯營公司於終止採用權益法當日的賬面值與任何保留權益及出售合營企業或聯營公司部分權益的任何所得款項公平值間的差額，會於釐定出售該合營企業或聯營公司的收益或虧損時入賬。此外，本集團會將先前在其他全面收入就該合營企業或聯營公司確認的所有金額入賬，基準與該合營企業或聯營公司直接出售相關資產或負債所需基準相同。因此，倘該合營企業或聯營公司先前已於其他全面收入確認的收益或虧損，會於出售相關資產或負債時重新分類至損益，則本集團會於終止採用權益法時將收益或虧損由股本權益重新分類至損益(作為重新分類調整)。

當集團實體與本集團的合營企業或聯營公司進行交易時，則與合營企業或聯營公司交易所產生損益僅於合營企業及聯營公司的權益與本集團無關時，方於本集團綜合財務報表確認。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Investments in joint ventures and associates (Continued)

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture and an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment.

Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have joint control over a joint venture or significant influence over an associate, if is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former joint venture or associate and the retained interest is a financial asset within the scope of IAS 39, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the joint venture or associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing the relevant interest in the joint venture or associate is included in the determination of the gain or loss on disposal of the joint venture or associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture or associate on the same basis as would be required if that joint venture or associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture or associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When a group entity transacts with a joint venture or an associate of the Group, profits and losses resulting from the transactions with the joint venture and associate are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture and associate that are not related to the Group.

### 3. 重大會計政策(續)

#### 收入確認

收入按已收或應收代價的公平值計量。收入已就估計客戶退貨、回扣及其他類似備抵作出扣減。

誠如下文所述，收入於收入金額能夠可靠計量；未來經濟利益很可能流入本集團及本集團各活動的特定標準均已達成時確認。

日常業務過程中銷售物業的收入須滿足下列所有標準後，方予確認：

- 物業擁有權的重大風險及回報已轉移予買方；
- 並無保留一般與擁有權有關的持續管理權或對物業的實際控制權；
- 收入金額能夠可靠地計量；
- 與交易相關的經濟利益很可能流入本集團；及
- 有關交易所產生或將予產生的成本能夠可靠地計量。

於達到上述收入確認標準前向買家收取的按金計入綜合財務狀況表流動負債項下。

來自經營租賃的租金收入於有關租賃期內以直線法確認。

物業管理收入於提供服務的期間確認。

項目管理及其他物業相關服務收入於提供服務的期間確認。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from sales of properties in the ordinary course of business is recognised when all of the following criteria are satisfied:

- the significant risks and rewards of ownership of the properties are transferred to buyers;
- neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties are retained;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Deposits received from purchasers prior to meeting the above criteria for revenue recognition are included in the consolidated statement of financial position under current liabilities.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Property management income is recognised over the period in which the services are rendered.

Project management and other property related services income is recognised over the period in which the services are rendered.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 3. 重大會計政策(續)

#### 收入確認(續)

金融資產的利息收入參考未償還本金及適用實際利率按時間基準累計。實際利率指於金融資產預計年期將估計未來現金收入準確貼現至該資產初步確認時的賬面淨額的利率。

投資的股息收入於本集團收取款項的權利確立時確認。

#### 投資物業

投資物業指為賺取租金及／或為資本增值而持有的物業(包括就該等目的而興建的在建物業)。投資物業初步按成本(包括交易成本)計量。於初步確認後，投資物業按公平值計量。投資物業公平值變動所產生的收益或虧損於其產生期間計入損益。

在建投資物業產生的建築成本資本化為在建投資物業的部分賬面值。

投資物業於出售或於其被永久終止使用或預期不會因出售而獲得未來經濟利益時終止確認。終止確認物業所產生的任何收益或虧損(按出售所得款項淨額與資產賬面值之間的差額計算)於該項目終止確認期間計入損益。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue recognition (Continued)

Interest income from financial asset is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the Group's right to receive payment have been established.

#### Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair values. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

### 3. 重大會計政策(續)

#### 物業項目的投資

指定物業項目的投資確認為按公平值計入損益的金融資產。其於報告期末按公平值及於損益表中重新計量時所產生的任何收益及損失入賬。

#### 物業、廠房及設備

物業、廠房及設備(包括持作生產或供應貨品或服務之用，或作行政用途的樓宇，但不包括下述在建物業)乃以成本扣減其後累計折舊及累計減值虧損(如有)列賬。

於估計可使用年期內撇銷物業、廠房及設備項目的成本減殘值後，以直線法確認折舊。估計可使用年期、殘值及折舊均於各報告期末檢討，任何估計變動影響均按未來適用基準入賬。

物業、廠房及設備項目於出售後或當預期繼續使用該資產不會於日後產生經濟利益時終止確認。出售或報廢物業、廠房及設備項目時產生的任何收益或虧損按出售所得款項與該資產賬面值之間的差額計算並於損益確認。

#### 預付租賃款項

預付租賃款項指土地使用權的預付款項，初步按成本確認及於租期內以直線法轉撥至損益，惟分類並入賬列為擬持作出售的開發中物業者除外。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Investments in property projects

Investments in property projects are recognised as financial assets at FVTPL. They are carried at fair value at the end of reporting period, with any gains or loss arising on remeasurement recognised in profit or loss.

#### Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below) are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### Prepaid lease payments

The prepaid lease payments represent upfront payments for land use rights and are initially recognised at cost and released to profit or loss over the lease term on a straight-line basis, except for those that are classified and accounted for as properties under development intended to be held for sale.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 3. 重大會計政策(續)

#### 擬作出售的開發中物業

當租賃土地及樓宇處於發展作銷售的過程中，租賃土地部分以直線法於租期攤銷。於建設期間內，就租賃土地所計提的攤銷費用列作開發中物業成本一部分。

擬持作自用或潛在投資的開發中物業列作非流動資產。

擬持作出售的開發中物業列作流動資產，按成本與可變現淨額兩者中較低者列賬。

#### 持作出售物業

持作出售物業按成本與可變現淨額兩者中較低者列賬。成本包括土地成本、所產生發展開支及(倘適用)已資本化的借款成本。可變現淨額按當時市況釐定。

#### 有形資產減值虧損

本集團於各報告期末檢討其有形資產的賬面值，以確定有關資產是否出現減值虧損跡象。如有任何有關跡象，則會估計資產的可收回金額(使用價值與公平值減出售成本兩者中的較高者)，以確定減值虧損(如有)的程度。若資產的可收回金額估計低於其賬面值，則資產的賬面值下調至其可收回金額。減值虧損會即時確認為開支。

倘其後撥回減值虧損，該資產賬面值會調高至其經修訂的估計可收回金額，但增加的賬面值不得超出該資產於過往年份並無確認減值虧損時原應釐定的賬面值。撥回的減值虧損會即時確認為收入。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Properties under development for sale

When the leasehold land and buildings are in the course of development for sale, the leasehold land component is amortised over a straight-line basis over the lease term. During the construction period, the amortisation charge provided for the leasehold land is included as part of the costs of the properties under development.

Properties under development for sale which are intended to be held for own use or their investment potential are shown as non-current assets.

Properties under development for sale which are intended to be held for sale are shown as current assets and carried at the lower of cost and NRV.

#### Properties held for sale

Properties held for sale are stated at the lower of cost and NRV. Cost includes the costs of land, development expenditure incurred and, where appropriate, borrowing costs capitalised. NRV is determined based on prevailing market conditions.

#### Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount (the higher of value in use and fair value less costs of disposal) of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

### 3. 重大會計政策(續)

#### 租賃

凡租賃條款將擁有權絕大部分風險及回報轉移予承租人的租賃均分類為融資租賃。所有其他租賃均分類為經營租賃。

#### 本集團作為出租人

經營租賃的租金收入乃於有關租期內以直線法確認。於協商及安排經營租賃時引致的初步直接成本乃加至租賃資產的賬面值，並按租期以直線法確認。

經營租賃項下應付租金於有關租期內以直線法在損益中扣除。如因訂立經營租賃而收取租賃優惠，則該優惠會確認為負債。優惠利益總額以直線法確認為租賃開支減少。

#### 租賃土地及樓宇

當租賃包括土地及樓宇部分時，本集團會根據評估各部分所有權的風險與回報是否已絕大部分轉移至本集團而將其分別劃分為融資租賃或經營租賃，除非兩個部分均明顯屬於經營租賃，在該情況下，整項租賃會劃分為經營租賃。具體而言，最低租賃款項(包括任何一筆過預付款項)於租賃開始時按租賃土地部分及樓宇部分中的租賃權益相對公平值比例於土地與樓宇部分之間分配。

在租賃款項能可靠分配的情況下，作為經營租賃入賬的租賃土地權益於綜合財務狀況表中呈列為「預付租賃款項」，並於租期內以直線法解除，惟根據公平值模式分類為投資物業及按投資物業入賬者除外。當租賃款項未能於土地及樓宇部分之間可靠分配時，整項租賃一般會分類為融資租賃，並按物業、廠房及設備入賬。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### *The Group as lessor*

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

#### *Leasehold land and building*

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is released over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 3. 重大會計政策(續)

#### 借款成本

收購、建造或生產合資格資產(即需等待一段頗長時間後方可用作擬定用途或出售的資產)直接應佔的借款成本，計入該等資產的成本，直至該等資產大致可作擬定用途或出售為止。

特定借款用於合資格資產開支期間之前作臨時投資所賺取的投資收入，從合資格撥充資本的借款成本中扣除。

所有其他借款成本於其產生期間於損益中確認。

#### 外幣

各集團實體的個別財務報表均以實體經營所在主要經濟環境的貨幣(其功能貨幣，即人民幣)呈列。

編製個別實體的財務報表時，以該實體的功能貨幣以外的貨幣(外幣)進行的交易按交易當日適用的匯率記賬。於各報告期末，以外幣計值的貨幣項目按該日適用的匯率重新換算。按歷史成本以外幣計量的非貨幣項目概不會重新換算。

於結算及重新換算貨幣項目時所產生的匯兌差額於其產生期間在損益確認。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowings costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency, i.e., RMB).

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

### 3. 重大會計政策(續)

#### 稅項

所得稅開支指即期應付稅項與遞延稅項的總額。

即期應付稅項根據年度應課稅利潤計算。應課稅利潤與在綜合損益及其他全面收益表中所呈報的除稅前利潤有別，原因是應課稅利潤不包括其他年度的應課稅或可扣稅項目，亦不包括毋須課稅或不可扣稅的項目。本集團的即期稅項乃按報告期末已頒佈或實際上已頒佈的稅率計算。

遞延稅項按綜合財務狀況表內資產及負債的賬面值與計算應課稅利潤所用相應稅基之間的臨時差額確認。通常會就所有應課稅臨時差額確認遞延稅項負債，而通常就所有可扣減臨時差額在很可能會有應課稅利潤可用於抵銷可扣減臨時差額時確認遞延稅項資產。倘於一項交易中因初步確認遞延稅項資產及負債而引致的臨時差額(業務合併除外)既不影響應課稅利潤亦不影響會計利潤，則不會確認該等資產及負債。

就於附屬公司及合營企業的投資所產生的應課稅臨時差額確認遞延稅項負債，惟倘本集團可控制臨時差額的撥回且該臨時差額很可能不會於可見將來撥回則除外。與該等投資相關的可扣減臨時差額所產生的遞延稅項資產，僅於很可能有足夠應課稅利潤可用於抵銷臨時差額且預計於可見將來可以撥回時確認。

遞延稅項資產的賬面值於各報告期末進行檢討，並於不大可能有足夠應課稅利潤收回全部或部分資產時作出調減。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Taxation

Income tax expense represents the sum of the tax currently payable and deferred taxation.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxation is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred taxation liabilities are generally recognised for all taxable temporary differences and deferred taxation assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such deferred taxation assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred taxation liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred taxation assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred taxation assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 3. 重大會計政策(續)

#### 稅項(續)

遞延稅項資產及負債乃按償還負債或變現資產的期間內預期適用的稅率，根據報告期末已頒佈或實際上已頒佈的稅率(及稅法)計量。

遞延稅項負債及資產的計量反映按照本集團預期於報告期末收回或結算其資產及負債賬面值的方式計算而得出的稅務結果。

即期及遞延稅項乃於損益中確認，惟當涉及於其他全面收入中或直接於股本權益中確認的項目除外，屆時即期及遞延稅項亦分別於其他全面收入中或直接於股本權益中確認。

就計量採用公平值模式計量的投資物業的遞延稅項負債及遞延稅項資產而言，除非假設被駁回，否則假設該等物業賬面值可透過銷售完全收回。當投資物業可予折舊及於業務模式(其目標是隨時間而非透過銷售消耗投資物業所包含的絕大部分經濟利益)內持有時，有關假設被駁回。

#### 退休福利成本

定額供款退休福利計劃的供款乃於僱員提供可使其享有供款的服務時作為開支扣除。倘本集團在國家管理的退休福利計劃下的責任與定額供款退休福利計劃所產生者相等，則國家管理的退休福利計劃供款視同定額供款計劃的供款予以處理。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Taxation (Continued)

Deferred taxation assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred taxation liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred taxation are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred taxation is also recognised in other comprehensive income or directly in equity respectively.

For the purposes of measuring deferred taxation liabilities and deferred taxation assets for investment properties that are measured using the fair value model the carrying amounts of such properties are presumed to be recovered entirely through sale unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

#### Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit plan.

### 3. 重大會計政策(續)

以股份支付的交易

以股本權益結算並以股份支付的交易

向僱員授出購股權／股份獎勵

參照於授出日期授出的購股權或股份公平值釐定的已獲提供服務公平值以直線法於歸屬期間以支出列賬，並相應增加儲備。

於各報告期末，本集團會修訂其對預計最終歸屬股份數目的估計。修訂估計產生的影響(如有)於損益確認，並相應調整儲備。

當購股權獲行使時，先前於購股權儲備確認的金額將轉撥至股份溢價。當購股權於歸屬日期後遭沒收或於屆滿當日尚未行使，則先前於購股權儲備確認的金額將轉撥至保留利潤。

#### 政府補貼

政府補貼於能合理保證本集團將會遵守附帶的條件且接獲撥款後，方會確認。

政府補貼按系統基準於本集團將擬用補貼補償的相關成本確認為開支的各期間在損益內確認。具體而言，主要條件為本集團應購買、興建或以其他方式收購非流動資產的政府補貼，於綜合財務狀況表確認為遞延收入，並在有關資產的可使用年期內有系統及合理地轉撥至損益。

可收取作為已產生開支或虧損的補償或以向本集團提供即時財務資助(並無日後相關成本)的政府補貼，於可收取期間在損益確認。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Share-based payment transactions

##### *Equity-settled share-based payment transactions*

##### *Share options/share awards to employees*

The fair value of services received determined by reference to the fair value of shares options or share granted at the grant date is expensed on a straight-line basis over the vesting period with a corresponding increase in reserve.

At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to ultimately vest. The impact of the revision of the estimates, if any, is recognised in profit or loss, with a corresponding adjustment to reserve.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

#### Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 3. 重大會計政策(續)

#### 金融工具

當一間集團實體成為工具合約條文的訂約方時，金融資產及金融負債予以確認。金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債（按公平值計入損益的金融資產及金融負債除外）直接應佔的交易成本於初步確認時加入金融資產公平值或從金融負債公平值扣除（倘適用）。收購按公平值計入損益的金融資產或金融負債直接應佔的交易成本即時於損益確認。

#### 金融資產

金融資產分為貸款及應收款項、可供出售金融資產、衍生金融工具及按公平值計入損益的金融資產。分類視乎金融資產的性質及用途而定，於初步確認時釐定。所有常規買賣的金融資產於交易日確認及終止確認。常規買賣指須於根據市場規則或慣例訂立的時間內交收資產的金融資產買賣。

#### 實際利息法

實際利息法為計算金融資產攤銷成本及於有關期間內攤分利息收入的方法。實際利率是按金融資產預計年期或（倘適用）較短期間將估計未來現金收入（包括所支付或收取構成實際利率組成部分的所有費用及點子、交易成本及其他溢價或折讓）準確貼現至初步確認時的賬面淨額的比率。

利息收入透過應用實際利率予以確認（惟確認利息影響不大的短期應收賬款除外），而被分類為按公平值計入損益的金融資產除外，其利息收入計入收益或虧損淨額。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

#### *Financial assets*

Financial assets are classified as loans and receivables, available-for-sale financial assets, derivative financial instruments and financial assets at FVTPL. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

#### *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised by applying the effective interest rate, (except for short-term receivables where the recognition of interest would be immaterial), other than those financial assets classified as at FVTPL, of which interest incomes is included in net gain or losses.

### 3. 重大會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項

貸款及應收款項為無活躍市場報價而附帶固定或可釐定付款的非衍生金融資產。貸款及應收款項(包括應收賬款及其他應收款項、應收非控股權益、合營企業及聯營公司的款項、已質押銀行存款以及銀行結餘及現金)採用實際利息法按攤銷成本減任何已識別減值虧損計量(請參閱下文有關金融資產減值的會計政策)。

可供出售('可供出售')金融資產

可供出售金融資產為指定為可供出售或未分類為按公平值計入損益的金融資產、貸款及應收款項或持有至到期投資的非衍生工具。

本集團所持有的股本及債務證券分為可供出售資產，並於各報告期末在活躍市場按公平值計量及交易。與利息收入相關的可供出售貨幣金融資產的賬面值變動以實際利息法計算，並於損益中確認。當本集團收取股息的權利確立時，則可供出售股本工具的股息於損益中確認。

無活躍市場報價且其公平值無法可靠計量的可供出售股本投資，須於初步確認後的各報告期末按成本減任何已識別減值虧損計量(請參閱下文有關金融資產減值的會計政策)。

衍生金融工具

衍生工具初步按訂立衍生工具合約日期的公平值確認，其後則以報告期末的公平值重新計量。所產生的收益或虧損即時於損益確認，除非衍生工具被指定且有效作為對沖工具，於此情況下，在損益確認的時機則視乎對沖關係的性質而定。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Financial instruments** (Continued)

**Financial assets** (Continued)

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including accounts and other receivables, amounts due from non-controlling interests, joint ventures and associates, pledged bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

*Available-for-sale ("AFS") financial assets*

AFS financial assets are non-derivatives that are either designated as available-for-sale or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments.

Equity and debt securities held by the Group that are classified as AFS financial assets and are traded in an active market as measured at fair value at the end of each reporting period. Changes in the carrying amount of AFS monetary financial assets relating to interest income calculated using the effective interest method, are recognised in profit or loss. Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

For AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured they are measured at cost less any identified impairment losses at the end of each reporting period subsequent to initial recognition (see accounting policy on impairment of financial assets below).

*Derivative financial instruments*

Derivative are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 3. 重大會計政策(續)

金融工具(續)

金融資產(續)

按公平值計入損益的金融資產

當金融資產為(i)收購方可能支付的或然代價(作為國際財務報告準則第3號適用業務合併的一部分)；(ii)持作買賣；或(iii)其獲指定為按公平值計入損益時，則被分類為按公平值計入損益。

倘出現下列情況，金融資產被歸類為持作買賣：

- 購入金融資產主要為於短期內出售；或
- 於初步確認時，其構成本集團合併管理的已識別金融工具確定組合的一部分及具有最近實際短期獲利模式；或
- 為未被指定及可有效作為對沖工具的衍生工具。

金融資產(持作買賣的金融資產或收購方可能支付的或然代價(作為業務合併一部分)除外)可於下列情況在初步確認時指定為按公平值計入損益：

- 該指定消除或大幅減少可能會出現計量或確認方面的不一致性；或
- 該金融資產構成一組金融資產或金融負債或金融資產及金融負債組合的一部分，而根據本集團制定的風險管理或投資策略，該項資產乃以公平值為基礎進行管理及評估表現，且有關分組的資料乃按此基準向內部提供；或
- 其構成包含一項或多項嵌入式衍生工具合約的一部分，而國際會計準則第39號允許將整份合併合約(資產或負債)指定為按公平值計入損益。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Financial instruments** (Continued)

**Financial assets** (Continued)

*Financial assets at FVTPL*

Financial assets are classified as at FVTPL, when the financial asset is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

### 3. 重大會計政策(續)

金融工具(續)

金融資產(續)

按公平值計入損益的金融資產(續)

按公平值計入損益的金融資產按公平值計量，而重新計量產生的任何收益或虧損則於損益內確認。於損益確認的收益或虧損淨額包括金融資產所賺取的任何股息或利息，並計入其他收入、收益及虧損中。公平值按附註47(g)所述方法釐定。

#### 金融資產減值

金融資產會於各報告期末評定是否有減值跡象。倘有客觀證據顯示金融資產的估計未來現金流因於初步確認該金融資產後發生的一宗或多宗事件而受到影響時，金融資產會被視作已減值。

就可供出售股本投資而言，該投資的公允值大幅或長期跌至低於其成本，即視為減值的客觀證據。

就所有其他金融資產而言，減值的客觀證據可能包括：

- 發行人或交易對手出現重大財政困難；或
  - 違反合約，如逾期或拖欠支付利息或本金；或
  - 借款人很可能破產或進行財務重組；或
  - 該金融資產的活躍市場因財政困難而消失。
- significant financial difficulty of the issuer or counterparty; or
  - breach of contract, such as a default or delinquency in interest or principal payments; or
  - it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
  - the disappearance of an active market for that financial asset because of financial difficulties.

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Financial instruments** (Continued)

**Financial assets** (Continued)

**Financial assets at FVTPL** (Continued)

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets and is included in the other income, gains and losses. Fair value is determined in the manner described in note 47(g).

#### *Impairment of financial assets*

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an AFS equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

就按攤銷成本列賬的金融資產而言，所確認的減值虧損金額為資產賬面值與以金融資產原實際利率貼現的估計未來現金流現值間的差額。

就所有金融資產而言，金融資產賬面值會直接因減值虧損而作出扣減，惟賬面值會透過使用撥備賬作出扣減的應收賬款及其他應收款項除外。當應收賬款或其他應收款項被視為不可收回時，其會於撥備賬內撇銷。先前已撇銷款項如其後收回，會計入損益內。撥備賬的賬面值變動於損益中確認。

當可供出售金融資產被視為減值時，先前於其他全面收入中確認的累計收益或虧損於該期間重新分類至損益。

就按成本列賬的金融資產而言，減值虧損金額按該資產賬面值與估計未來現金流按類似金融資產現時市場回報率貼現的現值之間的差額計量。該減值虧損不會於其後期間撥回。

就按攤銷成本計量的金融資產而言，如在其後期間，減值虧損金額減少，而有關減少客觀上與確認減值虧損後發生的事件有關，則先前已確認的減值虧損會透過損益予以撥回，惟該資產於減值撥回當日的賬面值不得超過未確認減值時的攤銷成本。

可供出售股本投資的減值虧損不會於其後期間透過損益撥回。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Financial instruments** (Continued)

**Financial assets** (Continued)

*Impairment of financial assets* (Continued)

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts and other receivables, where the carrying amount is reduced through the use of an allowance account. When an account or other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment losses on AFS equity investments will not be reversed through profit or loss in subsequent periods.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融負債及股本工具

本集團所發行的金融負債及股本工具根據所訂立合約安排的內容及金融負債與股本工具的定義予以分類。

股本工具指證明本集團資產經扣除所有負債後的剩餘權益的任何合約。本集團發行的股本工具按已收取所得款項扣除直接發行成本確認。

並無訂約責任償還其本金或支付任何分派的永久資本工具被分類為權益的一部分。

本公司購回本身股本工具於權益直接確認及扣除。概不會於損益確認購買、出售、發行或註銷本公司本身股本工具的收益或虧損。

##### 優先票據及公司債券

本公司發行負債、提早贖回選擇權及認沽權(與主合約並無密切關係)的優先票據及公司債券在初步確認時獨立分類為相關項目。於發行日，負債、提早贖回選擇權及認沽權部分均按公平值確認。

於其後期間，優先票據及公司債券的負債部分使用實際利息法按攤銷成本列賬。提早贖回選擇權按公平值計量，而公平值變動則在損益中確認。

與發行優先票據及公司債券有關的交易成本按有關公平值比例分配予負債、提早贖回選擇權部分及認沽權。與提早贖回選擇權及認沽權有關的交易成本即時於損益中扣除。與負債部分有關的交易成本計入負債部分的賬面值，並使用實際利息法在優先票據及公司債券期間內攤銷。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Perpetual capital instruments with no contracted obligation to repay its principal or to pay any distribution are classified as part of equity.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### Senior notes and corporate bonds

Senior notes and corporate bonds issued by the Company that both liability, early redemption option and put option (which is not closely related to the host contract) are classified separately into respective items on initial recognition. At the date of issue, both the liability, early redemption option and put option components are recognised at fair value.

In subsequent periods, the liability component of the senior notes and corporate bonds is carried at amortised cost using the effective interest method. The early redemption option is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the senior notes and corporate bonds are allocated to the liability, early redemption option and put option components in proportion to their relative fair values. Transaction costs relating to the early redemption option and put option are charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the senior notes and corporate bonds using the effective interest method.

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 3. 重大會計政策(續)

金融工具(續)

金融負債及股本工具(續)

實際利息法

實際利息法為計算金融負債攤銷成本及於有關期間內攤分利息開支的方法。實際利率是按金融負債預計年期或(倘適用)較短期間將估計未來現金付款(包括所支付或收取構成實際利率組成部分的所有費用及點子、交易成本及其他溢價或折讓)準確貼現至初步確認時的賬面淨額的比率。

利息開支按實際利息基準確認。

金融負債

本集團的金融負債(包括應付賬款及其他應付款項、應付非控股權益、合營企業及聯營公司的款項、銀行及其他借款、優先票據及公司債券)其後使用實際利息法按攤銷成本計量。

股本工具

股本工具指證明本集團資產經扣除所有負債後的剩餘權益的任何合約。集團實體發行的股本工具按已收所得款項扣除直接發行成本入賬。

財務擔保合約

財務擔保合約為發行人因指定債務人未能按債務工具條款如期付款而須向持有人支付指定款項以補償其所遭受虧損的合約。

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Financial instruments** (Continued)

**Financial liabilities and equity instruments** (Continued)

*Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

*Financial liabilities*

Financial liabilities of the Group (including accounts and other payables, amounts due to non-controlling interests, joint ventures and associates, bank and other borrowings, senior notes and corporate bonds) are subsequently measured at amortised cost using effective interest method.

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

*Financial guarantee contracts*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

### 3. 重大會計政策(續)

金融工具(續)

金融負債及股本工具(續)

財務擔保合約(續)

本集團所發行的財務擔保合約初步按其公允值計量，且倘並非指定為按公允值計入損益，則隨後按以下兩者中的較高者計量：

- (i) 根據國際會計準則第37號「撥備、或然負債及或然資產」釐定的合約責任金額；及
- (ii) 初步確認的金額減(倘適用)根據收入確認政策確認的累計攤銷。

#### 終止確認

僅於本集團從資產收取現金流的合約權利屆滿，或其將金融資產轉讓及將該資產所有權的絕大部分風險及回報轉嫁予另一實體的情況下，本集團方會終止確認金融資產。

全面終止確認金融資產後，資產賬面值與已收及應收代價及已在其他全面收入確認並在股本權益累計的累計收益或虧損總額之間的差額，會在損益中確認。

於及僅於本集團的責任已獲履行、註銷或屆滿時，本集團方會終止確認金融負債。已終止確認的金融負債的賬面值與已付及應付代價之間的差額，會在損益中確認。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Financial instruments** (Continued)

*Financial liabilities and equity instruments* (Continued)

*Financial guarantee contracts* (Continued)

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- (i) the amount of the obligation under the contract, as determined in accordance with IAS 37 "Provision, Contingent Liabilities and Contingent Assets"; and
- (ii) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

#### *Derecognition*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

## 綜合財務報表附註

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### 4. 重大判斷及估計不明朗因素的主要來源

於應用附註3所述本集團的會計政策時，本公司董事須就無法透過其他來源確定的資產及負債的賬面值作出判斷、估計及假設。估計及相關假設乃根據過往經驗及被視為相關的其他因素作出。實際結果可能與該等估計不盡相同。

估計及相關假設會持續獲審閱。對會計估計作出的修訂於該估計修訂的期間確認(倘該修訂僅影響該期間)，或於修訂期間及未來期間確認(倘該修訂影響本期間及未來期間)。

以下為於報告期末有關未來的主要假設及估計不明朗因素的其他主要來源，有關假設及來源具有導致資產及負債的賬面值於下一財政年度內作出大幅調整的重大風險。

#### 投資物業的遞延稅項

遞延稅項負債約人民幣1,336,535,000元(二零一五年：人民幣1,273,830,000元)主要與附註36所載於二零一六年十二月三十一日確認的投資物業公允值變動有關。

就計量利用公平值模式計量的投資物業所產生遞延稅項負債或遞延稅項資產而言，董事已審閱本集團的投資物業組合併得出結論認為本集團投資物業以旨在隨著時間推移而消耗該等投資物業包含的絕大部分經濟利益的商業模式持有。因此，在釐定本集團投資物業的遞延稅項時，董事認為，國際會計準則第12號「所得稅」所載的以公平值模式計量的投資物業可因出售而收回的假設並不成立。

#### 估計建造成本作收入確認

本集團的若干項目根據開發及交付計劃分為若干階段。本集團於交付物業後確認銷售。銷售成本(包括各階段的建造成本及可分攤至各階段的共同成本)根據管理層對整個項目的總開發成本及物業交付時分攤至各階段的費用所作最佳估計而計算。

### 4. CRITICAL JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### Deferred taxation on investment properties

Deferred tax liabilities of approximately RMB1,336,535,000 (2015: RMB1,273,830,000) mainly in relation to fair value change of investment properties have been recognised at 31 December 2016 as set out in note 36.

For the purposes of measuring deferred taxation liabilities or deferred taxation assets arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the Group's deferred taxation on investment properties, the directors have determined that the presumption set out in IAS 12 "Income Taxes" that investment properties measured using the fair value model are recovered through sale is rebutted.

#### Construction costs estimation for revenue recognition

Certain projects of the Group are divided into several phases according to the development and delivery plans. The Group recognises sales upon delivery of properties. Cost of sales including construction costs specific to the phases and common costs allocable to the phases are calculated based on management's best estimation of the total development costs for the whole project and the allocation to each phase at the time when the properties are delivered.

#### **4. 重大判斷及估計不明朗因素的主要來源(續)**

##### **投資物業**

投資物業人民幣5,773,100,000元(二零一五年：人民幣5,842,300,000元)根據獨立合資格專業估值師進行的估值按公平值列賬。釐定公平值時，估值師以涉及若干市況估計的估值法為基準計算。於依賴估值報告時，本公司董事已自行作出判斷，並信納估值所用假設能反映現時市況。該等假設的任何變動均會改變本集團投資物業的公平值，並須對綜合損益及其他全面收益表所報損益金額作出相應調整。

##### **擬作出售的開發中物業及持作出售物業**

如附註3所說明，本集團擬作出售的開發中物業及持作出售物業按成本與可變現淨值兩者中較低者列賬。根據本集團近期經驗及目標物業性質，本集團按當時市況估計持作出售物業及開發中物業的售價及完工成本，以及銷售物業將產生的成本。

倘完工成本增加或銷售淨值減少，則可變現淨值將會減少，此舉可能導致持作出售物業價值撇減。有關撇減需要使用判斷及估計。倘預期與原來估計有別，則物業在有關估計改變期間的賬面值及撇減會作相應調整。

此外，由於物業市場波動及個別物業性質獨特，實際成本及收入結果可能高於或低於報告期末作出的估計。估計出現任何增幅或減幅將會影響未來年度的損益。

於二零一六年十二月三十一日，擬作出售的開發中物業及持作出售物業的賬面值分別為21,254,355,000港元(二零一五年：20,167,382,000港元)及6,829,221,000港元(二零一五年：6,917,170,000港元)。年內概無進行物業撇減(二零一五年：無)。

#### **4. CRITICAL JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)**

##### **Investment properties**

Investment properties of RMB5,773,100,000 (2015: RMB5,842,300,000) are stated at fair value based on the valuations performed by independent qualified professional valuers. In determining the fair values, the valuers have based on a method of valuation which involves certain estimates of market condition. In relying on the valuation report, the directors of the Company have exercised their judgement and are satisfied that the assumptions used in the valuation are reflective of the current market conditions. Changes to these assumptions would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

##### **Properties under development for sale and properties held for sales**

As explained in note 3, the Group's properties under development for sale and properties held for sales are stated at the lower of cost and net realisable value. Based on the Group's recent experience and the nature of the subject properties, the Group makes estimates of the selling prices, the costs of completion in cases for properties held for development and properties under development, and the costs to be incurred in selling the properties based in prevailing market conditions.

If there is an increase in costs to completion or a decrease in net sales value, the net realisable value will decrease and this may result in write-down of value of the properties for sale. Such write-down requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and write-down for properties in the periods in which such estimate is changed will be adjusted accordingly.

In addition, given the volatility of the property market and the unique nature of individual properties, the actual outcomes in terms of costs and revenue may be higher or lower than that estimated at the end of the reporting period. Any increase or decrease in the estimates would affect profit or loss in future years.

As at 31 December 2016, the carrying amounts of properties under development for sale and properties held for sale are HK\$21,254,355,000 (2015: HK\$20,167,382,000) and HK\$6,829,221,000 (2015: HK\$6,917,170,000) respectively. No write-downs of the properties were made during the year (2015: Nil).

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 4. 重大判斷及估計不明朗因素的主要來源(續)

#### 遞延稅項資產

如附註36所載，於二零一六年十二月三十一日已確認約人民幣319,795,000元(二零一五年：人民幣286,753,000元)的遞延稅項資產，主要有關稅項虧損及土地增值稅(「土地增值稅」)。遞延稅項資產是否可予變現主要視乎未來有否足夠可供動用的未來利潤或應課稅臨時差額。本公司董事根據已頒佈或實際已頒佈的稅率，以及本集團對預期動用稅項虧損或／及可扣減臨時差額的未來數年所作利潤預測的最佳資料釐定遞延稅項資產。本公司董事於報告期末前審閱假設及利潤預測。倘所產生的實際未來利潤低於所預期者，則可能須撥回遞延稅項資產，並於撥回期間在綜合損益及其他全面收益表內確認。

#### 土地增值稅

本集團於中國發展作銷售的物業就土地增值按30%至60%不等的累進稅率徵收土地增值稅，即物業銷售所得款項減可扣稅支出(包括土地成本、銷售費用、借款成本及所有物業發展開支)。

本集團在中國須繳付土地增值稅，其與所使用比率的適當性高度相關。由於不確定物業銷售所得款項及可扣稅支出，本公司董事於估計土地增值稅金額時須作出重大判斷。

本集團向買方交付物業後於綜合損益及其他全面收益表確認土地增值稅。然而，整個物業項目完成實際增值前，將不會與中國地方稅務機關落實計算及支付年內土地增值稅。最後稅務結果可能有別於最初入賬金額，而該等差額將於本集團與地方稅務機關落實有關稅項期間對所得稅開支及相關所得稅撥備構成影響。

### 4. CRITICAL JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### Deferred taxation assets

Deferred taxation assets of approximately RMB319,795,000 (2015: RMB286,753,000) mainly in relation to tax losses and land appreciation tax ("LAT") have been recognised at 31 December 2016 as set out in note 36. The realisability of the deferred taxation assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. The directors of the Company determine the deferred taxation assets based on the enacted or substantially enacted tax rates and the best knowledge of profit projections of the Group for coming years during which the tax losses or/and the deductible temporary differences are expected to be utilised. The directors of the Company will review the assumptions and profit projections by the end of the reporting period. In cases where the actual future profits generated are less than expected, a reversal of deferred taxation assets may arise, which would be recognised in the consolidated statement of profit or loss and other comprehensive income for the period in which such a reversal takes place.

#### Land appreciation tax

LAT is levied on properties developed by the Group for sale in the PRC, at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including the cost of land, sales charges, borrowing costs and all relevant property development expenditures.

The Group is subject to LAT in the PRC which is highly dependent on the appropriateness of the rates used. Significant judgements are made by the directors of the Company in estimating the amounts of land appreciation due to the uncertainty of proceeds of sales of properties and deductible expenditures.

The Group recognise LAT in its consolidated statement of profit or loss and other comprehensive income when properties are delivered to the buyers. However, the LAT calculation and payments with local tax authorities in the PRC in the year will not be finalized until the actual appreciation value of the whole property project is completed. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax provisions in the periods in which such tax is finalised with local tax authorities.

#### **4. 重大判斷及估計不明朗因素的主要來源(續)**

##### **公平值計量及估值流程**

就財務呈報而言，本集團部分資產及負債按公平值計量。本公司董事負責就公平值計量釐定適當估值方法及輸入數據。

於估計資產或負債的公平值時，本集團使用可供參考的市場可觀察數據。倘並無第一級輸入數據，本集團委聘獨立合資格專業估值師進行估值。本公司董事與獨立合資格專業估值師緊密合作，為模式制定適當的估值方法及輸入數據。董事定期評估資產及負債公平值波動的影響及原因。

本集團使用包含並非基於市場可觀察數據的輸入數據的估值方法估計若干類型投資物業及金融工具的公平值。附註14及47載列於釐定不同資產及負債公平值時所使用的有關估值方法、輸入數據及主要假設的詳細資料。

##### **控制旭安有限公司(「旭安」)**

旭安由本集團與另一名股東分別持有50%權益，先前已作為合營企業列賬。截至二零一五年十二月三十一日止年度，本集團與該名股東訂立補充協議。透過簽立補充協議，本集團有權對旭安行使控制權，而旭安已成為本公司附屬公司。有關詳情載於附註37(g)。

本公司管理層評估本集團是否對旭安擁有控制權乃基於本集團是否有實際能力單方面指示旭安的相關活動。作出彼等判斷時，董事考慮本集團於旭安持有的投票權。透過簽立上述補充協議，旭安董事會增加至七名董事，而所有戰略融資及經營決策必須由董事會大多數成員批准，當中四名董事及三名董事分別由本集團及其他股東委任。經評估後，董事作出結論，認為本集團有足夠支配比例的投票權以指示旭安的相關活動，因此，本集團對旭安擁有控制權。

#### **4. CRITICAL JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)**

##### **Fair value measurements and valuation processes**

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The directors of the Company are responsible in determining the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages independent qualified professional valuers to perform the valuation. The directors of the Company work closely with the independent qualified professional valuers to establish the appropriate valuation techniques and inputs to the model. The directors regularly assess the impact and the cause of fluctuations in the fair value of the assets and liabilities.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of investment properties and financial instruments. Notes 14 and 47 provide detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets and liabilities.

##### **Control over Xu An Co. Limited ("Xu An")**

Xu An was 50% held by the Group and 50% held by the other shareholder, and was accounted for as a joint venture previously. During the year ended 31 December 2015, the Group entered into a supplemental agreement with the other shareholder. By execution of the supplemental agreement, the Group is able to exercise control over Xu An and Xu An became a subsidiary of the Company. Details of these are set out in note 37(g).

The directors of the Company assessed whether or not the Group has control over Xu An based on whether the Group has the practical ability to direct the relevant activities of Xu An unilaterally. In making their judgement, the directors considered the Group's voting power of holding in Xu An. By execution of the aforesaid supplemental agreement, the board of directors of Xu An increased to comprise of seven directors and all of the strategic financial and operating decisions must be approved by simple majority of the board of directors, of which four directors and three directors are to be appointed by the Group and the other shareholder, respectively. After assessment, the directors concluded that the Group has sufficiently dominant voting power to direct the relevant activities of Xu An and therefore the Group has control over Xu An.

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### 5. 收入

收入指於年內(扣除折扣後)銷售物業的收入、租金收入及提供物業管理以及物業相關服務所收取的收入，其分析如下：

### 5. REVENUE

Revenue represents income from sales of properties, rental income and income from provision of property management and property related services earned during the year, net of discounts allowed, and is analysed as follows:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
銷售物業	Sales of properties	<b>20,713,067</b>	17,046,700
租金收入	Rental income	<b>62,226</b>	40,973
物業管理收入	Property management income	<b>276,496</b>	343,638
項目管理及其他物業相關服務收入	Project management and other property related services income	<b>1,172,658</b>	799,477
		<b>22,224,447</b>	18,230,788

### 6. 分部資料

本集團根據主要經營決策者(即本公司董事會)為按分部分配資源及評估其表現而定期審閱的有關本集團組成部分的內部報告，確定其經營分部。

向本集團主要經營決策者就分配資源及評估表現而報告的資料集中於以下三項主要業務：

- 房地產開發：此分部指開發及銷售辦公室及商業物業以及住宅物業。本集團所有此方面的業務均在中國開展。
- 房地產投資：此分部指租賃本集團開發或購買的投資物業，以賺取租金收入並長期從物業升值中受益。本集團目前的投資物業組合全部位於中國。
- 物業管理、項目管理及其他物業相關服務：此分部主要指物業管理及項目管理所產生的收入。本集團此方面的業務目前乃於中國開展。

主要經營決策者定期審閱房地產開發、物業投資、物業管理、項目管理及其他物業相關服務的經營業績。由於房地產開發項目均位於中國，其收入主要來自物業銷售，且牽涉及承擔相同風險與回報。所有房地產開發項目已根據國際財務報告準則第8號「經營分部」合併為單一可呈報分部(房地產開發)。

### 6. SEGMENT INFORMATION

The Group determines its operating segments based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (being the board of directors of the Company) in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of performance is focused on three main operations:

- Property development: this segment represents the development and sales of office and commercial premises and residential properties. All the Group's activities in this regard are carried out in the PRC.
- Property investment: this segment represents the lease of investment properties, which are developed or purchased by the Group to generate rental income and to gain from the appreciation of the properties' values in the long term. Currently the Group's investment property portfolio is located entirely in the PRC.
- Property management, project management and other property related services: this segment mainly represents the income generated from property management and project management. Currently the Group's activities in this regard are carried out in the PRC.

The chief operating decision maker regularly reviews the operating results under property development, property investment, and property management, project management and other property related services. As property development projects are all located in the PRC, their revenue is primarily derived from the sales of properties, and is related and subject to common risk and returns. All property development projects are aggregated into a single reportable segment, property development, in accordance with IFRS 8 "Operating Segments".

## 6. 分部資料(續)

### (a) 分部收入及利潤

年內，提供予本集團主要經營決策者以分配資源及評估分部表現的有關本集團可呈報分部的資料載列如下。

## 6. SEGMENT INFORMATION (Continued)

### (a) Segment revenue and profit

Information regarding the Group's reportable segments as provided to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance for the year is set out below.

		物業管理、 項目管理及 其他物業 相關服務 Property management, project management and other	總計 Total
	房地產開發 Property development	房地產投資 Property investment	人民幣千元 RMB'000
截至二零一六年十二月三十一日止年度	Year ended 31 December 2016		
來自外部客戶的可呈報分部收入	Reportable segment revenue from external customers	20,713,067	62,226
		1,449,154	22,224,447
可呈報分部利潤	Reportable segment profit	4,508,807	47,550
		564,796	5,121,153

		物業管理、 項目管理及 其他物業 相關服務 Property management, project management and other	總計 Total
	房地產開發 Property development	房地產投資 Property investment	人民幣千元 RMB'000
截至二零一五年十二月三十一日止年度	Year ended 31 December 2015		
來自外部客戶的可呈報分部收入	Reportable segment revenue from external customers	17,046,700	40,973
		1,143,115	18,230,788
可呈報分部利潤	Reportable segment profit	3,295,706	26,755
		450,221	3,772,682

### (b) 分部資產及負債

由於主要經營決策者於計算本集團分部呈報時並無計入資產及負債，因此並無呈列分部資產及負債。

### (b) Segment assets and liabilities

No assets and liabilities are included in the measures of the Group's segment reporting that are used by the chief operating decision maker. Accordingly, no segment assets and liabilities are presented.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 6. 分部資料(續)

#### (c) 可呈報分部收入及利潤的對賬

可呈報分部利潤指各分部業績，未計及本集團主要業務以外業務所賺取的其他收入、收益及虧損的分配、未分配總部及企業開支、物業、廠房及設備折舊、呆賬撥備(撥回)、投資物業公平值變動、融資成本以及應佔合營企業及聯營公司業績的任何影響。此乃向主要經營決策者匯報以分配資源及評估表現的計量基礎。

### 6. SEGMENT INFORMATION (Continued)

#### (c) Reconciliations of reportable segment revenue and profit

The reportable segment profit represents the results by each segment without including any effect of allocation of other income, gains and losses earned from operations other than the Group's main operations, unallocated head office and corporate expenses, depreciation of property, plant and equipment, (write-back of) allowance for doubtful debts, change in fair value of investment properties, finance costs and share of results of joint ventures and associates. This is the measurement basis reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
<b>收入</b>	<b>Revenue</b>		
可呈報分部及綜合收入	Reportable segment and consolidated revenue	<b>22,224,447</b>	18,230,788
<b>利潤</b>	<b>Profit</b>		
可呈報分部利潤	Reportable segment profit	<b>5,121,153</b>	3,772,682
其他收入，收益及虧損	Other income, gains and losses	<b>161,834</b>	541,660
投資物業公平值變動	Change in fair value of investment properties	<b>(100,433)</b>	128,100
融資成本	Finance costs	<b>(529,651)</b>	(202,885)
應佔合營企業業績	Share of results of joint ventures	<b>1,007,416</b>	205,533
應佔聯營公司業績	Share of results of associates	<b>55,324</b>	(32,908)
物業、廠房及設備折舊	Depreciation of property, plant and equipment	<b>(15,950)</b>	(18,280)
呆賬(撥備)撥回	Write-back of (allowance for) doubtful debts	<b>2,598</b>	(2,573)
未分配總部及企業開支	Unallocated head office and corporate expenses	<b>(865,526)</b>	(586,502)
除稅前綜合利潤	Consolidated profit before taxation	<b>4,836,765</b>	3,804,827

#### (d) 地區資料

由於本集團的經營活動乃於中國展開，故並無呈列地區資料。

#### (d) Geographic information

No geographic information has been presented as the Group's operating activities are carried out in the PRC.

#### (e) 主要客戶

並無與單一外部客戶進行的交易所得收入佔本集團收入10%或以上。

#### (e) Major customers

No revenue from transactions with a single external customer amounted to 10% or more of the Group's revenue.

## 7. 其他收入、收益及虧損

## 7. OTHER INCOME, GAINS AND LOSSES

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
可供出售投資的股息收入	Dividend income from available-for-sale investment	—	3,628
利息收入	Interest income	<b>232,184</b>	97,372
重新計量收益(附註37)	Gain on remeasurement (note 37)	<b>38,283</b>	166,498
業務合併收益(附註37)	Gain from business combinations (note 37)	<b>33,867</b>	76,770
出售物業、廠房及設備的 收益(虧損)淨額	Gain (loss) on disposal of property, plant and equipment, net	<b>219</b>	(216)
出售預付租賃款項收益	Gain on disposal of prepaid lease payments	—	60,097
出售附屬公司的(虧損)收益(附註38)	(Loss) gain on disposal of subsidiaries (note 38)	<b>(4,242)</b>	219,296
視作出售附屬公司的虧損(附註38)	Loss on deemed disposal of subsidiaries (note 38)	<b>(211)</b>	—
政府補貼	Government grants	<b>26,575</b>	38,679
沒收買家支付的按金	Forfeited deposits paid by purchasers	<b>10,090</b>	109,860
提早贖回優先票據的虧損(附註33)	Loss on early redemption of senior notes (note 33)	<b>(182,263)</b>	(20,725)
按公平值計入損益的金融資產的 公平值變動(附註29)	Change in fair value of financial assets at FVTPL (note 29)	<b>33,356</b>	—
衍生金融工具公平值變動(附註21)	Change in fair value of derivative financial instruments (note 21)	<b>314,768</b>	—
匯兌虧損淨額	Net exchange loss	<b>(378,284)</b>	(302,127)
雜項收入	Sundry income	<b>37,492</b>	92,528
		<b>161,834</b>	541,660

## 8. 融資成本

## 8. FINANCE COSTS

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
銀行及其他借款的利息	Interest on bank and other borrowings	<b>(1,092,802)</b>	(994,751)
優先票據的利息開支	Interest expense on senior notes	<b>(705,919)</b>	(737,856)
公司債券的利息開支	Interest expense on corporate bonds	<b>(351,498)</b>	(41,419)
減：擬作出售的開發中物業及 在建投資物業的資本化金額	Less: Amount capitalised to properties under development for sale and investment properties under construction	<b>1,620,568</b>	1,571,141
		<b>(529,651)</b>	(202,885)

擬作出售的開發中物業及在建投資物業的資本化借款成本根據分別披露於附註32、33及34的銀行及其他借款、優先票據及公司債券的合約利率釐定。

Borrowing costs capitalised to properties under development for sale and investment properties under construction were determined by the contracted interest rates of respective bank and other borrowings, senior notes and corporate bonds as disclosed in notes 32, 33 and 34 respectively.

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 9. 所得稅開支

## 9. INCOME TAX EXPENSE

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
中國企業所得稅	PRC Enterprise Income Tax		
本年度的企業所得稅	Current year Enterprise Income Tax	(1,038,337)	(950,358)
過往年度撥備不足	Under provision in respect of prior year	(27,666)	–
土地增值稅	LAT	(602,245)	(317,872)
		<b>(1,668,248)</b>	(1,268,230)
遞延稅項(附註36)	Deferred taxation (note 36)	(4,142)	(65,809)
		<b>(1,672,390)</b>	(1,334,039)

根據自二零零八年一月一日起生效的中國企業所得稅法及實施條例，本公司中國附屬公司的法定稅率為25%。

經多個稅務主管當局批准，若干中國附屬公司就其各自視作應課稅收入須按法定稅率25%納稅，而應課稅收入按根據適用中國稅務法規的規定計稅方法介乎收入的8%至10%。

土地增值稅撥備乃根據相關中國稅務法律及法規所載規定估計。土地增值稅已按增值價值的累進稅率範圍作出撥備(附帶若干許可的豁免及減免)。

根據英屬處女群島(「英屬處女群島」)及開曼群島的規則及法規，本集團毋須在英屬處女群島及開曼群島繳納任何所得稅。

由於本集團旗下各公司的收入既不產自亦非來自香港，故並無就香港利得稅作出撥備。

遞延稅項的詳情載於附註36。

Under the Law of Enterprise Income Tax and Implementation Rules of the PRC effective since 1 January 2008, the statutory tax rate of the Company's PRC subsidiaries is 25%.

As approved by various competent tax bureaus, certain PRC subsidiaries are subject to statutory tax rate of 25% on their respective deemed taxable income, ranging from 8% to 10% of revenue in accordance with the prescribed tax calculation method pursuant to the applicable PRC tax regulations.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable exemptions and deductions.

Pursuant to the rules and regulations of the British Virgin Islands ("BVI") and the Cayman Islands, the Group is not subject to any income tax in the BVI and the Cayman Islands.

No provision for Hong Kong Profits Tax has been made as the income of the companies comprising the Group neither arises in, nor is derived from, Hong Kong.

Details of the deferred taxation are set out in note 36.

## 9. 所得稅開支(續)

年內稅項費用與綜合損益及其他全面收益表內除稅前利潤的對賬如下：

## 9. INCOME TAX EXPENSE (Continued)

The tax charge for the year can be reconciled to the profit before taxation per consolidated statement of profit or loss and other comprehensive income as follows:

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
除稅前利潤	Profit before taxation	<b>4,836,765</b>	3,804,827
按25%繳納的中國企業所得稅	PRC Enterprise Income Tax at 25%	<b>(1,209,191)</b>	(951,207)
不可扣稅開支的稅務影響	Tax effect of expenses not deductible for tax purposes	<b>(199,873)</b>	(97,775)
毋須課稅收入的稅務影響	Tax effect of income not taxable for tax purposes	<b>6,367</b>	9,108
土地增值税	LAT	<b>(602,245)</b>	(317,872)
土地增值税的稅務影響	Tax effect of LAT	<b>150,561</b>	79,468
未確認稅項虧損的稅務影響	Tax effect of tax losses not recognised	<b>(100,287)</b>	(88,420)
動用先前未確認的稅項虧損	Utilisation of tax losses previously not recognised	<b>47,230</b>	14,280
未確認可扣減臨時差額的 稅務影響(附註)	Tax effect of deductible temporary differences not recognised (note)	<b>(2,534)</b>	(41,508)
動用先前未確認的可扣減臨時差額	Utilisation of deductible temporary differences previously not recognised	<b>10,907</b>	10,859
若干中國附屬公司採納規定計稅 方法的影響	Effect of adopting prescribed tax calculation method by certain PRC subsidiaries	—	15,745
應佔合營企業業績的稅務影響	Tax effect of share of result of joint ventures	<b>251,854</b>	51,383
應佔聯營公司業績的稅務影響	Tax effect of share of result of associates	<b>13,831</b>	(8,227)
過往年度撥備不足	Under provision in respect of prior year	<b>(27,666)</b>	—
其他	Others	<b>(11,344)</b>	(9,873)
年內稅項費用	Tax charge for the year	<b>(1,672,390)</b>	(1,334,039)

附註：未確認可扣減臨時差額的稅務影響指調整有關建  
造物業的公司間交易及公司間轉讓已竣工停車場  
所產生的可扣減臨時差額。

Note: Tax effect of deductible temporary differences not recognised represent the adjustments  
of deductible temporary differences arising from inter-company transactions in relation  
to construction of properties and inter-company transfer of the completed carpark.

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 10. 年內利潤及全面收入總額

## 10. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
年內利潤及全面收入總額乃經 扣除(計入)下列各項：	Profit and total comprehensive income for the year has been arrived at after charging (crediting):		
核數師酬金	Auditors' remuneration	<b>5,775</b>	5,225
計入銷售及服務成本的已售物業成本	Cost of properties sold included in cost of sales and services	<b>15,059,167</b>	12,265,516
物業、廠房及設備折舊	Depreciation of property, plant and equipment	<b>15,950</b>	18,280
(撥回)呆帳撥備	(Write-back of) allowance for doubtful debts	<b>(2,598)</b>	2,573
土地及樓宇的經營租賃租金	Operating lease rentals in respect of land and buildings	<b>44,840</b>	34,423
員工成本	Staff costs		
董事薪酬(附註11)	Directors' emoluments (Note 11)	<b>11,526</b>	10,396
其他員工成本	Other staff costs		
員工成本(不包括退休福利成本)	Staff costs excluding retirement benefit costs	<b>527,289</b>	451,286
退休福利成本	Retirement benefit costs	<b>57,848</b>	41,992
以股本權益結算並以股份付款	Equity-settled share-based payments	<b>46,882</b>	49,058
其他員工成本總額	Total other staff costs	<b>632,019</b>	542,336
減：擬佔出售的開發中物業的 資本化金額	Less: Amount capitalised to properties under development for sale	<b>(199,986)</b>	(197,985)
		<b>432,033</b>	344,351
投資物業租金收入	Rental income from investment properties	<b>(62,226)</b>	(40,973)
減：相關開支	Less: Related outgoings	<b>13,078</b>	14,218
		<b>(49,148)</b>	(26,755)

## 11. 董事及僱員薪酬

## 11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
<b>董事薪酬</b>	<b>Directors' emoluments</b>		
董事袍金	Directors' fees	<b>737</b>	676
獨立非執行董事的以股本權益結算並以股份付款	Equity-settled share-based payment for independent non-executive directors	<b>510</b>	471
執行董事的其他薪酬	Other emoluments for executive directors		
– 基本薪金及津貼	– basic salaries and allowances	<b>7,769</b>	7,481
– 以股本權益結算並以股份付款	– equity-settled share-based payment	<b>579</b>	341
– 酌情花紅	– discretionary bonus	<b>1,611</b>	1,124
– 退休福利供款	– retirement benefit contributions	<b>320</b>	303
		<b>11,526</b>	10,396

截至二零一六年 十二月三十一日止年度	Year ended 31 December 2016	以股本權益					
		董事袍金 Directors' fees	基本薪金 salaries and allowances	結算並以 股份付款 Equity-settled share-based payment	酌情花紅 Discretionary bonus	退休福利 Retirement benefit contributions	總計 Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
執行董事姓名	Name of executive director						
林中先生	Mr. LIN Zhong	–	2,641	–	–	99	2,740
林偉先生	Mr. LIN Wei	–	1,835	–	–	122	1,957
林峰先生	Mr. LIN Feng	–	3,293	579	1,611	99	5,582
獨立非執行董事姓名	Name of independent non-executive director						
顧雲昌先生	Mr. GU Yunchang	214	–	170	–	–	384
張永岳先生	Mr. ZHANG Yongyue	214	–	170	–	–	384
陳偉成先生	Mr. TAN Wee Seng	309	–	170	–	–	479
		<b>737</b>	<b>7,769</b>	<b>1,089</b>	<b>1,611</b>	<b>320</b>	<b>11,526</b>

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 11. 董事及僱員薪酬(續)

### 11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(Continued)

			以股本權益 基本薪金 及津貼 Basic salaries and allowances	結算並以 股份付款 Equity-settled share-based payment	酌情花紅 Discretionary Bonus	退休福利 供款 Retirement benefit	總計 Total
	董事袍金 Directors' fees	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
截至二零一五年十二月三十一 Year ended 31 December							
日止年度	2015						

執行董事姓名 Name of executive director	獨立非執行董事姓名 Name of independent non-executive director	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
林中先生 Mr. LIN Zhong		—	2,544	—	—	95	2,639
林偉先生 Mr. LIN Wei		—	1,752	—	—	113	1,865
林峰先生 Mr. LIN Feng		—	3,185	341	1,124	95	4,745
		676	7,481	812	1,124	303	10,396

以上所示執行董事薪酬乃就彼等有關管理本公司及本集團事務所提供的服務而支付。

The executive directors' emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group.

以上所示獨立非執行董事薪酬乃就彼等出任本公司董事所提供的服務而支付。

The independent non-executive directors' emoluments shown above were paid for their services as directors of the Company.

林峰先生為本公司行政總裁，而上文所披露其薪酬包括其擔任行政總裁的薪酬。

Mr. LIN Feng is the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

年內，概無有關董事或主要行政人員放棄或同意放棄任何薪酬的安排。

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

年內，若干董事根據本公司購股權計劃就其向本集團提供的服務獲授予購股權。購股權計劃詳情載於附註44。

During the year, certain directors were granted share options, in respect of their services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in note 44.

## 11. 董事及僱員薪酬(續)

### 五名最高薪酬人士

截至二零一六年十二月三十一日止年度，五名最高薪酬人士包括一名(二零一五年：一名)董事。截至二零一六年十二月三十一日止年度，其餘四名(二零一五年：四名)最高薪酬人士的薪酬如下：

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
僱員	Employees		
－基本薪金及津貼	－ basic salaries and allowances	<b>11,058</b>	8,510
－花紅	－ bonus	<b>6,401</b>	4,163
－以股本權益結算並以股份付款	－ equity-settled share-based payments	<b>289</b>	274
－退休福利供款	－ retirement benefit contributions	<b>1,118</b>	1,078
		<b>18,866</b>	14,025

彼等的薪酬屬以下範圍：

Their emoluments were within the following bands:

		人數 Number of individuals	人數 Number of individuals
		二零一六年 2016	二零一五年 2015
3,000,001港元至3,500,000港元	HK\$3,000,001 to HK\$3,500,000	–	1
3,500,001港元至4,000,000港元	HK\$3,500,001 to HK\$4,000,000	–	1
4,000,001港元至4,500,000港元	HK\$4,000,001 to HK\$4,500,000	<b>1</b>	1
4,500,001港元至5,000,000港元	HK\$4,500,001 to HK\$5,000,000	<b>1</b>	–
5,000,001港元至5,500,000港元	HK\$5,000,001 to HK\$5,500,000	<b>1</b>	–
6,000,001港元至6,500,000港元	HK\$6,000,001 to HK\$6,500,000	–	1
7,500,001港元至8,000,000港元	HK\$7,500,001 to HK\$8,000,000	<b>1</b>	–

本集團並無向本公司董事或五名最高薪酬人士支付任何薪酬作為加盟本集團或加盟本集團時的獎勵或離職補償。

No emoluments were paid by the Group to the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 12. 股息

### 12. DIVIDEND

	二零一六年 2016	二零一五年 2015
	人民幣千元 RMB'000	人民幣千元 RMB'000
建議末期股息－每股普通股 人民幣11.5分 (二零一五年：人民幣9.35分)	Proposed final dividend – RMB11.5 cents (2015: RMB9.35 cents) per ordinary share	<b>775,681</b>
		624,270

董事會建議，派發二零一六年度末期股息為每股人民幣11.50分(相當於13港分)(二零一五年：人民幣9.35分(相當於11港分))('建議末期股息')。本年度的建議末期股息連同就本年度首六個月的已派發中期股息每股人民幣3.42分(相等於4港分)，合共股息為每股人民幣14.92分(相當於17港分)。建議末期股息可由股東選擇以現金支付或以部分或全部收取本公司的新繳足股份方式收取。

截至二零一六年十二月三十一日止年度的建議末期股息須獲本公司股東於應屆股東週年大會上批准。

截至二零一六年十二月三十一日止年度，股東獲派發截至二零一五年十二月三十一日止財政年度的末期股息每股人民幣9.35分(相當於11港分)(包括供股東選擇以獲配發新股份代替現金的形式收取末期股息的以股代息選擇)及截至二零一六年六月三十日止六個月的中期股息每股人民幣3.42分(相當於4港分)，有關詳情如下：

The Board recommends the payment of a final dividend for 2016 of RMB11.50 cents (equivalent to HK13 cents) (2015: RMB9.35 cents (equivalent to HK11 cents)) per share (the "Proposed Final Dividend"). The Proposed Final Dividend for the year in aggregate with the interim dividend of RMB3.42 cents (equivalent to HK4 cents) per share paid in respect of the first six months of the year amounted to total dividends of RMB14.92 cents (equivalent to HK17 cents) per share. The Proposed Final Dividend will be either payable in cash or in form of new fully paid shares of the Company in respect of part or all of such final dividend at shareholders' option.

The Proposed Final Dividend for the year ended 31 December 2016 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

During the year ended 31 December 2016, a final dividend of RMB9.35 cents (equivalent to HK11 cents) per share in respect of the financial year ended 31 December 2015, which included scrip dividend alternative offered to shareholders to elect receiving the final dividend by allotment of new shares in lieu of cash, and an interim dividend of RMB3.42 cents (equivalent to HK4 cents) per share in respect of the six months ended 30 June 2016, were paid to shareholders, details as follow:

	二零一六年 2016	二零一五年 2015		
	千港元 HK\$'000	人民幣千元 RMB'000	千港元 HK\$'000	人民幣千元 RMB'000
股息	Dividends			
現金	Cash	<b>932,044</b>	<b>794,500</b>	565,697
以股代息選擇(附註35)	Scrip dividend alternative (note 35)	<b>70,802</b>	<b>59,829</b>	300,721
		<b>1,002,846</b>	<b>854,329</b>	866,418
				693,134

### 13. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃根據下列數據計算：

### 13. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

		二零一六年 <b>2016</b>	二零一五年 2015
		人民幣千元 <b>RMB'000</b>	人民幣千元 RMB'000
<b>盈利</b>	<b>Earnings</b>		
計算每股基本及攤薄盈利的盈利 (本公司擁有人應佔年內利潤)	Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	<b>2,807,549</b>	2,095,464
<b>股份數目</b>	<b>Number of shares</b>		
就計算每股基本盈利的普通股 加權平均數	Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>6,700,561,859</b>	6,447,679,001
對購股權的潛在普通股攤薄效應	Effect of dilutive potential ordinary shares on share options	<b>22,352,975</b>	193,094
就計算每股攤薄盈利的普通股 加權平均數	Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>6,722,914,834</b>	6,447,872,095

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 14. 投資物業

### 14. INVESTMENT PROPERTIES

		在建 投資物業 Investment properties under construction	已竣工 投資物業 Completed investment properties	總計 Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於二零一五年一月一日	At 1 January 2015	1,553,000	3,653,200	5,206,200
完成後轉撥	Transfer upon completion	(1,917,125)	1,917,125	–
添置	Additions	508,000	–	508,000
公平值(減少)增加	(Decrease) increase in fair value	(17,875)	145,975	128,100
於二零一五年十二月三十一日	At 31 December 2015	126,000	5,716,300	5,842,300
完成後轉撥	Transfer upon completion	(136,874)	136,874	–
添置	Additions	10,874	20,359	31,233
公平值減少	Decrease in fair value	–	(100,433)	(100,433)
於二零一六年十二月三十一日	<b>At 31 December 2016</b>	–	<b>5,773,100</b>	<b>5,773,100</b>

已竣工投資物業及在建投資物業均位於中國，屬中期租賃。所有本集團持有作經營租賃的物業權益以賺取租金或作資本增值均按公平值模式計量。

The completed investment properties and investment properties under construction are all situated in the PRC under medium-term leases. All the Group's property interests held under operating leases to earn rentals or for capital appreciation are measured using the fair value model.

本集團於二零一六年十二月三十一日抵押人民幣5,560,000,000元(二零一五年：人民幣5,519,000,000元)的投資物業，以擔保本集團的銀行及其他借款。

The Group has pledged investment properties of RMB5,560,000,000 (2015: RMB5,519,000,000) as at 31 December 2016 to secure bank and other borrowings of the Group.

本集團已竣工投資物業及在建投資物業於二零一六年及二零一五年十二月三十一日的公平值乃基於與本集團並無關連的獨立合資格專業估值師行第一太平戴維斯估值及專業顧問有限公司於該等日期進行的估值而得出。第一太平戴維斯估值及專業顧問有限公司擁有合適資格，且擁有評估相關地點的類似物業方面的相關近期經驗。

The fair values of the Group's completed investment properties and investment properties under construction at 31 December 2016 and 2015 have been arrived at on the basis of valuations on those dates carried out by Savills Valuation and Professional Services Limited, a firm of independent qualified professional valuers not connected with the Group, who have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

已竣工投資物業於二零一六年及二零一五年十二月三十一日的估值採用直接比較法並參照有關已竣工投資物業於市場上可比較市場交易及透過將現有租約所得租金收入淨額資本化的方式計算，並對適用於已竣工投資物業的各物業的租金收入復歸潛力作適當折減。

The valuations of completed investment properties as at 31 December 2016 and 2015 were arrived at with adoption of the direct comparison approach by making reference to comparable market transactions as available in the relevant markets on completed investment properties and, by capitalising the net rental income derived from the existing tenancies with due allowance for reversionary income potential of the respective properties on completed investment properties.

## 14. 投資物業(續)

在建投資物業於二零一五年十二月三十一日的估值採用直接比較法並參照於有關市場上的可比較交易，及採用餘值法(基於已竣工物業的市場可觀察交易)並按該等物業將根據最新開發方案開發及竣工的基準並計及完成開發所耗用的建造成本而得出，以反映已竣工開發項目的質素及發展商溢利。

上年度所用估值方法並無變動。於估計物業的公平值時，物業的最高及最佳用途為其當前用途。

本集團於二零一六年及二零一五年十二月三十一日的投資物業及公平值級別資料詳情如下：

## 14. INVESTMENT PROPERTIES (Continued)

The valuations of investment properties under construction as at 31 December 2015 were arrived at with adoption of the direct comparison approach by making reference to comparable transactions as available in the relevant markets and, residual approach, which is based on market observable transactions of completed properties with the basis that they will be developed and completed in accordance with the latest development proposals and taken into account the construction costs that will be expended to complete the development to reflect the quality of the completed development and developer's profit.

There has been no change from the valuation technique used in prior year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2016 and 2015 are as follows:

		於二零一六年 十二月三十一日 的公平值 Fair value as at	
		第三級 Level 3	31 December 2016
		人民幣千元 RMB'000	人民幣千元 RMB'000
於中國的投資物業	Investment properties located in PRC	5,773,100	5,773,100
		於二零一五年 十二月三十一日 的公平值 Fair value as at	
		第三級 Level 3	31 December 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
於中國的投資物業	Investment properties located in PRC	5,842,300	5,842,300

年內並無轉入第三級或自當中轉出。

There were no transfers into or out of Level 3 during the year.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 14. 投資物業(續)

下表提供有關如何釐定重大投資物業的公允值(特別是所使用的估值方法及輸入數據)，及公允值計量按公允值計量輸入數據的可觀察程度所劃分的公允值級別水平(第一級至第三級)的資料。

### 14. INVESTMENT PROPERTIES (Continued)

The following table gives information about how the fair values of the major investment properties are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

於綜合財務狀況表內本集團所持投資物業 Investment properties held by the Group in the consolidated statement of financial position	公平值級別 Fair value hierarchy	估值方法及主要輸入數據 Valuation technique(s) and key input(s)	重要無法觀察輸入數據 Significant unobservable input(s)	無法觀察輸入數據與公允值的關係 Relationship of unobservable inputs to fair value
Completed investment property – Jiaxing CIFI Square 已竣工投資物業－嘉興旭輝廣場	Level 3 第三級	Income method (term and reversionary approach) 收入法（租期復歸法）  The key inputs are: (1) Term yield; (2) Reversionary yield; and (3) Market unit rent of individual unit  主要輸入數據為： (1) 租期收益率； (2) 復歸收益率；及 (3) 個別單位的市場單位租金	Term yield, taking into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received of 4% (2015: 4%).  經計入可比較物業產生的收益及反映所擔保及將收取租期收入的確定性的調整，租期收益率為4%（二零一五年：4%）。  Reversionary yield, taking into account annual unit market rental income and unit market value of the comparable properties of 4.5% (2015: 4.5%).  經計入單位市場年度租金收入及可比較物業的單位市值，復歸收益率為4.5%（二零一五年：4.5%）。	There is no indication that any slight change in the term yield would result in significant higher or lower fair value measurement.  並無跡象表明任何租期收益率的任何輕微變動將導致公平值計量明顯較高或較低。  A slight increase in the reversionary yield would result in a significant decrease in fair value and vice versa.  復歸收益率輕微上升將導致公平值大幅減少，反之亦然。

## 14. 投資物業(續)

## 14. INVESTMENT PROPERTIES (Continued)

於綜合財務狀況表內本集團所持投資物業 Investment properties held by the Group in the consolidated statement of financial position	公平值級別 Fair value hierarchy	估值方法及主要輸入數據 Valuation technique(s) and key input(s)	重要無法觀察 Significant unobservable input(s)	無法觀察 Relationship of inputs to fair value
		Market unit rent, using direct market comparables and taking into account of location and other individual factors such as road frontage, size of property and facilities range from around RMB110 sq.m./month to RMB601 sq.m./month (2015: RMB110 sq.m./month to RMB610 sq.m./month.)	A slight increase in the market unit rent would result in significant increase in fair value and vice versa.	市場單位租金輕微上漲將導致公平值大幅增加，反之亦然。

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 14. 投資物業(續)

### 14. INVESTMENT PROPERTIES (Continued)

於綜合財務 狀況表內本集團 所持投資物業 Investment properties held by the Group in the consolidated statement of financial position		公平值級別 Fair value hierarchy	估值方法及 主要輸入數據 Valuation technique(s) and key input(s)	重要無法觀察 輸入數據 Significant unobservable input(s)	無法觀察 輸入數據與 公平值的關係 Relationship of unobservable inputs to fair value
Completed investment property – Shanghai CIFI Haishang International	Level 3 第三級	Income method (term and reversionary approach) 收入法 (租期復歸法)	The key inputs are: (1) Term yield; (2) Reversionary yield; and (3) Market unit rent of individual unit 主要輸入數據為： (1) 租期收益率； (2) 復歸收益率；及 (3) 個別單位的市場單位 租金	Term yield, taking into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received of 5.5% (2015: 5%). 經計入可比較物業產生的 收益及反映所擔保及將 收取租期收入的確定性 的調整，租期收益率為 5.5%。(二零一五年： 5%)。	There is no indication that any slight change in the term yield would result in significant higher or lower fair value measurement. 並無跡象表明任何 租期收益率的任 何輕微變動將導 致公平值計量明 顯較高或較低。
已竣工投資物業 – 上海旭輝 海上國際				Reversionary yield, taking into account annual unit market rental income and unit market value of the comparable properties of 6% (2015: 6%). 經計入單位市場年度租金 收入及可比較物業的單位 市值，復歸收益率為6% (二零一五年：6%)。	A slight increase in the reversionary yield would result in a significant decrease in fair value and vice versa. 復歸收益率輕微上 升將導致公平值 大幅減少，反之 亦然。

## 14. 投資物業(續)

## 14. INVESTMENT PROPERTIES (Continued)

於綜合財務狀況表內本集團所持投資物業 Investment properties held by the Group in the consolidated statement of financial position	公平值級別 Fair value hierarchy	估值方法及主要輸入數據 Valuation technique(s) and key input(s)	重要無法觀察輸入數據 Significant unobservable inputs	無法觀察輸入數據與公平值的關係 Relationship of unobservable inputs to fair value
		Market unit rent, using direct market comparables and taking into account of location and other individual factors such as road frontage, size of property and facilities range from around RMB213 sq.m./month to RMB426 sq.m./month (2015: RMB219 sq.m./month to RMB398 sq.m./month).	使用直接市場比較方法並經計入位置及臨街道路、物業大小及設施等其他各項因素，所得市場單位租金介乎每平方米每月人民幣213元至每平方米每月人民幣426元(二零一五年：每平方米每月人民幣219元至每平方米每月人民幣398元)。	A slight increase in the market unit rent would result in significant increase in fair value and vice versa. 市場單位租金輕微上漲將導致公平值大幅增加，反之亦然。

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 15. 物業、廠房及設備

## 15. PROPERTY, PLANT AND EQUIPMENT

		租賃土地及 樓宇 Leasehold land and buildings 人民幣千元 RMB'000	機動車輛 Equipment Motor vehicles 人民幣千元 RMB'000	設備及傢俬 and furniture 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
<b>成本</b>	<b>COST</b>				
於二零一五年一月一日	At 1 January 2015	11,684	38,200	50,870	100,754
添置	Additions	—	7,075	8,369	15,444
收購附屬公司	Acquisition of subsidiaries	—	3,803	1,477	5,280
出售一間附屬公司	Disposal of a subsidiary	—	(64)	—	(64)
出售	Disposals	—	(4,975)	(2,778)	(7,753)
於二零一五年十二月三十一日	At 31 December 2015	11,684	44,039	57,938	113,661
添置	Additions	19,650	6,152	23,840	49,642
出售附屬公司	Disposal of subsidiaries	—	(1,532)	(3,916)	(5,448)
出售	Disposals	—	(4,870)	(2,781)	(7,651)
<b>於二零一六年十二月三十一日</b>	<b>At 31 December 2016</b>	<b>31,334</b>	<b>43,789</b>	<b>75,081</b>	<b>150,204</b>
<b>累計折舊</b>	<b>ACCUMULATED DEPRECIATION</b>				
於二零一五年一月一日	At 1 January 2015	2,976	24,593	25,107	52,676
年內開支	Charge for the year	550	7,703	10,027	18,280
出售一間附屬公司	Disposal of a subsidiary	—	(13)	—	(13)
於出售時對銷	Eliminated on disposals	—	(3,705)	(2,181)	(5,886)
於二零一五年十二月三十一日	At 31 December 2015	3,526	28,578	32,953	65,057
年內開支	Charge for the year	560	4,555	10,835	15,950
出售附屬公司	Disposal of subsidiaries	—	(552)	(1,805)	(2,357)
於出售時對銷	Eliminated on disposals	—	(2,339)	(1,890)	(4,229)
<b>於二零一六年十二月三十一日</b>	<b>At 31 December 2016</b>	<b>4,086</b>	<b>30,242</b>	<b>40,093</b>	<b>74,421</b>
<b>賬面值</b>	<b>CARRYING VALUES</b>				
<b>於二零一六年十二月三十一日</b>	<b>At 31 December 2016</b>	<b>27,248</b>	<b>13,547</b>	<b>34,988</b>	<b>75,783</b>
於二零一五年十二月三十一日	At 31 December 2015	8,158	15,461	24,985	48,604

## 15. 物業、廠房及設備(續)

上述物業、廠房及設備項目於計及按照下列年率計算的估計剩餘價值後以直線法折舊：

租賃土地及樓宇 按估計可使用年期20年或  
租期(以較短者為準)

機動車輛 20%  
設備及傢俬 20%

所有樓宇均位於中國境內土地上。

## 16. 預付租賃款項

預付租賃款項的賬面值指本集團於中國按中期租賃所持有擬作酒店房地產開發及行政用途的土地使用權。

## 17. 於聯營公司的權益

## 15. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment are depreciated using the straight-line method after taking into account of their estimated residual values at the following rates per annum:

Leasehold land and buildings	Over the estimated useful lives of 20 years or the term of the leases, whichever shorter
Motor vehicles	20%
Equipment and furniture	20%

The buildings are all situated on land in the PRC.

## 16. PREPAID LEASE PAYMENTS

The carrying amount of prepaid lease payments represents the land use rights held in the PRC under medium term leases intended for hotel property development and administrative usage.

## 17. INTERESTS IN ASSOCIATES

		二零一六年 2016	二零一五年 2015
	人民幣千元 RMB'000	人民幣千元 RMB'000	
本集團於聯營公司的權益詳情如下：	Details of the Group's interests in associates are as follows:		
於聯營公司的非上市投資成本	Cost of unlisted investments in associates	<b>1,312,037</b>	621,528
應佔收購後業績及其他全面收益 (開支)，扣除已收股息	Share of post-acquisition results and other comprehensive income (expense), net of dividend received	<b>22,416</b>	(32,908)
		<b>1,334,453</b>	588,620

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 17. 於聯營公司的權益(續)

於二零一六年及二零一五年十二月三十一日，本集團的聯營公司詳情載列如下：

## 17. INTERESTS IN ASSOCIATES (Continued)

Particulars of the Group's associates as at 31 December 2016 and 2015 are set out as follows:

聯營公司名稱 Name of associates	註冊成立/ 成立地點 Place of incorporation/ establishment	經營地點 Place of operation	本集團應佔股權 attributable to the Group		本集團所持投票權比率 Proportion of voting power held by the Group		主要業務 Principal activities
			二零一六年 2016	二零一五年 2015	二零一六年 2016	二零一五年 2015	
天津世紀興房地產開發有限公司 Tianjin Shijixing Real Estate Development Co., Ltd.	中國 PRC	中國 PRC	25%	25%	25%	25%	房地產開發 Property development
北京旭輝當代置業有限公司 Beijing Xuhui Dangdai Property Co., Ltd.	中國 PRC	中國 PRC	50%	50%	50%	50%	房地產開發 Property development
杭州龍卓房地產開發有限公司 Hangzhou Longzhuo Real Estate Development Co., Ltd.	中國 PRC	中國 PRC	35%	35%	35%	35%	房地產開發 Property development
南京旭辰置業有限公司 Nanjing Xuchen Property Co., Ltd.	中國 PRC	中國 PRC	49%	49%	49%	49%	房地產開發 Property development
上海坤輝置業有限公司 Shanghai Kunhui Property Co., Ltd.	中國 PRC	中國 PRC	50%	50%	50%	50%	房地產開發 Property development
北京達成光遠置業有限公司 (「北京達成」) Beijing Dacheng Guangyuan Property Co., Ltd. ("Beijing Dacheng")	中國 PRC	中國 PRC	10%*	10%*	10%*	10%*	房地產開發 Property development
杭州辰旭置業有限公司 Hangzhou Chenxu Property Co., Ltd.	中國 PRC	中國 PRC	30%	20%	30%	20%	房地產開發 Property development
旭皇有限公司 Xu Huang Co., Ltd.	英屬處女群島 BVI	英屬處女群島 BVI	25%	25%	25%	25%	投資控股 Investment holding
合肥琅溪置業有限公司(「合肥琅溪」) Hefei Langxi Property Co., Ltd. ("Hefei Langxi")	中國 PRC	中國 PRC	23%	-	23%	-	房地產開發 Property development
合肥嘉匯置業有限公司 Hefei Jiahui Property Co., Ltd.	中國 PRC	中國 PRC	50%	-	50%	-	房地產開發 Property development
合肥辰旭房地產開發有限公司 Hefei Chenxu Property Development Co., Ltd.	中國 PRC	中國 PRC	50%	-	50%	-	房地產開發 Property development
杭州旭發置業有限公司 Hangzhou Xufa Property Co., Ltd.	中國 PRC	中國 PRC	30%	-	30%	-	房地產開發 Property development
天津旭浩房地產開發有限公司 Tianjin Xuhao Property Development Co., Ltd.	中國 PRC	中國 PRC	30%	-	30%	-	房地產開發 Property development
武漢輝恒置業有限公司 Wuhan Huiheng Property Co., Ltd.	中國 PRC	中國 PRC	30%	-	30%	-	房地產開發 Property development

## 17. 於聯營公司的權益(續)

## 17. INTERESTS IN ASSOCIATES (Continued)

聯營公司名稱 Name of associates	註冊成立/ 成立地點 Place of incorporation/ establishment	經營地點 Place of operation	本集團應佔股權 attributable to the Group		本集團所持投票權比率 Proportion of voting power held by the Group		主要業務 Principal activities
			二零一六年 2016	二零一五年 2015	二零一六年 2016	二零一五年 2015	
重慶睿豐致元實業有限公司 Chongqing Rui Feng Zhiyuan Property Co., Ltd.	中國 PRC	中國 PRC	33%	-	33%	-	房地產開發 Property development
上海毅匹靈建築科技有限公司 Shanghai Yipixi Construction Technology Co., Ltd.	中國 PRC	中國 PRC	30%	-	30%	-	房地產建造 Property construction
杭州濱旭置業有限公司 Hangzhou Bingxu Property Co., Ltd.	中國 PRC	中國 PRC	25%	-	25%	-	房地產開發 Property development
上海永升物業管理有限公司 (「上海永升」)(附註38) Shanghai Yongsheng Property Management Co., Ltd. ("Shanghai Yongsheng") (note 38)	中國 PRC	中國 PRC	30%	100%	30%	100%	房地產管理 Property management
濟南泰盛房地產開發有限公司 (「濟南泰盛」) Jinan Taisheng Property Development Co., Ltd. ("Jinan Taisheng")	中國 PRC	中國 PRC	20%	-	20%	-	房地產開發 Property development
蘇州北辰旭昭置業有限公司(「蘇州北辰」) Suzhou Beichen Xuzhao Property Co., Ltd. ("Suzhou Beichen")	中國 PRC	中國 PRC	50%**	50%	50%**	50%	房地產開發 Property development
杭州錦繁置業有限公司 Hangzhou Jinfan Property Co., Ltd.	中國 PRC	中國 PRC	33%	-	33%	-	房地產開發 Property development
佛山市融鴻房地產有限公司 Foshan Ronghong Property Co., Ltd.	中國 PRC	中國 PRC	33%	-	33%	-	房地產開發 Property development
北京龍熙房地產開發有限公司(「北京龍熙」) Beijing Longxi Property Development Co., Ltd. ("Beijing Longxi")	中國 PRC	中國 PRC	15%*	-	15%*	-	房地產開發 Property development

\* 該等公司於各期間結束日期根據各公司的章程大綱及細則入賬為本公司的聯營公司，該等公司的主要財務及營運政策須由董事會簡單多數通過。本集團於北京達成董事會十三名董事中有兩名董事及北京龍熙董事會五名董事中有一名董事，因此，本集團於該等公司擁有重大影響力。

\*\* 蘇州北辰由本集團及其他合營企業夥伴北京北辰實業股份有限公司(「北京北辰」)分別持有50%及50%，並於截至二零一五年十二月三十一日止年度作為一間合營企業入賬。截至二零一六年十二月三十一日止年度，蘇州北辰的股東簽署一項備忘錄，據此，蘇州北辰所有策略性財務及經營決定須由其董事會(五名董事中三名由北京北辰提名)以過半數批准。因此，本集團不再擁有蘇州北辰的共同控制權，惟仍就蘇州北辰擁有重大影響力。於變動日期，蘇州北辰已自一間合營企業重新分類至一間聯營公司，賬面值為人民幣339,321,000元。

\* These companies are accounted for as associates of the Company as at respective period end date as in accordance with the memorandum and article of the companies, major financial and operating policies of these companies require consent with simple majority in the board of directors. The Group has two out of thirteen directors in the board of Beijing Dacheng, and one out of five directors in the board of Beijing Longxi, thus, the Group has significant influence over these companies.

\*\* Suzhou Beichen was 50% held by the Group and 50% by the other joint venture partner, Beijing North Star Co., Ltd. (北京北辰實業股份有限公司) ("Beijing N Star"), and accounted for as a joint venture for the year ended 31 December 2015. During the year end 31 December 2016, the shareholders of the Suzhou Beichen signed a memorandum pursuant to which all of the strategic financial and operating decisions of Suzhou Beichen must be approved by a simple majority of its board in which three out of the five directors are nominated by Beijing N Star. Therefore, the Group no longer has joint control but has significant influence over Suzhou Beichen. Suzhou Beichen has been reclassified from a joint venture to an associate at the carrying amount of RMB339,321,000 at the date of change.

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 17. 於聯營公司的權益(續)

非個別重大聯營公司的匯總資料

## 17. INTERESTS IN ASSOCIATES (Continued)

Aggregate information of associates that are not individually material

		截至 二零一六年 十二月三十一日 <b>Year ended 31 December 2016</b> 人民幣千元 <b>RMB'000</b>	截至 二零一五年 十二月三十一日 止年度 <b>Year ended 31 December 2015</b> 人民幣千元 <b>RMB'000</b>
本集團應佔溢利(虧損)及全面收益(開支)總額	The Group's share of profit (loss) and total comprehensive income (expense)	<b>55,324</b>	(32,908)
本集團於該等聯營公司的權益 賬面值總額	Aggregate carrying amount of the Group's interests in these associates	<b>1,334,453</b>	588,620

## 18. 於合營企業的權益

本集團於合營企業的權益詳情如下：

## 18. INTERESTS IN JOINT VENTURES

Details of the Group's interests in joint ventures are as follows:

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
於合營企業非上市投資成本	Cost of unlisted investments in joint ventures	<b>6,316,727</b>	6,929,474
應佔收購後業績及其他全面收益， 扣除已收股息	Share of post-acquisition results and other comprehensive income, net of dividend received	<b>1,187,739</b>	180,323
		<b>7,504,466</b>	7,109,797

於二零一六年及二零一五年十二月三十一日，本集團合營企業的詳情載列如下：

合營企業名稱 Name of joint venture	註冊成立/ 成立地點 Place of incorporation/ establishment	經營地點 Place of operation	本集團應佔股權 Equity interest attributable to the Group		本集團所持投票權比率 Proportion of voting power held by the Group		主要業務 Principal activities
			二零一六年 2016	二零一五年 2015	二零一六年 2016	二零一五年 2015	
上海首嘉置業有限公司 Shanghai Shoujia Property Co., Ltd.	中國 PRC	中國 PRC	<b>40%*</b>	40%*	<b>40%*</b>	40%*	房地產開發 Property development
上海綠旭置業有限公司 Shanghai Lv xu Property Co., Ltd.	中國 PRC	中國 PRC	<b>50%</b>	50%	<b>50%</b>	50%	房地產開發 Property development
上海新城旭地房地產有限公司 Shanghai Xincheng Xudi Real Estate Development Co., Ltd.	中國 PRC	中國 PRC	<b>50%</b>	50%	<b>50%</b>	50%	房地產開發 Property development
蘇州旭邦置業有限公司 〔蘇州旭邦〕(附註38) Suzhou Xubang Property Co., Ltd. ("Suzhou Xubang") (Note 38)	中國 PRC	中國 PRC	<b>50%</b>	50%	<b>50%</b>	50%	房地產開發 Property development

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 18. 於合營企業的權益(續)

## 18. INTERESTS IN JOINT VENTURES (Continued)

合營企業名稱 Name of joint venture	註冊成立/ 成立地點 Place of incorporation/ establishment		經營地點 Place of operation	本集團應佔股權 Equity interest attributable to the Group		本集團所持投票權比率 Proportion of voting power held by the Group		主要業務 Principal activities	
				二零一六年 2016	二零一五年 2015	二零一六年 2016	二零一五年 2015		
天津旭科房地產開發有限公司 (「天津旭科」)(附註37) Tianjin Xuke Real Estate Development Co., Ltd. ("Tianjin Xuke") (Note 37)	中國 PRC	中國 PRC		不適用 N/A	50%	不適用 N/A	50%	房地產開發 Property development	
重慶旭原創展房地產開發有限公司 Chongqing Xuyuan Chuangzhan Real Estate Development Co., Ltd.	中國 PRC	中國 PRC		30% <sup>#</sup>	30% <sup>#</sup>	30% <sup>#</sup>	30% <sup>#</sup>	房地產開發 Property development	
蘇州旭悅置業有限公司 Suzhou Xuyue Property Co., Ltd.	中國 PRC	中國 PRC		40% <sup>#</sup>	40% <sup>#</sup>	40% <sup>#</sup>	40% <sup>#</sup>	房地產開發 Property development	
北京旭天恒置業有限公司 Beijing Xutianheng Property Co., Ltd.	中國 PRC	中國 PRC		49% <sup>#</sup>	49% <sup>#</sup>	49% <sup>#</sup>	49% <sup>#</sup>	房地產開發 Property development	
北京旭輝永同昌置業有限公司 Beijing Xuhui Yongtongchang Property Co., Ltd.	中國 PRC	中國 PRC		49% <sup>#</sup>	49% <sup>#</sup>	49% <sup>#</sup>	49% <sup>#</sup>	投資控股 Investment holding	
旭寶有限公司 Xu Bao Co., Ltd.	英屬處女群島 BVI	中國 PRC		50%	50%	50%	50%	投資控股 Investment holding	
東時投資有限公司 Eastime Investment Limited	英屬處女群島 BVI	中國 PRC		50%	50%	50%	50%	投資控股 Investment holding	
旭溥有限公司 Xu Pu Co. Limited	英屬處女群島 BVI	中國 PRC		35% <sup>#</sup>	35% <sup>#</sup>	35% <sup>#</sup>	35% <sup>#</sup>	投資控股 Investment holding	

## 18. 於合營企業的權益(續)

## 18. INTERESTS IN JOINT VENTURES (Continued)

合營企業名稱 Name of joint venture	註冊成立/ 成立地點 Place of incorporation/ establishment		經營地點 Place of operation	本集團應佔股權 Equity interest attributable to the Group		本集團所持投票權比率 Proportion of voting power held by the Group		主要業務 Principal activities	
				二零一六年 2016	二零一五年 2015	二零一六年 2016	二零一五年 2015		
Coastwise Limited ("Coastwise")	英屬處女群島 BVI	中國 PRC		50%	50%	50%	50%	投資控股 Investment holding	
上海旭梭實業有限公司(附註38) (「上海旭梭」) Shanghai Xusuo Industry Co., Ltd. (Note 38) ("Shanghai Xusuo")	中國 PRC	中國 PRC		34% <sup>#</sup>	100%	34% <sup>#</sup>	100%	房地產開發 Property development	
蘇州凱合投資諮詢有限公司 (附註38)(「蘇州凱合」) Suzhou Kaihe Investment Consultancy Co., Ltd. (Note 38) ("Suzhou Kaihe")	中國 PRC	中國 PRC		34% <sup>#</sup>	100%	34% <sup>#</sup>	100%	房地產開發 Property development	
深圳市新威尚達投資有限公司 Shenzhen Xinwei Shangda Investment Co., Ltd.	中國 PRC	中國 PRC		50% <sup>#</sup>	-	50% <sup>#</sup>	-	房地產開發 Property development	
三亞海力投資置業有限公司 Sanya Haili Investment Property Co., Ltd.	中國 PRC	中國 PRC		50% <sup>#</sup>	-	50% <sup>#</sup>	-	房地產開發 Property development	
杭州眾旭置業有限公司 Hangzhou Zhongxu Property Co., Ltd.	中國 PRC	中國 PRC		50% <sup>#</sup>	-	50% <sup>#</sup>	-	房地產開發 Property development	
廣州市保瑞房地產開發有限公司 Guangzhou Baorui Property Development Co., Ltd.	中國 PRC	中國 PRC		19% <sup>#</sup>	-	19% <sup>#</sup>	-	房地產開發 Property development	

# 該等公司於各期間結束日期根據各公司的章程大綱及細則入賬為合營企業，該等公司的主要財務及營運政策須由全體董事一致通過。

# These companies are accounted for as joint ventures as at respective period end date as in accordance with the memorandum and articles of the companies, major financial and operating policies of these companies require the unanimous consent of all directors.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 18. 於合營企業的權益(續)

本集團於合營企業的投資詳情如下：

以下載列有關本集團合營企業的財務資料概要。下述財務資料概要為合營企業根據國際財務報告準則編製的未經審核管理賬目所示金額。

#### Coastwise

	Coastwise	於 二零一六年 十二月三十一日 <b>At 31 December 2016</b> 人民幣千元 <b>RMB'000</b>	於 二零一五年 十二月三十一日 <b>At 31 December 2015</b> 人民幣千元 <b>RMB'000</b>
流動資產	Current assets	<b>10,855,525</b>	3,334,151
非流動資產	Non-current assets	<b>4,255,139</b>	2,856,031
流動負債	Current liabilities	<b>5,329,093</b>	258,378
非流動負債	Non-current liabilities	<b>3,422,871</b>	338,566
<hr/>			
	截至 二零一六年 十二月三十一日 止年度 <b>Year ended 31 December 2016</b> 人民幣千元 <b>RMB'000</b>	截至 二零一五年 十二月三十一日 止年度 <b>Year ended 31 December 2015</b> 人民幣千元 <b>RMB'000</b>	
收入	Revenue	-	-
年內利潤及全面收益總額	Profit and total comprehensive income for the year	<b>772,104</b>	695,895

### 18. INTERESTS IN JOINT VENTURES (Continued)

Details of the Group's investments in joint ventures are as follows:

Summarised financial information in respect of the Group's joint venture is set out below. The summarised financial information below represents amounts shown in the joint ventures' unaudited management accounts prepared in accordance with IFRSs.

## 18. 於合營企業的權益(續)

上述財務資料概要與綜合財務報表中確認的Coastwise權益的賬面值對賬：

## 18. INTERESTS IN JOINT VENTURES (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Coastwise recognised in the consolidated financial statements:

		於 二零一六年 十二月三十一日 <b>At 31 December 2016</b> 人民幣千元 <b>RMB'000</b>	於 二零一五年 十二月三十一日 At 31 December 2015 人民幣千元 RMB'000
Coastwise的資產淨值	Net assets of Coastwise	<b>6,358,700</b>	5,593,238
本集團於Coastwise的擁有權比例	Proportion of the Group's ownership interest in Coastwise	50%	50%
本集團於Coastwise的權益的賬面值	Carrying amount of the Group's interest in Coastwise	<b>3,179,350</b>	2,796,619

非個別重大合營企業的匯總資料

Aggregate information of joint ventures that are not individually material

		截至 二零一六年 十二月三十一日 止年度 <b>Year ended 31 December 2016</b> 人民幣千元 <b>RMB'000</b>	截至 二零一五年 十二月三十一日 止年度 Year ended 31 December 2015 人民幣千元 RMB'000
本集團應佔溢利(虧損)或其他全面收益(開支)總額	The Group's share of profit (loss) and other comprehensive income (expense)	<b>621,364</b>	(142,414)

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 18. 於合營企業的權益(續)

### 18. INTERESTS IN JOINT VENTURES (Continued)

	於 二零一六年 十二月三十一日 <b>At 31 December 2016</b>	於 二零一五年 十二月三十一日 <b>At 31 December 2015</b>
	人民幣千元 <b>RMB'000</b>	人民幣千元 <b>RMB'000</b>
本集團於該等合營企業的 權益賬面值總額	Aggregate carrying amount of the Group's interests in these joint ventures <b>4,325,116</b>	4,313,178

### 19. 於物業項目的投資

### 19. INVESTMENTS IN PROPERTY PROJECTS

	二零一六 <b>2016</b>	二零一五 <b>2015</b>
	人民幣千元 <b>RMB'000</b>	人民幣千元 <b>RMB'000</b>
於物業項目的投資	Investments in property projects <b>529,225</b>	-

上述餘額指本集團於蘇州、宜昌及長沙物業項目的權益，而將予收取的金額乃根據與相關方訂立的各項安排所訂明相關物業單位的銷售及成本釐定，且將於報告期末按公平值列賬。於二零一六年十二月三十一日的公平值乃基於與本集團並無關連的獨立合資格專業估值師行第一太平戴維斯估值及專業顧問有限公司進行的估值而得出。第一太平戴維斯估值及專業顧問有限公司擁有合適評估資格，且近期於評估相關地點的類似物業方面擁有經驗。有關公平值計量的詳情載於附註47(g)。

The above balance represents the Group's interests in the property projects located in Suzhou, Yixing and Changsha of which the amounts to be receivable are determined based on the sales and costs of the relevant property units specified in the respective arrangement with the counterparts and it is carried at fair value at the end of the reporting period. The fair value at 31 December 2016 has been arrived on the basis of valuation carried out by Savills Valuation and Professional Services Limited, a firm of independent qualified professional valuers not connected with the Group, who have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. Details of the fair value measurements are set out in note 47(g).

## 20. 可供出售投資

## 20. AVAILABLE-FOR-SALE INVESTMENTS

			二零一六年 2016	二零一五年 2015
		附註 Notes	人民幣千元 RMB'000	人民幣千元 RMB'000
按成本入賬的上市股本投資	Listed equity investment, at cost	a	<b>54,023</b>	54,023
按成本入賬的非上市股本投資	Unlisted equity investments, at cost	b	<b>484,880</b>	—
按成本入賬的非上市私人資金	Unlisted private fund, at cost	c	<b>202,073</b>	—
			<b>740,976</b>	54,023

附註 :

- a) 上市股本投資指於中國成立並於全國中小企業股份轉讓系統上市的實體投資。本公司董事認為，由於成交量較低，故有關投資並無活躍市場。該投資乃於報告期末按成本減減值計量，此乃由於所估計合理公平值的範圍過大，故本公司董事認為其公平值無法可靠計量所致。
- b) 非上市股本投資指於私人實體的投資。由於合理公平值的估計範圍甚廣，故本公司董事認為其公平值不能可靠計量，有關投資於報告期末按成本減減值計量。
- c) 具有禁售期的非上市私人基金投資於二零一六年十一月由在中國註冊成立的私人實體成立，乃於報告期按成本計量。由於合理公平值的估計範圍甚廣，故本公司董事認為其公平值不能可靠計量，有關投資於報告期末按成本減減值計量。

Note:

- a) The listed equity investment represents investment in an entity established in the PRC and listed on the National Equities Exchange and Quotation System. The directors of the Company are of the opinion that there is no active market for the investments due to low trading volume. The investment is measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates are so significant that the directors of the Company are of the opinion that their fair value cannot be reliably measured.
- b) The unlisted equity investments represent investments in private entities. The investments are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates are so significant that the directors of the Company are of the opinion that their fair value cannot be reliably measured.
- c) The unlisted private fund investment with lock-up periods is established in November 2016 by private entities incorporated in PRC, which is measured at cost at the end of the reporting period. The investments are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates are so significant that the directors of the Company are of the opinion that their fair value cannot be reliably measured.

## 21. 衍生金融工具

## 21. DERIVATIVE FINANCIAL INSTRUMENTS

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
非作為對沖工具的 衍生金融工具： 外幣遠期合約	Derivative financial instruments not designated as hedging instruments: Foreign currency forward contracts	<b>314,768</b>	—

於二零一六年十二月三十一日，遠期合約的遠期合約名義總額為1,098,000,000美元(二零一五年：無)。

As at 31 December 2016, total notional amount of the forward contracts was USD1,098,000,000 (2015:Nil) in aggregate for the forward contracts.

## 22. 就收購股權已付的按金

於二零一六年十二月三十一日，本集團就收購於香港及中國註冊成立的若干實體的股權所支付的三份按金合共為人民幣622,213,000元。

## 22. DEPOSITS PAID FOR ACQUISITIONS OF EQUITY INTERESTS

As at 31 December 2016, the Group had made three deposits of RMB622,213,000 in aggregate for the acquisitions of equity interests in certain Hong Kong and PRC incorporated entities.

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### 23. 長期保證金

於二零一六年十二月三十一日，本集團支付保證金以擔保其將於報告期末起計十二個月後開始的物業項目管理服務。

### 24. 持作出售物業

本集團的持作出售物業均位於中國。所有持作出售物業按成本或可變現淨值(以較低者為準)列賬。

本集團於二零一六年十二月三十一日抵押約人民幣2,828,419,000元(二零一五年：人民幣666,374,000元)的持作出售物業，以擔保本集團的銀行及其他借款。

### 25. 擬作出售的開發中物業

### 23. LONG-TERM DEPOSIT

As at 31 December 2016, the Group had made a deposit for securing property project management service to be commenced by the Group after twelve months from the end of the reporting period.

### 24. PROPERTIES HELD FOR SALE

The Group's properties held for sale are situated in the PRC. All the properties held for sale are stated at lower of cost and net realisable value.

The Group had pledged properties held for sale of approximately RMB2,828,419,000 (2015: RMB666,374,000) as at 31 December 2016 to secure bank and other borrowings of the Group.

### 25. PROPERTIES UNDER DEVELOPMENT FOR SALE

	COST	二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
成本			
年初	At the beginning of the year	20,167,382	9,803,747
添置	Additions	13,987,273	13,150,979
收購附屬公司(附註37)	Acquisition of subsidiaries (Note 37)	2,166,795	11,580,144
出售附屬公司(附註38a)	Disposal of subsidiaries (Note 38a)	(56,429)	(604,275)
轉撥至持作出售物業	Transfer to properties held for sale	(15,010,666)	(13,763,213)
年末	At the end of the year	21,254,355	20,167,382

擬作出售的開發中物業均位於中國，屬中期租賃，指竣工後擬作出售的開發中物業。

於二零一六年十二月三十一日，計入擬作出售的開發中物業約人民幣10,090,651,000元(二零一五年：人民幣10,129,898,000元)指預期自報告期末起逾十二個月後竣工並可供出售的物業。

本集團於二零一六年十二月三十一日抵押約人民幣9,247,319,000元(二零一五年：人民幣13,491,256,000元)的擬作出售的開發中物業，以擔保本集團的銀行及其他借款。

The properties under development for sale are located in the PRC under medium-term leases and represent properties under development for subsequent sale upon completion.

Included in the properties under development for sale as at 31 December 2016 amounting to approximately RMB10,090,651,000 (2015: RMB10,129,898,000) which represent the properties expected to be completed and available for sale after more than twelve months from the end of the reporting period.

The Group had pledged properties under development for sale of approximately RMB9,247,319,000 (2015: RMB13,491,256,000) at 31 December 2016 to secure bank and other borrowings of the Group.

## 26. 應收賬款及其他應收款項、 按金及預付款項

貿易應收款項主要來自出售物業及租金收入。有關已售物業的代價乃根據相關買賣協議的條款且通常自協議日期起計介乎60至180日內支付。根據租賃協議，租金收入應由租戶於兩個月內支付。

## 26. ACCOUNTS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Trade receivables mainly arise from sales of properties and rental income. Considerations in respect of properties sold are paid in accordance with the terms of the related sales and purchase agreements, normally with a range of 60 days to 180 days from the date of agreement. Rental income is paid by tenants within two months in accordance to tenancy agreement.

		二零一六年 <b>2016</b>	二零一五年 2015
		人民幣千元 <b>RMB'000</b>	人民幣千元 RMB'000
貿易應收款項(扣除撥備)	Trade receivables, net of allowance	<b>1,315,103</b>	2,048,163
其他應收款項(扣除撥備)(附註)	Other receivables, net of allowance (note)	<b>7,077,230</b>	3,230,515
預付稅項	Prepaid tax	<b>360,420</b>	274,595
按金及預付款項	Deposits and prepayments	<b>872,396</b>	158,196
		<b>9,625,149</b>	5,711,469

附註：有關金額主要包括就潛在物業發展項目的臨時付款及於完成開發項目後可返還的項目相關按金。其他應收款項並無固定還款期，董事認其須按要求償還，並將於借款日期起一年內收回。賬齡於一年內的其他應收款項(扣除撥備)為人民幣5,885,549,000元(二零一五年：人民幣2,616,717,000元)而賬齡超過一年的其他應收款項為人民幣1,191,681,000元(二零一五年：人民幣613,798,000元)。

以下為於報告期末按協議日期編製的貿易應收款項賬齡分析(經扣除撥備)：

Note: The amount mainly includes temporary payments paid for potential property development projects and project-related deposits which would be refundable upon completion of the development projects. There is no fixed repayment term for other receivables and the directors consider they are repayable on demand and will be recovered in one year from the date of advance. The other receivables (net of allowance) amounted to RMB5,885,549,000 (2015: RMB2,616,717,000) with aged within one year and RMB1,191,681,000 (2015: RMB613,798,000) aged over one year respectively.

The following is an aged analysis of trade receivables, based on the date of agreement and net of allowance, at the end of the reporting period:

		二零一六年 <b>2016</b>	二零一五年 2015
		人民幣千元 <b>RMB'000</b>	人民幣千元 RMB'000
於60日內	Within 60 days	<b>815,941</b>	1,495,225
61至180日	61–180 days	<b>66,126</b>	75,177
181至365日	181–365 days	<b>202,118</b>	321,883
1年以上	Over 1 year	<b>230,918</b>	155,878
		<b>1,315,103</b>	2,048,163

於接納任何企業客戶前，本集團使用內部信貸評估制度評估潛在客戶的信貸質素。

Before accepting any corporate customer, the Group uses an internal credit assessment system to assess the potential customers' credit quality.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 26. 應收賬款及其他應收款項、 按金及預付款項(續)

於二零一六年十二月三十一日，於報告期末已逾期但本集團尚未就此計提撥備的貿易應收款項賬面值約人民幣433,036,000元(二零一五年：人民幣477,761,000元)計入本集團的應收賬款餘額，原因在於信貸質素並無重大不利變動，且金額仍被視為可收回。

應收賬款及其他應收款項的呆賬撥備變動如下：

### 26. ACCOUNTS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Included in the Group's accounts receivable balance are trade receivables with a carrying amount of approximately RMB433,036,000 (2015: RMB477,761,000) at 31 December 2016 which are past due at the end of the reporting period for which the Group has not provided for allowance as there has not been a significant adverse change in credit quality and the amounts are still considered recoverable.

Movements in the allowance for doubtful debts on accounts and other receivables are as follows:

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
年初結餘	Balance at the beginning of the year	(8,461)	(5,888)
撥備撥回(增加)	Write-back of (increase in) allowance	2,598	(2,573)
年末結餘	Balance at the end of the year	(5,863)	(8,461)

本集團根據過往違約率及還款記錄評估應收賬款及其他應收款項的信貸質素，並認為已於報告期末作出足夠撥備。

The Group assessed the credit quality of accounts and other receivables based on historical default rates and the repayment records and considered adequate allowance has been made at the end of the reporting period.

### 27. 應收／應付非控股權益款項

應收／應付非控股權益款項為無抵押、免息及須按要求償還。

### 27. AMOUNTS DUE FROM/TO NON-CONTROLLING INTERESTS

The amounts due from/to non-controlling interests are unsecured, interest-free and are repayable on demand.

### 28. 應收／應付合營企業／聯營公司款項

應收／應付合營企業／聯營公司款項為無抵押、免息及須按要求償還。

### 28. AMOUNTS DUE FROM/TO JOINT VENTURES AND ASSOCIATES

The amounts due from/to joint ventures and associates are unsecured, interest-free and are repayable on demand.

## 29. 按公平值計入損益的金融資產

## 29. FINANCIAL ASSETS AT FVTPL

	二零一六年 2016	二零一五年 2015
	人民幣千元 RMB'000	人民幣千元 RMB'000
持作買賣投資 Held for trading investment	<b>352,829</b>	—

於二零一六年十二月三十一日，按公平值計入損益的金融資產人民幣352,829,000元(二零一五年：無)指本集團在若干於聯交所及深圳證券交易所上市，並於活躍市場報價的公司的股本投資。

所有股本投資的公平值乃根據其於二零一六年十二月三十一日在活躍市場中的報價釐定。

於二零一六年十二月三十一日，本集團抵押按公平值計入損益的金融資產人民幣138,392,000元以擔保本集團獲授銀行及其他借款。

As at 31 December 2016, financial assets at FVTPL of RMB352,829,000 (2015: nil) represented the Group's equity investments in certain companies listed on the Stock Exchange and Shenzhen Stock Exchange, which are quoted in active markets.

The fair value of all equity investments are based on their quoted prices as of 31 December 2016 in active markets.

As at 31 December 2016, financial assets at FVTPL of RMB138,392,000 was pledged to secure bank and other borrowings of the Group.

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### 30. 已抵押銀行存款／銀行結餘及現金

於二零一六年十二月三十一日，計入綜合財務狀況表銀行結餘及現金內的受限制銀行結餘約為人民幣922,492,000元（二零一五年：人民幣678,639,000元），而該等存款僅可用於指定房地產開發項目。

已抵押銀行存款指抵押予銀行作為本集團獲授短期銀行融資的擔保的存款，因而歸類為流動資產。

銀行結餘及現金包括本集團所持現金及原到期日為三個月或以下的活期存款。銀行結餘按現行市場利率計息。

### 30. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

Included in bank balances and cash in the consolidated statement of financial position are restricted bank balances of approximately RMB922,492,000 (2015: RMB678,639,000) at 31 December 2016, which can only be applied in the designated property development projects.

Pledged bank deposits represent deposits pledged to banks to secure short-term banking facilities granted to the Group and are therefore classified as current assets.

Bank balances and cash comprise cash held by the Group and demand deposits with an original maturity of three months or less. Bank balances carry prevailing market interest rates.

	二零一六年 2016	二零一五年 2015
	人民幣千元 RMB'000	人民幣千元 RMB'000
按貨幣計算的銀行結餘及現金分析： Analysis of bank balances and cash by currency:		
－以人民幣計值	– Denominated in RMB	<b>19,097,634</b>
－以港元計值	– Denominated in Hong Kong dollars	<b>1,172,867</b>
－以美元計值	– Denominated in United States dollars	<b>57,896</b>
		<b>20,328,397</b>
		14,873,736

**31. 應付賬款及其他應付款項以及應計開支**

**31. ACCOUNTS AND OTHER PAYABLES, AND ACCRUED CHARGES**

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
應付賬款	Accounts payables	<b>3,737,989</b>	3,905,090
其他應付款項及應計開支	Other payables and accrued charges	<b>4,116,338</b>	3,413,999
		<b>7,854,327</b>	7,319,089

有關建設的貿易應付款項及應計開支包括建造成本及其他項目相關開支，該等項款乃根據本集團計量的項目進度支付。

貿易應付款項的平均信貸期為60日。本集團已制訂財務風險管理政策，以確保所有應付款項均於信貸期限內償付。

以下為於報告期末按發票日期編製的貿易應付款項賬齡分析：

Accounts payables and accrued expenditure on construction comprise construction costs and other project-related expenses which are payable based on project progress measured by the Group.

The average credit period of trade payables is 60 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

The following is an aged analysis of accounts payables, based on the invoice date, at the end of the reporting period:

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
於60日內	Within 60 days	<b>1,326,681</b>	2,047,752
61至180日	61–180 days	<b>631,624</b>	473,606
181至365日	181–365 days	<b>1,077,546</b>	757,571
1年以上	Over 1 year	<b>702,138</b>	626,161
		<b>3,737,989</b>	3,905,090

其他應付款項及應計開支主要指應計貸  
款利息及就招標及執行施工合同自承包  
商收取的各類按金。

Other payables and accrued charges mainly represent accrued loan interest, various deposits received from contractors in relation to tendering and execution of construction contracts.

# 綜合財務報表附註

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## 32. 銀行及其他借款

## 32. BANK AND OTHER BORROWINGS

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
有抵押銀行貸款(附註(d))	Bank loans, secured (note (d))	7,078,339	8,661,819
雙邊貸款(附註(e))	Bilateral loans (note (e))	1,305,723	268,702
銀團貸款(附註(f))	Syndicated loans (note (f))	5,182,585	2,727,382
		<b>13,566,647</b>	11,657,903

於各報告期末的若干銀行及其他借款乃以附註40所載抵押資產及若干附屬公司的一部分股權擔保。

Certain bank and other borrowings as at the end of each reporting period were secured by the pledge of assets asset out in note 40 and certain equity interest in certain subsidiaries.

附註：

Notes:

(a) 借款須按以下償還：

(a) The borrowings are repayable:

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
一年內或按要求	Within one year or on demand	2,367,536	2,793,500
一年以上，但不超過兩年	More than one year, but not exceeding two years	4,279,591	3,569,081
兩年以上，但不超過三年	More than two years, but not exceeding three years	5,501,963	3,794,053
三年以上，但不超過四年	More than three years, but not exceeding four years	532,227	954,700
五年以上	More than five years	885,330	546,569
減：流動負債項下所示一年內到期金額	Less: Amount due within one year shown under current liabilities	<b>13,566,647</b> (2,367,536)	11,657,903 (2,793,500)
一年後到期金額	Amount due after one year	<b>11,199,111</b>	8,864,403

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
以貨幣劃分的借款分析：	Analysis of borrowings by currency:		
－以人民幣計值	– Denominated in RMB	6,317,069	9,437,571
－以港元計值	– Denominated in HKD	2,802,207	1,531,277
－以美元計值	– Denominated in USD	4,447,371	689,055
		<b>13,566,647</b>	11,657,903

(b) 於二零一六年十二月三十一日，約人民幣 1,880,490,000 元(二零一五年：人民幣 1,485,500,000 元)的定息借款按介乎 4.8% 至 9% (二零一五年：7% 至 9%) 的年利率計息，令本集團面對公平值利率風險。餘下借款按浮動利率安排，於二零一六年十二月三十一日，實際年利率介乎 1.5% 至 6.7% (二零一五年：2.9% 至 8.1%)，令本集團面對現金流利率風險。

(b) Fixed-rate borrowings amounted to approximately RMB 1,880,490,000 (2015: RMB 1,485,500,000) carry interest ranging from 4.8% to 9% (2015: 7% to 9%) per annum at 31 December 2016 and expose the Group to fair value interest rate risk. The remaining borrowings are arranged at variable rates with the effective interest rates ranging from 1.5% to 6.7% (2015: 2.9% to 8.1%) per annum at 31 December 2016, and expose the Group to cash flow interest rate risk.

## 32. 銀行及其他借款(續)

附註 : (續)

(c) 於各報告期末的實際利率範圍如下 :

## 32. BANK AND OTHER BORROWINGS (Continued)

Notes: (Continued)

(c) The range of effective interest rates at the end of each reporting period are as follows:

		二零一六年 2016	二零一五年 2015
銀行貸款	Bank loans	1.5% – 9%	2.9% – 9%
(d)	於二零一六年十二月三十一日，計入本集團銀行貸款的金額分別約為人民幣1,140,000,000元(二零一五年：人民幣650,000,000元)乃由本公司若干全資附屬公司的股權，即分別為武漢惠譽御恒置業有限公司(「武漢惠譽御恒」)全部股權、杭州旭廣置業有限公司(「杭州旭廣」)全部股權及武漢惠譽華天置業有限公司全部股權(二零一五年：合肥旭遠的全部股權)(附註40)作抵押。	(d) Included in the Group's bank loans, amount of approximately RMB1,140,000,000 (2015: RMB650,000,000) as at 31 December 2016 is secured by equity interests of certain wholly owned subsidiaries of the Company, being 100% equity interests of Wuhan Huiyu Yuheng Property Co., Ltd. ("Wuhan Huiyu Yuheng"), 100% equity interests of Hangzhou Xuguang Property Co., Ltd. ("Hangzhou Xuquang") and 100% equity of Wuhan Huiyu Huatian Property Co., Ltd (2015: 100% equity interests of Hefei Xuyuan) respectively (note 40).	
(e)	本公司(作為借款方)與多間離岸銀行及融資機構(作為貸款方)訂立融資協議(「雙邊貸款」)。該等貸款的尚未償還總額約為人民幣1,305,700,000(二零一五年：人民幣268,700,000元)。雙邊貸款的年期最多為三年並由本公司若干離岸附屬公司作抵押，並分別以香港銀行同業拆息率加3.00厘、香港銀行同業拆息率加3.70厘、中國人民銀行的基本利率及恒生銀行人民幣最優惠利率加1.90厘的年利率計息。	(e) The Company as borrower, entered into facility agreements with various offshore banks and financial institutions as lenders ("Bilateral loans"). The aggregate outstanding amount under these loans amount to approximately RMB1,305.7 million (2015: RMB268.7 million). The Bilateral loans have terms ranging up to three years and were secured by certain offshore subsidiaries of the company and interest of HIBOR plus 3.00%, HIBOR plus 3.70%, PBOC Base Rate and the HASE RMB Prime Rate plus 1.90% per annum respectively.	
(f)	於二零一六年三月十一日，本公司(作為借款方)，及本公司若干離岸附屬公司(作為初步擔保人)，與一組財務機構(作為貸款方)訂立銀團貸款協議(「二零一九到期年銀團貸款」)。二零一九年到期的銀團貸款為雙幣種的固定期限貸款融資，總額約600,000,000美元，分為兩部分：(i) 美元部分合共495,000,000美元；及(ii)港元部分合共819,000,000港元，最後期限為自首次動用日期起計三年，並按倫敦銀行同業拆息率或香港銀行同業拆息率加4.00厘的年利率計息。	(f) On 11 March 2016, the Company as borrower, and certain offshore subsidiaries of the Company as initial guarantors, entered into a syndicated loan agreement ("2019 due Syndicated Loan") with a group of financial institutions as lenders. The 2019 due Syndicated Loan is a dual-currency term loan facility with an aggregate amount of approximately US\$600 million divided into two tranches: (i) United States dollars tranche with an aggregate amount of US\$495 million; and (ii) Hong Kong dollars tranche with an aggregate amount of HK\$819 million, with final maturity of three years from the date of first utilisation date and interest of LIBOR or HIBOR plus 4.00% per annum.	
	於二零一五年一月二十日，本公司與一組財務機構訂立貸款協議。有關貸款為一筆美元／港元雙幣種總額約為130,000,000美元的定期貸款融資，最後還款期為自首次動用日期起計36個月，並以倫敦銀行同業拆息率或香港銀行同業拆息率加4.75厘的年利率計息。		On 20 January 2015, the Company entered into a facility agreement with a group of financial institutions. The relevant facility is a US dollar/Hong Kong dollar dual currency term loan facility with an aggregate amount of approximately US\$130 million, with final maturity of thirty six months after the first utilization date and interest of LIBOR or HIBOR plus 4.75% per annum.
	於二零一四年十一月四日，本集團擁有一間附屬公司與一組境外財務機構及一組境內財務機構訂立境外融資協議及境內融資協議。有關境外融資協議為以港元計值總額為1,440,000,000港元的定期貸款融資，最後到期日為首次動用日期起計三年，並以倫敦銀行同業拆息率加4.00厘的年利率計息。有關境內融資協議為以人民幣計值總額為人民幣1,500,000,000元的定期貸款融資，最後到期日為首次動用日期起計三年，年利率按人民銀行基準利率乘以106%計算。		On 4 November 2014, a 50% owned subsidiary of the Group entered into an offshore facility agreement and an onshore facility agreement with a group of offshore financial institutions and a group of onshore financial institutions. The relevant offshore agreement is a Hong Kong dollar denominated term loan facility with an aggregate amount of HK\$1,440 million with final maturity of three years from the first utilization date and interest of LIBOR plus 4.00% per annum. The relevant onshore agreement is a Renminbi denominated term loan facility with an aggregate amount of RMB1,500 million with final maturity of three years from the first utilization date and interest of 106% times PBOC Base Lending Rate per annum.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 33. 優先票據

### 33. SENIOR NOTES

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
以美元計值的優先票據	Senior notes denominated in US\$	—	3,096,327
二零一八年到期優先票據	Senior notes due in 2018	<b>2,890,449</b>	2,624,258
二零一九年到期優先票據	Senior notes due in 2019	<b>2,792,562</b>	2,555,373
二零二零年到期優先票據	Senior notes due in 2020	<b>5,683,011</b>	8,275,958

於二零一三年四月十五日，本公司向公眾發行面值總額達275,000,000美元有擔保的定息優先票據（「二零一八年到期原先票據」），以每年12.25厘定息計息（每半年支付一次應計利息）。

於二零一三年九月十八日，本公司以溢價4%向公眾發行面值總額達225,000,000美元有擔保的定息優先票據（「二零一八年到期額外票據」），以每年12.25厘定息計息（每半年支付一次應計利息）。

於二零一六年四月十五日，本集團按相等於本金額106.125%的贖回價加上應計但未付利息及提早贖回優先票據導致的虧損共人民幣182,263,000元，悉數贖回於二零一八年到期的優先票據，而於二零一五年九月二十九日，本公司按相當於本金額106.125%的贖回價加上應計但未支付利息及提早贖回優先票據導致的虧損共人民幣20,725,000元，贖回於而二零一八年到期的優先票據。

On 15 April 2013, the Company issued guaranteed fixed rate senior notes to the public at par with aggregate nominal value of US\$275,000,000 (the "2018 due Original Notes") which carry fixed interest of 12.25% per annum (interest payable semi-annually in arrears).

On 18 September 2013, the Company issued guaranteed fixed rate senior notes to the public at premium of 4% with aggregate nominal value of US\$225,000,000 (the "2018 due Additional Notes") which carry fixed interest of 12.25% per annum (interest payable semi-annually in arrears).

On 15 April 2016, the Company fully redeemed the senior notes due in 2018 at a redemption price equal to 106.125% of the principal amount plus the accrued and unpaid interest and incurred loss on early redemption of senior notes amounted to RMB182,263,000, while on 29 September 2015, the Company redeemed the senior notes due in 2018 at a redemption price equal to 106.125% of the principal amount plus the accrued and unpaid interest and incurred loss on early redemption of senior notes amounted to RMB20,725,000.

### **33. 優先票據(續)**

於二零一四年一月二十七日，本公司以0.455厘折讓向公眾發行面值總額達200,000,000美元有擔保的定息優先票據（「二零一九年到期原先票據」），以年利率8.875厘的定息計息（每半年支付一次應計利息），並將於二零一九年一月二十七日悉數償還。

於二零一五年一月十二日，本公司訂立認購協議，據此，認購方同意認購面值總額達200,000,000美元的額外定息優先票據（「二零一九年到期額外票據」），以年利率8.875厘的定息計息，並將於二零一九年一月二十七日前悉數償還。此批優先票據將合併並以二零一九到期年原先票據的相同條款及條件（發行日期及發行價除外）與二零一九年到期原先票據構成單一系列票據。

於二零一五年六月五日，本公司以折讓0.509%發行面值總額達400,000,000美元有擔保的定息優先票據（「二零二零年到期票據」），以年利率7.75厘的定息計息（每半年支付一次應付利息），並將於二零二零年六月五日悉數償還。

二零一八年到期原先票據、二零一八年到期額外票據、二零一九年到期原先票據、二零一九年到期額外票據及二零二零年到期原先票據均於聯交所上市，為無抵押、本公司優先責任，並由本公司若干並非根據中國法律成立的現有附屬公司擔保。該等擔保實際從屬於各擔保方的其他有抵押責任，惟以所抵押的資產價值為限。

### **33. SENIOR NOTES (Continued)**

On 27 January 2014, the Company issued guaranteed fixed rate senior notes to the public at discount of 0.455% with aggregate nominal value of US\$200,000,000 (the "2019 due Original Notes") which carry fixed interest of 8.875% per annum (interest payable semi-annually in arrears) and will be fully repayable by 27 January 2019.

On 12 January 2015, the Company entered into a subscription agreement pursuant to which the subscriber agreed to subscribe for additional fixed rate senior notes with the aggregate nominal value of US\$200,000,000 (the "2019 due Additional Notes") which carry fixed interest of 8.875% per annum and will be fully repayable by 27 January 2019. This batch of senior notes will be consolidated and form a single series with the 2019 due Original Notes with the same terms and conditions of the 2019 due Original Notes, except for the issue date and the issue price.

On 5 June 2015, the Company issued guaranteed fixed rate senior notes at discounted of 0.509% with aggregate nominal value of US\$400,000,000 (the "2020 due Notes") which carry fixed interest of 7.75% per annum (interest payable semi-annually in arrears) and will be fully repayable by 5 June 2020.

The 2018 due Original Notes, the 2018 due Additional Notes, the 2019 due Original Notes, the 2019 due Additional Notes and the 2020 due Notes are listed on the Stock Exchange. They are unsecured, senior obligations of the Company and guaranteed by certain of the Company's existing subsidiaries, other than those organised under the laws of the PRC. The guarantors are effectively subordinated to the other secured obligations of each guarantor, to the extent of the value of assets serving as security.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 33. 優先票據(續)

就二零一九年到期原先票據及二零一九年到期額外票據而言，本公司於二零一七年一月二十七日前隨時及不時，可運用出售其股本發售內普通證券的所得款項現金淨額，按二零一九年到期原先票據及二零一九年到期額外票據本金額108.875%的贖回價，另加計至(惟不包括)贖回日期的應計及未付利息(如有)，贖回本金總額最多35%的二零一九年到期原先票據及二零一九年到期額外票據(須受若干條件限制)。此外，本公司於二零一七年一月二十七日前隨時及不時，可按二零一九年到期原先票據及二零一九年到期額外票據本金額100%的贖回價，另加於贖回日期的二零一九年適用溢價以及計至(惟不包括)贖回日期的應計及未付利息(如有)，選擇贖回全部而非部分二零一九年到期原先票據及二零一九年到期額外票據。

「二零一九年適用溢價」指，於任何贖回日期，就二零一九年到期原先票據及二零一九年到期額外票據而言，(1)二零一九年到期原先票據及二零一九年到期額外票據本金額的1.00%與(2)(A)(i)二零一九年到期原先票據及二零一九年到期額外票據於二零一七年一月二十七日的贖回價加(ii)直至二零一七年一月二十七日二零一四年票據所有規定餘下到期擬定利息付款(惟不包括直至贖回日期的應計及未付利息)的金額於有關贖回日期的現值(按相當於經調整國債利率加100個基點的貼現率計算)超出(B)於有關贖回日期二零一九年到期原先票據及二零一九年到期額外票據本金額的款額兩者之間的較高者。

### 33. SENIOR NOTES (Continued)

For the 2019 Original Notes and 2019 due Additional Notes at any time and from time to time prior to 27 January 2017, the Company may redeem up to 35% of the aggregate principal amount of the 2019 due Original Notes and 2019 due Additional Notes at a redemption price of 108.875% of the principal amount of the 2019 due Original Notes and 2019 due Additional Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the net cash proceeds from sales of its common stock in an equity offering, subject to certain conditions. In addition, at any time and from time to time prior to 27 January 2017, the Company may at its option redeem the 2019 due Original Notes and 2019 due Additional Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2019 due Original Notes and 2019 due Additional Notes plus the 2019 Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

“2019 Applicable Premium” means with respect to the 2019 due Original Notes and 2019 due Additional Notes at any redemption date, the greater of (1) 1.00% of the principal amount of such 2019 due Original Notes and 2019 due Additional Notes and (2) the excess of (A) the present value at such redemption date of (i) the redemption price of such 2019 due Original Notes and 2019 due Additional Notes on 27 January 2017 plus (ii) all required remaining scheduled interest payments due on such 2014 Notes through 27 January 2017 (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 2019 due Original Notes and 2019 due Additional Notes on such redemption date.

### 33. 優先票據(續)

倘於下文所示任何年度一月二十七日開始的十二個月期間贖回，則本公司可於二零一七年一月二十七日或之後隨時及不時，按相等於下文載列的本金額百分比的贖回價，另加計至(惟不包括)贖回日期的應計及未付利息(如有)，贖回全部或部分二零一九年到期原先票據及二零一九年到期額外票據：

### 33. SENIOR NOTES (Continued)

At any time and from time to time on or after 27 January 2017, the Company may redeem the 2019 due Original Notes and 2019 due Additional 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 27 January of any year set forth below:

期間	Period	贖回價 Redemption Price
二零一七年	2017	104.4380%
二零一八年	2018	102.2190%

就二零二零年到期票據而言，本公司可於二零一八年六月五日前隨時及不時運用出售其股本發售內普通證券的所得款項現金淨額，按二零二零年到期票據本金額107.75%的贖回價，另加計至(惟不包括)贖回日期的應計及未付利息(如有)，贖回本金總額最多35%的二零二零年到期票據(須受若干條件限制)。此外，本公司可於二零一八年六月五日前隨時及不時，按二零二零年到期票據本金額100%的贖回價，另加於贖回日期的二零二零年適用溢價以及計至(惟不包括)贖回日期的應計及未付利息(如有)，選擇贖回全部而非部分二零二零年到期票據。

「二零二零年適用溢價」指於任何贖回日期，就二零二零年到期票據而言，(1)二零二零年到期票據本金額的1.00%與(2)(A)(i)二零二零年到期票據於二零一八年六月五日的贖回價加(ii)直至二零一八年六月五日二零二零年到期票據所有規定餘下到期擬定利息付款(惟不包括直至贖回日期的應計及未付利息)的金額於有關贖回日期的現值(按相當於經調整國債利率加100個基點的貼現率計算)超出(B)於有關贖回日期二零二零年到期票據本金額的款額兩者之間的較高者。

For the 2020 due Notes, at any time and from time to time prior to 5 June 2018, the Company may redeem up to 35% of the aggregate principal amount of the 2020 due Notes at a redemption price of 107.75% of the principal amount of the 2020 due Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the net cash proceeds from sales of its common stock in an equity offering, subject to certain conditions. In addition, at any time and from time to time prior to 5 June 2018, the Company may at its option redeem the 2020 due Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2020 due Notes plus the 2020 Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

“2020 Applicable Premium” means with respect to the 2020 due Notes at any redemption date, the greater of (1) 1.00% of the principal amount of such 2020 due Notes and (2) the excess of (A) the present value at such redemption date of (i) the redemption price of such 2020 due Notes on 5 June 2018 plus (ii) all required remaining scheduled interest payments due on such 2020 due Notes through 5 June 2018 (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 2020 due Notes on such redemption date.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 33. 優先票據(續)

倘於下文所示任何年度六月五日開始的十二個月期間贖回，則本公司可於二零一八年六月五日或之後隨時及不時，按相等於下文載列的本金額百分比的贖回價另加計至(惟不包括)贖回日期的應計及未付利息(如有)，贖回全部或部分二零二零年到期票據：

期間	Period	贖回價 Redemption Price
二零一八年	2018	103.8750%
二零一九年	2019	101.9375%

董事認為，於初步確認及報告期末，提早贖回購股權的公平值並不重大。

所有優先票據於二零一六年十二月三十一日的賬面淨值以扣除發行開支合共785,866,000美元(二零一五年：1,266,556,000美元)後列示。

二零一九年到期原先票據、二零一九年到期額外票據及二零二零年到期票據的實際利率分別為每年9.47%、9.14%及9.01%。

年內二零一八年到期原先票據、二零一八年到期額外票據、二零一九年到期原先票據、二零一九年到期額外票據及二零二零年到期票據的變動載列如下：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
於一月一日的賬面值	Carrying amount as at 1 January	8,275,958	4,356,950
發行日期的初始公平值	Initial fair values on the dates of issuance	—	3,680,154
提早贖回優先票據	Early redemption of senior notes	(3,057,371)	(174,002)
匯兌虧損	Exchange loss	405,554	308,382
利息開支(附註8)	Interest expenses (note 8)	705,919	737,856
年內已付利息	Interest paid during the year	(647,049)	(633,382)
於十二月三十一日的賬面值	Carrying amount as at 31 December	5,683,011	8,275,958

經參考聯交所所報市價，所有優先票據於二零一六年十二月三十一日的公平值總額達約人民幣5,920,209,000元(二零一五年：人民幣8,689,371,000元)。

### 33. SENIOR NOTES (Continued)

At any time and from time to time on or after 5 June 2018, the Company may redeem the 2020 due 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 5 June of any year set forth below:

In the opinion of directors, the fair values of the early redemption options are insignificant at initial recognition and the end of the reporting period.

The net carrying amounts of all senior notes as at 31 December 2016 are stated net of issue expenses totalling US\$785,866,000 (2015: US\$1,266,556,000).

The effective interest rates of the 2019 due Original Notes, 2019 due Additional Notes and 2020 due Notes are 9.47%, 9.14% and 9.01% per annum respectively.

The movements of the 2018 due Original Notes, 2018 due Additional Notes, 2019 due Original Notes, 2019 due Additional Notes and 2020 due Notes for the year are set out below:

The aggregated fair value of all the senior notes at 31 December 2016 with reference to the quoted market price available on the Stock Exchange amounted to approximately RMB5,920,209,000 (2015: RMB8,689,371,000).

## 34. 公司債券

## 34. CORPORATE BONDS

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
以人民幣計值的公司債券	Corporate bonds denominated in RMB		
二零一八年到期的公司債券	Corporate bonds due in 2018	2,088,970	–
二零二零年到期的公司債券	Corporate bonds due in 2020	4,023,949	4,021,032
二零二一年到期的公司債券	Corporate bonds due in 2021	4,028,549	–
		<b>10,141,468</b>	4,021,032
減：計入流動負債內的一年內 到期金額	Less: amounts due within one year included in current liabilities	<b>(2,088,970)</b>	–
計入非流動負債內的一年後 到期金額	Amounts due after one year included in non-current liabilities	<b>8,052,498</b>	4,021,032

於二零一六年一月二十二日，本公司全資附屬公司旭輝集團有限公司（「旭輝中國」）發行的人民幣2,000,000,000元的非公開發行公司債券（「二零一八年到期人民幣債券」，於上海證券交易所（「上交所」）上市）。二零一八年到期人民幣債券以固定年利率4.99厘計息並將於二零一八年一月二十二日到期，除非持有人提早向旭輝中國售回債券。

於起始日期後的首年年末，旭輝中國（作為發行人）有權調整利率，而二零一八年到期人民幣債券持有人可選擇於到期前隨時向旭輝中國以其本金售回全部或部分債券。二零一八年到期人民幣債券分類為流動負債。

On 22 January 2016, CIFI Group Co., Ltd. ("CIFI PRC"), a wholly-owned subsidiary of the Company, issued non-public corporate bonds of RMB2,000,000,000 ("2018 due RMB Bond"), which are listed on the Shanghai Stock Exchange ("SSE"). 2018 due RMB Bond carry fixed interest of 4.99% per annum and will mature on 22 January 2018 unless the holders sell back the bonds to CIFI PRC earlier.

At the end of the first year subsequent to the inception date, CIFI PRC as the issuer is entitled to adjust interest rate and the holders of 2018 due RMB Bond may at their options to sell back the bonds to CIFI PRC in whole or in part at their principal amount at any time prior to the maturity. 2018 due RMB Bond is classified as current liability.

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### 34. 公司債券(續)

於二零一六年九月二十六日，旭輝中國發行人民幣4,000,000,000元的非公開發行公司債券(於上交所上市)，其中包括：(i)本金額人民幣3,500,000,000元(「首期二零二一年到期人民幣債券」)及(ii)本金額人民幣500,000,000元(「第二期二零二一年到期人民幣債券」)。首期二零二一年到期人民幣債券以年利率4.30厘計息及利息每年支付一次。首期二零二一年到期人民幣債券將於二零二一年九月二十六日到期，除非持有人提早向旭輝中國售回債券。第二期二零二一年到期人民幣債券以年利率5.50厘計息及利息每年支付一次。第二期二零二一年到期人民幣債券將於二零二一年九月二十六日到期。

於二零一五年十月十四日，本公司全資附屬公司旭輝中國發行人民幣3,495,000,000元的公開發行公司債券(「首期二零二零年到期人民幣債券」，於上交所上市)。首期二零二零年到期人民幣債券以年利率4.95厘計息及利息每年支付一次。首期二零二零年到期人民幣債券將於二零二零年十月十三日到期，除非持有人提早向旭輝中國售回債券。

於二零一五年十一月十二日，旭輝中國發行人民幣500,000,000元的公開發行公司債券(「第二期二零二零年到期人民幣債券」，於上交所上市)。第二期二零二零年到期人民幣債券以年利率5.96厘計息及利息每年支付一次。第二期二零二零年到期人民幣債券將於二零二零年十一月十一日到期。

於起始日期後的第三年年末，旭輝中國(作為發行人)有權調整利率，而首期二零二零年到期人民幣債券及第二期二零二零年到期人民幣債券持有人可選擇於到期前隨時向旭輝中國以其本金售回全部或部分債券。

### 34. CORPORATE BONDS (Continued)

On 26 September 2016, CIFI PRC issued non-public corporate bonds of RMB4,000,000,000 which are listed on the SSE and comprise: (i) a principal amount of RMB3,500,000,000 ("First Tranche 2021 due RMB Bond") and (ii) a principal amount of RMB500,000,000 ("Second Tranche 2021 due RMB Bond"). First Tranche 2021 due RMB Bond carry interest of 4.30% per annum and interest is payable annually. First Tranche 2021 due RMB Bond will mature on 26 September 2021 unless the holders sell back the bonds to CIFI PRC earlier. Second Tranche 2021 due RMB Bond carry interest of 5.50% per annum and interest is payable annually. Second Tranche 2021 due RMB Bond will mature on 26 September 2021.

On 14 October 2015, CIFI PRC, a wholly-owned subsidiary of the Company, issued public corporate bonds of RMB3,495,000,000 ("First Tranche 2020 due RMB Bond") which are listed on the SSE. First Tranche 2020 due RMB Bond carry interest at rate of 4.95% per annum and interest is payable annually. First Tranche 2020 due RMB Bond will mature on 13 October 2020 unless the holders sell back the bonds to CIFI PRC earlier.

On 12 November 2015, CIFI PRC issued public corporate bonds of RMB500,000,000 ("Second Tranche 2020 due RMB Bond") which listed on the SSE. Second Tranche 2020 due RMB Bond carry interest at rate of 5.96% per annum and interest is payable annually. Second Tranche 2020 due RMB Bond will mature on 11 November 2020.

At the end of the third year subsequent to the inception date, CIFI PRC as the issuer is entitled to adjust interest rate and the holders of First Tranche 2020 due RMB Bond and Second Tranche 2020 due RMB Bond may at their options to sell back the bonds to CIFI PRC in whole or in part at their principal amount at any time prior to the maturity.

### 34. 公司債券(續)

於起始日期後第三年年末，旭輝中國(作為發行人)有權調整利率，而第一批二零二一年到期人民幣債券的持有人可選擇於到期前隨時向旭輝中國以其本金售回全部或部分債券。

二零一八年到期人民幣債券、首期二零二零年到期人民幣債券、第二期二零二零年到期人民幣債券、首期二零二一年到期人民幣債券及第二期二零二一年到期人民幣債券的實際利率分別為每年5.23%、5.04%、6.06%、4.41%及5.61%。

年內，二零一八年到期人民幣債券、首期二零二零年到期人民幣債券、第二期二零二零年到期人民幣債券、首期二零二一年到期人民幣債券及第二期二零二一年到期人民幣債券的變動載列如下：

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
於一月一日的賬面值	Carrying amount as at 1 January	<b>4,021,032</b>	—
於發行日期的初步公允值	Initial fair values on the dates of issuance	<b>5,971,741</b>	3,979,613
利息開支(附註8)	Interest expenses (note 8)	<b>351,498</b>	41,419
年內已付利息	Interest paid during the year	<b>(202,803)</b>	—
於十二月三十一日的賬面值	Carrying amount as at 31 December	<b>10,141,468</b>	4,021,032

經參考上交所所報市價，二零一八年到期人民幣債券、首期二零二零年到期人民幣債券、第二期二零二零年到期人民幣債券、首期二零二一年到期人民幣債券及第二期二零二一年到期人民幣債券的公平值總額達約人民幣9,884,456,000元(二零一五年：人民幣4,082,890,000元)。

### 34. CORPORATE BONDS (Continued)

At the end of the third year subsequent to the inception date, CIFI PRC as the issuer is entitled to adjust interest rate and the holders of First Tranche 2021 due RMB Bond may at their options to sell back the bonds to CIFI PRC in whole or in part at their principal amount at any time prior to the maturity.

The effective interest rates of the 2018 due RMB Bond, First Tranche 2020 due RMB Bond, Second Tranche 2020 due RMB Bond, First Tranche 2021 due RMB Bond and Second Tranche 2021 due RMB Bond are 5.23%, 5.04%, 6.06%, 4.41% and 5.61% per annum respectively.

The movements of the 2018 due RMB Bond, First Tranche 2020 due RMB Bond, Second Tranche 2020 due RMB Bond, First Tranche 2021 due RMB Bond and Second Tranche 2021 due RMB Bond for the year are set out below:

The aggregated fair values of the 2018 due RMB Bond, First Tranche 2020 due RMB Bond, Second Tranche 2020 due RMB Bond, First Tranche 2021 due RMB Bond and Second Tranche 2021 due RMB Bond with reference to the quoted market price available on the SSE amounted to approximately RMB9,884,456,000 (2015: RMB4,082,890,000).

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Notes to the Consolidated Financial Statements

## 35. 股本

## 35. SHARE CAPITAL

		二零一六年 2016	二零一五年 2015
		千港元 HK\$'000	千港元 HK\$'000
法定股本：	Authorised:		
10,000,000,000股(二零一五年：	10,000,000,000 (2015: 10,000,000,000) ordinary		
10,000,000,000股)每股面值0.1港元	shares of HK\$0.1 each (2015: HK\$0.1 each)		
(二零一五年：每股面值0.1港元)的			
普通股		<b>1,000,000</b>	1,000,000
已發行及繳足：	Issued and fully paid:		
於二零一六年一月一日	At 1 January 2016	<b>667,601</b>	602,658
行使購股權時發行(附註a)	Issued upon exercise of share options (note a)	<b>4,750</b>	741
配售股份(附註b)	Placing of shares (note b)	—	60,000
以股代息發行(附註c)	Issued as scrip dividend (note c)	<b>4,005</b>	13,236
購回股份時註銷(附註d)	Cancelled upon repurchase of shares (note d)	<b>(1,850)</b>	(9,034)
於二零一六年十二月三十一日	At 31 December 2016	<b>674,506</b>	667,601
		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
於綜合財務報表呈列為	Shown in the consolidated financial statements as	<b>542,797</b>	537,157

股本變動如下：

The movements in share capital are as follows:

附註：

Notes:

- (a) 截至二零一六年十二月三十一日止年度，本公司於行使購股權時發行約47,496,900股(二零一五年：7,409,000股)每股面值0.10港元的普通股。年內，購股權的行使價介乎1.55港元至1.77港元(二零一五年：1.55港元至1.68港元)。新普通股與當時現有股份於各方面享有同等地位。
- (b) 截至二零一五年十二月三十一日止年度，本公司按2.20港元的價格發行600,000,000股股份。配售所得款項淨額約為1,304,000,000港元(相當於人民幣1,028,000,000元)。
- (c) 截至二零一六年十二月三十一日止年度，本公司約40,046,601股(二零一五年：132,360,000股)每股面值0.10港元的普通股按每股1.768港元(二零一五年：2.272港元)以股代息發行。
- (a) During the year ended 31 December 2016, the Company issued approximately 47,496,900 (2015: 7,409,000) ordinary shares of HK\$0.10 each upon exercise of share options. The exercise price of the share options during the year ranging from HK\$1.55 to HK\$1.77 (2015: HK\$1.55 to HK\$1.68). The new ordinary shares rank pari passu with the then existing shares in all respects.
- (b) During the year ended 31 December 2015, the Company issued 600,000,000 shares at a price of HK\$2.20. The net proceeds from the placing is approximately HK\$1,304 million (equivalent to RMB1,028 million).
- (c) During the year ended 31 December 2016, approximately 40,046,601 (2015: 132,360,000) ordinary shares of HK\$0.10 each in the Company were issued at HK\$1.768 (2015: HK\$2.272) per share as scrip dividend.

### 35. 股本(續)

(d) 截至二零一六年十二月三十一日止年度，本公司於透過聯交所購回18,500,000股(二零一五年：90,338,000股)股份後所購回及註銷的股份如下：

購回月份	每股0.1港元 普通股 的數量		每股市價 最高	每股市價 最低	所付合共代價
一月	18,500,000	1.450港元	1.370港元		26,086,000港元

年內，概無本公司股東購買、出售或贖回本公司上市證券。

(e) 根據本公司組織章程細則第24.2條，本公司可通過股份溢價賬及保留溢利賬支付末期股息。

有關參考上述本公司已發行股本變動的交易概述如下：

### 35. SHARE CAPITAL (Continued)

(d) During the year ended 31 December 2016, the Company had repurchased and cancelled upon repurchase 18,500,000 (2015: 90,338,000) shares through the Stock Exchange as follows:

Month of repurchase	No. of ordinary shares of HK\$0.1 each		Price per share Highest	Price per share Lowest	Aggregate consideration paid HK\$26,086,000
January	18,500,000	HK\$1.450	HK\$1.370		

None of the company's shareholders purchased, sold or redeemed any of the Company's listed securities during the year.

(e) Pursuant to article 24.2 of the Company's Articles of Association, the Company is permitted to pay out final dividend from share premium account and retained profit account.

A summary of the transactions with reference to the above-mentioned movements in the Company's issued share capital is as follows:

	已發行繳足 普通股數目 Number of issued fully paid ordinary shares	普通股面值 Nominal value of ordinary shares	股份溢價 Share premium	普通股面值 等值 Equivalent		股份溢價 等值 Equivalent	總計 Total
				千港元 HK\$'000	千港元 HK\$'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於二零一五年一月一日	At 1 January 2015	6,026,579,000	602,658	1,247,091	487,896	826,202	1,314,098
行使購股權時發行股份	Issue of shares upon exercise of share options	7,409,000	741	14,230	593	11,384	11,977
發行股份以配售股份	Issued of shares for share placement	600,000,000	60,000	1,244,000	47,280	980,272	1,027,552
就以股代息發行股份	Issue of shares for scrip dividend	132,360,000	13,236	287,485	10,430	(10,430)	-
於購回股份時註銷	Cancelled upon repurchase of shares	(90,338,178)	(9,034)	(113,715)	(9,042)	(95,179)	(104,221)
已付股息(附註(e))	Dividend paid (note (e))	-	-	(866,418)	-	(456,166)	(456,166)
於二零一五年十二月三十一日	At 31 December 2015	6,676,009,822	667,601	1,812,673	537,157	1,256,083	1,793,240
行使購股權時發行股份	Issue of shares upon exercise of share options	47,496,963	4,750	92,951	4,073	79,708	83,781
就以股代息發行股份	Issue of shares for scrip dividend	40,046,601	4,004	66,798	3,384	(3,384)	-
於購回股份時註銷	Cancelled upon repurchase of shares	(18,500,000)	(1,850)	(24,236)	(1,817)	(21,517)	(23,334)
已付股息(附註(e))	Dividend paid (note (e))	-	-	(1,002,846)	-	(794,500)	(794,500)
於二零一六年十二月三十一日	At 31 December 2016	6,745,053,386	674,505	945,340	542,797	516,390	1,059,187

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 36. 遲延稅項

以下為於年內確認的主要遜延稅項資產(負債)及其中變動：

## 36. DEFERRED TAXATION

The following are the major deferred taxation assets (liabilities) recognised and movements thereon during the years:

		公司間交易 未變現收益 (虧損)的 臨時差額 Temporary differences on unrealised gain (loss) arising from inter-company transactions	投資物業及 其他物業 公平值 properties and other properties	土地增值稅 撥備的 稅務虧損 Tax losses	臨時差額 Temporary differences on LAT provision	總計 Total 人民幣千元 RMB'000
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於二零一五年一月一日	At 1 January 2015	16,224	(986,023)	53,470	110,693	(805,636)
於損益計入(扣除)	Credit (charge) to profit or loss	(4,539)	(32,024)	9,733	(38,979)	(65,809)
收購附屬公司(附註37)	Acquisition of subsidiaries (note 37)	-	(115,632)	-	-	(115,632)
於二零一五年十二月三十一日	At 31 December 2015	11,685	(1,133,679)	63,203	71,714	(987,077)
於損益計入(扣除)	Credit (charge) to profit or loss	(7,065)	22,568	(35,405)	15,760	(4,142)
收購附屬公司(附註37)	Acquisition of subsidiaries (note 37)	-	(25,521)	-	-	(25,521)
於二零一六年十二月三十一日	<b>At 31 December 2016</b>	<b>4,620</b>	<b>(1,136,632)</b>	<b>27,798</b>	<b>87,474</b>	<b>(1,016,740)</b>

為呈報綜合財務狀況表，若干遜延稅項資產(負債)已抵銷。以下為就財務報告作出的遜延稅項結餘分析：

For the presentation purposes on the consolidated statement of financial position, certain deferred taxation assets (liabilities) have been offset. The following is the analysis of the deferred taxation balances for financial reporting purposes:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
遞延稅項資產	Deferred taxation assets	319,795	286,753
遞延稅項負債	Deferred taxation liabilities	(1,336,535)	(1,273,830)
		<b>(1,016,740)</b>	<b>(987,077)</b>

### 36. 遲延稅項(續)

於二零一六年十二月三十一日，本集團擁有未動用稅務虧損約人民幣915,981,000元(二零一五年：人民幣851,169,000元)可供抵銷未來利潤。於二零一六年十二月三十一日，已就約人民幣105,398,000元(二零一五年：人民幣252,812,000元)虧損確認遞延稅項資產。由於不可預測未來利潤來源，故於二零一六年十二月三十一日概無就餘下虧損約人民幣810,583,000元(二零一五年：人民幣598,357,000元)確認遞延稅項資產。未確認稅務虧損將於下列年度屆滿：

### 36. DEFERRED TAXATION (Continued)

At 31 December 2016, the Group had unused tax losses of approximately RMB915,981,000 (2015: RMB851,169,000) available to offset against future profits. Deferred taxation assets have been recognised in respect of such losses of approximately RMB105,398,000 (2015: RMB252,812,000) at 31 December 2016. No deferred taxation asset has been recognised in respect of the remaining losses of approximately RMB810,583,000 (2015: RMB598,357,000) at 31 December 2016 due to the unpredictability of future profit streams. The unrecognised tax losses will expire in the following years:

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
二零一六年	2016	—	6,234
二零一七年	2017	<b>5,664</b>	11,789
二零一八年	2018	<b>8,694</b>	20,373
二零一九年	2019	<b>149,662</b>	246,281
二零二零年	2020	<b>245,416</b>	313,680
二零二一年	2021	<b>401,147</b>	—
		<b>810,583</b>	598,357

於二零一六年十二月三十一日，本集團來自有關建造物業的公司間交易及已竣工停車場的公司間轉讓產生的可扣稅臨時差額約為人民幣89,104,000元(二零一五年：人民幣122,596,000元)。由於不大可能有應課稅利潤可供抵銷可扣稅臨時差額，故並無就該等可扣稅臨時差額確認遞延稅項資產。

根據《中國企業所得稅法》，由二零零八年一月一日起，就中國附屬公司賺取的利潤所宣派股息須徵收預提所得稅。綜合財務報表中未有就於二零一六年十二月三十一日的中國附屬公司累計利潤應佔臨時差額約人民幣11,709,428,000元(二零一五年：人民幣7,823,872,000元)作出遞延稅項撥備，乃因本集團能夠控制臨時差額撥回時間，且該等臨時差額在可見將來不大可能撥回。

At 31 December 2016, the Group had deductible temporary differences arising from inter-company transactions in relation to construction of properties and inter-company transfer of completed carpark amounted to approximately RMB89,104,000 (2015: RMB122,596,000). No deferred taxation asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Under the PRC enterprise income law, withholding income tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to approximately RMB11,709,428,000 (2015: RMB7,823,872,000) as at 31 December 2016, as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

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### 37. 收購附屬公司

截至二零一六年十二月三十一日止年度

#### (a) 收購業務

截至二零一六年十二月三十一日止年度，本集團透過收購其控股公司天津旭達房地產信息諮詢有限公司（「天津旭達」）全部股本權益收購其擁有50%權益的合營企業天津旭科額外50%股本權益，代價為人民幣9,000,000元，乃參考天津旭達及天津旭科在買賣協議於二零一六年一月十日簽署時的資產淨值後釐定。天津旭達為投資控股公司及天津旭科從事物業開發業務。

於上文所述收購事項在二零一六年三月十七日完成後，本集團取得天津旭達及天津旭科100%控制權，而該兩間公司其後作為本公司的附屬公司入賬。於收購時，本公司董事認為該項收購構成一項業務收購，此乃由於天津旭科持有開發中物業並已開始預售有關物業單位。因此，該交易以購買會計法列賬。

所收購資產淨值的詳情如下：

### 37. ACQUISITIONS OF SUBSIDIARIES

For the year ended 31 December 2016

#### (a) Acquisition of business

During the year ended 31 December 2016, the Group acquired additional 50% equity interest of its 50% owned joint venture, Tianjin Xuke through the acquisition of the 100% equity interests of its holding company, Tianjin Xuda Property Information Consultancy Co., Ltd. (天津旭達房地產資訊諮詢有限公司) ("Tianjin Xuda"), at a consideration of RMB9,000,000, which was determined with reference to the net asset value of Tianjin Xuda and Tianjin Xuke at the time when the sales and purchase agreement was signed on 10 January 2016. Tianjin Xuda is an investment holding company and Tianjin Xuke is engaged in property development.

Upon the completion of the acquisition mentioned above on 17 March 2016, the Group obtained 100% control over Tianjin Xuda and Tianjin Xuke, which was accounted for as subsidiaries of the Group thereafter. At the time of acquisition, the directors of the Company are of the view that the acquisition constitutes a business acquisition as Tianjin Xuke held properties under development and has commenced pre-sale of the property units. The transaction has been accounted for using the purchase method accordingly.

Details of the net assets acquired are as follows:

		人民幣千元 RMB'000
以下列方式達成代價：	Consideration satisfied by:	
應付代價(計入其他應付款項)	Cash consideration payable (included in other payables)	9,000

**37. 收購附屬公司(續)**

截至二零一六年十二月三十一日止年度  
(續)

**(a) 收購業務(續)****37. ACQUISITIONS OF SUBSIDIARIES (Continued)**

For the year ended 31 December 2016 (Continued)

**(a) Acquisition of business (Continued)**

人民幣千元  
RMB'000

已收購天津旭達及天津旭科的可識別資產淨值公平值：	Fair value of net identifiable assets of Tianjin Xuda and Tianjin Xuke acquired:
應收一間合營企業款項	Amount due from a joint venture 13,474
銀行結餘及現金	Bank balances and cash 213,770
擬作出售的開發中物業	Properties under development for sale 993,000
應收賬款及其他應收款項、按金及預付款項	Accounts and other receivables, deposits and prepayments 358,376
可收回稅項	Taxation recoverable 22,738
應付賬款及應計開支	Accounts payables and accrued charges (118,590)
已收物業銷售按金	Deposits received from property sales (329,640)
銀行及其他借款	Bank and other borrowings (348,000)
遞延稅項負債	Deferred taxation liabilities (25,521)
本集團應收款項	Amount due to the Group (353,683)
	425,924

已收購公平值人民幣108,374,000元的應收賬款及其他應收款項與其合約總額相若。概無無法收取的合約現金流量。

The accounts and other receivables acquired with a fair value of RMB108,374,000 approximate its gross contractual amount. There was no contracted cash flows not expected to be collected.

人民幣千元  
RMB'000

應付代價	Consideration payable	9,000
加：按公平值計量的先前所持權益 (指於天津旭科的權益)	Add: Previously held interest represented by interest in Tianjin Xuke at fair value	383,057
減：所收購的資產淨值	Less: Net assets acquired	(425,924)
業務合併收益(附註)	Gain from business combinations (note)	(33,867)

附註：業務合併收益主要指天津旭科於完成收購日期時出售的開發中物業的公平值增幅。

Note: Gain from business combination mainly represented the fair value increment of the properties under development for sale held by Tianjian Xuke at the date of completion of the acquisition.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 37. 收購附屬公司(續)

截至二零一六年十二月三十一日止年度  
(續)

#### (a) 收購業務(續)

### 37. ACQUISITIONS OF SUBSIDIARIES (Continued)

For the year ended 31 December 2016 (Continued)

#### (a) Acquisition of business (Continued)

		於收購日期 確認的金額 Amounts recognised at date of acquisition 人民幣千元 RMB'000
本集團所持有天津旭科50%股本權益的公平值 減：本集團所持合營企業的權益	Fair value of 50% equity interest of Tianjin Xuke held by the Group Less: Interest in joint venture held by the Group	383,057 (344,774)
重新計量的收益	Gain on remeasurement	38,283
收購產生的現金流入淨額： 所收購的銀行結餘及現金	Net cash inflow arising on acquisition: Bank balances and cash acquired	213,770

收購相關成本並不重大，已於本年度確認為一項開支及已計入綜合損益及其他全面收益表「行政開支」項目。

Acquisition-related costs were insignificant and have been recognised as an expense in the current year and included in the "administrative expenses" line item in the consolidated statement of profit or loss and other comprehensive income.

年內，本集團應佔虧損人民幣3,440,000元計入損益。於報告期間，概無本集團應佔收入。

Included in the profit for the year is loss of RMB3,440,000 attributable to the Group. No revenue is attributable to the Group for the reporting period.

倘收購事項於本年初受到影響，則本集團於截至二零一六年十二月三十一日止年度的收入總額將為人民幣22,224,447,000元，而年內利潤將為人民幣3,165,348,000元。備考資料僅供說明用途，且未必顯示本集團於年初完成收購時將實際達至的收入及經營業績，亦無意作為未來業績的預測。

Had the acquisition been effected at the beginning of the year, the total amount of revenue of the Group for the year ended 31 December 2016 would have been RMB22,224,447,000 and the amount of the profit for the year would have been RMB3,165,348,000. The pro forma information is for illustrative purpose only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the year, nor is it intended to be a projection of future results.

### **37. 收購附屬公司(續)**

截至二零一六年十二月三十一日止年度  
(續)

#### **(b) 透過收購附屬公司收購資產及負債**

截至二零一六年十二月三十一日止年度，本集團以人民幣415,403,000元的總代價收購佛山市華祥房地產開發有限公司(「佛山華祥」)100%股本權益及一項人民幣115,766,000元的股東貸款。佛山華祥持有一塊可予開發的地塊。

截至二零一六年十二月三十一日止年度，本集團以總代價人民幣528,723,000元收購佛山市匯金恒天房地產開發有限公司(「佛山匯金」)100%股本權益及一項人民幣306,082,000元的股東貸款。佛山華祥持有一塊可予開發的地塊。

截至二零一六年十二月三十一日止年度，本集團收購武漢惠譽華天置業有限公司(「武漢惠譽華天」)55%股本權益，代價為人民幣110,000,000元。武漢惠譽華天持有一塊可予開發的地塊。

### **37. ACQUISITIONS OF SUBSIDIARIES (Continued)**

*For the year ended 31 December 2016 (Continued)*

#### **(b) Acquisitions of assets and liabilities through acquisitions of subsidiaries**

During the year ended 31 December 2016, the Group acquired 100% equity interests and a shareholder's loan of RMB115,766,000 of Foshan Huaxiang Property Development Co., Ltd. (佛山市華祥房地產開發有限公司) ("Foshan Huaxiang") at a total consideration of RMB415,403,000. Foshan Huaxiang is holding a piece of land for property development.

During the year ended 31 December 2016, the Group acquired 100% equity interests and a shareholder's loan of RMB306,082,000 of Foshan Huijin Hengtian Property Development Co., Ltd. (佛山市匯金恒天房地產開發有限公司) ("Foshan Huijin") at a total consideration of RMB528,723,000. Foshan Huijin is holding a piece of land for property development.

During the year ended 31 December 2016, the Group acquired 55% equity interest of Wuhan Huiyu Huatian Property Co., Ltd. (武漢惠譽華天置業有限公司) ("Wuhan Huiyu Huatian") at a consideration of RMB110,000,000. Wuhan Huiyu Huatian is holding a piece of land for property development.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 37. 收購附屬公司(續)

截至二零一六年十二月三十一日止年度  
(續)

#### (b) 透過收購附屬公司收購資產及負債 (續)

上述交易按透過收購附屬公司的資產收購入賬。有關所收購資產及所假設負債的詳情如下：

### 37. ACQUISITIONS OF SUBSIDIARIES (Continued)

For the year ended 31 December 2016 (Continued)

#### (b) Acquisitions of assets and liabilities through acquisitions of subsidiaries (Continued)

The above transactions are accounted for as acquisition of assets through acquisition of subsidiaries. Details of the assets acquired and liabilities assumed are as below:

	於收購日期 確認的金額 Amounts recognised at date of acquisition	人民幣千元 RMB'000
支付代價方式：	Consideration satisfied by:	
現金	Cash	880,000
應付代價(包括於其他應付款項)	Consideration payable (included in other payables)	174,126
		<b>1,054,126</b>
所收購資產淨值：	Net assets acquired:	
擬作出售的開發中物業	Properties under development for sale	1,173,795
應收賬款及其他應收款項、按金及預付款項	Accounts and other receivables, deposits and prepayments	773,042
銀行結餘及現金	Bank balances and cash	26,552
應付賬款、其他應付款項及應計開支	Accounts, other payables and accrued charges	(1,221)
應付本集團款項	Amount due to the Group	(10,000)
應付一名非控股股東款項	Amount due to a non-controlling shareholder	(78,752)
應付稅項	Tax payable	(23)
銀行及其他借款	Bank and other borrowings	(740,000)
股東貸款	Shareholders' loans	(421,848)
非控股權益	Non-controlling interest	(89,267)
資產淨值	Net assets	632,278
分配予本集團的股東貸款	Shareholders' loan assigned to the Group	421,848
		<b>1,054,126</b>
收購時產生的現金流出淨額：	Net cash outflow arising on acquisitions:	
年內已付現金代價	Cash consideration paid during the year	(880,000)
已收購銀行結餘及現金	Bank balances and cash acquired	26,552
		<b>(853,448)</b>

## 37. 收購附屬公司(續)

截至二零一五年十二月三十一日止年度

(a) 截至二零一五年十二月三十一日止年度，本集團收購其擁有49%的合營企業蘇州旭陽置業有限公司(「蘇州旭陽」)的另外51%股權，代價約為人民幣51,000,000元。蘇州旭陽從事物業開發業務。

(b) 截至二零一五年十二月三十一日止年度，本集團收購其擁有50%權益的合營企業上海旭康置業有限公司(「上海旭康」)額外50%股本權益，代價約為人民幣50,000,000元。上海旭康從事物業開發業務。

上述收購於二零一五年五月三十一日完成後，本集團持有上海旭康全部股本權益，因此，上海旭康於其後成為本集團的附屬公司。

(c) 截至二零一五年十二月三十一日止年度，本集團收購其擁有50%權益的合營企業武漢旭程置業有限公司(「武漢旭程」)額外50%股本權益，代價約為人民幣100,000,000元。武漢旭程從事物業開發業務。

上述收購於二零一五年十一月三十日完成後，本集團持有武漢旭程全部股本權益，因此，武漢旭程於其後成為本集團的附屬公司。

(d) 截至二零一五年十二月三十一日止年度，本集團收購其擁有48%權益的合營企業天津旭津房地產開發有限公司(「天津旭津」)額外52%股本權益，代價約為人民幣52,000,000元。天津旭津從事物業開發業務。

上述收購於二零一五年十二月三十一日完成後，本集團持有天津旭津全部股本權益，因此，天津旭津於其後成為本集團的附屬公司。

## 37. ACQUISITIONS OF SUBSIDIARIES (Continued)

For the year ended 31 December 2015

(a) During the year ended 31 December 2015, the Group acquired additional 51% equity interest of its 49% owned joint venture, Suzhou Xuyang Property Co., Ltd. (蘇州旭陽置業有限公司) ("Suzhou Xuyang") at a consideration of approximately RMB51,000,000. Suzhou Xuyang was engaged in property development.

(b) During the year ended 31 December 2015, the Group acquired additional 50% equity interest of its 50% owned joint venture, Shanghai Xukang Property Co., Ltd. (上海旭康置業有限公司) ("Shanghai Xukang") at a consideration of approximately RMB50,000,000. Shanghai Xukang is engaged in property development.

Upon the completion of the acquisition mentioned above on 31 May 2015, the Group holds 100% equity interests in Shanghai Xukang, and so it becomes a subsidiary of the Group thereafter.

(c) During the year ended 31 December 2015, the Group acquired additional 50% equity interest of its 50% owned joint venture, Wuhan Xucheng Property Co., Ltd. (武漢旭程置業有限公司) ("Wuhan Xucheng") at a consideration of approximately RMB100,000,000. Wuhan Xucheng is engaged in property development.

Upon the completion of the acquisition mentioned above on 30 November 2015, the Group holds 100% equity interests in Wuhan Xucheng and so it becomes a subsidiary of the Group thereafter.

(d) During the year ended 31 December 2015, the Group acquired additional 52% equity interest of its 48% owned joint venture, Tianjin Xujin Real Estate Development Co., Ltd. (天津旭津房地產開發有限公司) ("Tianjin Xujin") at a consideration of approximately RMB52,000,000. Tianjin Xujin is engaged in property development.

Upon the completion of the acquisition mentioned above on 31 December 2015, the Group holds 100% equity interests in Tianjin Xujin and so it becomes a subsidiary of the Group thereafter.

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### 37. 收購附屬公司(續)

截至二零一五年十二月三十一日止年度  
(續)

- (e) 截至二零一五年十二月三十一日止年度，本集團收購其擁有50%權益的合營企業湖南物華額外17%股本權益，代價為人民幣17,000,000元。湖南物華從事物業開發業務。

上述收購於二零一五年十一月三十日完成後，本集團持有湖南物華67%股本權益，因此，湖南物華於其後成為本集團的附屬公司。

- (f) 截至二零一五年十二月三十一日止年度，本集團收購其擁有49%權益的合營企業旭正有限公司(「旭正」)額外51%股本權益，代價約為人民幣432,850,000元。旭正為投資控股公司及其附屬公司從事物業開發業務。

上述收購於二零一五年九月三十日完成後，本集團持有旭正全部股本權益，因此，旭正於其後成為本集團的附屬公司。

- (g) 旭安(其主要活動為物業開發)由本集團及另一股東分別持有50%權益。由於其所有戰略融資及經營決策須由旭安董事會三分之二成員批准，而本集團董事會提名的成員人數未達此要求，故根據國際財務報告準則第11號被視為合營企業列賬。截至二零一五年十二月三十一日止年度，旭安的股東訂立補充協議(「補充協議」)，據此，股東同意就旭安的董事會成員組成修訂及補充合作框架協議。透過簽立補充協議，旭安董事會增加至七名董事，而所有戰略融資及經營決策必須由董事會簡單大多數成員批准，當中四名董事及三名董事分別由本集團及另一股東提名。由於本集團取得旭安的實際控制權，故旭安成為本公司的附屬公司。

### 37. ACQUISITIONS OF SUBSIDIARIES (Continued)

For the year ended 31 December 2015 (Continued)

- (e) During the year ended 31 December 2015, the Group acquired additional 17% equity interest of its 50% owned joint venture, Hunan Wuhua at a consideration of RMB17,000,000. Hunan Wuhua is engaged in property development.

Upon the completion of the acquisition mentioned above on 30 November 2015, the Group holds 67% equity interest in Hunan Wuhua and so it becomes a subsidiary of the Group thereafter.

- (f) During the year ended 31 December 2015, the Group acquired additional 51% equity interest of its 49% owned joint venture, Xu Zheng Co. Limited (旭正有限公司) ("Xu Zheng") at a consideration of approximately RMB432,850,000. Xu Zheng is an investment holding company and its subsidiary is engaged in property development.

Upon the completion of the acquisition mentioned above on 30 September 2015, the Group holds 100% equity interests in Xu Zheng and so it becomes a subsidiary of the Group thereafter.

- (g) Xu An, whose principal activity is property development, was 50% held by the Group and 50% held by the other shareholder. It was accounted for as a joint venture under IFRS 11 as all of the strategic financial and operating decisions required approval by two-third of the members of the board of directors in Xu An whereby the number of members nominated by the board of directors by the Group did not meet this requirement. During the year ended 31 December 2015, the shareholders of Xu An entered into a supplemental agreement ("the Supplemental Agreement") pursuant to which the shareholders agreed to amend and supplement the cooperation framework agreement with respect to the composition of the board of directors of Xu An. By execution of the Supplemental Agreement, the board of directors of Xu An increased to comprise of seven directors and all of the strategic financial and operating decisions must be approved by simple majority of the board of directors, of which four directors and three directors are to be nominated by the Group and the other shareholders, respectively. Since the Group obtained effective control over Xu An, Xu An became a subsidiary of the Company.

### 37. 收購附屬公司(續)

截至二零一五年十二月三十一日止年度  
(續)

上述交易以收購法按收購附屬公司入賬。該等交易入賬列為收購業務，此乃由於該等公司於收購日期已開始預售開發中物業所致。有關上述交易所收購的資產淨值詳情概述如下：

### 37. ACQUISITIONS OF SUBSIDIARIES (Continued)

For the year ended 31 December 2015 (Continued)

The above transactions are accounted for as acquisition of subsidiaries using acquisition method. These transactions were accounted for as acquisition of business because these companies have commenced pre-sale of the properties under development at the date of acquisition. Details of the net assets acquired in respect of the above transactions are summarised below:

	於收購日期 確認的金額 Amounts recognised at date of acquisition	人民幣千元 RMB'000
支付代價方式： 現金(附註)	Consideration satisfied by: Cash (note)	702,850
已收購附屬公司的可識別資產淨值公允值：	Fair value of net identifiable assets of the subsidiaries acquired:	
物業、廠房及設備	Property, plant and equipment	5,280
擬作出售的開發中物業	Properties under development for sale	11,580,144
應收賬款及其他應收款項	Accounts and other receivables	4,240,496
銀行結餘及現金	Bank balances and cash	2,695,302
應付賬款及其他應付款項	Accounts and other payables	(3,092,460)
已收物業銷售按金	Deposits received from property sales	(5,604,558)
應付稅項	Taxation payable	(257,441)
銀行及其他借款	Bank and other borrowings	(3,603,287)
遞延稅項負債	Deferred tax liabilities	(115,632)
		5,847,844

附註：該代價乃基於該等被收購方於買賣協議獲簽署時的最新資產淨值作出。

Note: The consideration was based on the latest net asset value of these acquirees when the sales and purchase agreements were signed.

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 37. 收購附屬公司(續)

截至二零一五年十二月三十一日止年度  
(續)

已收購公平值人民幣4,240,496,000元的應收賬款及其他應收款項與其合約總額相若。概無無法收取的合約現金流量。

## 37. ACQUISITIONS OF SUBSIDIARIES (Continued)

For the year ended 31 December 2015 (Continued)

The accounts and other receivables acquired with a fair value of RMB4,240,496,000 approximate its gross contractual amount. There was no contracted cash flows not expected to be collected.

	於收購日期 確認的金額 Amounts recognised at date of acquisition 人民幣千元 RMB'000
本集團所持有股本權益的公平值	Fair values of the equity interests held by the Group
減：本集團所持合營企業的權益	(3,734,774)
<b>重新計量的收益</b>	<b>Gain on remeasurement</b>
	166,498
已轉撥代價，以現金支付	Consideration transferred, satisfied by cash
加：過往所持權益，指按公平值列賬的 合營企業權益	Add: Previous held interests, represented by interests in joint venture at fair value
	3,901,272
非控股權益	Non-controlling interest
減：本集團所收購的資產淨值公平值	(5,847,844)
<b>業務合併的收益(附註)</b>	<b>Gain from business combinations (note)</b>
	(76,770)
附註：業務合併的收益主要指本集團於完成收購日期持 作出售的開發中物業的公平值增幅。	Note: Gain from business combinations mainly represented the fair value increment of the properties under development for sale held by the Group at the date of completion of the acquisitions.
收購非全資附屬公司所產生的非控股權益為人民幣1,166,952,000元，乃參考被收購方於收購日期的可資識別資產淨值公平值的股份比例計量。	The non-controlling interests RMB1,166,952,000 arising from the acquisitions of non-wholly owned subsidiaries were measured by reference to the proportionate share of the fair value of the acquiree's net identifiable assets at the acquisition date.
收購產生的現金流入淨額：	Net cash inflow arising on acquisitions:
年內已付現金代價	Cash consideration paid during the year
所收購的銀行結餘及現金	Bank balances and cash acquired
	1,992,452
收購相關成本並不重大，已於截至二零一五年十二月三十一日止年度確認為一項開支及已計入綜合損益及其他全面收益表「行政開支」項目。	Acquisition-related costs were insignificant and have been recognised as an expense in the year ended 31 December 2015 and included in the "administrative expenses" line item in the consolidated statement of profit or loss and other comprehensive income.

## 38. 出售附屬公司

### (a) 出售附屬公司

截至二零一六年十二月三十一日止年度  
截至二零一六年十二月三十一日止年度，本集團向上海建浦投資管理有限公司（「上海建浦」，由林中先生、林偉先生及林峰先生控制的關聯公司）出售其於全資附屬公司上海永升的70%股本權益，代價約為人民幣91,000,000元。上海永升從事物業管理業務。

於出售完成後，本集團失去對上海永升的控制權，而所保留的上海永升30%股權已分類為本集團的一間聯營公司。

上述交易按出售附屬公司入賬。有關出售的資產淨值詳情概述如下：

## 38. DISPOSAL OF SUBSIDIARIES

### (a) Disposal of subsidiaries

*For the year ended 31 December 2016*

During the year ended 31 December 2016, the Group disposed of its 70% equity interest in a wholly-owned subsidiary, Shanghai Yongsheng, to a related company controlled by Mr. Lin Zhong, Mr. Lin Wei and Mr. Lin Feng, namely Shanghai Jianpu Investment Management Co., Ltd. (上海建浦投資管理有限公司) ("Shanghai Jianpu"), at a consideration of approximately RMB91,000,000. Shanghai Yongsheng was engaged in property management.

Upon completion of the disposal, the Group lost control over Shanghai Yongsheng and the retained 30% equity interest in Shanghai Yongsheng which has been classified as an associate of the Group.

The above transaction is accounted for as disposal of a subsidiary. Details of the net assets disposed of are summarised below:

		人民幣千元 RMB'000
支付代價方式：	Consideration satisfied by:	
現金	Cash	<b>91,000</b>
就失去控制權的資產及負債的分析：	Analysis of assets and liabilities over which control was lost:	
物業、廠房及設備	Property, plant and equipment	3,091
擬作出售的開發中物業	Properties under development for sale	56,429
應收賬款及其他應收款項	Accounts and other receivables	103,383
應收本集團款項	Amounts due from the Group	25,096
可收回稅項	Tax recoverable	10,000
銀行結餘及現金	Bank balances and cash	152,300
應付賬款及其他應付款項	Accounts and other payables	(171,033)
應付本集團款項	Amounts due to the Group	(39,465)
應付稅項	Tax payable	(5,559)
出售的資產淨值	Net assets disposed of	<b>134,242</b>
出售附屬公司的虧損：	Loss on disposal of subsidiaries:	
現金代價	Cash consideration	91,000
於一間聯營公司保留的 30%股本權益的公平值	Fair value of the retained 30% equity interest in an associate	39,000
出售的資產淨值	Net assets disposed of	(134,242)
出售虧損	Loss on disposal	(4,242)
出售產生的現金流出淨額：	Net cash outflow arising on disposal:	
現金代價	Cash consideration	91,000
出售的銀行結餘及現金	Bank balances and cash disposed of	(152,300)
		<b>(61,300)</b>

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Notes to the Consolidated Financial Statements

### 38. 出售附屬公司(續)

#### (a) 出售附屬公司(續)

截至二零一五年十二月三十一日止年度

- (i) 於截至二零一五年十二月三十一日止年度，本集團向獨立第三方出售其於附屬公司蘇州旭盈投資諮詢有限公司(「蘇州旭盈」)的全部股本權益，代價為人民幣500,000元。蘇州旭盈從事提供諮詢服務的業務。
- (ii) 於截至二零一五年十二月三十一日止年度，本集團向獨立第三方出售其於附屬公司重慶旭和房地產開發有限公司(「重慶旭和」)的全部股本權益，代價為人民幣8,000,000元。重慶旭和從事物業開發業務。
- (iii) 於截至二零一五年十二月三十一日止年度，本集團向獨立第三方出售其於附屬公司北京旭輝順泰置業有限公司(「北京旭輝順泰」)的全部股本權益，代價約為人民幣72,000,000元。北京旭輝順泰從事物業開發及投資控股業務。
- (iv) 截至二零一五年十二月三十一日止年度，本集團向獨立第三方出售其於附屬公司北京旭輝興鵬置業有限公司(「北京旭輝興鵬」)的全部股本權益，代價約為人民幣70,000,000元。北京旭輝興鵬從事物業開發業務。
- (v) 截至二零一五年十二月三十一日止年度，本集團向獨立第三方出售其於附屬公司天津旭唯房地產開發有限公司(「天津旭唯」)的全部股本權益，代價約為人民幣80,000,000元。天津旭唯從事物業開發業務。

### 38. DISPOSAL OF SUBSIDIARIES (Continued)

#### (a) Disposal of subsidiaries (Continued)

For the year ended 31 December 2015

- (i) During the year ended 31 December 2015, the Group disposed of its 100% equity interests in its subsidiary, Suzhou Xuying Investment Advisory Company Limited (蘇州旭盈投資諮詢有限公司) ("Suzhou Xuying"), to an independent third party at a consideration of RMB500,000. Suzhou Xuying was engaged in provision of consultancy service.
- (ii) During the year ended 31 December 2015, the Group disposed of its 100% equity interests in its subsidiary, Chongqing Xuhe Real Estate Development Company Limited (重慶旭和房地產開發有限公司) ("Chongqing Xuhe") to an independent third party for a consideration of RMB8,000,000. Chongqing Xuhe was engaged in property development.
- (iii) During the year ended 31 December 2015, the Group disposed of its 100% equity interests in its subsidiary, Beijing Xuhui Shuntai Property Company Limited (北京旭輝順泰置業有限公司) ("Beijing Xuhui Shuntai") to an independent third party at a consideration of approximately RMB72,000,000. Beijing Xuhui Shuntai was engaged in property development and investment holding.
- (iv) During the year ended 31 December 2015, the Group disposed of its 100% equity interests in its subsidiary, Beijing Xuhui Xingpeng Property Co., Ltd. (北京旭輝興鵬置業有限公司) ("Beijing Xuhui Xingpeng") to an independent third party at a consideration of approximately RMB70,000,000. Beijing Xuhui Xingpeng was engaged in property development.
- (v) During the year ended 31 December 2015, the Group disposed of its 100% equity interests in its subsidiary, Tinjing Xuwei Real Estate Development Co., Ltd. (天津旭唯房地產開發有限公司) ("Tinjing Xuwei") to an independent third party at a consideration of approximately RMB80,000,000. Tinjing Xuwei was engaged in property development.

### 38. 出售附屬公司(續)

#### (a) 出售附屬公司(續)

截至二零一五年十二月三十一日止年度  
(續)

上述交易按出售附屬公司入賬。有關上述交易出售的資產淨值詳情概述如下：

### 38. DISPOSAL OF SUBSIDIARIES (Continued)

#### (a) Disposal of subsidiaries (Continued)

For the year ended 31 December 2015 (Continued)

The above transactions are accounted for as disposal of subsidiaries. Details of the net assets disposed of in respect of the above transactions are summarised below:

	人民幣千元 RMB'000
支付代價方式：	Consideration satisfied by:
現金	Cash <b>149,075</b>
一年內應收代價	Consideration receivable within one year <b>81,425</b>
	<b>230,500</b>
就失去控制權的資產及負債的分析：	Analysis of assets and liabilities over which control was lost:
於聯營公司的權益	Interests in associates <b>8,910</b>
擬作出售的開發中物業	Properties under development for sale <b>121,138</b>
可供出售投資	Available-for-sale investments <b>3,500</b>
應收賬款及其他應收款項	Accounts and other receivables <b>618,153</b>
銀行結餘及現金	Bank balances and cash <b>1,456</b>
應付賬款及其他應付款項	Accounts and other payables <b>(530,553)</b>
銀行及其他借款	Bank and other borrowings <b>(211,400)</b>
出售的資產淨值	Net assets disposed of <b>11,204</b>
出售附屬公司的收益：	Gain on disposal of subsidiaries:
現金代價	Cash consideration <b>149,075</b>
應收代價	Consideration receivable <b>81,425</b>
出售的資產淨值	Net assets disposed of <b>(11,204)</b>
出售收益	Gain on disposal <b>219,296</b>
出售時產生的現金流入淨額：	Net cash inflow arising on disposal:
現金代價	Cash consideration <b>149,075</b>
出售的銀行結餘及現金	Bank balances and cash disposed of <b>(1,456)</b>
	<b>147,619</b>

應收代價人民幣81,425,000元已由本集團於截至二零一六年十二月三十一日止年度收取。

The consideration receivable of RMB81,425,000 was received by the Group during the year ended 31 December 2016.

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### 38. 出售附屬公司(續)

#### (b) 視作出售附屬公司

截至二零一六年十二月三十一日止年度

- (i) 於二零一六年三月十七日，上海旭梭(先前為本集團一家全資附屬公司)增加其繳足股本，由人民幣1,000,000元增加至人民幣10,000,000元，本集團及上海旭梭兩名獨立股東分別向上海旭梭注資人民幣2,400,000元、人民幣3,300,000元及人民幣3,300,000元。

注資後，本集團及兩名獨立股東分別持有上海旭梭34%、33%及33%股本權益。根據上海旭梭的經修訂組織章程大綱及細則，上海旭梭董事會包括五名董事，其中三名及兩名董事分別由本集團及兩名獨立股東委任，且所有戰略融資及經營決策須由全體董事批准。

經考慮上述事實及情況後，本公司董事認為，本集團對上海旭梭並無控制權，因此，自二零一六年三月十七日起，本集團將於上海旭梭的權益分類為於合營企業的權益。

- (ii) 於二零一六年三月九日，蘇州凱合(先前為本集團一家全資附屬公司)增加其繳足股本，由人民幣500,000元增加至人民幣10,000,000元，本集團及蘇州凱合兩名獨立股東分別注資人民幣2,900,000元、人民幣3,300,000元及人民幣3,300,000元。

注資後，本集團及兩名獨立股東分別持有蘇州凱合34%、33%及33%股本權益。根據蘇州凱合的經修訂組織章程大綱及細則，蘇州凱合董事會包括五名董事，其中三名及兩名董事分別由本集團及兩名獨立股東委任，且所有戰略融資及經營決策須由全體董事批准。

### 38. DISPOSAL OF SUBSIDIARIES (Continued)

#### (b) Deemed disposal of subsidiaries

For the year ended 31 December 2016

- (i) On 17 March 2016, Shanghai Xusuo, a previously wholly-owned subsidiary of the Group, increased its paid up capital from RMB1,000,000 to RMB10,000,000. The Group and two independent shareholders of Shanghai Xusuo contributed RMB2,400,000, RMB3,300,000 and RMB3,300,000 respectively, for the capital injection.

After the capital injections, the Group and the two independent shareholders held 34%, 33% and 33% equity interests of Shanghai Xusuo respectively. Under the revised Memorandum and Articles of Association of Shanghai Xusuo, the board of directors comprises of five directors, of which three directors and two directors were appointed by the Group and the two independent shareholders, respectively, and all the strategic financial and operating decisions are required to be approved by all the directors.

After considering the above fact and circumstances, the directors of the Company conclude that the Group does not have the power of control over Shanghai Xusuo, therefore the Group classified interest in Shanghai Xusuo as interest in a joint venture since 17 March 2016.

- (ii) On 9 March 2016, Suzhou Kaihe, a previously wholly-owned subsidiary of the Group, increased its paid up capital from RMB500,000 to RMB10,000,000. The Group and two independent shareholders of Suzhou Kaihe contributed RMB2,900,000, RMB3,300,000 and RMB3,300,000 respectively, for the capital injection.

After the capital injections, the Group and the two independent shareholders held 34%, 33% and 33% equity interests of Suzhou Kaihe respectively. Under the revised Memorandum and Articles of Association of Suzhou Kaihe, the board of directors comprises of five directors, of which three directors and two directors were appointed by the Group and the two independent shareholders, respectively, and all the strategic financial and operating decisions are required to be approved by all the directors.

### 38. 出售附屬公司(續)

#### (b) 視作出售附屬公司(續)

截至二零一六年十二月三十一日止年度  
(續)

##### (ii) (續)

經考慮上述事實及情況後，本公司董事認為，本集團於蘇州凱合併無控制權，因此本集團自二零一六年三月九日起將於蘇州凱合的權益分類為於合營企業權益。

上述交易完成後，本集團失去上海旭梭及蘇州凱合的控制權，而於上海旭梭及蘇州凱合34%的股本權益被分類為於合營企業權益。

上述交易按視作出售附屬公司入賬。有關上述交易出售的資產淨值詳情概述如下：

### 38. DISPOSAL OF SUBSIDIARIES (Continued)

#### (b) Deemed disposal of subsidiaries (Continued)

For the year ended 31 December 2016 (Continued)

##### (ii) (Continued)

After considering the above fact and circumstances, the directors of the Company conclude that the Group does not have the power of control over Suzhou Kaihe, therefore the Group classified interest in Suzhou Kaihe as interest in a joint venture since 9 March 2016.

Upon completion of the aforesaid transactions, the Group lost control over Shanghai Xusuo and Suzhou Kaihe and the 34% equity interest of Shanghai Xusuo and Suzhou Kaihe are classified as interests in joint ventures.

The above transactions are accounted for as deemed disposal of subsidiaries. Details of the net assets disposed of in respect of the above transactions are summarised below:

	人民幣千元 RMB'000
就失去控制權的資產及負債的分析：	Analysis of assets and liabilities over which control was lost:
持作出售物業土地使用權的按金	Deposits for land use rights for properties held for sales <b>618,000</b>
銀行結餘及現金	Bank balances and cash <b>249</b>
應付本集團款項	Amounts due to the Group <b>(616,315)</b>
其他應付款項	Other payables <b>(114)</b>
出售的資產淨值	Net assets disposed of <b>1,820</b>
出售附屬公司的虧損：	Loss on disposal of subsidiaries:
於合營企業的權益	Interests in joint ventures <b>6,909</b>
本集團注資上海旭梭及	Cash contributions to Shanghai Xusuo and
蘇州凱合的現金	Suzhou Kaihe from the Group <b>(5,300)</b>
出售的資產淨值	Net assets disposed of <b>(1,820)</b>
出售虧損	Loss on disposal <b>(211)</b>
出售時產生的現金流入淨額：	Net cash inflow arising on disposal:
本集團注資上海旭梭及	Cash contributions to Shanghai Xusuo and
蘇州凱合的現金	Suzhou Kaihe from the Group <b>(5,300)</b>
出售的銀行結餘及現金	Bank balances and cash disposed of <b>(249)</b>
	<b>(5,549)</b>

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### 38. 出售附屬公司(續)

#### (c) 出售附屬公司部分權益導致失去控制權

**截至二零一五年十二月三十一日止年度**  
 截至二零一五年十二月三十一日止年度，本集團因向非控股權益出售蘇州旭邦(先前為本集團擁有51%權益的附屬公司)1%權益，於交易完成後，導致失去控制權。該交易入賬為因出售附屬公司部分權益而導致失去控制權。

於出售完成後，蘇州旭邦成為本集團的合營企業。蘇州旭邦於失去控制權當日的50%保留權益的公平值於初步確認本集團於合營企業的權益時被視為成本。於失去蘇州旭邦控制權當日，取消確認的資產及負債如下：

### 38. DISPOSAL OF SUBSIDIARIES (Continued)

#### (c) Disposal of partial interest in a subsidiary result in loss of control

*For the year ended 31 December 2015*

During the year ended 31 December 2015, the Group disposed of 1% equity interest in Suzhou Xubang, previously a 51% owned subsidiary of the Group, to the non-controlling interest, resulting in loss of control upon completion of the transaction. The transaction was accounted for as disposal of partial interest in a subsidiary resulting in loss of control.

After the completion of the disposal, Suzhou Xubang became a joint venture of the Group. The fair value of the 50% retained interest in Suzhou Xubang at the date on which control was lost was regarded as the cost in initial recognition of the Group's interest in a joint venture. Assets and liabilities derecognised at the date in loss of control of Suzhou Xubang are as follows:

		人民幣千元 RMB'000
抵銷代價方式： 應付非控股權益款項	Consideration offset by: Amount due to non-controlling interests	<b>400</b>
就失去控制權的資產及負債的分析： 物業、廠房及設備 擬作出售的開發中物業 其他應收款項 銀行結餘及現金 應付賬款及其他應付款項 已收物業銷售按金 銀行及其他借款	Analysis of assets and liabilities over which control was lost: Property, plant and equipment Properties under development for sale Other receivables Bank balances and cash Accounts and other payables Deposits received from property sales Bank and other borrowings	<b>51</b> <b>483,137</b> <b>8,179</b> <b>85,939</b> <b>(96,995)</b> <b>(166,075)</b> <b>(280,000)</b>
出售的資產淨值	Net assets disposed of	<b>34,236</b>
出售附屬公司的虧損： 轉讓代價 保留50%股本權益的公平值 非控股權益 出售的資產淨值	Loss on disposal of subsidiaries: Consideration transferred Fair value of retained 50% equity interest Non-controlling interests Net assets disposed of	<b>400</b> <b>20,000</b> <b>13,836</b> <b>(34,236)</b>
出售時產生的現金流出淨額： 出售的銀行結餘及現金	Net cash outflow arising on disposal: Bank balances and cash disposed of	<b>85,939</b>

## 39. 退休福利計劃

根據中國相關法律及法規，本公司的中國附屬公司須參與地方市政府推行的定額供款退休計劃。本集團的中國附屬公司按地方市政府所規定平均僱員薪金的若干百分比向計劃供款，以就僱員的退休福利撥付資金。本集團有關退休福利計劃的主要責任為根據計劃作出規定供款。

本集團亦為香港所有合資格僱員參與強制性公積金計劃。該計劃的資產與本集團資產分開，存放於受託人管理的基金。本集團向該計劃作出的供款為有關薪金成本的5%，而僱員亦須作出同樣供款。

## 40. 抵押資產

下列資產於報告期末予以抵押以擔保本集團獲授若干銀行及其他融資：

## 39. RETIREMENT BENEFIT PLANS

According to the relevant laws and regulations in the PRC, the Company's PRC subsidiaries are required to participate in defined contribution retirement schemes administrated by the local municipal governments. The Group's PRC subsidiaries contribute funds which are calculated on certain percentage of the average employee salary as required by local municipal government to the scheme to fund the retirement benefits of the employees. The principal obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

The Group also operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustee. The Group contributes 5% of relevant payroll costs to the scheme, which contribution is matched by employees.

## 40. PLEDGE OF ASSETS

The following assets were pledged to secure certain banking and other facilities granted to the Group at the end of the reporting period:

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
投資物業	Investment properties	<b>5,560,000</b>	5,519,000
擬作出售的開發中物業	Properties under development for sale	<b>9,247,319</b>	13,491,256
持作出售物業	Properties held for sale	<b>2,828,419</b>	666,374
已抵押銀行存款	Pledged bank deposits	<b>348,855</b>	31,500
按公平值計入損益的金融資產	Financial assets at FVTPL	<b>138,392</b>	–
		<b>18,122,985</b>	19,708,130

附註：本集團於若干持有上述若干已抵押的擬作出售的開發中物業的附屬公司的股本權益，已予以抵押以擔保本集團獲授若干銀行融資。

Note: The Group's equity interests in certain subsidiaries, which hold certain pledged properties under development for sale included above, have been pledged to secure certain banking facilities granted to the Group.

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### 41. 租賃安排

本集團作為出租人

於報告期末，本集團已與租戶訂約的未來最低租賃付款如下：

### 41. LEASE ARRANGEMENTS

**The Group as a lessor**

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments as follows:

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
一年內	Within one year	<b>81,395</b>	40,747
第二年至第五年(包括首尾兩年)	In the second to fifth year inclusive	<b>303,799</b>	104,474
五年後	After five years	<b>13,593</b>	28,167
		<b>398,787</b>	173,388

本集團持作租賃用途的投資物業擁有租期介乎一至九年(二零一五年：一至十年)的已訂約租戶。投資物業的租約載有或然租金條款，而或然租金以租戶所賺取的營業額若干百分比釐定。由於租戶的未來收入不能夠可靠釐定，故上文並無計入有關或然租金，且上表僅計入最低租賃承擔。

The investment properties held by the Group for rental purpose have committed tenants from one to nine years (2015: one to ten years). Lease of an investment property has clauses of contingent rentals determined by a certain percentage of turnover earned by the tenant. As the future revenue of the tenant could not be reliably determined, the relevant contingent rentals have not been included above and only the minimum lease commitments have been included in the table above.

本集團作為承租人

於報告期末，本集團根據不可撤銷經營租約就有關租賃物業支付的未來最低租賃付款如下：

**The Group as a lessee**

At the end of the reporting period, the Group had future minimum lease payments under non-cancellable operating leases in respect of leased properties as follows:

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
一年內	Within one year	<b>3,669</b>	8,169
第二年至第五年(包括首尾兩年)	In the second to fifth year inclusive	–	3,667
		<b>3,669</b>	11,836

經營租賃付款指本集團就若干辦公室物業應付的租金。經協定的租約期限為一年內(二零一五年：一至三年)，租金於簽署租賃協議日期確定。

Operating lease payments represent rentals payable by the Group for certain of its office premises. Leases are negotiated for within one year (2015: one to three years) and rentals are fixed at the date of signing of lease agreements.

## 42. 承擔

於報告期末，本集團擁有下列承擔：

## 42. COMMITMENTS

At the end of the reporting period, the Group had the following commitments:

	二零一六年 2016	二零一五年 2015
	人民幣千元 RMB'000	人民幣千元 RMB'000
已訂約但未於綜合財務報表內撥備的有關收購土地使用權的開支	Expenditure in respect of acquisition of land use rights contracted for but not provided for in the consolidated financial statements	<b>5,935,920</b>
已訂約但未於綜合財務報表內撥備的有關收購股權的開支	Expenditure in respect of acquisition of equity interests contracted for but not provided for in the consolidated financial statements	<b>1,720,547</b>
	<b>7,656,467</b>	3,225,930

## 43. 或然負債

(i) 本集團於二零一六年十二月三十一日就授予本集團已開發物業買家的按揭銀行貸款提供約人民幣7,644,577,000元(二零一五年：人民幣3,644,229,000元)的擔保。本公司董事認為，本集團該等財務擔保合約的公平值於初步確認時並非重大，且本公司董事認為有關訂約方違約的可能性極小，故於訂立擔保合約時及於二零一六年十二月三十一日的綜合財務狀況表內概無確認價值。

(ii) 本公司對這類開發其項目的合營企業及聯營公司的境外及境內銀行貸款項下尚未履行的責任按若干基準(包括按其各自持股比例)提供擔保。於二零一六年十二月三十一日，本集團就這類合營企業及聯營公司的銀行貸款提供的應佔擔保合約人民幣3,573,992,000元(二零一五年十二月三十一日：人民幣2,744,234,000元)。

(iii) 本公司董事認為，本集團該等財務擔保合約的公平值於初步確認時並非重大，且本公司董事認為有關訂約方違約的可能性極小，故於訂立擔保合約時及於二零一六年十二月三十一日的綜合財務狀況表內概無確認價值。

## 43. CONTINGENT LIABILITIES

(i) The Group provided guarantees amounting to approximately RMB7,644,577,000 (2015: RMB3,644,229,000) as at 31 December 2016 in respect of mortgage bank loans granted to purchasers of the Group's developed properties. In the opinion of the directors of the Company, the fair values of these financial guarantee contracts of the Group are insignificant at initial recognition and the directors of the Company consider that the possibility of the default of the parties involved is remote, accordingly, no value has been recognised at the inception of the guarantee contracts and on the consolidated statement of financial position as at 31 December 2016.

(ii) The Company provided guarantees on several basis covering its respective equity shares of outstanding obligations under the offshore and onshore bank loan incurred by the joint venture and associate companies developing their projects. As at 31 December 2016, the Group's aggregate shares of such guarantees provided in respect of loans incurred by these joint venture and associate companies amounted to approximately RMB3,573,992,000 (31 December 2015: RMB2,744,234,000).

In the opinion of the directors of the Company, the fair values of these financial guarantee contracts of the Group are insignificant at initial recognition and the directors of the Company consider that the possibility of the default of the parties involved is remote, accordingly, no value has been recognised at the inception of the guarantee contracts and on the consolidated statement of financial position as at 31 December 2016.

## 綜合財務報表附註

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### 44. 以股份支付的交易

#### a. 首次公開發售前股份獎勵計劃

本集團的首次公開發售前股份獎勵計劃（根據於聯交所上市的建議作出修訂）（「股份獎勵計劃」）乃於二零一零年十二月採納並取代原本根據於二零零七年五月十九日通過的決議案採納的首次公開發售前股份獎勵計劃。根據股份獎勵計劃，本公司控股股東兼董事林中先生將彼持有的本公司股份（「獎勵股份」）贈予本集團若干僱員作為獎勵。股份獎勵計劃的目的為表揚本集團若干僱員所作出的貢獻並給予獎勵。

根據股份獎勵計劃，於二零一零年十二月三十一日授出的獎勵股份所涉及股本權益百分比合共為本公司已發行股本的3.25%，有關股本權益就於聯交所上市建議而收納。獎勵股份受歸屬期所限，由信託代表承授人持有。歸屬期為四年（自每個分期開始），於該期間內，授予僱員的獎勵股份中25%將按相等比例於首個歸屬日的各個週年歸屬。首個歸屬日為本公司於香港聯合交易所有限公司成功上市後的年度的一月一日。

於二零一零年十二月三十一日，根據股份獎勵計劃授出的獎勵股份的公平值為人民幣58,000,000元，有關公平值乃採用資產法及市場法釐定。該模式的主要參數為股份於授出日期的估計公平值及估計市賬率。市賬率乃參考在中國從事房地產開發並於聯交所上市的可資比較公司作出估計。

獎勵股份於授出日期屬或然，倘承授人離職則予以註銷，並須待本公司股份在聯交所成功上市的歸屬條件達成後且有關僱員的年度表現評估令人滿意方可作實。於截至二零一六年十二月三十一日止年度，概無確認就向若干本集團僱員授出獎勵股份的開支（二零一五年：人民幣1,932,000元）。

### 44. SHARE-BASED PAYMENT TRANSACTION

#### a. Pre-IPO share award scheme

The Group's Pre-IPO share award scheme, as amended in accordance with the proposed listing on the Stock Exchange, (the "Share Award Scheme") was adopted in December 2010 and then replaced the Pre-IPO share award scheme originally adopted pursuant to a resolution passed on 19 May 2007. Under the Share Award Scheme, Mr Lin Zhong, a controlling shareholder and director of the Company, awards the Company's shares (the "Awarded Shares") held by him to certain employees of the Group. The objective of the Share Award Scheme is to recognise the contributions of certain employees of the Group and to incentivise them.

Under the Share Award Scheme, the total percentage of equity interest in respect of which Awarded Shares had been granted on 31 December 2010 was 3.25% of the issued capital of the Company to be incorporated in connection with the proposed listing on the Stock Exchange. The Awarded Shares, subject to a vesting period, are being held by the trust on behalf of the grantees. The vesting period is four years, from the beginning of each instalment, during which 25% of the Award Shares granted to employee will vest on each anniversary of the first vesting date in equal portions. The first vesting date is 1 January of the year following the Company to be successfully listed on The Stock Exchange of Hong Kong Limited.

The fair value of the Awarded Shares granted under the Share Award Scheme at 31 December 2010 was RMB58,000,000, and was determined by using a mix of asset-based and market approach. The significant inputs into the model were estimated fair value of shares at the grant date and estimated price-to-book ratio. The price-to-book ratio is estimated by reference to comparable listed companies on the Stock Exchange engaged in property development in the PRC.

The Awarded Shares are contingent at grant date and are subject to the cancellation in the event of resignation of the grantees; and the vesting conditions of successful listing of the Company's shares on the Stock Exchange and satisfactory performance of such employee based on his or her annual performance appraisal. During the year ended 31 December 2016, no expense in relation to the Awarded Shares granted to certain employees of the Group was recognised (2015: RMB1,932,000).

#### 44. 以股份支付的交易(續)

##### a. 首次公開發售前股份獎勵計劃(續)

年內所作授出的條款及條件如下：

#### 44. SHARE-BASED PAYMENT TRANSACTION

(Continued)

##### a. Pre-IPO share award scheme (Continued)

The terms and conditions of the grants that existed during the year are as follows:

	獎勵 股份數目 Number of share awards	歸屬條件 Vesting Conditions
授予僱員的股份獎勵： －於二零一零年十二月三十一日	136,500,000	25%自二零一三年一月一日起至二零一三年十二月三十一日止 25% from 1 January 2013 to 31 December 2013
Share Award granted to employees: – on 31 December 2010		25%自二零一四年一月一日起至二零一四年十二月三十一日止 25% from 1 January 2014 to 31 December 2014
		25%自二零一五年一月一日起至二零一五年十二月三十一日止 25% from 1 January 2015 to 31 December 2015
		25%自二零一六年一月一日起至二零一六年十二月三十一日止 25% from 1 January 2016 to 31 December 2016

年內，僱員所持本公司股份獎勵的變動： The movements of the Company's share awards held by employees during the year:

	獎勵股份數目 Number of share awards		
	於二零一六年 一月一日 發行在外 Outstanding	於年內歸屬 Vested during the year	於二零一六年 十二月三十一日 發行在外 Outstanding as at 31 December 2016
授出日期 Grant date	as at 1 January 2016		
獎勵股份 Share awards	二零一零年十二月三十一日 31 December 2010	34,125,000	(34,125,000) –

	獎勵股份數目 Number of share awards		
	於二零一五年 一月一日 發行在外 Outstanding	於年內歸屬 Vested during the year	於二零一五年 十二月三十一日 發行在外 Outstanding as at 31 December 2015
授出日期 Grant date	as at 1 January 2015		
獎勵股份 Share awards	二零一零年十二月三十一日 31 December 2010	68,250,000	(34,125,000) 34,125,000

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### 44. 以股份支付的交易

(續)

#### b. 購股權計劃

根據本公司於二零一二年十月九日採納的購股權計劃（「購股權計劃」），董事可邀請參與者按董事會釐定的價格獲得購股權，惟該價格須至少為以下三者的最高者：(a)於本公司向承授人提呈要約當日（該日須為營業日）（「要約日期」）聯交所日報表列明的股份收市價；(b)緊接要約日期前5個營業日聯交所日報表所列明本公司股份的平均收市價（惟發售價須用作本公司股份上市前期間任何營業日的收市價，而本公司已於要約日期前五個營業日內上市）；及(c)於要約日期當日本公司股份的面值。

根據購股權計劃及本公司任何其他購股權計劃將予授出的所有購股權獲行使後可予發行的股份總數不得超過合共666,640,000股股份（二零一五年：577,000,000股股份）（相當於本年報日期已發行股份總數的10%），除非本公司另行取得股東批准以更新上限。

### 44. SHARE-BASED PAYMENT TRANSACTION

(Continued)

#### b. Share option scheme

Pursuant to the share option scheme ("Share Option Scheme") adopted by the Company on 9 October 2012, the directors may invite participants to take up options at a price determined by the board of directors provided that it shall be at least the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date on which an offer is made by the Company to the grantee (which date must be a business day, "Offer Date"); (b) a price being the average of the closing prices of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the Offer Date (provided that the offer price shall be used as the closing price for any business day falling within the period before listing of the shares of the Company where the Company has been listed for less than five business days as at the Offer Date); and (c) the nominal value of a share of the Company on the Offer Date.

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Company shall not in aggregate exceed 666,640,000 (2015: 577,000,000) shares, representing 10% of the total number of shares in issue as at the date of this annual report unless the Company obtains a fresh approval from the shareholders to refresh the limit.

## 44. 以股份支付的交易

(續)

### b. 購股權計劃(續)

除股東於本公司股東大會上另行批准外，於任何12個月期間內，每位參與者因行使根據購股權計劃獲授的購股權(包括已行使及尚未行使購股權)而獲發行及將予發行的股份總數上限，不得超過已發行股份總數的1%。

承授人可於董事會提呈要約時釐定及知會承授人的購股權期間內隨時根據購股權計劃條款行使購股權，惟該期間不得於要約日期起計十年後屆滿。

四批購股權已於二零一六年十二月三十一日授出。該等購股權的公平值乃使用二項式模式計算。模式的輸入數據如下：

## 44. SHARE-BASED PAYMENT TRANSACTION

(Continued)

### b. Share option scheme (Continued)

The maximum entitlement for any one participant is that the total number of the shares issued and to be issued upon exercise of the options granted under the Share Option Scheme to each participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue unless otherwise approved by the shareholders at a general meeting of the Company.

The option may be exercised in accordance with the terms of the Share Option Scheme at any time during the option period which may be determined and notified by the board of directors to the grantee at the time of making an offer which shall not expire later than 10 years from the Offer Date.

Four tranche of share options have been granted as at 31 December 2016. Fair value of these share options were calculated using the binomial model. The inputs into the model were as follows:

於以下日期授出的購股權					
Share options granted on					
	二零一三年 二月二十六日 26 February 2013	二零一三年 十月二十九日 29 October 2013	二零一五年 七月十三日 13 July 2015	二零一六年 一月二十日 20 January 2016	
授出日期股價	Grant date share price	HK\$1.58港元	HK\$1.51港元	HK\$1.77港元	HK\$1.47港元
行使價	Exercise price	HK\$1.684港元	HK\$1.55港元	HK\$1.77港元	HK\$1.478港元
預期年期	Expected life	Note 附註	Note 附註	Note 附註	Note 附註
預期波幅	Expected volatility	60%	57%	55%	56%
股息收益率	Dividend yield	2.53%	2.65%	6.21%	9.52%
無風險利率	Risk-free interest rate	0.624%	0.830%	0.972%	1.288%

附註：購股權的預期年期按(歸屬期間+行使期間)/2的算式計算。

Note: Expected life of the option is calculated by the formula of (vesting period + exercise period)/2.

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### 44. 以股份支付的交易

(續)

#### b. 購股權計劃(續)

預期波幅乃根據可資比較公司每日回報的歷史波幅釐定。在管理層慎重估算下，模式中的預期年期已因應不可轉讓性、行使限制及行為考慮因素的影響而作出調整。

於二零一六年十二月三十一日，根據購股權計劃已授出而尚未行使的購股權所涉及的股份數目為477,494,000股(二零一五年：394,991,000股)，佔本公司於二零一六年十二月三十一日股份數目的7%(二零一五年：6%)。

於二零一三年二月二十六日、二零一三年十月二十九日、二零一五年七月十三日及二零一六年一月二十日授出的購股權的估計公平值分別為人民幣83,349,000元、人民幣75,912,000元、人民幣39,125,000元及人民幣30,054,000元。

### 44. SHARE-BASED PAYMENT TRANSACTION

(Continued)

#### b. Share option scheme (Continued)

Expected volatility was determined by using the historical volatility of the daily return of comparable companies. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The number of shares in respect of which options had been granted and remained outstanding under the Share Option Scheme as at 31 December 2016 was 447,494,000 (2015: 394,991,000), representing 7% (2015: 6%) of the shares of the Company as at 31 December 2016.

The estimated fair values of the options granted on 26 February 2013, 29 October 2013, 13 July 2015 and 20 January 2016 are RMB83,349,000, RMB75,912,000, RMB39,125,000 and RMB30,054,000 respectively.

#### 44. 以股份支付的交易

(續)

##### b. 購股權計劃(續)

購股權的行使期間如下：

#### 44. SHARE-BASED PAYMENT TRANSACTION

(Continued)

##### b. Share option scheme (Continued)

The exercisable period of the share options is as follows:

於二零一三年二月二十六日授出的購股權	Share options granted on 26 February 2013
25%：於二零一四年七月一日歸屬，並自二零一四年七月一日起至 二零一八年六月三十日可行使	25%: vested on 1 July 2014 and exercisable from 1 July 2014 to 30 June 2018
25%：於二零一五年七月一日歸屬，並自二零一五年七月一日起至 二零一八年六月三十日可行使	25%: vested on 1 July 2015 and exercisable from 1 July 2015 to 30 June 2018
25%：於二零一六年七月一日歸屬，並自二零一六年七月一日起至 二零一八年六月三十日可行使	25%: vested on 1 July 2016 and exercisable from 1 July 2016 to 30 June 2018
25%：於二零一七年七月一日歸屬，並自二零一七年七月一日起至 二零一八年六月三十日可行使	25%: vested on 1 July 2017 and exercisable from 1 July 2017 to 30 June 2018

於二零一三年十月二十九日授出的購股權	Share options granted on 29 October 2013
25%：於二零一四年七月一日歸屬，並自二零一四年七月一日起至 二零一八年六月三十日可行使	25%: vested on 1 July 2014 and exercisable from 1 July 2014 to 30 June 2018
25%：於二零一五年七月一日歸屬，並自二零一五年七月一日起至 二零一八年六月三十日可行使	25%: vested on 1 July 2015 and exercisable from 1 July 2015 to 30 June 2018
25%：於二零一六年七月一日歸屬，並自二零一六年七月一日起至 二零一八年六月三十日可行使	25%: vested on 1 July 2016 and exercisable from 1 July 2016 to 30 June 2018
25%：於二零一七年七月一日歸屬，並自二零一七年七月一日起至 二零一八年六月三十日可行使	25%: vested on 1 July 2017 and exercisable from 1 July 2017 to 30 June 2018

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 44. 以股份支付的交易

(續)

### b. 購股權計劃(續)

## 44. SHARE-BASED PAYMENT TRANSACTION

(Continued)

### b. Share option scheme (Continued)

於二零一五年七月十三日授出的購股權	Share options granted on 13 July 2015
25%：於二零一五年七月十三日歸屬，並自二零一五年七月十三日起至二零一九年六月三十日可行使	25%: vested on 13 July 2015 and exercisable from 13 July 2015 to 30 June 2019
25%：於二零一六年七月一日歸屬，並自二零一六年七月一日起至二零一九年六月三十日可行使	25%: vested on 1 July 2016 and exercisable from 1 July 2016 to 30 June 2019
25%：於二零一七年七月一日歸屬，並自二零一七年七月一日起至二零一九年六月三十日可行使	25%: vested on 1 July 2017 and exercisable from 1 July 2017 to 30 June 2019
25%：於二零一八年七月一日歸屬，並自二零一八年七月一日起至二零一九年六月三十日可行使	25%: vested on 1 July 2018 and exercisable from 1 July 2018 to 30 June 2019
於二零一六年一月二十日授出的購股權	Share options granted on 20 January 2016
25%：於二零一六年七月一日歸屬，並自二零一六年七月一日起至二零二零年六月三十日可行使	25%: vested on 1 July 2016 and exercisable from 1 July 2016 to 30 June 2020
25%：於二零一七年七月一日歸屬，並自二零一七年七月一日起至二零二零年六月三十日可行使	25%: vested on 1 July 2017 and exercisable from 1 July 2017 to 30 June 2020
25%：於二零一八年七月一日歸屬，並自二零一八年七月一日起至二零二零年六月三十日可行使	25%: vested on 1 July 2018 and exercisable from 1 July 2018 to 30 June 2020
25%：於二零一九年七月一日歸屬，並自二零一九年七月一日起至二零二零年六月三十日可行使	25%: vested on 1 July 2019 and exercisable from 1 July 2019 to 30 June 2020

## 44. 以股份支付的交易

(續)

### b. 購股權計劃(續)

本集團於截至二零一六年十二月三十一日止年度就本公司授出的購股權確認開支總額為人民幣47,971,000元(二零一五年：人民幣47,898,000元)。

## 44. SHARE-BASED PAYMENT TRANSACTION

(Continued)

### b. Share option scheme (Continued)

The Group recognised the total expense of RMB47,971,000 (2015: RMB47,898,000) for the year ended 31 December 2016 in relation to share options granted by the Company.

購股權數目 Number of Options	行使期間 Exercisable period	購股權 訂約年期 Contractual life of options
<b>截至二零一三年十二月三十一日止 年度授出：</b>		
<b>Granted during the year ended 31 December 2013:</b>		
授予董事的購股權： －於二零一三年二月二十六日 Share options granted to directors: – on 26 February 2013	2,400,000 25% : 於二零一四年七月一日歸屬，並自二零一四年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2014 and exercisable from 1 July 2014 to 30 June 2018 25% : 於二零一五年七月一日歸屬，並自二零一五年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2015 and exercisable from 1 July 2015 to 30 June 2018 25% : 於二零一六年七月一日歸屬，並自二零一六年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2016 and exercisable from 1 July 2016 to 30 June 2018 25% : 於二零一七年七月一日歸屬，並自二零一七年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2017 and exercisable from 1 July 2017 to 30 June 2018	四年 4 years 四年 4 years 四年 4 years 四年 4 years 四年 4 years
－於二零一三年十月二十九日 – on 29 October 2013	5,100,000 25% : 於二零一四年七月一日歸屬，並自二零一四年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2014 and exercisable from 1 July 2014 to 30 June 2018 25% : 於二零一五年七月一日歸屬，並自二零一五年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2015 and exercisable from 1 July 2015 to 30 June 2018 25% : 於二零一六年七月一日歸屬，並自二零一六年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2016 and exercisable from 1 July 2016 to 30 June 2018 25% : 於二零一七年七月一日歸屬，並自二零一七年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2017 and exercisable from 1 July 2017 to 30 June 2018	四年 4 years 四年 4 years 四年 4 years 四年 4 years 四年 4 years

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 44. 以股份支付的交易

(續)

### b. 購股權計劃(續)

## 44. SHARE-BASED PAYMENT TRANSACTION

(Continued)

### b. Share option scheme (Continued)

	購股權數目 Number of Options	行使期間 Exercisable period	購股權 訂約年期 Contractual life of options
<b>授予僱員的購股權：</b>			
<b>Share options granted to employees:</b>			
－於二零一三年二月二十六日 – on 26 February 2013	150,000,000	25% : 於二零一四年七月一日歸屬，並自二零一四年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2014 and exercisable from 1 July 2014 to 30 June 2018 25% : 於二零一五年七月一日歸屬，並自二零一五年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2015 and exercisable from 1 July 2015 to 30 June 2018 25% : 於二零一六年七月一日歸屬，並自二零一六年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2016 and exercisable from 1 July 2016 to 30 June 2018 25% : 於二零一七年七月一日歸屬，並自二零一七年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2017 and exercisable from 1 July 2017 to 30 June 2018	四年 4 years
－於二零一三年十月二十九日 – on 29 October 2013	144,900,000	25% : 於二零一四年七月一日歸屬，並自二零一四年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2014 and exercisable from 1 July 2014 to 30 June 2018 25% : 於二零一五年七月一日歸屬，並自二零一五年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2015 and exercisable from 1 July 2015 to 30 June 2018 25% : 於二零一六年七月一日歸屬，並自二零一六年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2016 and exercisable from 1 July 2016 to 30 June 2018 25% : 於二零一七年七月一日歸屬，並自二零一七年七月一日起至二零一八年六月三十日可行使 25%: vested on 1 July 2017 and exercisable from 1 July 2017 to 30 June 2018	四年 4 years

## 44. 以股份支付的交易

(續)

### b. 購股權計劃(續)

## 44. SHARE-BASED PAYMENT TRANSACTION

(Continued)

### b. Share option scheme (Continued)

	購股權數目 Number of Options	行使期間 Exercisable period	購股權 訂約年期 Contractual life of options
<b>截至二零一五年十二月三十一日止年度授出：</b>			
<b>Granted during the year ended</b>			
<b>31 December 2015:</b>			
授予董事的購股權： – 於二零一五年七月十三日	4,600,000	25%：於二零一五年七月十三日歸屬，並自二零一五年七月十三日起至二零一九年六月三十日可行使 25%: vested on 13 July 2015 and exercisable from 13 July 2015 to 30 June 2019	四年 4 years
Share options granted to directors: – on 13 July 2015		25%：於二零一六年七月一日歸屬，並自二零一六年七月一日起至二零一九年六月三十日可行使 25%: vested on 1 July 2016 and exercisable from 1 July 2016 to 30 June 2019	四年 4 years
		25%：於二零一七年七月一日歸屬，並自二零一七年七月一日起至二零一九年六月三十日可行使 25%: vested on 1 July 2017 and exercisable from 1 July 2017 to 30 June 2019	四年 4 years
		25%：於二零一八年七月一日歸屬，並自二零一八年七月一日起至二零一九年六月三十日可行使 25%: vested on 1 July 2018 and exercisable from 1 July 2018 to 30 June 2019	四年 4 years
授予僱員的購股權： – 於二零一五年七月十三日	95,400,000	25%：於二零一五年七月十三日歸屬，並自二零一五年七月十三日起至二零一九年六月三十日可行使 25%: vested on 13 July 2015 and exercisable from 13 July 2015 to 30 June 2019	四年 4 years
Share options granted to employees: – on 13 July 2015		25%：於二零一六年七月一日歸屬，並自二零一六年七月一日起至二零一九年六月三十日可行使 25%: vested on 1 July 2016 and exercisable from 1 July 2016 to 30 June 2019	四年 4 years
		25%：於二零一七年七月一日歸屬，並自二零一七年七月一日起至二零一九年六月三十日可行使 25%: vested on 1 July 2017 and exercisable from 1 July 2017 to 30 June 2019	四年 4 years
		25%：於二零一八年七月一日歸屬，並自二零一八年七月一日起至二零一九年六月三十日可行使 25%: vested on 1 July 2018 and exercisable from 1 July 2018 to 30 June 2019	四年 4 years

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 44. 以股份支付的交易

(續)

### b. 購股權計劃(續)

## 44. SHARE-BASED PAYMENT TRANSACTION

(Continued)

### b. Share option scheme (Continued)

購股權數目 Number of Options	行使期間 Exercisable period	購股權 訂約年期 Contractual life of options
<b>截至二零一六年十二月三十一日止年度授出：</b>		
<b>Granted during the year ended</b>		
<b>31 December 2016:</b>		
授予董事的購股權： －於二零一六年一月二十日	100,000,000 25% : 於二零一六年七月一日歸屬，並自二零一六年七月一日起至二零二零年六月三十日可行使 25%: vested on 1 July 2016 and exercisable from 1 July 2016 to 30 June 2020	四年 4 years
Share options granted to directors: － on 20 January 2016	25% : 於二零一七年七月一日歸屬，並自二零一七年七月一日起至二零二零年六月三十日可行使 25%: vested on 1 July 2017 and exercisable from 1 July 2017 to 30 June 2020	四年 4 years
	25% : 於二零一八年七月一日歸屬，並自二零一八年七月一日起至二零二零年六月三十日可行使 25%: vested on 1 July 2018 and exercisable from 1 July 2018 to 30 June 2020	四年 4 years
	25% : 於二零一九年七月一日歸屬，並自二零一九年七月一日起至二零二零年六月三十日可行使 25%: vested on 1 July 2019 and exercisable from 1 July 2019 to 30 June 2020	四年 4 years

## 44. 以股份支付的交易

(續)

### b. 購股權計劃(續)

下表披露董事及僱員持有本公司購股權的詳情：

截至二零一六年十二月三十一日止年度

## 44. SHARE-BASED PAYMENT TRANSACTION

(Continued)

### b. Share option scheme (Continued)

The following tables disclose details of the Company's share options held by directors and employees:

For the year ended 31 December 2016

授出日期 Date of grant	每股 Exercise price per share	行使期間 Exercisable period	購股權數目 Number of Options					
			於 二零一六年 一月一日	尚未行使 Outstanding at	期內授出 Granted during	期內已行使 Exercised during	期內已失效 Lapsed during	尚未行使 Outstanding at
26 February 2013	1.684	1 July 2014 to 30 June 2018	149,033,122	-	(17,521,782)	-	-	131,511,340
<b>Share option</b>								
29 October 2013	1.55	1 July 2014 to 30 June 2018	145,957,780	-	(22,504,181)	-	-	123,453,599
13 July 2015	1.77	13 July 2015 to 30 June 2019	100,000,000	-	(5,008,000)	-	-	94,992,000
20 January 2016	1.47	1 July 2016 to 30 June 2020	-	100,000,000	(2,463,000)	-	-	97,537,000
<b>期末可行使</b>								
<b>Exercisable at the end of the period</b>								78,103,037
<b>加權平均行使價(港元)</b>								
<b>Weighted average exercise price (HK\$)</b>								1.62
<b>於行使日期的加權平均行使價 (港元)</b>								
<b>Weighted average exercise price at the date of exercise (HK\$)</b>								1.62

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 44. 以股份支付的交易

(續)

### b. 購股權計劃(續)

截至二零一五年十二月三十一日止年度

## 44. SHARE-BASED PAYMENT TRANSACTION

(Continued)

### b. Share option scheme (Continued)

For the year ended 31 December 2015

授出日期 Date of grant	每股 Exercise price per share	行使價 Exercise price at 港元 HK\$	可行使期間 Exercisable period	購股權數目 Number of Options			
				於 二零一五年 一月一日 尚未行使 Outstanding at 1.1.2015	於 二零一五年 十二月 三十一日 期內授出 Granted during the period	於 二零一五年 十二月 三十一日 期內已行使 Exercised during the period	於 二零一五年 十二月 三十一日 期內已失效 Lapsed during the period

購股權

Share option

二零一三年二月二十六日 26 February 2013	1.684	二零一四年七月一日至二零一八年六月三十日 1 July 2014 to 30 June 2018	152,400,000	-	(3,366,878)	-	149,033,122
二零一三年十月二十九日 29 October 2013	1.55	二零一四年七月一日至二零一八年六月三十日 1 July 2014 to 30 June 2018	150,000,000	-	(4,042,220)	-	145,957,780
二零一五年七月十三日 13 July 2015	1.77	二零一五年七月十三日至二零一九年六月三十日 13 July 2015 to 30 June 2019	-	100,000,000	-	-	100,000,000

期末可行使

Exercisable at the end of the period 93,190,902

加權平均行使價(港元)

Weighted average exercise price (HK\$) 1.62 1.77 1.61 - 1.66

於行使日期的加權平均行使價

(港元)

Weighted average exercise price

at the date of exercise (HK\$) 1.61

除披露者外，自該等購股權計劃獲採納以來，概無據此授出其他購股權。

Save as disclosed, no other option was granted under Share Option Scheme since their adoption.

## 45. 關聯方交易及結餘

本集團年內與其關聯方進行以下重大交易：

(a) 來自一間關聯公司的租金收入

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
上海建浦	Shanghai Jianpu	2,333	2,400

(b) 來自一間合營企業的一間附屬公司  
的項目管理費收入

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
來自上海旭涇置業有限公司 (本公司合營企業Coastwise的 全資附屬公司)的項目管理費收入	Project management fee income from Shanghai Xujing Property Co., Ltd (Wholly-owned subsidiary of Coastwise, a joint venture of the Company)	-	287,134

(c) 來自一間聯營公司的項目管理開支

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
來自上海永升(一間聯營公司) 的項目管理開支	Project management expense from Shanghai Yongsheng (an associate company)	16,743	-

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 45. 關聯方交易及結餘

(續)

- (d) 向本公司一名董事、一間關聯公司及董事的一名聯繫人士預售物業收取的按金：

## 45. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

- (d) Deposit received from pre-sales of properties to a director of the Company, a related company and an associate of the directors:

	二零一六年 2016	二零一五年 2015
	人民幣千元 RMB'000	人民幣千元 RMB'000
上海懷馳實業發展有限公司 (「上海懷馳」)(由林中先生的 近親控制的公司)(附註i)	Shanghai Huaichi Industrial Development Co., Ltd. ("Shanghai Huaichi") (company controlled by close family member of Mr. Lin Zhong) (note i)	—
林峰先生(附註ii)	Mr. Lin Feng (note ii)	2,815
林偉先生(附註iii)	Mr. Lin Wei (note iii)	1,000
林祥麟先生(林中先生、林偉先生及 林峰先生的近親)	Mr. Lin Xiang Lin (close family member of Mr. Lin Zhong, Mr. Lin Wei and Mr. Lin Feng)	—
上海建浦	Shanghai Jianpu	—
		5,801
		3,022

附註 :

Notes:

- (i) 於截至二零一五年十二月三十一日止年度，本公司的一間附屬公司與上海懷馳就以代價人民幣48,930,000元出售一項物業訂立買賣協議。
- (ii) 於截至二零一六年十二月三十一日止年度，本公司的一間附屬公司與林峰先生就以總代價人民幣39,152,000元出售物業訂立兩份買賣協議。
- (iii) 於截至二零一六年十二月三十一日止年度，本公司的一間附屬公司與林偉先生就以代價人民幣29,069,000元出售一項物業訂立買賣協議。

- (i) During the year ended 31 December 2015, a subsidiary of the Company entered into a sales and purchase agreement with Shanghai Huaichi in respect of the sales of a property at a consideration of RMB48,930,000.
- (ii) During the year ended 31 December 2016, a subsidiary of the Company entered into two sales and purchase agreements with Mr. Lin Feng in respect of the sales of properties at a total consideration of RMB39,152,000.
- (iii) During the year ended 31 December 2016, a subsidiary of the Company entered into a sales and purchase agreement with Mr. Lin Wei in respect of the sales of a property at a consideration of RMB29,069,000.

- (e) 應收嘉興旭彩產品有限公司  
(「嘉興旭彩」)(由林中先生控制的  
公司)款項詳情載列如下：

- (e) Particulars of the amounts due from Jiaxing Xucai Commodity Co., Ltd. ("Jiaxing Xucai"), a company controlled by Mr. Lin Zhong:

	二零一六年 2016	二零一五年 2015
	人民幣千元 RMB'000	人民幣千元 RMB'000
其他應收嘉興旭彩款項	Other receivables from Jiaxing Xucai	—
		17,000

應收嘉興旭彩款項為無抵押、免息及須按要求償還。

The amounts due from Jiaxing Xucai were unsecured, interest-free and repayable on demand.

## 45. 關聯方交易及結餘

(續)

(f) 應收(付)合營企業及聯營公司款項

## 45. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(f) Amounts due from (to) joint ventures and associates

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
應收合營企業款項	Amounts due from joint ventures	<b>2,801,445</b>	1,346,770
應收聯營公司款項	Amounts due from associates	<b>1,819,487</b>	1,246,472
		<b>4,620,932</b>	2,593,242
應付合營企業款項	Amounts due to joint ventures	<b>8,023,842</b>	4,501,791
應付聯營公司款項	Amounts due to associates	<b>6,395,599</b>	2,393,271
		<b>14,419,441</b>	6,985,062

應收／應付若干合營企業及聯營公司款項為無抵押、免息及須按要求償還。

The amounts due from/to certain joint ventures and associates are unsecured, interest-free and repayable on demand.

(g) 於年內已付及應付兼任本公司董事的本集團主要管理人員的薪酬載於附註11。

(g) The remuneration paid and payable to the key management personnel of the Group who are also the directors of the Company for the year is set out in note 11.

(h) 於截至二零一六年十二月三十一日止年度，本集團將其附屬公司上海永升的70%股權出售予上海建浦。詳情載於附註38(a)。

(h) During the year ended 31 December 2016, the Group disposed of its 70% equity interest in its subsidiary, Shanghai Yongsheng to Shanghai Jianpu. Details are set out in note 38(a).

## 46. 資本風險管理

本集團管理其資本以確保本集團旗下實體將可持續經營，同時透過改善債務與股本權益結餘為股東帶來最大回報。

## 46. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

本集團的資本架構包括淨負債，而淨負債包括附註32、33及34各自所披露銀行及其他借款、優先票據及公司債券(扣除現金及現金等價物)及本公司擁有人應佔股本權益(包含已發行股本、儲備及保留利潤)。

The capital structure of the Group consists of net debt, which includes the bank and other borrowings, senior notes and corporate bonds disclosed in notes 32, 33 and 34, respectively, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

本公司董事定期檢討資本架構。作為是項檢討其中一環，本公司董事考量資本成本及與各類資本有關的風險，並採取適當行動平衡整體資本架構。

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital, and take appropriate actions to balance its overall capital structure.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 47. 金融工具

#### (a) 重大會計政策

有關各類金融資產、金融負債及股本工具所採用的重大會計政策(包括確認的條件)、計量的基準以及收入及開支的確認基準的詳情於附註3披露。

#### (b) 金融工具的類別

### 47. FINANCIAL INSTRUMENTS

#### (a) Significant accounting policies

Details of the significant accounting policies adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets, financial liabilities and equity instruments are disclosed in note 3.

#### (b) Categories of financial instruments

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
<b>金融資產</b>	<b>Financial assets</b>		
可供出售投資	Available-for-sale investments	<b>740,976</b>	54,023
按公平值計入損益的金融資產	Financial assets at FVTPL		
衍生金融工具	Derivative financial instruments		
－持作買賣	– Held for trading	<b>314,768</b>	–
上市股本工具	Listed equity instruments	<b>352,829</b>	–
		<b>667,597</b>	–
－於物業項目的投資(指定為按公平值計入損益)	– Investments in property projects (Designated as at FVTPL)	<b>529,225</b>	–
		<b>1,196,822</b>	–
貸款及應收款項(包括現金及現金等價物)	Loans and receivables (including cash and cash equivalents)	<b>36,378,194</b>	23,608,495
		<b>38,315,922</b>	23,662,518
<b>金融負債</b>	<b>Financial liabilities</b>		
攤銷成本	Amortised cost	<b>52,166,638</b>	38,957,909

#### (c) 財務風險管理目標及政策

本集團的主要金融工具包括可供出售投資、衍生金融工具、貿易應收款項、其他應收款項、按公平值計入損益的金融資產、房地產項目投資、已抵押銀行存款、銀行結餘及現金、應收／應付非控股權益、合營企業及聯營公司款項、貿易應付款項、其他應付款項、銀行及其他借款、優先票據以及公司債券。該等金融工具的詳情載於相關附註。與此等金融具有關的風險及如何減低該等風險的政策載列如下。管理層管理及監控該等風險，確保及時有效地採取適當措施。

#### (c) Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale investments, derivative financial instruments, trade receivables, other receivables, financial assets at FVTPL, investment in property projects, pledged bank deposits, bank balances and cash, amounts due from/to non-controlling interests, joint ventures and associates, trade payables, other payables, bank and other borrowings, senior notes and corporate bonds. Details of these financial instruments are set out in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

## 47. 金融工具(續)

### (d) 市場風險

本集團的業務主要面對利率、外幣匯率變動的市場風險及其他價格風險(參見下文)。

本集團於年內面對的市場風險或其管理及衡量風險的方式概無重大變動。

#### 利率風險管理

由於銀行存款與銀行及其他借款(按中國人民銀行所報利率加額外費用的浮動利率計息)的現行市場利率波動，因此本集團承受現金流量利率風險。

本集團的公平值利率風險主要與按固定利率計息的銀行及其他借款、企業債券以及優先票據有關。本集團現時並無利用任何衍生工具合約對沖其面對的利率風險。然而，管理層於有需要時會考慮對沖重大利率風險。

本集團承受與金融負債有關的利率風險，詳情載於本附註流動資金風險管理一節。

#### 利率敏感度

以下敏感度分析乃根據非衍生工具(銀行結餘以及銀行及其他借款)利率風險編製。分析乃假設於報告期末未到期金融工具於整年內均未到期而編製。向主要管理人員內部匯報利率風險時會以升跌100個基點(就銀行及其他借款而言)及升跌50個基點(就銀行存款而言)為基準，即管理人員分別對銀行及其他借款以及銀行存款利率可能變動的評估。

於報告期末，倘利率上升／下降100及50個基點(分別就銀行及其他借款以及銀行存款而言)，而所有其他變數維持不變，則本集團截至二零一六年十二月三十一日止年度的利潤會增加／減少約人民幣13,475,000元(二零一五年：人民幣27,198,000元)。

## 47. FINANCIAL INSTRUMENTS (Continued)

### (d) Market risk

The Group's activities expose primarily to the market risks of changes in interest rates, foreign currency exchange rates and other price risk (see below).

There has been no significant change to the Group's exposure to market risks or the manner in which it manages and measures the risk over the year.

#### *Interest rate risk management*

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits and bank and other borrowings which carry at variable rates based on the interest rates quoted by the People's Bank of China plus a premium.

The Group's fair value interest rate risk relates primarily to its fixed rate bank and other borrowings, corporate bonds and senior notes. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

#### *Interest rate sensitivity*

The sensitivity analyses below have been prepared based on the exposure to interest rates for non-derivative instruments (bank balances and bank and other borrowings). The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis point increase or decrease for bank and other borrowings and a 50 basis point increase or decrease for bank deposits are used when reporting interest rate risk internally to key management personnel and represent management's assessment of the possible change in interest rate in respect of bank and other borrowings and bank deposits respectively.

At the end of the reporting period, if interest rates had been increased/decreased by 100 and 50 basis points in respect of bank and other borrowings and bank deposits respectively and all other variables were held constant, the Group's profit would increase/decrease by approximately RMB13,475,000 (2015: RMB27,198,000) for the year ended 31 December 2016.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 47. 金融工具(續)

#### (d) 市場風險(續)

##### 外幣風險管理

本集團以人民幣收取其所有收入，而大部分支出(包括物業銷售產生的支出以及資本開支)亦以人民幣計值。

本集團進行若干以外幣計值的交易，因而承受所產生的匯率波動風險。本集團目前並無外幣對沖政策。然而，管理層會監察外匯風險承受程度及於有需要時考慮對沖重大的外幣風險。

於二零一六年十二月三十一日，本集團擁有以外幣計值的指定為按公平值計入損益的金融資產、銀行結餘及現金、銀行及其他借款以及優先票據(分別載於附註29、30、32及33)，使本集團承受外幣風險。

##### 外幣匯率敏感度

下表詳列本集團對人民幣兌相關外幣升值及貶值5%的敏感度。5%為向主要管理人員內部報告外幣風險所使用的敏感度，指管理層對外幣匯率可能合理變動的評估。敏感度分析僅包括以外幣計值的未到期貨幣項目，並於報告期末就外幣匯率的5%變動調整其換算。當人民幣相對於相關貨幣升值5%時，下表中的正數表示利潤增加；當人民幣相對於相關貨幣貶值5%時，會對利潤產生一個相等並相反的影響，以下結餘也將變成負數。

### 47. FINANCIAL INSTRUMENTS (Continued)

#### (d) Market risk (Continued)

##### Foreign currency risk management

The Group collects all of its revenue in RMB and most of the expenditures including expenditures incurred in property sales as well as capital expenditures are also denominated in RMB.

The Group undertakes certain transactions denominated in foreign currencies, hence exposure to exchange rate fluctuations arises. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

As at 31 December 2016, the Group had financial assets at FVTPL, bank balances and cash, bank and other borrowings and senior notes denominated in foreign currencies as set out in notes 29, 30, 32 and 33, respectively, which expose the Group to foreign currency risk.

##### Foreign currency rate sensitivity

The following table details the Group's sensitivity to a 5% increase and decrease in Renminbi against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjust their translation at the end of reporting period of 5% changes in foreign currency rates. A positive number below indicates an increase in profit where Renminbi strengthen 5% against the relevant currency. For a 5% weakening of Renminbi against the relevant currency, there would be an equal and opposite impact on the profit and the balances below would be negative.

		二零一六年 2016	二零一五年 2015
	人民幣千元 RMB'000	人民幣千元 RMB'000	
港元	Hong Kong Dollars	64,474	75,183
美元	United States Dollars	469,642	440,013

## 47. 金融工具(續)

### (e) 信貸風險管理

於報告期末，本集團所承受因對手方未能履行責任及本集團所發出財務擔保而導致本集團蒙受財務虧損的最大信貸風險，乃產生自綜合財務狀況表內所列各項已確認金融資產的賬面值，以及附註43所披露或然負債金額。為將信貸風險降至最低，已執行監控程序以確保採取跟進行動收回過期債務。此外，本集團於報告期末定期審閱每項個別賬款及其他應收款項以及應收關聯公司款項的可收回金額，確保就不可收回金額作出充分的減值虧損。呈列於綜合財務狀況表中的金額乃經扣除呆壞賬撥備，並由本集團管理層基於先前經驗及其對現時經濟環境的評估作出估計。

由於對手方為國際評級機構給予高信貸評級的銀行或中國的國有銀行，故流動資金信貸風險有限。

除存於多家高信貸評級銀行的流動資金有信貸風險集中的情況外，本集團的信貸風險並無顯著集中，風險分佈於多個對手方及客戶。

就已預售但未完成發展的物業而言，本集團通常就客戶借入按揭貸款以為購買物業籌集資金而向銀行提供擔保，擔保金額最高為個別物業購買價的70%至80%。如果買方於擔保期間未能償還按揭，則持有按揭的銀行可要求本集團償還未償還貸款及任何有關應計利息。在此等情況下，本集團可沒收已收銷售按金並轉售收回的物業。因此，管理層認為其將有可能收回本集團所提供之擔保引致的任何虧損。管理層認為，由於該等融資以物業擔保而物業的市場價格高於擔保金額，故提供予物業買家的財務擔保承受的信貸風險有限。就此而言，本公司董事認為，本集團的信貸風險已顯著降低。

## 47. FINANCIAL INSTRUMENTS (Continued)

### (e) Credit risk management

At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees issued by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position and the amount of contingent liabilities disclosed in note 43. In order to minimise the credit risk, the monitoring procedures are carried out to ensure that follow up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual accounts and other receivables and amounts due from related companies at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. The amounts presented in the consolidated statement of financial position are net of allowances for doubtful debts, estimated by the Group's management based on prior experience and their assessment of the current economic environment.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies or state-owned banks in the PRC.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group has no significant concentration of credit risk, which exposure spread over a number of counterparties and customers.

For properties that are presold but development has not been completed, the Group typically provides guarantees to banks in connection with the customers' borrowing of mortgage loans to finance their purchase of the properties for an amount up to 70% to 80% of the purchase price of the individual property. If a purchaser defaults on the payment of its mortgage during the period of guarantee, the bank holding the mortgage may demand the Group to repay the outstanding loan and any interest accrued thereon. Under such circumstances, the Group is able to forfeit the sales deposit received and re-sell the repossessed properties. Therefore, the management considers it would likely recover any loss incurred arising from the guarantee by the Group. The management considers the credit risk exposure to financial guarantees provided to property purchasers is limited because the facilities are secured by the properties and the market prices of the properties are higher than the guaranteed amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 47. 金融工具(續)

#### (f) 流動資金風險

本集團的目標是透過使用借款在經營活動所得資金的持續性與靈活性之間取得平衡。本公司董事嚴密監察流動資金狀況，並預期會有足夠資金來源撥付本集團的項目及業務。

下表詳列本集團非衍生金融負債及衍生金融負債的預期剩餘合約到期日。該表按本集團可能須付款的最早日期的非衍生金融負債未貼現現金流量編製，表中包括利息及本金現金流量。

此外，下表詳列本集團對其衍生金融工具的流動性分析。本集團的衍生金融工具分析乃按照管理層參照房地產開發項目進度估計的到期日編製。

### 47. FINANCIAL INSTRUMENTS (Continued)

#### (f) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding generated from operating activities and the flexibility through the use of borrowings. The directors of the Company closely monitor the liquidity position and expect to have adequate sources of funding to finance the Group's projects and operations.

The following table details the Group's expected remaining contractual maturity for its non-derivative financial liabilities and derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The analysis for the Group's derivative financial instruments are prepared based on the maturities estimated by the management with reference to the progress of property development projects.

		於二零一六年 十二月三十一日 的賬面值 Carrying amount							未貼現 現金流量總額 Total undiscounted cash flows	
利率 Interest rate	at 31 December 2016	0到60日 0-60 days	61到180日 61 to 180 days	181至365日 181 to 365 days	1至2年 1-2 years	2至3年 2-3 years	3年以上 Over 3 years	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000			
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000			
非衍生金融負債	<b>Non-derivative financial liabilities</b>									
不計息	Non-interest bearing	22,775,512	22,775,512	-	-	-	-	-	-	22,775,512
定息工具	Fixed interest rate instruments	4.8% - 9.0%	17,704,969	223,643	403,638	913,007	3,843,073	4,082,755	11,452,788	20,918,904
浮息工具	Variable interest rate instruments	1.5% - 6.7%	11,686,157	-	436,927	1,411,711	3,774,560	5,598,894	1,792,017	13,014,109
財務擔保	Financial guarantees	-	-	7,794,577	194,400	46,000	1,818,747	447,345	917,500	11,218,569

		於二零一五年 十二月三十一日 的賬面值 Carrying amount							未貼現 現金流量總額 Total undiscounted cash flows	
利率 Interest rate	at 31 December 2015	0到60日 0-60 days	61到180日 61 to 180 days	181至365日 181 to 365 days	1至2年 1-2 years	2至3年 2-3 years	3年以上 Over 3 years	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000			
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000			
非衍生金融負債	<b>Non-derivative financial liabilities</b>									
不計息	Non-interest bearing	-	15,003,016	15,003,016	-	-	-	-	-	15,003,016
定息工具	Fixed interest rate instruments	5.1% - 13.3%	13,782,490	57,941	381,491	1,270,376	1,443,069	4,352,810	10,042,948	17,548,635
浮息工具	Variable interest rate instruments	2.9% - 8.6%	10,172,403	406,914	193,592	1,534,263	3,468,855	4,096,778	1,909,417	11,609,819
財務擔保	Financial guarantees	-	-	3,644,229	-	-	-	2,744,234	-	6,388,463

## 47. 金融工具(續)

### (f) 流動資金風險(續)

上述財務擔保合約包含的金額為在擔保對手方索償情況下，本集團根據安排可能須結付全數擔保金額的最高金額。根據各報告期末的預期，本集團認為須根據安排付款的機會極微。然而，該估計將視乎對手方根據擔保提出索償的可能性而有所改變，而提出索償的可能性則取決於對手方所持獲擔保財務應收款項出現信貸虧損的可能性。

### (g) 金融工具的公平值計量

#### 按經常性基準以公平值計量的本集團金融資產及負債的公平值

本集團的部分金融資產及負債按於各報告期末的公平值釐定。下表提供有關如何釐定該等金融資產及負債公平值的資料(特別是所用的估值方法及輸入數據)，以及根據公平值計量輸入數據的可觀察程度而將公平值計量分類到所屬公平值架構級別(第一級至第三級)。

- 第一級公平值計量乃根據相同資產或負債於活躍市場中所報價格(未經調整)得出；
- 第二級公平值計量乃除第一級計入的報價外，根據資產或負債可直接(即價格)或間接(即自價格衍生)觀察的輸入數據得出；及
- 第三級公平值計量乃指由包含並非依據可觀察的市場數據的資產或負債的輸入數據(不可觀察輸入數據)的估價技術得出的公平值計量。

## 47. FINANCIAL INSTRUMENTS (Continued)

### (f) Liquidity risk (Continued)

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of each reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

### (g) Fair value measurements of financial instruments

#### *Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis*

Some of the Group's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 47. 金融工具(續)

#### (g) 金融工具的公平值計量(續)

按經常性基準以公平值計量的本集團金融資產及負債的公平值(續)

### 47. FINANCIAL INSTRUMENTS (Continued)

#### (g) Fair value measurements of financial instruments (Continued)

*Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)*

金融資產 Financial assets	於以下日期的公平值 Fair value as at	公平值等級 Fair value hierarchy	
		二零一六年 十二月三十一日 31 December 2016	二零一五年 十二月三十一日 31 December 2015
	人民幣千元 RMB'000	人民幣千元 RMB'000	
作為衍生金融工具的外幣遠期合約 Foreign currency forward contracts as derivative financial instruments	<b>資產 - 314,768</b> <b>Assets - 314,768</b>	-	貼現現金流量。未來現金流量根據遠期利率(從報告期末可觀察的遠期利率)及合同利率進行估計，以反映各交易對手的信用風險的利率折現。 Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable forward interest rates at the end of the reporting period) and the contracted interest rates, discounted at a rate that reflects the credit risk of various counterparties.
分類為按公平值計入損益的金融資產的 上市股份投資 Investments in listed shares classified as financial assets at FVTPL -在香港上市 - listed in HK	<b>資產</b> <b>Assets</b>  <b>283,589</b>	-	活躍市場所報買入價 Quoted bid prices in an active market
-在中國上市 - listed in the PRC	<b>69,240</b>		
	<b>325,829</b>		
分類為按公平值計入損益的金融資產的 物業項目投資 Investments in property projects classified as financial assets at FVTPL	<b>資產 - 529,225</b> <b>Assets - 529,225</b>	-	折現現金流量。未來現金流量根據預期回報及合同投資成本進行估計，以反映各物業項目的內部回報率的利率折現。 Discounted cash flow. Future cash flows are estimated based on expected return, and the contracted investment costs, discounted at a rate that reflects the internal rate of return of varies property projects.

除分別於附註33及34所披露具有公平值的優先票據及公司債券外，本集團管理層認為，綜合財務報表中以攤銷成本入賬的其他金融資產及金融負債的賬面值與其於報告期末的公平值相若。

本集團以攤銷成本入賬的金融資產及金融負債的公平值乃根據按照折現現金流量分析建立的公認定價模式而釐定。

Except for the senior notes and corporate bonds with fair value as disclosed in notes 33 and 34, respectively, the management of the Group consider that the carrying amounts of the other financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values at the end of the reporting period.

The fair value of financial assets and financial liabilities of the Group recorded at amortised cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

**48. 本公司財務狀況表及儲備**

(a) 本公司財務狀況表：

**48. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY**

(a) Statement of the financial position of the Company:

		二零一六年 2016	二零一五年 2015
附註 NOTE	人民幣千元 RMB'000	人民幣千元 RMB'000	
<b>非流動資產</b>	<b>NON-CURRENT ASSETS</b>		
物業、廠房及設備	Property, plant and equipment	34	16
於附屬公司的投資	Investments in a subsidiary	1,014,322	877,538
應收附屬公司款項	Amounts due from subsidiaries	22,837,541	9,458,058
收購股權的按金	Deposits for acquisitions of equity interests	142,047	—
長期保證金	Long-term deposit	34,639	—
衍生金融工具	Derivative financial instruments	314,768	—
		<b>24,343,351</b>	10,335,612
<b>流動資產</b>	<b>CURRENT ASSETS</b>		
應收賬款及其他應收款項、 按金及預付款項	Accounts and other receivables, deposits and prepayments	274,257	3,291
應收合營企業款項	Amounts due from joint ventures	3,109,249	1,934,052
銀行結餘及現金	Bank balances and cash	310,151	515,662
		<b>3,693,657</b>	2,453,005
<b>流動負債</b>	<b>CURRENT LIABILITIES</b>		
应付賬款及應計開支	Accounts payables and accrued charges	28	26
应付附屬公司款項	Amounts due to subsidiaries	1,458,348	1,114,637
应付合營企業款項	Amounts due to joint ventures	721,035	675,214
銀行借款－於一年內到期	Bank borrowings – due within one year	1,480,398	—
		<b>3,659,809</b>	1,789,877
<b>流動資產淨值</b>	<b>NET CURRENT ASSETS</b>	<b>33,848</b>	663,128
<b>總資產減流動負債</b>	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>24,377,199</b>	10,998,740
<b>資本及儲備</b>	<b>CAPITAL AND RESERVES</b>		
股本	Share capital	542,797	537,157
儲備	Reserves	12,053,914	803,564
<b>股本權益總額</b>	<b>TOTAL EQUITY</b>	48(b)	12,596,711
			1,340,721
<b>非流動負債</b>	<b>NON-CURRENT LIABILITIES</b>		
優先票據	Senior notes	5,683,011	8,275,958
銀行借款－一年後到期	Bank borrowings – due after one year	6,097,477	1,382,061
		<b>11,780,488</b>	9,658,019
			<b>24,377,199</b>
			10,998,740

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 48. 本公司財務狀況表及儲備(續)

## 48. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

(b) 本公司儲備變動：

(b) Movements of the Company's reserve:

					(累計虧損)	
					出資儲備	保留利潤
	股本	股份溢價	購股權儲備	Capital contribution	(Accumulated losses)	總額
	Share capital	Share premium	Share option reserve	reserve	retained profit	Total
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
於二零一五年一月一日	At 1 January 2015	487,896	826,202	98,155	37,468	(253,959)
年內虧損及全面開支總額	Loss and total comprehensive expense for the year	-	-	-	-	(381,625)
行使購股權時發行股份	Issue of shares upon exercise of shares options	593	11,384	(2,428)	-	9,549
發行股份以配售股份	Issue of shares of share placement	47,280	980,272	-	-	1,027,552
就以股代息發行股份	Issue of shares for scrip-dividend	10,430	226,538	-	-	236,968
於購回股份時註銷	Cancelled upon repurchase of shares	(9,042)	(95,179)	-	-	(104,221)
確認以股本權益結算並以股份付款	Recognition of equity-settled share-based payments	-	-	47,898	1,972	-
已宣告股息	Dividend declared	-	(693,134)	-	-	(693,134)
於二零一五年十二月三十一日	At 31 December 2015	537,157	1,256,083	143,625	39,440	(635,584)
年內利潤及全面收入總額	Profit and total comprehensive income for the year	-	-	-	-	11,959,918
行使購股權時發行股份	Issue of shares upon exercise of shares options	4,073	79,708	(17,846)	-	65,935
就以股代息發行股份	Issue of shares for scrip-dividend	3,384	56,445	-	-	59,829
於購回股份時註銷	Cancelled upon repurchase of shares	(1,817)	(21,517)	-	-	(23,334)
確認以股本權益結算並以股份付款	Recognition of equity-settled share-based payments	-	-	47,971	-	-
已宣告股息	Dividend declared	-	(854,329)	-	-	(854,329)
於二零一六年十二月三十一日	At 31 December 2016	542,797	516,390	173,750	39,440	11,324,334
						12,596,711

## 49. 主要附屬公司詳情

### (a) 本公司的重大附屬公司

本公司的主要附屬公司於二零一六年及二零一五年十二月三十一日的詳情載列如下：

直接附屬公司名稱 Name of direct subsidiary	註冊成立地點及日期 Place and date of incorporation	本集團		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities			
		於十二月三十一日							
		應佔股權 Equity interest attributable to the Group at 31 December	2016 % 2015 %						
旭昇有限公司 Xu Sheng Limited	英屬處女群島 二零一一年 五月九日 BVI 9 May 2011	100	100	註冊資本 50,000美元 實繳資本1美元 Registered USD50,000 paid up capital USD1	香港 Hong Kong	投資控股 Investment holding			

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及日期 Place and date of incorporation	本集團		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities			
		於十二月三十一日							
		應佔股權 Equity interest attributable to the Group at 31 December	2016 % 2015 %						
北京望馨置業有限公司(附註) Beijing Wangxin Property Co., Ltd. (note)	中國 二零零三年 十二月八日 PRC 8 December 2003	100	100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development			
北京旭東物業管理有限公司 (附註) Beijing Xudong Property Management Co., Ltd. (note)	中國 二零零二年 五月三十一日 PRC 31 May 2002	100	100	註冊資本 人民幣3,000,000元 實繳資本 人民幣3,000,000元 Registered RMB3,000,000 paid up capital RMB3,000,000	中國 PRC	物業管理 Property management			

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES

### (a) Material subsidiaries of the Company

Details of the Company's principal subsidiaries at 31 December 2016 and 2015 are set out below:

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 49. 主要附屬公司詳情(續)

### (a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		二零一六年 2016	二零一五年 2015			
北京旭輝順欣置業有限公司 (附註) Beijing Xuhui Shunxin Property Co., Ltd. (note)	中國 二零一一年 十二月十二日 PRC 12 December 2011	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
北京旭輝陽光置業有限公司 (附註) Beijing Xuhui Sunshine Property Co., Ltd. (note)	中國 二零一一年 一月十三日 PRC 13 January 2011	80	80	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
北京旭輝興勝置業有限公司 (附註) Beijing Xuhui Xingsheng Property Co. Ltd. (note)	中國 二零一一年 六月十六日 PRC 16 June 2011	100	100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development
北京旭科置業有限公司(附註) Beijing Xuke Property Co., Ltd (note)	中國 二零一三年 三月十九日 PRC 19 March 2013	100	100	註冊資本 人民幣20,000,000元 實繳資本 人民幣20,000,000元 Registered RMB20,000,000 paid up capital RMB20,000,000	中國 PRC	房地產開發 Property development
北京旭興城置業有限公司 (附註) Beijing Xuxingcheng Property Co., Ltd. (note)	中國 二零一一年 一月十三日 PRC 13 January 2011	100	100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development

## 49. 主要附屬公司詳情(續)

### (a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		二零一六年 2016	二零一五年 2015			
北京旭輝興科置業有限公司 (附註) Beijing Xuhui Xingke Property Co., Ltd. (note)	中國 二零零九年 八月十二日 PRC 12 August 2009	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
北京旭輝興騰置業有限公司 (附註) Beijing Xuhui Xingteng Property Co., Ltd. (note)	中國 二零零九年 八月十二日 PRC 12 August 2009	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
北京永旭置業有限公司(附註) Beijing Yongxu Property Co., Ltd. (note)	中國 二零零四年 四月五日 PRC 5 April 2004	100	100	註冊資本 人民幣20,000,000元 實繳資本 人民幣20,000,000元 Registered RMB20,000,000 paid up capital RMB20,000,000	中國 PRC	房地產開發 Property development
長沙鼎尊房地產開發有限公司 (附註) Changsha Dingzun Real Estate Development Co. Limited (note)	中國 二零一二年 十二月六日 PRC 6 December 2012	100	100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development
長沙利隆昌房地產開發有限公司(附註) Changsha Lilongchang Real Estate Development Co., Ltd. (note)	中國 二零一一年 九月六日 PRC 6 September 2011	100	100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 49. 主要附屬公司詳情(續)

### (a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		二零一六年 2016	二零一五年 2015			
%	%					
長沙旭海房地產開發有限公司 (附註) Changsha Xuhai Real Estate Development Co., Ltd. (note)	中國 二零一一年 六月十日 PRC 10 June 2011	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
長沙旭湘房地產開發有限公司 (附註) Changsha Xuxiang Real Estate Development Co., Ltd. (note)	中國 二零零七年 八月二十日 PRC 20 August 2007	100	100	註冊資本 人民幣50,000,000元 實繳資本 人民幣50,000,000元 Registered RMB50,000,000 paid up capital RMB50,000,000	中國 PRC	房地產開發 Property development
重慶旭昌房地產開發有限公司 (附註) Chongqing Xuchang Real Estate Development Co., Ltd. (note)	中國 二零一一年 三月十日 PRC 10 March 2011	100	100	註冊資本 人民幣20,000,000元 實繳資本 人民幣20,000,000元 Registered RMB20,000,000 paid up capital RMB20,000,000	中國 PRC	房地產開發 Property development
重慶旭鵬房地產開發有限公司 (附註) Chongqing Xupeng Real Estate Development Co., Ltd. (note)	中國 二零零五年 七月四日 PRC 4 July 2005	100	100	註冊資本 人民幣80,000,000元 實繳資本 人民幣80,000,000元 Registered RMB80,000,000 paid up capital RMB80,000,000	中國 PRC	房地產開發 Property development
重慶旭中房地產開發有限公司 (附註) Chongqing Xuzhong Real Estate Development Co., Ltd (note)	中國 二零一四年 八月十九日 PRC 19 August 2014	100	100	註冊資本 50,000,000美元 實繳資本 50,000,000美元 Registered USD50,000,000 paid up capital USD50,000,000	中國 PRC	房地產開發 Property development

## 49. 主要附屬公司詳情(續)

### (a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		二零一六年 2016	二零一五年 2015			
旭輝(中國) CIFI PRC	中國 二零零零年 八月十五日 PRC 15 August 2000	100	100	註冊資本 人民幣1,000,000,000元 實繳資本 人民幣1,000,000,000元 Registered RMB1,000,000,000 paid up capital RMB1,000,000,000	中國 PRC	投資控股 Investment holding
旭輝企發有限公司 CIFI Enterprises Co. Limited	香港 二零一一年 五月十二日 Hong Kong 12 May 2011	100	100	法定資本10,000港元 實繳資本1港元 Authorised HK\$10,000 paid up capital HK\$1	香港 Hong Kong	投資控股 Investment holding
福州萬誠房地產開發有限公司 (附註) Fuzhou Wancheng Real Estate Development Co., Ltd. (note)	中國 二零零四年 七月十四日 PRC 14 July 2004	100	100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development
杭州旭廣 Hangzhou Xuguang	中國 二零一四年 六月二十日 PRC 20 June 2014	100	100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development
合肥旭濱房地產開發有限公司 (附註) Hefei Xubin Real Estate Development Co., Ltd. (note)	中國 二零一一年 一月十九日 PRC 19 January 2011	100	100	註冊資本 人民幣200,000,000元 實繳資本 人民幣200,000,000元 Registered RMB200,000,000 paid up capital RMB200,000,000	中國 PRC	房地產開發 Property development

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 49. 主要附屬公司詳情(續)

### (a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		二零一六年 2016	二零一五年 2015			
合肥旭海房地產開發有限公司 (附註) Hefei Xuhai Real Estate Development Co., Ltd. (note)	中國 二零零七年 十一月十二日 PRC 12 November 2007	100	100	註冊資本 人民幣50,000,000元 實繳資本 人民幣50,000,000元 Registered RMB50,000,000 paid up capital RMB50,000,000	中國 PRC	房地產開發 Property development
合肥旭皖房地產開發有限公司 (附註) Hefei Xuwan Real Estate Development Co., Ltd (note)	中國 二零一四年 六月七日 PRC 7 June 2014	100	100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development
合肥旭遠 Hefei Xuyuan	中國 二零一四年 七月二日 PRC 2 July 2014	63	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
湖南隆晟置業發展有限公司 (附註) Hunan Longsheng Property Development Co., Ltd. (note)	中國 二零零六年 五月二十九日 PRC 29 May 2006	100	100	註冊資本 人民幣50,000,000元 實繳資本 人民幣50,000,000元 Registered RMB50,000,000 paid up capital RMB50,000,000	中國 PRC	房地產開發 Property development
湖南融惠房地產開發有限公司 (附註) Hunan Ronghui Real Estate Development Co., Ltd (note)	中國 二零一二年 十二月十八日 PRC 18 December 2012	80	80	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development

## 49. 主要附屬公司詳情(續)

### (a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		二零一六年 2016	二零一五年 2015			
%	%					
嘉興旭誠置業有限公司(附註) Jiaxing Xucheng Property Co., Ltd (note)	中國 二零一四年 十一月一日 PRC 1 November 2014	100	100	註冊資本 60,000,000美元 實繳資本 60,000,000美元 Registered USD60,000,000 paid up capital USD60,000,000	中國 PRC	房地產開發 Property development
嘉興旭領置業有限公司(附註) Jiaxing Xuling Property Co., Ltd (note)	中國 二零一四年 三月六日 PRC 6 March 2014	100	100	註冊資本 25,500,000美元 實繳資本 25,500,000美元 Registered USD25,500,000 paid up capital USD25,500,000	中國 PRC	房地產開發 Property development
嘉興旭美商業管理有限公司 (附註) Jiaxing Xumei Business Management Co., Ltd. (note)	中國 二零一一年 一月二十日 PRC 20 January 2011	100	100	註冊資本 人民幣5,000,000元 實繳資本 人民幣5,000,000元 Registered RMB5,000,000 paid up capital RMB5,000,000	中國 PRC	物業管理 Property management
上海海際房地產有限公司 (附註) Shanghai Haiji Real Estate Co., Ltd. (note)	中國 二零零五年 三月十一日 PRC 11 March 2005	53#	53#	註冊資本 人民幣170,000,000元 實繳資本 人民幣170,000,000元 Registered RMB170,000,000 paid up capital RMB170,000,000	中國 PRC	房地產開發 Property development
上海漢普卡商業管理有限公司 (附註) Shanghai Hanpuka Commercial Management Co., Ltd. (note)	中國 二零一一年 八月十七日 PRC 17 August 2011	100	100	註冊資本 10,000,000美元 實繳資本 10,000,000美元 Registered USD10,000,000 paid up capital USD10,000,000	中國 PRC	投資控股 Investment holding

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Notes to the Consolidated Financial Statements

### 49. 主要附屬公司詳情(續)

#### (a) 本公司的重大附屬公司(續)

### 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

#### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		二零一六年 2016	二零一五年 2015			
%	%					
上海旭邦置業有限公司(附註) Shanghai Xubang Property Co., Ltd. (note)	中國 二零一一年 四月十四日 PRC 14 April 2011	100	100	註冊資本 人民幣30,000,000元 實繳資本 人民幣30,000,000元 Registered RMB30,000,000 paid up capital RMB30,000,000	中國 PRC	房地產開發 Property development
上海旭和置業有限公司(附註) Shanghai Xuhe Property Co., Ltd. (note)	中國 二零一二年 十月二十四日 PRC 24 October 2012	100	100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development
上海旭強置業有限公司(附註) Shanghai Xuqiang Property Co., Ltd. (note)	中國 二零一一年 九月十九日 PRC 19 September 2011	100	100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development
上海旭為置業有限公司(附註) Shanghai Xuwei Property Co. Ltd. (note)	中國 二零一二年 十二月十日 PRC 10 December 2012	100	100	註冊資本 人民幣5,000,000元 實繳資本 人民幣5,000,000元 Registered RMB5,000,000 paid up capital RMB5,000,000	中國 PRC	房地產開發 Property development
上海旭祥置業有限公司(附註) Shanghai Xuxiang Property Co. Ltd. (note)	中國 二零一二年 十二月十日 PRC 10 December 2012	100	100	註冊資本 人民幣5,000,000元 實繳資本 人民幣5,000,000元 Registered RMB5,000,000 paid up capital RMB5,000,000	中國 PRC	房地產開發 Property development

## 49. 主要附屬公司詳情(續)

### (a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December 二零一六年 二零一五年 2016 2015 % %	已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
上海旭煜置業有限公司(附註) Shanghai Xuyu Property Co. Ltd. (note)	中國 二零一一年 一月十二日 PRC 12 January 2011	100 100	註冊資本 人民幣44,000,000元 實繳資本 人民幣44,000,000元 Registered RMB44,000,000 paid up capital RMB44,000,000	中國 PRC	房地產開發 Property development
上海旭柏置業有限公司(附註) Shanghai Xubai Property Co., Ltd (note)	中國 二零一四年 一月五日 PRC 5 January 2014	100 100	註冊資本 人民幣5,000,000元 實繳資本 人民幣5,000,000元 Registered RMB5,000,000 paid up capital RMB5,000,000	中國 PRC	房地產開發 Property development
上海旭協酒店管理有限公司 (附註) Shanghai Xuxie Hotel Management Co., Ltd (note)	中國 二零一五年 五月三日 PRC 3 May 2015	100 100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	房地產開發 Property development
上海旭互實業有限公司(附註) Shanghai Xugen Enterprise Co., Ltd (note)	中國 二零一四年 十一月五日 PRC 5 November 2014	100 100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	房地產開發 Property development
上海豐旭置業有限公司(附註) (「上海豐旭」) Shanghai Fengxu Property Co., Ltd (note) ("Shanghai Fengxu")	中國 二零一四年 十二月二十五日 PRC 25 December 2014	45# 45#	註冊資本 人民幣220,000,000元 實繳資本 人民幣220,000,000元 Registered RMB220,000,000 paid up capital RMB220,000,000	中國 PRC	房地產開發 Property development

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 49. 主要附屬公司詳情(續)

(a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

(a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December 二零一六年 二零一五年 2016 2015 % %	已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
瀋陽旭全置業有限公司(附註) Shengyeng Xuquan Property Co., Ltd (note)	中國 二零一四年 十月二十一日 PRC 21 October 2014	100 100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development
上海同碩房地產發展有限公司 (附註) Shanghai Tongshuo Real Estate Development Co., Ltd. (note)	中國 二零零五年 二月一日 PRC 1 February 2005	100 100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development
上海欣博房地產有限公司 (附註) Shanghai Xinbo Real Estate Co., Ltd (note)	中國 二零零三年 三月十三日 PRC 13 March 2003	100 100	註冊資本 人民幣80,000,000元 實繳資本 人民幣80,000,000元 Registered RMB80,000,000 paid up capital RMB80,000,000	中國 PRC	房地產開發 Property development
上海鑫辰置業發展有限公司 (附註) Shanghai Xinchen Property Development Co., Ltd. (note)	中國 一九九八年 四月十四日 PRC 14 April 1998	100 100	註冊資本 人民幣30,000,000元 實繳資本 人民幣30,000,000元 Registered RMB30,000,000 paid up capital RMB30,000,000	中國 PRC	房地產開發 Property development
上海新置建築工程有限公司 (附註) Shanghai Xinzhi Construction Co., Ltd. (note)	中國 二零零五年 七月二十日 PRC 20 July 2005	100 100	註冊資本 人民幣60,000,000元 實繳資本 人民幣60,000,000元 Registered RMB60,000,000 paid up capital RMB60,000,000	中國 PRC	物業建設 Property construction

## 49. 主要附屬公司詳情(續)

### (a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December 二零一六年 二零一五年 2016 2015 % %	已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
上海旭輝投資諮詢有限公司 (附註) Shanghai Xuhui Investment Advisory Co., Ltd. (note)	中國 二零零六年 十一月九日 PRC 9 November 2006	100 100	註冊資本 人民幣160,000,000元 實繳資本 人民幣160,000,000元 Registered RMB160,000,000 paid up capital RMB160,000,000	中國 PRC	投資控股 Investment holding
上海旭美商業投資管理 有限公司(附註) Shanghai Xumei Business Investment Management Co., Ltd. (note)	中國 二零一零年 六月八日 PRC 8 June 2010	100 100	註冊資本 人民幣20,000,000元 實繳資本 人民幣20,000,000元 Registered RMB20,000,000 paid up capital RMB20,000,000	中國 PRC	物業管理 Property management
上海旭創置業有限公司(附註) (note) Shanghai Xuchuang Property Co., Ltd.	中國 二零零七年 九月十一日 PRC 11 September 2007	100 100	註冊資本 人民幣60,000,000元 實繳資本 人民幣60,000,000元 Registered RMB60,000,000 paid up capital RMB60,000,000	中國 PRC	房地產開發 Property development
上海旭匯置業有限公司(附註) (note) Shanghai Xuhui Property Co., Ltd.	中國 二零零九年 十月十四日 PRC 14 October 2009	100 100	註冊資本 人民幣35,000,000元 實繳資本 人民幣35,000,000元 Registered RMB35,000,000 paid up capital RMB35,000,000	中國 PRC	房地產開發 Property development
上海旭通置業有限公司(附註) (note) Shanghai Xutong Property Co., Ltd.	中國 二零一二年 八月八日 PRC 8 August 2012	100 100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 49. 主要附屬公司詳情(續)

### (a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2016 % 2015 %	二零一六年 二零一五年			
蘇州旭名置業有限公司(附註) Suzhou Xu Ming Property Development Co., Ltd. (note)	中國 二零一二年 五月二十九日 PRC 29 May 2012	100	100	註冊資本 人民幣560,000,000元 實繳資本 人民幣560,000,000元 Registered RMB560,000,000 paid up capital RMB560,000,000	中國 PRC	房地產開發 Property development
蘇州旭峰置業有限公司(附註) Suzhou Xufeng Property Co., Ltd (note)	中國 二零一四年 二月二十二日 PRC 22 February 2014	100	100	註冊資本 人民幣20,000,000元 實繳資本 人民幣20,000,000元 Registered RMB20,000,000 paid up capital RMB20,000,000	中國 PRC	房地產開發 Property development
蘇州旭輝高科置業有限公司 (附註) Suzhou Xuhui High-Tech Property Co., Ltd. (note)	中國 二零零九年 十二月三日 PRC 3 December 2009	100	100	註冊資本 人民幣649,000,000元 實繳資本 人民幣649,000,000元 Registered RMB649,000,000 paid up capital RMB649,000,000	中國 PRC	房地產開發 Property development
蘇州旭輝置業有限公司(附註) Suzhou Xuhui Property Co. Ltd. (note)	中國 二零零七年 三月十三日 PRC 13 March 2007	100	100	註冊資本 人民幣140,000,000元 實繳資本 人民幣140,000,000元 Registered RMB140,000,000 paid up capital RMB140,000,000	中國 PRC	房地產開發 Property development
蘇州旭輝興騰置業有限公司 (附註) Suzhou Xuhui Xingteng Property Co., Ltd. (note)	中國 二零零九年 十二月三日 PRC 3 December 2009	100	100	註冊資本 人民幣191,000,000元 實繳資本 人民幣191,000,000元 Registered RMB191,000,000 paid up capital RMB191,000,000	中國 PRC	房地產開發 Property development

## 49. 主要附屬公司詳情(續)

### (a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December 二零一六年 二零一五年		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2016 %	2015 %			
上海旭明置業有限公司(附註) Shanghai Xuming Property Co., Ltd. (note)	中國 二零一零年 十二月二十八日 PRC 28 December 2010	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
上海旭浦置業有限公司 (附註) Shanghai Xupu Property Co., Ltd. (note)	中國 二零零三年 十一月五日 PRC 5 November 2003	100	100	註冊資本 人民幣30,000,000元 實繳資本 人民幣30,000,000元 Registered RMB30,000,000 paid up capital RMB30,000,000	中國 PRC	房地產開發 Property development
上海旭盛房地產經紀有限公司 (附註) Shanghai Xusheng Real Estate Agency Co., Ltd. (note)	中國 二零零六年 十一月二十七日 PRC 27 November 2006	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	提供房地產代理服務 Provision of property agency service
上海旭豐房地產開發有限公司 (附註) Shanghai Xufeng Real Estate Development Co., Ltd. (note)	中國 二零零五年 一月二十五日 PRC 25 January 2005	100	100	註冊資本 人民幣80,000,000元 實繳資本 人民幣80,000,000元 Registered RMB80,000,000 paid up capital RMB80,000,000	中國 PRC	房地產開發 Property development
上海旭泰房地產有限公司 (附註) Shanghai Xutai Real Estate Co., Ltd. (note)	中國 二零一零年 十一月五日 PRC 5 November 2010	100	100	註冊資本 人民幣59,000,000元 實繳資本 人民幣59,000,000元 Registered RMB59,000,000 paid up capital RMB59,000,000	中國 PRC	房地產開發 Property development

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 49. 主要附屬公司詳情(續)

### (a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		二零一六年 2016	二零一五年 2015			
%	%					
上海永匯房地產開發有限公司 (附註) Shanghai Yonghui Real Estate Development Co., Ltd. (note)	中國 二零零一年 四月十八日 PRC 18 April 2001	100	100	註冊資本 人民幣8,000,000元 實繳資本 人民幣8,000,000元 Registered RMB8,000,000 paid up capital RMB8,000,000	中國 PRC	房地產開發 Property development
上海藝建建築設計諮詢有限公司(附註) Shanghai Yijian Architectural Design & Consulting Co., Ltd. (note)	中國 二零零二年 八月十二日 PRC 12 August 2002	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	提供諮詢服務 Provision of consultancy services
天津旭濱創意產業園管理有限公司(附註) Tianjin Xu Bin Creative Industrial Park Managements Limited (note)	中國 二零一二年 七月二十五日 PRC 25 July 2012	100	100	註冊資本 20,000,000美元 實繳資本 20,000,000美元 Registered USD20,000,000 paid up capital USD20,000,000	中國 PRC	房地產開發 Property development
天津旭海房地產開發有限公司 (附註) Tianjin Xuhai Real Estate Development Co. Ltd. (note)	中國 二零一一年 八月五日 PRC 5 August 2011	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
武漢市旭潤投資諮詢有限公司(附註) Wuhan Xurun Investment Advisory Co., Ltd (note)	中國 二零一四年 五月二十九日 PRC 29 May 2014	100	100	註冊資本 人民幣500,000元 實繳資本 人民幣500,000元 Registered RMB500,000 paid up capital RMB500,000	中國 PRC	提供諮詢服務 Provision of consultancy services

## 49. 主要附屬公司詳情(續)

### (a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		二零一六年 2016	二零一五年 2015			
%	%					
旭名(香港)有限公司 Xu Ming (HK) Limited	香港 二零一一年 九月二十七日 Hong Kong 27 September 2011	100	100	法定資本 10,000港元 實繳資本 1港元 Authorised HK\$10,000 paid up capital HK\$1	香港 Hong Kong	投資控股 Investment holding
旭名有限公司 Xu Ming Limited	英屬處女群島 二零一一年 九月二十日 BVI 20 September 2011	100	100	註冊資本 50,000美元 實繳資本 1美元 Registered USD50,000 paid up capital USD1	香港 Hong Kong	投資控股 Investment holding
旭凱(上海)投資顧問有限公司 (附註) Xukai (Shanghai) Investment Consultant Co., Ltd. (note)	中國 二零零五年 四月八日 PRC 8 April 2005	100	100	註冊資本 人民幣20,000,000元 實繳資本 人民幣20,000,000元 Registered RMB20,000,000 paid up capital RMB20,000,000	中國 PRC	投資控股 Investment holding
浙江旭輝置業有限公司 (附註) Zhejiang Xuhui Property Co., Ltd. (note)	中國 二零零六年 八月二十三日 PRC 23 August 2006	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
鎮江市旭潤房地產開發 有限公司(附註) Zhenjiang City Xurun Real Estate Development Co., Ltd. (note)	中國 二零一零年 七月十九日 PRC 19 July 2010	100	100	註冊資本 人民幣50,000,000元 實繳資本 人民幣50,000,000元 paid up capital RMB50,000,000 paid up capital RMB50,000,000	中國 PRC	房地產開發 Property development

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 49. 主要附屬公司詳情(續)

### (a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		二零一六年 2016	二零一五年 2015			
%	%					
中石房地產開發有限公司 (附註) Zhongshi Real Estate Development Co., Ltd. (note)	中國 二零零六年 十一月十四日 PRC 14 November 2006	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
上海旭康(附註37) Shanghai Xukang (note 37)	中國 二零一三年 五月十日 PRC 10 May 2013	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
蘇州旭陽(附註37) Suzhou Xuyang (note 37)	中國 二零一二年 十二月二十二日 PRC 22 December 2012	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
北京旭輝德龍置業有限公司 (附註) Beijing Xuhui Delong Property Co., Ltd. (note)	中國 二零一五年 三月二日 PRC 2 March 2015	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	房地產開發 Property development
北京樂優富拓投資有限公司 (附註) Beijing Yueyou Futuo Investment Co., Ltd. (note)	中國 二零一五年 二月二十八日 PRC 28 February 2015	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	投資管理 Investment management

## 49. 主要附屬公司詳情(續)

### (a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		二零一六年 2016	二零一五年 2015			
北京旭輝企業管理有限公司 (附註) Beijing Xuhui Business Management Co., Ltd (note)	中國 二零一五年 二月二十八日 PRC 28 February 2015	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	投資管理 Investment management
北京德順 Beijing Deshun	中國 二零一五年 四月八日 PRC 8 April 2015	55#	100	註冊資本 人民幣20,000,000元 實繳資本 人民幣20,000,000元 Registered RMB20,000,000 paid up capital RMB20,000,000	中國 PRC	投資管理 Investment management
北京旭輝合創投資有限公司 (附註) Beijing Xuhui Hechuang Investment Co., Ltd (note)	中國 二零一五年 七月二十七日 PRC 27 July 2015	100	100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	投資管理 Investment management
上海旭奕置業有限公司 (附註) Shanghai Xuyi Property Co., Ltd (note)	中國 二零一五年 二月十六日 PRC 16 February 2015	75	75	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development
上海新安亭 Shanghai Xinanting	中國 二零零五年 三月二十四日 PRC 24 March 2005	90#	51#	註冊資本 人民幣20,000,000元 實繳資本 人民幣20,000,000元 Registered RMB20,000,000 paid up capital RMB20,000,000	中國 PRC	房地產開發 Property development

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 49. 主要附屬公司詳情(續)

### (a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		二零一六年 2016	二零一五年 2015			
%	%					
上海永磐實業有限公司 (附註) Shanghai Yongpan Enterprise Co., Ltd (note)	中國 二零一四年 四月十四日 PRC 14 April 2014	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
上海旭度實業有限公司 (附註) Shanghai Xudu Enterprise Co., Ltd (note)	中國 二零一五年 十一月四日 PRC 4 November 2015	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	房地產開發 Property development
上海友築實業有限公司(附註) Shanghai Youzhu Enterprise Co., Ltd (note)	中國 二零一五年 十一月六日 PRC 6 November 2015	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	房地產開發 Property development
上海友導實業有限公司 (「友導」)(附註) Shanghai Youdao Enterprise Co., Ltd ("Youdao"), (note)	中國 二零一五年 十一月六日 PRC 6 November 2015	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	房地產開發 Property development
天津旭元房地產資訊諮詢 有限公司(附註) Tianjin Xuyuan Real Estate Information Consulting Co., Ltd (note)	中國 二零一四年 十月十日 PRC 10 October 2014	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	物業資訊諮詢 Property information consulting

## 49. 主要附屬公司詳情(續)

### (a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December 二零一六年 二零一五年 2016 2015 % %	已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
天津旭興房地產開發 有限公司(附註) Tianjin Xuxing Real Estate Development Co., Ltd (note)	中國 二零一五年 五月二十日 PRC 20 May 2015	100 100	註冊資本 人民幣30,000,000元 實繳資本 人民幣30,000,000元 Registered RMB30,000,000 paid up capital RMB30,000,000	中國 PRC	房地產開發 Property development
天津旭唯房地產開發 有限公司(附註) Tianjin Xuwei Real Estate Development Co., Ltd (note)	中國 二零一五年 五月二十日 PRC 20 May 2015	100 100	註冊資本 人民幣30,000,000元 實繳資本 人民幣30,000,000元 Registered RMB30,000,000 paid up capital RMB30,000,000	中國 PRC	房地產開發 Property development
天津旭津(附註37) Tianjin Xujing (Note 37)	中國 二零一三年 二月二十六日 PRC 26 February 2013	100 100	註冊資本 人民幣103,000,000元 實繳資本 人民幣103,000,000元 Registered RMB103,000,000 paid up capital RMB103,000,000	中國 PRC	房地產開發 Property development
瀋陽旭強商業管理有限公司 (附註) Shenyang Xuqiang Business Management Co., Ltd (note)	中國 二零一五年 一月一日 PRC 1 January 2015	100 100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development
瀋陽旭盛企業管理有限公司 (附註) Shenyang Xusheng Business Management Co., Ltd (note)	中國 二零一五年 十月十六日 PRC 16 October 2015	100 100	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	企業管理 Business management

## 綜合財務報表附註

Notes to the Consolidated Financial Statements

### 49. 主要附屬公司詳情(續)

#### (a) 本公司的重大附屬公司(續)

### 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

#### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December 二零一六年 二零一五年 2016 2015 % %	已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
南京旭寧房地產開發有限公司 (附註) Nanjing Xuning Real Estate Development Co., Ltd (note)	中國 二零一四年 十二月二十六日 PRC 26 December 2014	100	100 註冊資本 人民幣20,000,000元 實繳資本 人民幣20,000,000元 Registered RMB20,000,000 paid up capital RMB20,000,000	中國 PRC	房地產開發 Property development
南京旭城房地產開發有限公司(附註) Nanjing Xucheng Real Estate Development Co., Ltd (note)	中國 二零一四年 十二月三十一日 PRC 31 December 2014	51#	51# 註冊資本 人民幣50,000,000元 實繳資本 人民幣50,000,000元 Registered RMB50,000,000 paid up capital RMB50,000,000	中國 PRC	房地產開發 Property development
南京寧博投資管理有限公司(附註) Nanjing Ningbo Investment Management Co., Ltd (note)	中國 二零一五年 五月七日 PRC 7 May 2015	100	100 註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	投資及投資管理 Investment and investment management
南京寧康投資管理有限公司 (附註) Nanjing Ningkang Investment Management Co., Ltd (note)	中國 二零一五年 五月七日 PRC 7 May 2015	100	100 註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	投資及投資管理 Investment and investment management
南京寧卓投資管理有限公司 (附註) Nanjing Ningzhuo Investment Management Co., Ltd (note)	中國 二零一五年 九月一日 PRC 1 September 2015	100	100 註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	投資及投資管理 Investment and investment management

## 49. 主要附屬公司詳情(續)

### (a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		二零一六年 2016	二零一五年 2015			
蘇州旭蘇投資諮詢有限公司 (附註) Suzhou Xusu Investment Advisory Co., Ltd (note)	中國 二零一五年 一月二十九日 PRC 29 January 2015	100	100	註冊資本 人民幣500,000元 實繳資本 人民幣500,000元 Registered RMB500,000 paid up capital RMB500,000	中國 PRC	投資諮詢 Investment consultation
蘇州旭利投資諮詢有限公司 (附註) Suzhou Xuli Investment Advisory Co., Ltd (note)	中國 二零一四年 十二月二十五日 PRC 25 December 2014	100	100	註冊資本 人民幣500,000元 實繳資本 人民幣500,000元 Registered RMB500,000 paid up capital RMB500,000	中國 PRC	投資諮詢 Investment consultation
蘇州旭譜投資諮詢有限公司 (附註) Suzhou Xuxie Investment Advisory Co., Ltd (note)	中國 二零一五年 一月二十九日 PRC 29 January 2015	100	100	註冊資本 人民幣500,000元 實繳資本 人民幣500,000元 Registered RMB500,000 paid up capital RMB500,000	中國 PRC	投資諮詢 Investment consultation
合肥旭榮置業有限公司(附註) Hefei Xurong Property Co., Ltd (note)	中國 二零一五年 五月五日 PRC 5 May 2015	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
合肥旭輝企業管理有限公司 (附註) Hefei Xuhui Business Management Co., Ltd (note)	中國 二零一五年 五月十八日 PRC 18 May 2015	100	100	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 49. 主要附屬公司詳情(續)

### (a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		二零一六年 2016	二零一五年 2015			
%	%					
杭州旭辰投資有限公司(附註) Hangzhou Xuchen Investment Co., Ltd (note)	中國 二零一五年 一月五日 PRC 5 January 2015	100	100	註冊資本 人民幣5,000,000元 實繳資本 人民幣5,000,000元 Registered RMB5,000,000 paid up capital RMB5,000,000	中國 PRC	房地產開發 Property development
杭州卓德投資管理有限公司 (附註) Hangzhou Zhoud Investment Management Co., Ltd (note)	中國 二零一四年 十二月二十八日 PRC 28 December 2014	100	100	註冊資本 人民幣100,000元 實繳資本 人民幣100,000元 Registered RMB100,000 paid up capital RMB100,000	中國 PRC	投資管理 Investment management
上海旭登實業有限公司(附註) Shanghai Xudeng Enterprise Co., Ltd (note)	中國 二零一五年 二月九日 PRC 9 February 2015	100	100	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	房地產開發 Property development
杭州旭輝置業有限公司(附註) Hangzhou Xuhui Property Co., Ltd (note)	中國 二零一五年 四月二十日 PRC 20 April 2015	100	100	註冊資本 人民幣5,000,000元 實繳資本 人民幣5,000,000元 Registered RMB5,000,000 paid up capital RMB5,000,000	中國 PRC	房地產開發 Property development
武漢旭和投資諮詢 有限公司(附註) Wuhan Xuhe Investment Advisory Co., Ltd (note)	中國 二零一五年 七月十三日 PRC 13 July 2015	100	100	註冊資本 人民幣500,000元 實繳資本 人民幣500,000元 Registered RMB500,000 paid up capital RMB500,000	中國 PRC	投資諮詢公司 Investment consultancy corporation

## 49. 主要附屬公司詳情(續)

### (a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December 二零一六年 二零一五年 2016 2015 % %	已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
武漢惠譽禦恒 Wuhan Huiyu Yuheng	中國 二零一二年 八月二日 PRC 2 August 2012	55#	55# 註冊資本 人民幣200,000,000元 實繳資本 人民幣200,000,000元 Registered RMB200,000,000 paid up capital RMB200,000,000	中國 PRC	房地產開發 Property development
武漢旭程(附註37) Wuhan Xucheng (note 37)	中國 二零一三年 九月五日 PRC 5 September 2013	100	100 註冊資本 人民幣200,000,000元 實繳資本 人民幣200,000,000元 Registered RMB200,000,000 paid up capital RMB200,000,000	中國 PRC	房地產開發 Property development
旭安有限公司 Xu An Co., Ltd	英屬處女群島 二零一三年 一月十七日 BVI 17 January 2013	50#	50# 註冊資本 50,000美元 實繳資本 2美元 Registered USD50,000 Paid up capital USD2	中國 PRC	投資控股 Investment holding
上海旭弘置業有限公司(附註) Shanghai Xuhong Property Co., Ltd (note)	中國 二零一三年 十二月二十日 PRC 20 December 2013	50#	50# 註冊資本 220,000,000美元 實繳資本 220,000,000美元 Registered USD220,000,000 paid up capital USD220,000,000	中國 PRC	房地產開發 Property development
杭州旭開置業 有限公司(附註) Hangzhou Xukai Real Estate Development Co., Ltd (note)	中國 二零一三年 八月二十二日 PRC 22 August 2013	100	100 註冊資本 130,000,000美元 實繳資本 130,000,000美元 Registered USD130,000,000 paid up capital USD130,000,000	中國 PRC	房地產開發 Property development

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Notes to the Consolidated Financial Statements

## 49. 主要附屬公司詳情(續)

### (a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December 二零一六年 二零一五年	已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		2016 %	2015 %		
湖南物華(附註37) Hunan Wuhua (note 37)	中國 二零一一年 十一月二十八日 PRC 28 November 2011	100	67	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 Paid up capital RMB100,000,000	中國 PRC 房地產開發 Property development
旭正(附註37) Xu Zheng (note 37)	英屬處女群島 二零一二年 九月六日 BVI 6 September 2012	100	100	註冊資本 50,000美元 實繳資本 100美元 Registered USD50,000 Paid up capital USD100	中國 PRC 投資控股 Investment holding
天津旭達(附註37) Tianjin Xuda (note 37)	中國 二零一四年 十二月八日 PRC 8 December 2014	100	-	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 Paid up capital RMB10,000,000	中國 PRC 投資控股 Investment holding
天津旭科(附註37) Tianjin Xuke (note 37)	中國 二零一五年 四月三日 PRC 3 April 2015	100	50	註冊資本 人民幣700,000,000元 實繳資本 人民幣700,000,000元 Registered RMB700,000,000 Paid up capital RMB700,000,000	中國 PRC 房地產開發 Property development
佛山市華祥(附註37) Foshan Huaxiang (note 37)	中國 二零零六年 三月六日 PRC 6 March 2006	100	-	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 Paid up capital RMB10,000,000	中國 PRC 房地產開發 Property development

## 49. 主要附屬公司詳情(續)

### (a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		二零一六年 2016	二零一五年 2015			
%	%					
佛山市匯金(附註37) Foshan Huijin (note 37)	中國 二零零五年 十二月二十九日 PRC 29 December 2005	100	-	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	房地產開發 Property development
武漢惠譽華天(附註37) Wuhan Huiyu Huatian (note 37)	中國 二零一二年 七月十九日 PRC 19 July 2012	100	-	註冊資本 人民幣20,000,000元 實繳資本 人民幣20,000,000元 Registered RMB20,000,000 paid up capital RMB20,000,000	中國 PRC	房地產開發 Property development
上海旭技實業有限公司(附註) Shanghai Xuji Enterprise Co.,Ltd (note)	中國 二零一五年 十二月二十八日 PRC 28 December 2015	100	-	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	房地產開發 Property development
上海旭沃實業有限公司(附註) Shanghai Xuwo Enterprise Co.,Ltd (note)	中國 二零一五年 十二月二十八日 PRC 28 December 2015	100	-	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	房地產開發 Property development
上海旭導實業有限公司(附註) Shanghai Xudao Enterprise Co.,Ltd (note)	中國 二零一五年 十二月二十八日 PRC 28 December 2015	100	-	註冊資本 人民幣1,000,000元 實繳資本 人民幣1,000,000元 Registered RMB1,000,000 paid up capital RMB1,000,000	中國 PRC	房地產開發 Property development

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Notes to the Consolidated Financial Statements

## 49. 主要附屬公司詳情(續)

### (a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		二零一六年 2016	二零一五年 2015			
		%	%			
寧波旭昇置業有限公司(附註) Ningbo Xuying Property Co., Ltd (note)	中國 二零一六年 六月十三日 PRC 13 June 2016	100	-	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	房地產開發 Property development
天津旭明房地產開發 有限公司(附註) Tianjin Xuming Enterprise Co., Ltd (note)	中國 二零一六年 十二月七日 PRC 7 December 2016	100	-	註冊資本 人民幣30,000,000元 實繳資本 人民幣30,000,000元 Registered RMB30,000,000 paid up capital RMB30,000,000	中國 PRC	房地產開發 Property development
天津旭同房地產開發 有限公司(附註) Tianjin Xutong Real Estate Development Co., Ltd (note)	中國 二零一五年 十一月二十五日 PRC 25 November 2015	100	-	註冊資本 人民幣30,000,000元 實繳資本 人民幣30,000,000元 Registered RMB30,000,000 paid up capital RMB30,000,000	中國 PRC	房地產開發 Property development
瀋陽金地順成房地產開發 有限公司(附註) Shenyang Jindi Shuncheng Real Estate Development Co., Ltd (note)	中國 二零一五年 十一月三日 PRC 3 November 2015	100	-	註冊資本 人民幣50,000,000元 實繳資本 人民幣50,000,000元 Registered RMB50,000,000 paid up capital RMB50,000,000	中國 PRC	房地產開發 Property development
瀋陽旭傑企業管理有限公司 (附註) Shenyang Xujie Business Management Co., Ltd (note)	中國 二零一五年 十二月一日 PRC 1 December 2015	100	-	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	企業管理 Business management

## 49. 主要附屬公司詳情(續)

### (a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		二零一六年 2016	二零一五年 2015			
瀋陽旭騰企業管理有限公司 (附註) Shenyang Xuteng Business Management Co., Ltd (note)	中國 二零一五年 十一月四日 PRC 4 November 2015	100	-	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	企業管理 Business management
瀋陽輝能置業有限公司 (附註) Shenyang Huineng Property Co., Ltd (note)	中國 二零一六年 三月十六日 PRC 16 March 2016	100	-	註冊資本 人民幣10,000,000元 實繳資本 人民幣10,000,000元 Registered RMB10,000,000 paid up capital RMB10,000,000	中國 PRC	企業管理 Business management
武漢旭恒管理諮詢 有限公司(附註) Wuhan Xuheng Management Consultancy Co., Ltd (note)	中國 二零一六年 一月十一日 PRC 11 January 2016	100	-	註冊資本 人民幣500,000元 實繳資本 人民幣500,000元 Registered RMB500,000 paid up capital RMB500,000	中國 PRC	企業管理 Business management
合肥輝泰房地產開發 有限公司(附註) Hefei Huitai Real Estate Development Co., Ltd (note)	中國 二零一六年 四月十五日 PRC 15 April 2016	100	-	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
重慶輝平房地產開發 有限公司(附註) Chongqing Huiping Real Estate Development Co., Ltd (note)	中國 二零一六年 四月十四日 PRC 14 April 2016	100	-	註冊資本 人民幣8,000,000元 實繳資本 人民幣8,000,000元 Registered RMB8,000,000 paid up capital RMB8,000,000	中國 PRC	房地產開發 Property development

# 綜合財務報表附註

Notes to the Consolidated Financial Statements

## 49. 主要附屬公司詳情(續)

### (a) 本公司的重大附屬公司(續)

## 49. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

### (a) Material subsidiaries of the Company (Continued)

間接附屬公司名稱 Name of indirect subsidiary	註冊成立地點及 日期 Place and date of incorporation	本集團 於十二月三十一日 應佔股權 Equity interest attributable to the Group at 31 December		已發行及繳足股本 Issued and fully paid share capital	經營地點 Place of operation	主要業務 Principal activities
		二零一六年 2016	二零一五年 2015			
		%	%			
佛山輝泰昌房地產開發有限公司(附註) Foshan Huitaichang Real Estate Development Co., Ltd (note)	中國 二零一六年 五月十二日 PRC 12 May 2016	100	-	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	房地產開發 Property development
鄭州輝秀企業管理諮詢有限公司(附註) Zhengzhou Huixiu Business Management Consultancy Co., Ltd (note)	中國 二零一六年 四月十五日 PRC 15 April 2016	100	-	註冊資本 人民幣100,000,000元 實繳資本 人民幣100,000,000元 Registered RMB100,000,000 paid up capital RMB100,000,000	中國 PRC	企業管理 Business management

# 根據公司的備忘錄及章程，該等公司在各自期間結束日期入賬列作本公司的附屬公司，且該等公司的主要財務及經營政策須獲董事會以簡單多數票同意。本集團在董事會中有過半董事，因此，本集團可對該等公司行使控制權。

附註：由於該等公司並無註冊任何正式英文名稱，故其英文名稱乃由本公司的管理層竭力直譯其中文名稱得來。

上表列出董事認為主要影響年內業績或構成本集團資產淨值絕大部分的本公司附屬公司。董事認為列出其他附屬公司詳情會令篇幅過份冗長。

董事認為，概無附屬公司個別地擁有對本集團屬重大的非控股權益，因此，並無就此等非全資附屬公司披露任何資料。

# These companies are accounted for as subsidiaries of the Company as at respective period end date as in accordance with the memorandum and article of the companies, major financial and operating policies of these companies require consent with simple majority in the board of directors. The Group has over a half of directors in the board, thus, the Group can exercise control over those companies.

Note: The English names of these companies represent the best effort made by management of the Company to directly translate their Chinese names as they did not register any official English names.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

In the opinion of the directors, there are no subsidiaries that have non-controlling interest individually that are material to the Group and therefore no information is disclosed for these non-wholly owned subsidiaries.

## 50. 報告期末後事項

(a) 於二零一七年一月二十四日，本公司發行面值總額達285,000,000美元有擔保定期優先票據（「二零二二年到期票據」），以年利率5.5厘的定期計息（每半年期末支付利息），並將於二零二二年一月二十三日悉數償還。

二零二二年到期票據均於聯交所上市，為本公司無抵押優先責任，由本公司若干並非根據中國法律成立的現有附屬公司擔保。該等擔保實際從屬於各擔保方的其他有抵押承擔，惟以所抵押的資產價值為限。

(b) 於二零一七年二月二十日，本公司完成悉數贖回二零一九年到期原先票據及二零一九年到期額外票據，贖回價為104.438%另加計至（惟不包括）贖回日期的應計及未付利息。

(c) 上海市土地交易事務中心於二零一六年十二月十二日發出公示，指出本公司的全資附屬公司上海旭備申請就上海地塊相關的國有建設用地使用權進行投標，但未於投標文件所規定的時間內參加預定的投標活動，其行為屬於投標文件中有關上海地塊出讓的違約情形，因此不予以退還上海旭備已就上海地塊投標支付的保證金人民幣373,950,000元。

於二零一七年一月二十六日，本公司的間接全資附屬公司友導與寧波昌瑞投資有限公司（「昌瑞」）就其於一間本公司的間接全資附屬公司上海旭備的全部已發行股本訂立買賣協議，據此，友導同意出售，而昌瑞同意以代價人民幣1,000,000元購買旭備的全部已發行股本。旭備亦同意向友導繳還人民幣373,955,000元的股東貸款，而昌瑞則就旭備的該繳還責任提供擔保。

根據買賣協議，於友導與昌瑞買賣旭備的全部已發行股本後，旭備不再為本公司附屬公司。本次交易使本集團得以消除收回就地塊投標已付上海市土地交易事務中心的保證金的不確定因素。

於二零一七年二月十日，昌瑞悉數向本公司支付代價及股東貸款人民幣374,955,000元。因此對本集團並無重大財務影響。

## 50. EVENTS AFTER THE END OF THE REPORTING PERIOD

(a) On 24 January 2017, the Company issued guaranteed fixed rate senior notes with aggregate nominal value of US\$285,000,000 (the "2022 due Notes") which carry fixed interest of 5.5% per annum (interest payable semi-annually in arrears) and will be fully repayable by 23 January 2022.

The 2022 due Notes are listed on the Stock Exchange. They are unsecured, senior obligations of the Company and guaranteed by certain of the Company's existing subsidiaries, other than those organized under the laws of the PRC. The guarantors are effectively subordinated to the other secured obligations of each guarantor, to the extent of the value of assets serving as security.

(b) On 20 February 2017, the Company fully redeemed the 2019 due Original Notes and 2019 due Additional Notes at a redemption price equal to 104.438% of the principal amount plus accrued and unpaid interest.

(c) On 12 December 2016, the Shanghai Land Transaction Affairs Center made a public notice stating that Shanghai Xubei, a wholly owned subsidiary of the Company, applied for the tender of the land use rights of the state-owned construction land in relation to land plots in Shanghai, but did not attend the scheduled tender activity within the time stipulated under tender requirements, which constituted breach of conditions stated in the tender documents concerning transfer of the land plots in Shanghai. As such, the security deposit already paid by Shanghai Xubei of RMB373,950,000 for the tender of the land plots in Shanghai will not be returned.

On 26 January 2017, Youdao, an indirect wholly owned subsidiary of the Company, and Ningbo Changrui Investments Co., Ltd. (寧波昌瑞投資有限公司), ("Changrui"), entered into a sale and purchase agreement relating to the sale and purchase of the entire issued share capital of Shanghai Xubei, an indirect wholly owned subsidiary of the Company, pursuant to which Youdao agreed to sell and Changrui agreed to purchase, the entire issued share capital of Xubei for a consideration of RMB1,000,000. Xubei also agreed to repay the shareholder's loan for the amount of RMB373,955,000 to Youdao. Such repayment obligation of Xubei was guaranteed by Changrui.

Upon completion of the sale and purchase of the entire issued share capital of Xubei between Youdao and Changrui as pursuant to the sale and purchase agreement, Xubei ceased to be a subsidiary of the Company. The transaction enables the Group to eliminate uncertainty in recovery of the security deposit paid for the tender of land plots to Shanghai Land Transaction Affairs Center.

On 10 February 2017, the Changrui fully repaid the consideration and shareholder's loan to the Company, amounted to RMB374,955,000. Accordingly, there is no significant financial impact to the Group.

## REGISTERED OFFICES

<b>Registered Office</b>	<b>Corporate Headquarters</b>	<b>Place of Business in Hong Kong</b>
P.O. Box 309	CIFI Hongqiao International	Suites 2002–2003, 20th Floor
Ugland House	5th Floor, Block 3, Lane 288	One Pacific Place
Grand Cayman KY1-1104 Cayman Islands	Tongxie Road Changning District Shanghai, PRC	88 Queensway Hong Kong

## TRUSTEE, PRINCIPAL PAYING AND TRANSFER AGENT AND REGISTRAR

**China Construction Bank (Asia) Corporation Limited**  
28/F, CCB Tower  
3 Connaught Road Central  
Central, Hong Kong

## LEGAL ADVISORS TO THE COMPANY

*As to U.S. and HK Law*      *As to Cayman Islands and British Virgin Islands Law*      *As to PRC Law*

<b>Sidley Austin</b> 39/F, Two International Finance Centre 8 Finance Street Central, Hong Kong	<b>Maples and Calder (Hong Kong) LLP</b> 53rd Floor The Center 99 Queen's Road Central Hong Kong	<b>Commerce &amp; Finance Law Offices</b> 6F NCI Tower A12 Jianguomenwai Avenue Chaoyang District Beijing, PRC
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## LEGAL ADVISORS TO THE INITIAL PURCHASER

*As to U.S. Law*      *As to PRC Law*

<b>Davis Polk &amp; Wardwell</b> The Hong Kong Club Building 3A Chater Road Hong Kong	<b>Jingtian &amp; Gongcheng</b> 34/F, Tower 3 China Central Place, 77 Jianguo Road Beijing, PRC
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## INDEPENDENT ACCOUNTANTS

**Deloitte Touche Tohmatsu**  
35th Floor, One Pacific Place  
88 Queensway  
Hong Kong