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TIMES CHINA HOLDINGS LIMITED

時代中國控股有限公司

(於開曼群島註冊成立的有限公司)

(「本公司」，股份代號：1233)

於二零二四年到期的400,000,000美元5.55%優先票據

(「票據」，股份代號：40707)

刊發發售備忘錄

本公告根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)第37.39A條刊發。

請參閱本公告附錄日期為二零二一年五月二十七日內容有關發行票據的發售備忘錄(「發售備忘錄」)。誠如發售備忘錄所披露，票據擬定僅供專業投資者(定義見上市規則第37章)購買，並已按此基礎於聯交所上市。因此，本公司、附屬公司擔保人(定義見發售備忘錄)及合營附屬公司擔保人(如有，定義見發售備忘錄)確認票據、附屬公司擔保(定義見發售備忘錄)及合營附屬公司擔保(如有，定義見發售備忘錄)並不適合作為香港散戶投資者的投資。投資者應審慎考慮所涉風險。

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發售備忘錄不得被視為對認購或購買本公司任何證券的勸誘，且無意進行有關勸誘。不應根據發售備忘錄中所載資料作出任何投資決定。

承董事會命
時代中國控股有限公司
主席
岑釗雄

香港，二零二一年六月七日

於本公告日期，本公司執行董事為岑釗雄先生、關建輝先生、白錫洪先生、李強先生、岑兆雄先生及牛霽旻先生；以及本公司獨立非執行董事為靳慶軍先生、孫惠女士及黃偉文先生。

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE OUTSIDE THE UNITED STATES

IMPORTANT: You must read the following before continuing. The following applies to the document following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the document. In accessing the document, 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 (AS 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 DOCUMENT 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.

CONFIRMATION AND YOUR REPRESENTATION: IN ORDER TO BE ELIGIBLE TO VIEW THE ATTACHED DOCUMENT, YOU MUST COMPLY WITH THE FOLLOWING PROVISIONS. YOU HAVE BEEN SENT THE ATTACHED DOCUMENT ON THE BASIS THAT YOU HAVE CONFIRMED TO UBS AG HONG KONG BRANCH, DEUTSCHE BANK AG, SINGAPORE BRANCH, CREDIT SUISSE (HONG KONG) LIMITED, CLSA LIMITED, CHINA CITIC BANK INTERNATIONAL LIMITED, GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED, HAITONG INTERNATIONAL SECURITIES COMPANY LIMITED, BARCLAYS BANK PLC, BOCOM INTERNATIONAL SECURITIES LIMITED, CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED, DBS BANK LTD., GOLDMAN SACHS (ASIA) L.L.C. AND HEUNGKONG SECURITIES LIMITED (COLLECTIVELY THE "INITIAL PURCHASERS") THAT YOU (I) ARE OUTSIDE THE UNITED STATES AND, TO THE EXTENT YOU PURCHASE THE SECURITIES DESCRIBED IN THE ATTACHED DOCUMENT, YOU WILL BE DOING SO IN AN OFFSHORE TRANSACTION, AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S"), IN COMPLIANCE WITH REGULATION S; AND (II) CONSENT TO DELIVERY BY ELECTRONIC TRANSMISSION.

The following document is not a prospectus for the purposes of the European Union's Regulation (EU) 2017/1129.

Prohibition of sales to EEA retail investors – The securities described herein 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 (the "EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("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. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the securities described herein or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the securities described herein or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

Prohibition of sales to UK retail investors – The securities described herein are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of the 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 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.

Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the "SFA") – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 (the "CMP Regulations 2018"), we have determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) 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).

The communication of the attached document 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 who fall 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 document are only available to, and any investment or investment activity to which the attached document 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 document or any of its contents.

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时代中国
TIMES CHINA
TIMES CHINA HOLDINGS LIMITED
時代中國控股有限公司
(Incorporated in the Cayman Islands with limited liability)

US\$400,000,000
5.55% Senior Notes due 2024
Issue Price: 100%

We are offering US\$400,000,000 5.55% senior notes due 2024 (the “Notes”). The Notes will bear interest from and including June 4, 2021 at 5.55% per annum payable semi-annually in arrears on June 4 and December 4 of each year, commencing December 4, 2021. The Notes will mature on June 4, 2024.

The Notes are senior obligations of Times China Holdings Limited (the “Company”), guaranteed (the “Subsidiary Guarantees”) by our existing subsidiaries (the “Subsidiary Guarantors”) other than (1) those organized under the laws of the PRC and (2) certain other subsidiaries specified in “Description of the Notes.”

We may at our option redeem the Notes, in whole or in part, at any time and from time to time on or after June 4, 2023, at a redemption price specified in “Description of the Notes — Optional Redemption,” plus accrued and unpaid interest, if any, to (but not including) the redemption date. At any time and from time to time prior to June 4, 2023 we 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 105.55% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date. In addition, we may at our option redeem the Notes, in whole but not in part, at any time prior to June 4, 2023 at a redemption price equal to 100% of the principal amount of the Notes redeemed plus 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 (but not including) the date of repurchase.

The Notes will be (1) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; (2) at least *pari passu* in right of payment with the Existing *Pari Passu* Secured Indebtedness (as defined in the Indenture) and all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law); (3) effectively subordinated to the other secured obligations (if any, other than Permitted *Pari Passu* Secured Indebtedness (as defined in the Indenture)) 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 (other than the Collateral); and (4) effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries. In addition, applicable law may limit the enforceability of the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) and the pledge of any collateral. See “Risk Factors — Risks Relating to the Subsidiary Guarantees, the JV Subsidiary Guarantees and the Collateral.”

For a more detailed description of the Notes, see the section entitled “Description of the Notes.”

Investing in the Notes involves risks. Furthermore, investors should be aware that the Notes are guaranteed by Subsidiary Guarantors which do not currently have significant operations and certain Subsidiary Guarantees may in some cases be replaced by limited-recourse guarantees and that there are various other risks relating to the Notes, the Company and its subsidiaries, their business and their jurisdictions of operations which investors should familiarize themselves with before making an investment in the Notes. See the section entitled “Risk Factors” beginning on page 19 and particularly pages 58 for risks relating to the Subsidiary Guarantees, the JV Subsidiary Guarantees and the Collateral.

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) (“Professional Investors”) only. This document is for distribution to Professional Investors only. **Notice to Hong Kong investors:** The Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) confirm that the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) confirm that the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) are not appropriate as an investment for retail investors in Hong Kong. Investors should consider carefully the risks involved.

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 document. 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 document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the content 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 Notes are expected to be rated “B1” by Moody’s Investors Service, “B+” by Standard & Poor’s Ratings Services and “BB-” by Fitch Ratings. The rating reflect the rating agencies’ assessment of the likelihood of timely payment of the principal of and interest on the Notes. The rating does not constitute recommendations to purchase, hold or sell the Notes inasmuch as such rating does not comment as to market price or suitability for a particular investor. We cannot assure you that the ratings will remain in effect for any given period or that the rating will not be revised by such rating agencies in the future if in their judgment circumstances so warrant.

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. The Notes are being offered and sold by the Initial Purchasers (as defined in this offering memorandum) only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act (“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 certificate(s) from the NDRC dated April 13, 2021 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 10 PRC working days after the issue date of the Notes.

It is expected that delivery of the Notes will be made on or about June 4, 2021 through the book-entry facilities of Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A.

Joint Lead Managers and Joint Bookrunners

UBS	Deutsche Bank	Credit Suisse	CLSA	China CITIC Bank International	Guotai Junan International
Haitong International	Barclays	BOCOM International	China International Capital Corporation	DBS Bank Ltd.	Goldman Sachs (Asia) L.L.C.
					HeungKong Financial

The date of this offering memorandum is May 27, 2021

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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 Regulation (EU) 2017/1129.

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The communication of this 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 this 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 this offering memorandum or any of its contents.

IN CONNECTION WITH THIS OFFERING, ANY ONE OF THE INITIAL PURCHASERS APPOINTED AND ACTING IN ITS CAPACITY AS STABILIZING MANAGER, OR ANY PERSON ACTING FOR IT, MAY PURCHASE AND SELL THE NOTES IN THE OPEN MARKET. THESE TRANSACTIONS MAY, TO THE EXTENT PERMITTED BY APPLICABLE LAWS AND REGULATIONS, INCLUDE SHORT SALES, STABILIZING TRANSACTIONS AND PURCHASES TO COVER POSITIONS CREATED BY SHORT SALES. THESE ACTIVITIES MAY STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE MARKET PRICE OF THE NOTES. AS A RESULT, THE PRICE OF THE NOTES MAY BE HIGHER THAN THE PRICE THAT OTHERWISE MIGHT EXIST IN THE OPEN MARKET. IF THESE ACTIVITIES ARE COMMENCED, THEY MAY BE DISCONTINUED AT ANY TIME AND MUST IN ANY EVENT BE BROUGHT TO AN END AFTER A LIMITED TIME. THESE ACTIVITIES WILL BE UNDERTAKEN SOLELY FOR THE ACCOUNT OF THE STABILIZING MANAGER, AND NOT FOR US OR ON OUR BEHALF.

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 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.

Notwithstanding anything to the contrary contained herein, a prospective investor (and each employee, representative, or other agent of a prospective investor) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions described in this offering memorandum and all materials of any kind that are provided to the prospective investor relating to such tax treatment and tax structure. This authorization of tax disclosure is retroactively effective to the commencement of discussions with prospective investors regarding the transactions contemplated herein.

We have prepared this offering memorandum, and we are solely responsible for its contents. This offering memorandum includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), for the purpose of giving information with regard to the Company, the Subsidiary Guarantors and JV Subsidiary Guarantors (if any). The Company, the Subsidiary Guarantors and JV Subsidiary Guarantors (if any) accept full responsibility for the accuracy of the information contained in this document 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. 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 acknowledgments, representations and agreements as set forth under the section entitled “Transfer Restrictions” below.

No representation or warranty, express or implied, is made or given by UBS AG Hong Kong Branch, Deutsche Bank AG, Singapore Branch, Credit Suisse (Hong Kong) Limited, CLSA Limited, China CITIC Bank International Limited, Guotai Junan Securities (Hong Kong) Limited, Haitong International Securities Company Limited, Barclays Bank PLC, BOCOM International Securities Limited, China International Capital Corporation Hong Kong Securities Limited, DBS Bank Ltd., Goldman Sachs (Asia) L.L.C. and HeungKong Securities Limited (the “Initial Purchasers”), Citicorp International Limited (the “Trustee”), Citibank, N.A., London Branch (the “Paying Agent,” the “Transfer Agent” and the “Note Registrar” and collectively, the “Agents”) or any of their respective affiliates or advisers as to the accuracy, completeness or sufficiency of the information set forth herein, and nothing contained in this offering memorandum is, or should be relied upon as, a promise, representation or warranty, whether as to the past or the future. None of the Initial Purchasers, the Trustee or the Agents has independently verified any of the information contained in this offering memorandum or can give any assurance that this information is accurate, truthful or complete.

Each person receiving this offering memorandum acknowledges that: (i) such person has been afforded an opportunity to request from us and to review, and has received, all additional information considered by it to be necessary to verify the accuracy of, or to supplement, the information contained herein; (ii) such person has not relied on the Initial Purchasers, the Trustee, the Agents or any person affiliated with the Initial Purchasers, the Trustee or the Agents, 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 (if any) (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 Purchasers, 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 Purchasers are not, making an offer to sell the securities, including 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 the securities, including the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any), may in certain jurisdictions be restricted by law. Persons into whose possession this offering memorandum comes are required by us and the Initial Purchasers to inform themselves about and to observe any such restrictions. For a description of the restrictions on offers, sales and resales of the 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 advisers for legal, business, tax and other advice regarding an investment in the Notes.

We reserve the right to withdraw the offering of Notes at any time, and the Initial Purchasers reserve the right to reject any commitment to purchase 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 Purchasers and certain related entities may acquire for their own account a portion of the Notes.

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 Times China Holdings Limited itself, or to Times China Holdings Limited and its consolidated subsidiaries, as the context requires.

Market data, industry forecast 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 Purchasers or our or their respective directors and advisers, and neither we, the Initial Purchasers nor our or their respective directors and advisers 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 “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.”); 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”); and all references to “RMB” or “Renminbi” are to the Renminbi, the official currency of the People’s Republic of China (“China” or the “PRC”).

We record and publish our financial statements in Renminbi. Unless otherwise stated in this offering memorandum, all translations from Renminbi amounts to U.S. dollar amounts were made at the rate of RMB6.5250 to US\$1.00, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on December 31, 2020, and all translations from H.K. dollars into U.S. dollars were made at the rate of HK\$7.7534 to US\$1.00, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on December 31, 2020. 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. All amounts converted into U.S. dollars contained in this offering memorandum are unaudited and for reference purposes only. 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 other jurisdictions. Unless the context otherwise requires, references to “2018”, “2019” and “2020” in this offering memorandum are to our financial years ended December 31, 2018, 2019 and 2020, respectively.

Reference to “April 2017 Notes” are to our 5.75% Senior Notes due 2022 issued on April 26, 2017 in the aggregate principal amount of US\$225 million.

Reference to “April 2021 Notes” are to our 5.3% Senior Notes due 2022 issued on April 22, 2021 in the aggregate principal amount of US\$200 million.

References to “Asiaciti Enterprises” are to Asiaciti Enterprises Ltd. (豐亞企業有限公司), a company incorporated in the BVI with limited liability on November 8, 2007, 60% equity interest of which is owned by Renowned Brand and 40% by East Profit.

References to “average selling price” or “ASP” are to the average selling price on a gross basis, unless otherwise stated.

References to “BVI” are to the British Virgin Islands.

References to “CAGR” are to the compound annual growth rate.

References to “commercial property(ies)” are to the property(ies) designated for commercial use.

References to “commodity property(ies)” are to the residential properties, commercial properties and other properties that are developed by real estate developers for the purposes of sale or lease after their completion.

References to “completion certificate” are to the construction works completion inspection certificate (房屋建築工程竣工驗收備案表) issued by local urban construction bureaus or equivalent authorities in China with respect to the completion of property projects subsequent to their on-site examination and inspection.

References to “construction land planning permit” are to the 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 with respect to planning of construction land.

References to “construction works commencement permit” are to the construction works commencement permit (建築工程施工許可證) issued by local construction bureaus or equivalent authorities in China with respect to commencement of construction works.

References to “construction works planning permit” are to the construction works planning permit (建設工程規劃許可證) issued by local urban zoning and planning bureaus or equivalent authorities in China with respect to planning of construction works.

References to “Convertible Bonds” are to the HK\$388 million 8.00% convertible bonds due 2019 issued by the Company on July 25, 2014, with part of the Convertible Bonds in the principal amount of HK\$65 million converted to ordinary shares of the Company on May 19, 2017 and the remaining Convertible Bonds in the principal amount of HK\$323 million converted to ordinary shares of the Company on August 24, 2017.

References to “Corporate Bonds” are to (i) domestic corporate bonds issued by Times Group on July 10, 2015 in an aggregate principal amount of RMB2.0 billion (US\$0.3 billion) with a tenor of five years, at a coupon rate of 6.75% per annum and are listed on the Shanghai Stock Exchange (the “July 2015 Corporate Bonds”), (ii) non-public domestic corporate bonds issued by Times Group on October 26, 2015 in an aggregate principal amount of RMB3.0 billion (US\$0.4 billion) with a tenor of three years, at a coupon rate of 7.85% per annum and are listed on the Shanghai Stock Exchange (the “October 2015 Corporate Bonds”), (iii) non-public domestic corporate bonds issued by Times Group on January 18, 2016 in an aggregate principal amount of RMB3.0 billion (US\$0.4 billion) with a tenor of three years, at a coupon rate of 7.88% per annum and are listed on the Shenzhen Stock Exchange (the “2016 Corporate Bonds”), (iv) non-public domestic corporate bonds issued by Times Group on September 8, 2017 in an aggregate principal amount of RMB1.6 billion (US\$0.2 billion) in two tranches with a tenor of three years and five years, at a rate of 7.75% and 8.20%,

respectively, and are listed on the Shanghai Stock Exchange (the “2017 Corporate Bonds”), (v) non-public domestic corporate bonds issued by Times Group on August 20, 2018 in an aggregate principal amount of RMB2,200 million (US\$311.4 million) with a tenor of three years, at a coupon rate of 8.4% per annum and are listed on the Shanghai Stock Exchange (the “August 2018 Corporate Bonds”), (vi) on-public domestic corporate bonds issued by Times Group on October 17, 2018 in an aggregate principal amount of RMB1,700 million (US\$240.6 million) with a tenor of three years, at a coupon rate of 8.4% per annum and are listed on the Shanghai Stock Exchange (the “October 2018 Corporate Bonds”), (vii) public domestic corporate bonds issued by Times Group on December 7, 2018 in an aggregate principal amount of RMB1,900 million (US\$268.9 million) with a tenor of five years, at a coupon rate of 8.1% per annum and are listed on the Shanghai Stock Exchange (the “December 2018 Corporate Bonds”), (viii) public domestic corporate bonds issued by Times Group on December 7, 2018 in an aggregate principal amount of RMB1,100 million (US\$155.7 million) with a tenor of three years, at a coupon rate of 7.5% per annum and are listed on the Shanghai Stock Exchange, (ix) non-public domestic corporate bonds issued by Times Group on January 24, 2019 in an aggregate principal amount of RMB1,100 million (US\$155.7 million) with a tenor of three years, at a coupon rate of 7.5% per annum and are listed on the Shanghai Stock Exchange (the “January 2019 Corporate Bonds”), (x) public domestic corporate bonds issued by Times Group on June 6, 2019 in an aggregate principal amount of RMB500 million (US\$70.8 million) with a tenor of five years, at a coupon rate of 6.8% per annum and are listed on the Shanghai Stock Exchange (the “June 2019 Corporate Bonds”); (xi) public domestic corporate bonds issued by Times Group on February 21, 2020 in an aggregate principal amount of RMB1,315.0 million (US\$186.1 million) with a tenor of seven years, at a coupon rate of 6.2% per annum and with a tenor of five years, at a coupon rate of 5.0% per annum are listed on the Shanghai Stock Exchange (the “February 2020 Corporate Bonds”); (xii) public domestic corporate bonds issued by Times Group on March 26, 2020 in an aggregate principal amount of RMB2,500.0 million (US\$353.9 million) with a tenor of seven years, at a coupon rate of 6.3% per annum and with a tenor of five years, at a coupon rate of 5.1% per annum are listed on the Shanghai Stock Exchange (the “March 2020 Corporate Bonds”) and/or (xiii) public domestic corporate bonds issued by Times Group on May 29, 2020 in an aggregate principal amount of RMB2,500.0 million (US\$353.9 million) with a tenor of five years, at a coupon rate of 5.24% per annum and are listed on the Shanghai Stock Exchange (the “May 2020 Corporate Bonds”).

References to “East Profit” are to East Profit Management Limited, a company incorporated in the BVI with limited liability on July 9, 2007 and wholly owned by Ms. Li Yiping, one of our controlling shareholders and the spouse of Mr. Shum Chiu Hung, our chairman.

References to “Emerging Urban Areas” are to the sites situated between city centers and suburban areas that we expect to become central urban areas in the near future.

References to “Existing Notes” are to the April 2017 Notes, the November 2017 Notes, the June 2018 Notes, the February 2019 Notes, the July 2019 Notes, the July 2020 Notes, the September 2020 Notes, the January 2021 Notes and the April 2021 Notes.

Reference to “February 2019 Notes” are to our 7.625% senior notes due 2022 issued on February 13, 2019 in the aggregate principal amount of US\$500 million.

References to “FIREE” are to the foreign-invested real estate enterprises.

References to “GDP” are to the gross domestic product.

References to “GFA” are to the gross floor area.

References to “Guangzhou Zhide” are to Guangzhou Times Commercial Management Co., Ltd. (廣州市時代商業管理有限公司) (formerly known as Guangzhou Zhide Commercial

Management Co., Ltd. (廣州市至德商業管理有限公司), a company established in the PRC with limited liability on May 10, 2001 and our indirect wholly owned subsidiary.

References to “Highup Holdings” are to Highup Holdings Limited, a limited liability company incorporated in the BVI, an independent third party.

References to “Investors” are to Highup Holdings, PA Asset Opportunity IX Limited, PA Capital Opportunity II Limited, Sino-Ocean Land Capital Investment Limited and Poplar Victory Limited.

References to “January 2017 Notes” are to our 6.25% Senior Notes due 2020 issued on January 23, 2017 in the aggregate principal amount of US\$375 million, which have been fully redeemed in January 2020.

Reference to “January 2018 Notes” are to our 6.25% Senior Notes due 2021 issued on January 17, 2018 in the aggregate principal amount of US\$500 million. On September 25, 2020, we completed the offer to purchase the January 2018 Notes and after cancellation of the January 2018 Notes repurchased pursuant to the offer, the aggregate principal amount of the January 2018 Notes of US\$292,167,000 remains outstanding. The January 2018 Notes have been fully redeemed in January 2021.

Reference to “January 2021 Notes” are to our 5.75% Senior Notes due 2027 issued on January 14, 2021 in the aggregate principal amount of US\$350 million.

Reference to “June 2018 Notes” are to our 7.85% Senior Notes due 2021 issued on June 4, 2018 in the aggregate principal amount of US\$450 million.

Reference to “July 2014 Notes” are to our 10.375% Senior Notes due 2017 issued on July 16, 2014 in the aggregate principal amount of RMB900 million (the “Original July 2014 Notes”) and further issued on October 14, 2014 in the aggregate principal amount of RMB600 million (the “Additional July 2014 Notes,” which were consolidated and formed a single series with the Original July 2014 Notes), which have been fully redeemed in July 2017.

Reference to “July 2019 Notes” are to our 6.75% Senior Notes due 2023 issued on July 16, 2019 in the aggregate principal amount of US\$400 million (the “Original July 2019 Notes”) and further issued on September 4, 2019 in the aggregate principal amount of US\$100 million (the “Additional July 2019 Notes,” which were consolidated and formed a single series with the Original July 2019 Notes).

References to “July 2020 Notes” are to our 6.75% Senior Notes due 2025 issued on July 8, 2020 in the aggregate principal amount of US\$300 million (the “Original July 2020 Notes”) and further issued on October 30, 2020 in the aggregate principal amount of US\$250 million (the “Additional July 2020 Notes,” which were consolidated and formed a single series with the Original July 2020 Notes).

References to “land grant contract” are to the state-owned land use right grant contract (國有土地使用權出讓合同) between a land user and the relevant PRC governmental land administrative authorities.

References to “land use right certificate” are to the state-owned land use right certificate (國有土地使用證), a certificate (or certificates, as the case may be) of the right of a party to use a parcel of land.

References to “March 2014 Notes” are to our 12.625% Senior Notes due 2019 issued on March 21 2014 (the “Original March 2014 Notes”) and May 2, 2014 (the “Additional March 2014 Notes,” which were consolidated and formed a single series with the Original March 2014 Notes) in the aggregate principal amount of US\$305 million, which have been fully redeemed in March 2017.

References to “March 2015 Notes” are to our 11.450% Senior Notes due 2020 issued on March 5, 2015 in the aggregate principal amount of US\$280 million, which have been fully redeemed in March 2018.

References to “May 2020 Notes” are to our 6.0% Senior Notes due 2021 issued on May 6, 2020 in the aggregate principal amount of US\$200 million, which have become matured and fully repaid in May 2021.

References to “Note Subscription Agreement” are to the note subscription and rights agreement dated December 28, 2007 entered into among Asiatic Enterprises, Renowned Brand, East Profit, Mr. Shum Chiu Hung, Ms. Li Yiping and us with the Investors (as contemplated under the Note Subscription Agreement in an aggregate principal amount of US\$200 million), as investors and Highup Holdings, as agent and security agent and trustee.

References to “November 2017 Notes” are to our 6.60% Senior Notes due 2023 issued on November 30, 2017 in the aggregate principal amount of US\$300 million.

References to “November 2018 Notes” are to our 10.95% Senior Notes due 2020 issued on November 27, 2018 in the aggregate principal amount of US\$300 million, which have been fully redeemed in November 2020.

References to “plot ratio” are to the ratio of the gross floor area (excluding floor area below ground) of all buildings to their site area.

References to “pre-sale permit” are to the commodity property pre-sale permit (商品房預售許可證) issued by a local housing and building administrative bureau or an equivalent authority with respect to pre-sale of the relevant properties.

References to “property ownership certificate” are to the property ownership certificate (房屋所有權證) issued by relevant PRC government authorities with respect to the ownership rights of buildings.

References to “public tender,” “auction,” or “listing-for-sale” are to the public tender, auction or listing at a land exchange administered by the local government, each of which is a competitive bidding process through which a purchaser acquires land use rights directly from the PRC government.

References to “Renowned Brand” are to Renowned Brand Investments Limited (佳名投資有限公司), a company incorporated in the BVI with limited liability on March 22, 2006 and wholly owned by Mr. Shum Chiu Hung.

References to “rentable GFA” in relation to (i) completed property projects, are to the total GFA shown in the relevant completion documents, survey documents and/or property ownership certificates for leasing purposes; and (ii) projects where we have obtained pre-sale permits, are to the leasable GFA as shown in the pre-sale permits, completion documents, survey documents and/or property ownership certificates for leasing purposes.

References to “residential property(ies)” are to the property(ies) designated for residential use.

References to “saleable GFA” in relation to (i) completed property projects, are to the total GFA shown in the relevant completion documents, survey documents and/or property ownership certificates for sale purposes; and (ii) projects where we have obtained pre-sale permits, are to the saleable GFA as shown in the pre-sale permits, completion documents, survey documents and/or property ownership certificates for sales purposes.

References to “September 2020 Notes” are to our 6.2% senior notes due 2026 issued on September 22, 2020 in the aggregate principal amount of US\$350 million (the “Original

September 2020 Notes”) and further issued on March 17, 2021 in the aggregate principal amount of US\$100 million (the “Additional September 2020 Notes”, which are consolidated and formed a single series with the Original September 2020 Notes).

References to “share” are to, unless the context indicates otherwise, an ordinary share, with a nominal value of HK\$0.10, in our share capital.

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

References to “Urban Redevelopment” are to the urban redevelopment (三舊改造), a policy reform under the Opinions on Promoting Urban Redevelopment to Advance the Conservation of Land (《關於推進“三舊”改造促進節約集約用地的若干意見》) issued by the People’s Government of Guangdong Province (廣東省人民政府) on August 25, 2009 to promote the redevelopment of “old towns” (舊城鎮), “old factories” (舊廠房) and “old villages” (舊村莊).

References to “total gross floor area” or “total GFA” are to the above-ground and underground saleable and/or leasable area contained within the external walls of any building at each floor level and the whole thickness of the external walls of the relevant project together with other non-leasable and non-saleable area. In general, this measure includes mechanical and electrical services rooms, refuse rooms, water tanks, car park, lifts, staircases, lobby and recreational facilities.

References to “Times Development Group” are to Guangzhou Times Development Enterprise Group Co., Ltd. (廣州市時代發展企業集團有限公司), a company established in the PRC with limited liability on October 11, 1999 and owned as to 90% by Ms. Guan Wanji (關婉姬), mother of Mr. Shum Chiu Hung, and as to 10% by Mr. Shum Siu Hung (岑兆雄), the younger brother of Mr. Shum Chiu Hung.

References to “Times Group” are to Guangzhou Times Holdings Group Co., Ltd. (廣州市時代控股集團有限公司), our wholly owned PRC subsidiary.

References to “Times Property Center” are to our investment property located in Yuexiu District (越秀區), Guangzhou, Guangdong Province.

References to “2017 HSBC Facility” are to our US\$ and HK\$ dual-currency transferable term loan facility entered into with The Hongkong and Shanghai Banking Corporation Limited as facility agent on July 31, 2017 in an aggregate principal amount of US\$204.0 million and HK\$248.0 million (US\$35.1 million), respectively, which has been fully repaid.

References to “2019 Hang Seng Facility” are to our US\$ and HK\$ dual-currency transferable term loan facility entered into with The Hang Seng Bank Limited as facility agent on November 8, 2019 in an aggregate principal amount of US\$128.0 million and HK\$312.0 million (US\$44.2 million), respectively.

In this offering memorandum, where information has been presented in thousands or millions 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 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 contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include statements relating to:

- 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;
- our operations and business prospects;
- 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 prospective financial information regarding our businesses;
- availability and costs of bank loans and other forms of financing;
- our dividend policy;
- projects under development or held for future development;
- the regulatory environment of our industry in general;
- the performance and future developments of the property market in China or any region in China in which we may engage in property development;
- changes in political, economic, legal and social conditions in China, including the specific policies of the PRC central and local governments affecting the regions where we operate, which affect land supply, availability and cost of financing, and pre-sale, pricing and volume of our property development projects;
- significant delay in obtaining the various permits, proper legal titles or approvals for our properties under development or held for future development;
- timely repayments by our purchasers of mortgage loans guaranteed by us;
- changes in competitive conditions and our ability to compete under these conditions;
- the performance of the obligations and undertakings of the third-party contractors under various construction, building, interior decoration, material and equipment supply and installation contracts;
- changes in currency exchange rates; and
- other factors beyond our control.

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

ENFORCEMENT OF CIVIL LIABILITIES

We are an exempted company incorporated in the Cayman Islands with limited liability, and each Subsidiary Guarantor and JV Subsidiary Guarantor (if any) is also incorporated or may be incorporated, as the case may be, outside the United States, such as the BVI and Hong Kong. The Cayman Islands, the BVI, Hong Kong and other jurisdictions have different bodies of securities laws from the United States and protections for investors may differ.

All of our assets and all of the assets of the initial Subsidiary Guarantors are, and all of the assets of any future Subsidiary Guarantors or JV Subsidiary Guarantors (if any) may be, located outside the United States. In addition, all of our directors and officers and the directors and officers of the initial Subsidiary Guarantors are, and the directors and officers of any future Subsidiary Guarantors or JV Subsidiary Guarantors (if any) may be, nationals or residents of countries other than the United States (principally of the PRC), and all or a substantial portion of such persons' assets are or may be 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, any of the initial Subsidiary Guarantors or future Subsidiary Guarantors or JV Subsidiary Guarantors (if any) or such directors and officers or to enforce against us or any of the initial Subsidiary Guarantors or future Subsidiary Guarantors or JV Subsidiary Guarantors (if any) or such directors and officers judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state thereof.

We and each of the Subsidiary Guarantors and JV Subsidiary Guarantors (if any) expect to appoint Cogency Global Inc. as our and their respective agent to receive service of process with respect to any action brought against us or any such Subsidiary Guarantor or JV Subsidiary Guarantor (if any) 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 any such Subsidiary Guarantor or JV Subsidiary Guarantor (if any) in the courts of the State of New York in the Borough of Manhattan, The City of New York under the securities laws of the State of New York.

We have been advised by our Cayman Islands legal adviser, Appleby, that any final and conclusive judgment for a definite sum (not being a sum payable in respect of taxes or other charges of a like nature nor a fine or other penalty) and/or certain non-monetary judgments rendered in any action or proceedings brought against us in a foreign court (other than certain judgments of a superior court of certain states of the Commonwealth of Australia) will be recognised as a valid judgment by the courts of the Cayman Islands without re-examination of the merits of the case. On general principles, we would expect such proceedings to be successful provided that the court which gave the judgment was competent to hear the action in accordance with private international law principles as applied in the Cayman Islands and the judgment is not contrary to public policy in the Cayman Islands, has not been obtained by fraud or in proceedings contrary to natural justice.

We have also been advised by our BVI legal adviser, Appleby, that neither the Reciprocal Enforcement of Judgments Act (1922) or the Foreign Judgments (Reciprocal Enforcement) Act (1964) applies to judgments from courts in the State of New York, and therefore any final and conclusive monetary judgment from courts in the State of New York for a definite sum against us may be the subject of enforcement proceedings in the courts of the British Virgin Islands under the common law doctrine of obligation by action on the debt evidenced by the judgment of such competent courts in the State of New York. A final opinion as to the availability of this remedy should be sought when the facts surrounding the judgment

of the State of New York court are known, but, on general principles, we would expect such proceedings to be successful provided that (a) the State of New York court had jurisdiction in the matter and we either submitted to such jurisdiction or was resident or carrying on business within such jurisdiction and was duly served with process; (b) the judgment given by the State of New York court was not in respect of penalties, taxes, fines or similar fiscal or revenue obligations; (c) the judgment was not obtained by fraud; (d) recognition or enforcement of the judgment would not be contrary to British Virgin Islands public policy; and (e) the proceedings pursuant to which judgment was obtained were not contrary to natural justice.

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 seeking summary or default judgment on the strength of the foreign judgment, provided that the foreign judgment is for debt or a 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 based on foreign penal, revenue or other public law; or
- (e) falls within Section 3(1) of the Foreign Judgment (Restriction on Recognition and Enforcement) Ordinance.

We have also been advised by our PRC legal advisers, Commerce & Finance Law Offices, that there is uncertainty as to whether the courts of China would (i) enforce judgments of U.S. courts obtained against us, our directors or officers, any Subsidiary Guarantor, any JV Subsidiary Guarantor (if any) or their respective directors or officers predicated upon the civil liability provisions of the U.S. federal or state securities laws or (ii) entertain original actions brought in China against us, our directors or officers, any Subsidiary Guarantor, any JV Subsidiary Guarantor (if any) or their respective directors or officers predicated upon the U.S. federal or state securities laws.

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

We are one of the leading property developers in the PRC, focusing on the development of mid-market to high-end residential properties. Our business comprises three areas: (i) property development, i.e., the development of residential and commercial properties for sale, (ii) urban redevelopment, i.e., the redevelopment of old towns, old factories and old villages, and (iii) property leasing, i.e., the development, leasing and sub-leasing of commercial properties owned by us or third parties. We separately listed our property management subsidiary, Times Neighborhood Holdings Limited (“Times Neighborhood”), on the main board of the Hong Kong Stock Exchange on December 19, 2019. In 2020, we were ranked 32th among the “2020 Top 100 China Real Estate Companies” (2020中國房地產百強企業) by PRC Real Estate TOP 10 Research Group (中國房地產TOP10研究組), and awarded “2020 Top 50 China Real Estate Developers” (2020中國房地產開發企業50強), “2020 Top 10 China Real Estate Development Enterprises in Comprehensive Development” (2020中國房地產開發企業綜合發展10強), 2020 Top 30 Listed Real Estate Companies (2020中國房地產上市企業30強) and Best 50 China Real Estate Listed Companies with Strongest Comprehensive Strengths (2020中國房地產上市公司綜合實力50強) by Shanghai E-House Real Estate Research Institute (上海易居房地產研究院) and China Real Estate Survey and Evaluation Center (中國房地產測評中心), and 2020 Top 100 Outstanding Real Estate Enterprises in China (2020中國房地產卓越100榜) by Guandian.cn. In 2019, we were awarded “2019 Top 100 China Real Estate Companies” (2019中國房地產百強企業) by PRC Real Estate TOP 10 Research Group (中國房地產TOP10研究組), “2019 Top 50 China Real Estate Developers” (2019中國房地產開發企業50強) and “2019 Top 10 China Real Estate Development Enterprises in Comprehensive Development” (2019中國房地產開發企業綜合發展10強) by Shanghai E-House Real Estate Research Institute (上海易居房地產研究院) and China Real Estate Survey and Evaluation Center (中國房地產測評中心) and 2019 Top 100 Outstanding Real Estate Enterprises in China (2019中國房地產卓越100榜) by Guandian.cn. In 2018, we were awarded “2018 China Top 100 Real Estate Enterprises” (2018中國房地產百強企業) by PRC Real Estate TOP 10 Research Group (中國房地產TOP10研究組), “2018 Best 50 of China Real Estate Developers” (2018中國房地產開發企業50強) and “2018 Best 10 of Development of China Real Estate Developers” (2018中國房地產開發企業綜合發展10強) by Shanghai E-House Real Estate Research Institute (上海易居房地產研究院) and China Real Estate Survey and Evaluation Center (中國房地產測評中心) and 2018 Best 100 of China Real Estate Enterprises (2018中國房地產卓越100榜) by Guandian.cn. In 2017, we were awarded “2017 Top 100 China Real Estate Enterprises” (2017中國房地產百強企業) by PRC Real Estate TOP 10 Research Group (中國房地產TOP10研究組), “2017 Top 50 China Real Estate Developers” (2017中國房地產開發企業50強) by Enterprises Development Research Center of the State Council (國務院發展研究中心), “Top 100 China Service Private Enterprises”(中國民營企業服務業100強) by All China Federation of Industry and Commerce (中華全國工商業聯合會) and “Top 500 China Private Enterprises” (中國民營企業500強) by All China Federation of Industry and Commerce (中華全國工商業聯合會). We believe our success is attributable to our market positioning, our well-recognized “Times China” (時代中國) (previously known as “Times Property” (時代地產)) brand image and our property developments with modern designs.

Property development — We define ourselves as a “life stylist” (生活藝術家), with a vision of introducing contemporary and artistic lifestyles to increasingly affluent middle- to high-income households that have relatively high disposable income and strong purchasing power. To meet the anticipated needs and preferences of our target customers during their progression through different stages of their professional careers and lives, we offer three series of residential property developments, namely the “Growth Series” (成長型), the “Blossom Series” (成熟型) and the “Prosperity Series” (成功型). Our series contain modern and artistic themes designed by reputable architecture and design firms, such as AECOM Technology Corporation, Guangzhou Hanhua Architects and Engineers Co., Ltd. (廣州瀚華建築設計有限公司), Shenzhen Huasen Architecture and Engineering Designing Consultants Company Ltd. (深圳華森建築與工程設計顧問有限公司), and SCDA Architects. Substantially all of our residential developments are equipped with well-designed ancillary facilities, such as residents-only parks, clubhouses and swimming pools. We have introduced an art gallery within Times Deconstruction (時代玫瑰園) and we have included private theaters and art salons in some of our property developments to enhance the artistic experience for our customers. To increase our operating efficiency and enhance our cost and quality control, we have standardized and replicated certain themes that we believe to be the most popular among our product offerings. We have also developed commercial properties within our residential property developments so that retail shops and other entertainment facilities are made available to our residential neighborhoods.

Urban redevelopment — We actively follow the “Urban Redevelopment” (三舊改造) policies to redevelop and reform old towns, old factories and old villages. Upon the completion of the urban redevelopment projects, the local governments typically organize auctions and public listing-for-sale process to sell the underlying land parcels. If the underlying land parcels are sold to independent third parties, we receive certain compensation from the local governments. Urban redevelopment business, which enjoys favorable policies, has brought us and we believe will continue to bring us further opportunities for land acquisitions and business growth. In 2018, 2019 and 2020, we derived income from urban redevelopment business in an amount of RMB2,775.6 million, RMB2,167.6 million and RMB5,453.3 million (US\$835.7 million), respectively. As of December 31, 2020, we had over 160 urban redevelopment projects.

Property leasing — We seek to sell the commercial properties within our residential developments as soon as practicable. In 2018, 2019 and 2020, we rented out a small portion of the commercial properties within our residential developments which had not yet been sold. In addition, we occupied certain premises in Times Property Center for our corporate headquarters, with the remaining premises being leased to third parties. Leveraging our experience in leasing and managing our properties, we also engage in the sub-leasing of commercial properties owned by third parties.

Leveraging our strong presence in Guangdong Province, we expanded into neighboring Hunan Province in 2011. We typically select sites located in Emerging Urban Areas. As of December 31, 2020, we had a total of 138 residential property projects at various stages of development, 128 of which were located in Guangdong Province (comprising 32 in Guangzhou, 15 in Zhuhai, 30 in Foshan, 14 in Qingyuan, 8 in Zhongshan, 4 in Huizhou, 11 in Dongguan, 7 in Jiangmen, 4 in Zhaoqing and 1 in each of Shantou, Shanwei and Heyuan), 5 of which were located in Changsha, Hunan Province, 2 of which were located in Chengdu, Sichuan Province, 1 of which was located in Wuhan, Hubei Province and 2 of which was located in Hangzhou area, Zhejiang Province. As of December 31, 2020, these 138 projects had an aggregate site area of approximately 11,333,473 sq.m. and an aggregate GFA of approximately 21,585,729 sq.m., of which approximately 3,179,369 sq.m. of the GFA was completed, approximately 12,414,031 sq.m. of the GFA was under development and approximately 5,992,329 sq.m. of the GFA was held for future development. Our business strategy is to focus on residential project development. Except for certain premises in Times Property Center that are leased to third parties, the property projects we develop are mainly for sale.

In order to maximize investment returns, improve cash flow and obtain sustainable growth, we strive to shorten our project development cycle. We believe this efficient project development practice is crucial to the success of our business operations. In support of this model, we develop our properties through standardized procedures and by creating standardized residential units for each development theme, while catering to the unique consumer preferences of each market.

Our Strengths

We believe our primary competitive strengths are:

- we are one of the leading property developers in Guangdong Province, one of the most economically prosperous regions in China, with our well-recognized “Times China” (時代中國) (previously known as “Times Property” (時代地產)) brand;
- we have a diversified product portfolio of quality developments that differentiates our projects from those of our competitors;
- we have acquired land reserves to support our operation in the next three to five years;
- we have standardized operating procedures that enable us to develop strong execution capabilities and utilize resources efficiently;
- we have a specialized and experienced sales and marketing team with strong marketing capabilities; and
- we have a stable and committed management team with strong credentials and extensive experience in the PRC real estate industry.

Our Strategies

We aim to continue to grow our businesses and have developed the following business strategies to pursue our growth objectives:

- strengthen our leadership position in cities in Guangdong Province and expand our presence in Hunan Province and expand into other cities in Guangdong Province with high growth potential;
- continue to enhance our well-recognized “Times China” (時代中國) (previously known as “Times Property” (時代地產)) brand, innovate and improve our project designs, and increase the value of our quality developments;
- increase our land reserves in areas with high growth potential at a competitive cost;
- capitalize on our standardized operating procedures to achieve healthy growth and operational expansion; and
- attract, retain and develop a talented workforce through continual training and attractive remuneration packages.

Recent Developments

Land Acquisition

Subsequent to December 31, 2020, we entered into certain framework agreements or formal agreements in relation to the acquisition of three parcels of land. The following table sets forth certain information concerning such land parcels:

<u>Date of agreement/ Time of acquisition</u>	<u>Location</u>	<u>Attributable interest</u>	<u>Site area</u>	<u>Consideration</u>	<u>Type</u>
			(sq.m.)	(RMB in millions)	
January 2021	Changsha	51%	121,666	1,208	Residential and Commercial
February 2021	Nanjing	55%	32,844	1,640	Residential and Commercial
April 2021	Dongguan	30%	104,561	2,031	Residential and Commercial

The Recent Coronavirus Epidemic Outbreak

The COVID-19 pandemic which began at the end of 2019 has affected millions of individuals and adversely impacted national economies worldwide, including China. Several cities in China have been under a lockdown and have imposed travel restrictions in an effort to curb the spread of the highly infectious novel coronavirus. The coronavirus outbreak poses potential risks to our business operation and financial condition. In 2020, our results of operations and contracted sales were affected due to the impact of COVID-19. See “Risk Factors — Risks Relating to the PRC — Natural disasters, acts of war, occurrence of epidemics, and other disasters could affect our business and the national and regional economies in the PRC.”

Issuance of January 2021 Notes

On January 14, 2021, we issued the January 2021 Notes. For details, see “Description of Other Material Indebtedness.”

Issuance of Additional September 2020 Notes

On March 17, 2021, we issued the Additional September 2020 Notes. For details, see “Description of Other Material Indebtedness.”

Issuance of April 2021 Notes

On April 22, 2021, we issued the April 2021 Notes. For details, see “Description of Other Material Indebtedness.”

General Information

We were incorporated in the Cayman Islands as an exempted company with limited liability on November 14, 2007. Our shares have been listed on the Hong Kong Stock Exchange since December 11, 2013. Our place of business in Hong Kong is at Suites 3905-3908, 39/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong. Our registered office is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. Our website is <http://www.timesgroup.cn>. Information contained on our website does not constitute part of this offering memorandum.

THE OFFERING

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

Issuer	Times China Holdings Limited (the “Company”).
Notes Offered	US\$400,000,000 aggregate principal amount of 5.55% Senior Notes due 2024 (the “Notes”).
Offering Price	100% of the principal amount of the Notes.
Maturity Date	June 4, 2024.
Interest	The Notes will bear interest from and including June 4, 2021 at the rate of 5.55% per annum, payable semi-annually in arrears.
Interest Payment Dates	June 4 and December 4 of each year, commencing December 4, 2021.
Ranking of the Notes	The Notes are: <ul style="list-style-type: none">• 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 <i>pari passu</i> in right of payment with the Existing Pari Passu Secured Indebtedness 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 under the captions “Description of the Notes — The Subsidiary Guarantees and the JV Subsidiary Guarantees” and “Risk Factors — Risks Relating to the Subsidiary Guarantees, the JV Subsidiary Guarantees and the Collateral;”• effectively subordinated to the secured obligations (if any, other than Permitted Pari Passu Secured Indebtedness) of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor (other than the Collateral); and

- effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

As a result of the pledge of the Collateral (as described below) by the Company and the Subsidiary Guarantor Pledgors and subject to certain limitations described under “Risk Factors — Risks Relating to the Subsidiary Guarantees, the JV Subsidiary Guarantees and the Collateral” and “Description of the Notes — Security,” the Notes will:

- be entitled to a first ranking security interest on the Collateral (subject to any Permitted Liens) shared on a *pari passu* basis pursuant to the Intercreditor Agreement with holders of the Existing Pari Passu Secured Indebtedness and holders of Permitted Pari Passu Secured Indebtedness; and
- rank effectively senior in right of payment to unsecured obligations of the Company and the Subsidiary Guarantor Pledgors with respect to the value of the Collateral pledged by the Company and the Subsidiary Guarantor Pledgors securing the Notes (subject to any priority rights of such unsecured obligations pursuant to applicable law).

Subsidiary Guarantees Each of the Subsidiary Guarantors 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.

A Subsidiary Guarantee may be released in certain circumstances. See “Description of the Notes — Release of the Subsidiary Guarantees and JV Subsidiary Guarantees.”

The initial Subsidiary Guarantors will consist of all of the Restricted Subsidiaries other than those Restricted Subsidiaries organized under the laws of the PRC and the Initial Other Non-Guarantor Subsidiaries.

All of the initial Subsidiary Guarantors are holding companies that do not have significant operations. See “Risk Factors — Risks Relating to the Subsidiary Guarantees, the JV Subsidiary Guarantees and the Collateral — Our initial Subsidiary Guarantors do not currently have significant operations and certain Subsidiary Guarantees may in some cases be replaced by limited-recourse guarantees.”

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 Restricted Subsidiary organized under laws outside the PRC not provide a Subsidiary Guarantee or a JV Subsidiary Guarantee at the time such entity becomes a Restricted Subsidiary; provided that, after taking into account the consolidated assets of such Restricted Subsidiary, the Consolidated Assets of all Restricted Subsidiaries organized under laws outside the PRC (other than Exempted Subsidiaries and Listed Subsidiaries) that are neither Subsidiary Guarantors nor JV Subsidiary Guarantors do not account for more than 25.0% of the Total Assets of the Company.

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 (other than the Collateral) 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;
- ranks at least *pari passu* with the subsidiary guarantee of such Subsidiary Guarantor for the Existing *Pari Passu* Secured Indebtedness 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); and
- is effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

In addition, subject to the limitations described in “Risk Factors — Risks Relating to the Subsidiary Guarantees, the JV Subsidiary Guarantees and the Collateral,” the Subsidiary Guarantee of each Subsidiary Guarantor Pledgor:

- will be entitled to a first ranking security interest in the Collateral (subject to any Permitted Liens) pledged by such Subsidiary Guarantor Pledgor shared on a *pari passu* basis pursuant to the Intercreditor Agreement with holders of the Existing Pari Passu Secured Indebtedness and holders of Permitted Pari Passu Secured Indebtedness, as described below under the caption “— Security”; and
- will rank effectively senior in right of payment to the unsecured obligations of such Subsidiary Guarantor Pledgor with respect to the value of the Collateral securing such Subsidiary Guarantee (subject to any priority rights of such unsecured obligations pursuant to applicable law).

On the Original Issue Date, each of the Existing Unrestricted Subsidiaries, including Pavilion Creation Limited (創軒有限公司), Eminent Will Limited (志卓有限公司), Best Adventure Limited (縉峰有限公司), 佛岡時代永盛企業管理有限公司 and 佛岡中意置業有限責任公司, and each of their respective Subsidiaries (whether now or in the future), shall be an Unrestricted Subsidiary. Any future Subsidiary of any Existing Unrestricted Subsidiary shall also be an Unrestricted Subsidiary. The Company’s Unrestricted Subsidiaries do not Guarantee the Notes.

JV Subsidiary Guarantees . . . (x) In the case of a Restricted Subsidiary that is, or is proposed by the Company or any of its Restricted Subsidiaries to be, established after the Original Issue Date in any jurisdiction other than the PRC in respect of which the Company or any of its Restricted Subsidiaries is proposing to sell, whether through the sale of existing Capital Stock or the issuance of new Capital Stock, no less than 20% of the Capital Stock of such Restricted Subsidiary or (y) in the case of any other entity, in respect of which the Company or any of its Restricted Subsidiaries is proposing to purchase Capital Stock of and designate such entity as a Restricted Subsidiary, the Company may, in the case of (x) or (y), concurrently with or as soon as practicable after the consummation of such sale, issuance or purchase, provide a JV Subsidiary Guarantee instead of a Subsidiary Guarantee for (a) such Restricted Subsidiary and (b) the Restricted Subsidiaries of such Restricted Subsidiary that are organized in any jurisdiction other than the PRC.

No JV Subsidiary Guarantee exists as of the Original Issue Date.

The JV Subsidiary Guarantee of each JV Subsidiary Guarantor:

- will be a general obligation of such JV Subsidiary Guarantor;
- will, together with all the JV Subsidiary Guarantees provided by the Subsidiaries and shareholders of such JV Subsidiary Guarantor, in the aggregate, 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, together with all the JV Subsidiary Guarantees provided by the Subsidiaries and shareholders of such JV Subsidiary Guarantor, in the aggregate, 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, together with all the JV Subsidiary Guarantees provided by the Subsidiaries and shareholders of such JV Subsidiary Guarantor, in the aggregate, 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).

Security to be Granted

The Company and the initial Subsidiary Guarantor Pledgors have pledged in favor of the Collateral Agent the capital stock of all of the initial Subsidiary Guarantors held directly by the Company or the initial Subsidiary Guarantor Pledgors (the “Collateral”) in order to secure the obligations of the Company under the Existing Pari Passu Secured Indebtedness and of such initial Subsidiary Guarantor Pledgors under their respective subsidiary guarantees of the Existing Pari Passu Secured Indebtedness.

The Company has agreed to extend, or cause the initial Subsidiary Guarantor Pledgors to extend, as the case may be, the benefit of the security interests created over the Collateral to the Holders on the Original Issue Date in order to secure the obligations of the Company under the Notes and the Indenture and of such initial Subsidiary Guarantor Pledgor under its Subsidiary Guarantee. Upon the execution of a supplement to the Intercreditor Agreement, such security interests will be so extended.

The Collateral securing the Notes and the Subsidiary Guarantees may be released or reduced in the event of certain asset sales and certain other circumstances. In addition, the Collateral will be shared on a *pari passu* basis pursuant to the Intercreditor Agreement, as supplemented, entered into by the holders of the Existing Pari Passu Secured Indebtedness and the holders of Permitted Pari Passu Secured Indebtedness in the future (subject to conditions of completion and accession to the Intercreditor Agreement). See “Description of the Notes — Security.”

Intercreditor Agreement . . . The Company, the Subsidiary Guarantor Pledgors, the Collateral Agent, Citicorp International Limited, as trustee with respect to the March 2014 Notes and as trustee with respect to the July 2014 Notes, entered into the Intercreditor Agreement dated as of July 16, 2014 to which the Trustee will accede on the Original Issue Date, pursuant to which the parties thereto agreed that (1) the secured parties thereto and the holders of any future Permitted Pari Passu Secured Indebtedness (or their trustee, representative or agent) will share equal priority and pro rata entitlement in and to the Collateral; and (2) the conditions under which the Collateral Agent shall enforce the rights of the secured parties thereto. Citicorp International Limited, as trustee with respect to the April 2017 Notes, the November 2017 Notes, the June 2018 Notes, the February 2019 Notes, the July 2019 Notes, the July 2020 Notes, the September 2020 Notes, the January 2021 Notes and April 2021 Notes, and Hang Seng Bank Limited, as the facility agent for the 2019 Hang Seng Facility, acceded to the Intercreditor Agreement prior to the Original Issue Date. See “Description of the Notes — Security — Intercreditor Agreement.”

Use of Proceeds The Company intends to use the proceeds from this offering to refinance our mid- and long-term indebtedness which will become due and payable within a year.

The Company may adjust its foregoing plans in response to changing market conditions and, thus, reallocate the use of the proceeds. Pending application of the net proceeds of this offering, it intends to invest such net proceeds in “Temporary Cash Investments” as defined under “Description of the Notes.”

Optional Redemption On or after June 4, 2023, the Company may on any one or more occasions redeem all or any part of the Notes, at the redemption prices specified in “Description of the Notes — Optional Redemption,” plus accrued and unpaid interest, if any, on the Notes redeemed, to (but not including) the applicable date of redemption.

At any time prior to June 4, 2023, 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 redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time and from time to time prior to June 4, 2023, 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 105.55% 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.

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 the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the Offer to Purchase Payment Date.

Redemption for
Taxation Reason

Subject to certain exceptions and as more fully described herein, the Company may redeem the Notes, as a whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Company for redemption, if the Company, a Subsidiary Guarantor or a JV Subsidiary Guarantor 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 The Notes, the Indenture governing the Notes and the
Subsidiary Guarantees will limit the Company’s ability and
the ability of its Restricted Subsidiaries to, among other
things:

- incur or guarantee additional indebtedness and issue disqualified or preferred 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 or merger.

These covenants are subject to a number of important qualifications and exceptions described in “Description of the Notes — Certain Covenants.”

Transfer Restrictions The Notes will not be registered under the 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 of principal amount and integral multiples of US\$1,000 in excess thereof and will be initially represented by one or more global notes registered in the name of a nominee of a common depositary for Euroclear and Clearstream.

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 on or about June 4, 2021, which the Company expects will be the fifth business day following the date of this offering memorandum referred to as “T+5.” You should note that initial trading of the Notes may be affected by the T+5 settlement. See “Plan of Distribution.”	
Paying Agent, Transfer Agent and Note Registrar	Citibank, N.A., London Branch.	
Trustee and Collateral Agent	Citicorp International Limited.	
Rating	The Notes are expected to be rated “B1” by Moody’s Investors Service, “B+” by Standard & Poor’s Ratings Services and “BB-” by Fitch Ratings. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.	
Listing	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 as described in this offering memorandum.	
Security Codes	ISIN	Common Code
	XS2348280962	234828096
Governing Law	The Notes and the Indenture will be governed by and construed in accordance with the laws of the State of New York. The relevant pledge documents are expected to be governed under the laws of the jurisdiction in which the relevant Subsidiary Guarantor is incorporated.	
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 income statement data for the years ended December 31, 2018, 2019 and 2020 and the summary consolidated statements of financial position as of December 31, 2018, 2019 and 2020 set forth below (except for EBITDA data) have been derived from our audited consolidated financial statements for such periods and as of such dates, as audited by Ernst & Young, our independent certified public accountants, and included elsewhere in this offering memorandum. 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 Income Statement and Other Financial Data

	Year ended December 31,			
	2018	2019	2020	
	(RMB)	(RMB)	(RMB)	(US\$)
	(in thousands)			
Revenue	34,375,010	42,433,383	38,576,694	5,912,137
Cost of sales	(23,754,162)	(29,997,746)	(27,474,248)	(4,210,613)
Gross profit	10,620,848	12,435,637	11,102,446	1,701,524
Other income and gains	1,030,565	1,033,777	1,935,114	296,568
Selling and marketing costs	(835,642)	(1,212,434)	(1,119,973)	(171,643)
Administrative expenses	(1,111,916)	(1,554,296)	(1,574,063)	(241,236)
Other expenses	(367,480)	(561,624)	(484,936)	(74,320)
Finance costs	(667,219)	(1,010,850)	(1,181,169)	(181,022)
Share of profits and losses of associates and joint ventures	(330,531)	1,208,769	445,059	68,208
Profit before tax	8,338,625	10,338,979	9,122,478	1,398,079
Income tax expense	(3,527,482)	(4,778,518)	(3,756,468)	(575,704)
Profit for the year	<u>4,811,143</u>	<u>5,560,461</u>	<u>5,366,010</u>	<u>822,375</u>
Attributable to:				
Owners of the Company	4,399,190	5,212,623	4,941,190	757,268
Non-controlling interests	411,953	347,838	424,820	65,107
	<u>4,811,143</u>	<u>5,560,461</u>	<u>5,366,010</u>	<u>822,375</u>
Other Financial Data (unaudited):				
EBITDA ⁽¹⁾	12,131,799	14,734,443	12,129,662	1,858,952
EBITDA margin ⁽²⁾	35.3%	34.7%	31.4%	31.4%

Notes:

- (1) EBITDA for any period consists of earnings before fair value gains or losses on the investment properties and certain other special gains or expenses, plus depreciation of property, plant and equipment, capitalized interest under cost of sales, income tax expense and finance costs. 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 Operations — Non-GAAP Financial Measures" for a reconciliation of our operating profit for the year under IFRS to our definition of EBITDA. Investors should also note that EBITDA as presented herein may be calculated differently from Consolidated EBITDA as defined and used in the Indenture governing the Notes. Interest expense excludes amounts capitalized. See the section entitled "Description of the Notes — Definitions" for a description of the manner in which Consolidated EBITDA is defined for purposes of the Indenture governing the Notes.
- (2) EBITDA margin is calculated by dividing EBITDA by revenue.

Summary Consolidated Statements of Financial Position

	As of December 31,			
	2018	2019	2020	
	(RMB)	(RMB)	(RMB)	(US\$)
	(in thousands)			
Non-current assets				
Property, plant and equipment	1,549,786	1,096,102	1,177,999	180,536
Inventories of properties	1,476,969	1,518,010	1,354,246	207,547
Right-of-use assets	–	138,186	85,523	13,107
Investment properties	1,336,299	3,489,209	7,007,400	1,073,931
Other intangible assets	152,605	142,927	165,949	25,433
Goodwill	441,850	88,526	78,318	12,003
Interests in joint ventures	4,668,550	7,587,048	9,383,838	1,438,136
Interests in associates	488,602	2,520,090	2,782,440	426,428
Available-for-sale investments	–	–	–	–
Equity instruments at fair value through other comprehensive income	424,828	434,207	410,952	62,981
Deferred tax assets	1,092,131	1,678,601	1,924,839	294,994
Prepayments, deposits and other receivables	1,481,000	1,148,838	1,067,739	163,638
Total non-current assets	<u>13,112,620</u>	<u>19,841,744</u>	<u>25,439,243</u>	<u>3,898,734</u>
Current assets				
Inventories of properties	50,677,350	61,460,980	79,079,315	12,119,435
Trade receivables	4,889,684	6,101,701	6,371,029	976,403
Contract assets	–	210,434	457,090	70,052
Contract cost	216,567	619,341	724,086	110,971
Prepayments, deposits and other receivables	25,169,513	31,830,195	30,733,096	4,710,053
Financial asset at fair value through profit or loss	220,500	–	–	–
Amounts due from joint ventures	5,017,516	8,423,080	7,532,760	1,154,446
Amounts due from associates	1,094,766	1,874,858	1,080,588	165,607
Tax prepayments	1,227,953	1,456,341	2,125,583	325,760
Restricted bank deposits	4,051,526	3,404,545	4,427,850	678,598
Cash and cash equivalents	23,374,181	25,874,865	33,531,747	5,138,965
Total current assets	<u>115,939,556</u>	<u>141,256,340</u>	<u>166,063,144</u>	<u>25,450,290</u>
Total assets	<u>129,052,176</u>	<u>161,098,084</u>	<u>191,502,387</u>	<u>29,349,024</u>

	As of December 31,			
	2018	2019	2020	
	(RMB)	(RMB)	(RMB)	(US\$)
	(in thousands)			
Current liabilities				
Trade and bills payables	8,520,818	14,470,947	20,608,415	3,158,378
Other payables and accruals	11,749,129	21,337,585	23,300,554	3,570,964
Contract liabilities	19,028,629	21,579,362	24,203,207	3,709,304
Amounts due to joint ventures	3,417,681	4,950,359	10,853,290	1,663,339
Amounts due to associates	–	–	638,847	97,908
Interest-bearing bank loans and other borrowings and interest payable	7,311,784	18,597,713	19,030,214	2,916,508
Lease liabilities	–	51,959	115,881	17,760
Tax payable	4,557,264	7,014,368	9,358,981	1,434,327
Total current liabilities	54,585,305	88,002,293	108,109,389	16,568,488
Net current assets	61,354,251	53,254,047	57,953,755	8,881,802
Total assets less current liabilities	74,466,871	73,095,791	83,392,998	12,780,536
Non-current liabilities				
Interest-bearing bank loans and other borrowings	40,319,161	34,663,066	43,439,917	6,657,459
Derivative financial instruments	–	–	57,405	8,798
Other long-term payables	162,603	134,934	58,581	8,978
Lease liabilities	–	1,174,471	2,210,090	338,711
Deferred tax liabilities	1,688,915	1,418,965	1,743,591	267,217
Total non-current liabilities	42,170,679	37,391,436	47,509,584	7,281,163
Total liabilities	96,755,984	125,393,729	155,618,973	23,849,651
Net assets	32,296,192	35,704,355	35,883,414	5,499,373
Equity				
Equity attributable to owners of the Company				
Share capital	145,260	154,528	154,528	23,682
Reserves	16,806,843	18,932,706	18,623,208	2,854,131
	16,952,103	19,087,234	18,777,736	2,877,813
Non-controlling interests	15,344,089	16,617,121	17,105,678	2,621,560
Total equity	32,296,192	35,704,355	35,883,414	5,499,373
Total equity and liabilities	129,052,176	161,098,084	191,502,387	29,349,024

RISK FACTORS

You should carefully consider the risks 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 BUSINESSES

Our business is heavily dependent on the growth of the real estate market in the PRC and, in particular, in Guangdong and Hunan Provinces

We are one of the leading property developers in the PRC and we are heavily dependent on the growth of the real estate market in the PRC and, in particular, in Guangdong and Hunan Provinces. As of December 31, 2020, we had a total of 138 residential property projects at various stages of development, 128 of which were located in Guangdong Province (comprising 32 in Guangzhou, 15 in Zhuhai, 30 in Foshan, 14 in Qingyuan, eight in Zhongshan, four in Huizhou, 11 in Dongguan, seven in Jiangmen, four in Zhaoqing and one in each of Shantou, Shanwei and Heyuan), five of which were located in Changsha, Hunan Province, two of which were located in Chengdu, Sichuan Province, one of which was located in Wuhan, Hubei Province and two of which was located in Hangzhou area, Zhejiang Province. As of December 31, 2020, these 138 projects had an aggregate site area of approximately 11,333,473 sq.m. and an aggregate GFA of approximately 21,585,729 sq.m., of which approximately 3,179,369 sq.m. of the GFA was completed, approximately 12,414,031 sq.m. of the GFA was under development and approximately 5,992,329 sq.m. of the GFA was held for future development. As one of our business strategies is to strengthen our leadership position in cities in Guangdong Province where we currently operate and to expand into other cities in Guangdong Province with high growth potential and explore opportunities to diversify our product portfolio, any adverse movements in the supply of, or demand for, properties in Guangdong and Hunan Provinces in particular, or in prices paid for such properties, may have a material adverse effect on our business, results of operations and financial position. These property markets may be affected by local, regional, national and global factors, including economic and financial conditions, speculative activities in local markets, the demand for and supply of properties, the availability of alternative investment choices for property buyers, inflation, government policies, interest rates and the availability of capital.

Demand for properties and property prices in China, including Guangdong and Hunan Provinces, have fluctuated significantly in recent years, and is expected to continue to be affected by macro-economic control measures implemented by the PRC government from time to time. Given loosening credit policies, downward adjustments to the down payments of the property prices and the reduction in stamp duty rates in the cities without home purchase restrictions, the property market continued to heat up in 2017. Property prices went up along with the sales volume of the properties.

In addition, future demand for different types of residential or commercial properties in Guangdong and Hunan Provinces and the rest of the PRC is uncertain. If we do not respond to changes in market conditions or customer preferences in a timely manner, our business, results of operations and financial position may be materially and adversely affected.

Our business is subject to extensive governmental regulations and policies and, in particular, we are susceptible to policy changes in the PRC property industry

Our business is subject to extensive governmental regulations and policies. As with other PRC property developers, we must comply with various requirements mandated by PRC

laws and regulations, including the policies and procedures established by local authorities designed to implement such laws and regulations. In particular, the PRC government exerts considerable direct and indirect influence on the development of the PRC property sector by imposing industry policies and other economic measures, which, among other things, control foreign exchange, property financing, taxation, foreign investment and the supply of land for property development. Through these policies and measures, the PRC government may raise the benchmark interest rates of commercial banks, place additional limitations on the ability of commercial banks to make loans to property developers and property purchasers, impose additional taxes and levies on property sales, restrict foreign investment in the PRC property sector and restrict or reduce the supply of land for property development.

The PRC government has implemented a series of regulations and policies to ensure the healthy growth of the property market and to slow down the increase in property prices, as well as to dampen property speculation. See the section entitled “Regulation — Land Grants.” More recently, there were reports that the PRC government may start to restrict financing available to property developers by reference to their leverage ratios such as gearing ratio. These policies may limit our ability to obtain financing, acquire land for future developments, sell our properties at a profit or generate sufficient operating cash flow from contracted sales.

In addition, since the second half of 2016, the local government in certain cities in the PRC, including Guangzhou, Foshan, Zhuhai and Dongguan, have announced certain tightening measures designed to stabilize the growth of the property market to a more sustainable level. Examples of tightening measures adopted in these cities include, but are not limited to, the following:

- (1) limiting the number of residential homes that households with local permanent resident status (戶口) are able to purchase;
- (2) limiting the purchase of residential homes by households without local permanent resident status and in some cases, adding eligibility requirements for these households, such as proof of income tax payment or social security contributions of the required threshold;
- (3) increasing the down-payment ratio requirement (or in certain cases, disallowing mortgage), depending on the number of residential houses the buyers already own; for example, second-home buyer’s down-payment ratio was raised to 40% in Zhuhai and 70% in Guangzhou;
- (4) implementing stricter pre-sale management, such as not allowing developers to sell the projects before getting the pre-sale permit, and ensuring developers closely follow the rules during the pre-sale process; and
- (5) tightening the requirement for land bidding deposit.

On December 31, 2020, PBOC and CBRC jointly promulgated the Notice on Establishing a Centralization Management System for Real Estate Loans of Banking Financial Institutions (《關於建立銀行業金融機構房地產貸款集中度管理制度的通知》), which requires a PRC financial institution (excluding its overseas branches) to limit the amount of real estate loans and personal housing mortgage loans it lends to a proportion calculated based on the total amount of RMB loans extended by such financial institution. A relevant financial institution will have a transition period of two years or four years to comply with the requirements depending on whether such financial institution exceeded 2% of the legal proportion based on the statistical data relating to such financial institution as of December 31, 2020. Under the notice, PBOC and CBRC will have the authority to take measures such as, among other things, imposing additional capital requirements on and reallocating the weight

adjustments relating to the risk of real estate assets for financial institutions that fail to rectify the proportion requirements within a certain period.

Other political, economic and social factors may lead to further adjustments of such policies. All these factors will have a material and adverse effect on our business, results of operations and financial position, as well as our future business growth.

We cannot assure you that the PRC government will not adopt additional and more stringent industry policies, regulations and measures in the future. It is also impossible to ascertain the extent of the impact of these policies, regulations or measures or to accurately estimate our sales volume and turnover if such further policies, regulations and measures are introduced. If we fail to adapt our operations to new policies, regulations and measures that may come into effect from time to time with respect to the real estate industry in the PRC, or such policy changes disrupt or hinder our business or cause us to incur additional costs, our business, results of operations and financial position may be materially and adversely affected.

Our profit margin varies with each property development, and we may not be able to sustain our existing profit margin or achieve our expected profit margin

We recorded gross profit margin of 30.9%, 29.3% and 28.8%, in 2018, 2019 and 2020, respectively. Factors that may affect our gross profit margin include (i) product mix, (ii) selling price and (iii) cost of development. For further details of the effect these factors may have on our gross profit margin, see the sections entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Key Factors Affecting Our Business, Results of Operations and Financial Position — Change in Product Mix,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Key Factors Affecting Our Business, Results of Operations and Financial Position — Ability to Acquire Suitable Land at Reasonable Cost” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Key Factors Affecting Our Business, Results of Operations and Financial Position — Price Volatility of Construction Materials.” In general, we target to achieve gross profit margin of approximately 25% or above. However, we cannot assure you that we will be able to maintain our historical gross profit margin or to improve our gross profit margin to our target level. If we are unable to maintain or increase our gross profit margin, our profitability may be materially and adversely affected.

We had negative net operating cash flows for the years ended December 31, 2018. If we are unable to meet our payment obligations, our business, financial condition and results of operations may be materially and adversely affected

For the years ended December 31, 2018, we recorded negative net cash flows from operating activities of RMB522.9 million. Our negative net operating cash flow was principally attributable to project development and construction, land acquisitions, long-term and capital-intensive nature of property development and our business expansion during such periods. In 2018, we funded our capital expenditure with internal resources and external financing. We cannot assure you that we will not experience negative net cash flows in the future. Negative net operating cash flows require us to obtain sufficient external financing to meet our financial needs and obligations. If we are unable to do so, we will be in default of our payment obligations and may not be able to develop our projects as planned or meet our capital expenditure requirements. As a result, our business, financial condition and results of operations may be materially and adversely affected.

We may not be able to acquire land reserves of sufficient size in desirable locations and at a commercially acceptable cost in the future

We derive our revenue principally from sales of properties that we have developed. This revenue stream depends on the completion of, and our ability to sell, our property developments. In order to maintain and grow our business in the future, we will need to replenish our land reserves with land of sufficient size in desirable locations and at commercially acceptable cost. In 2018, 2019 and 2020, we acquired land primarily through government-organized auctions and the listing-for-sale process, and by acquiring equity interests in project companies that hold land use rights and by participating in the “Urban Redevelopment” policies. Our ability to identify and acquire suitable land is subject to a number of factors that may be beyond our control. See the section entitled “Regulation — Land Grants” for information on the regulatory procedures and restrictions relating to land acquisition in the PRC.

Among our 138 projects, 32 projects were acquired via acquisition of equity interests in project companies that held the land use rights. There may be latent liabilities in these companies that we were unable to identify before we acquired them. If these latent liabilities are determined to be material, our business, results of operations and financial position may be materially and adversely affected.

In addition, we cannot assure you that the parcels of land we have acquired to date will appreciate in value, or that we will continue to be able to acquire land of sufficient size and with an appropriate scope of usage, in desirable locations and at a commercially acceptable cost, for our property projects.

The PRC government controls the supply of land in China and regulates the transfer of land use rights in the secondary market. As a result, the policies of the PRC government have a direct impact on our ability to acquire the land use rights we seek and could increase 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 may 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. Our business, results of operations and financial position may be materially and adversely affected if we are unable to obtain sites for development at prices that allow us to achieve reasonable returns upon sale to our customers.

Our operating results may fluctuate from period to period, and such fluctuations make it difficult to predict our future performance, which may vary significantly from period to period

As we derive our revenue principally from the sales of properties developed by us, our operating results may vary significantly from period to period. For the years ended December 31, 2018, 2019 and 2020, our revenue from sales of properties was RMB30,779.0 million, RMB38,630.1 million and RMB32,673.3 million (US\$5,007.4 million), respectively, which accounted for 89.5%, 91.0% and 84.7%, respectively, of our total revenue for the corresponding periods.

According to our accounting policies, our recognized revenue depends mainly on the project completion and delivery 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 and the timing of the sales of properties that we have developed.

Consequently, our operating results for any given period may not be indicative of the actual demand for our properties or the pre-sale or sales achieved during such period. Our revenue and profit during any given period generally reflect property purchase decisions made by purchasers some time earlier. As a result, our operating results are not necessarily indicative of results that may be expected for any future period.

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

For 2018, 2019 and 2020, the fair value gains of our investment properties were RMB26.5 million, RMB15.7 million and RMB18.8 million (US\$2.9 million). The change in fair value in relation to our investment properties may fluctuate in the future. Our business, financial position and results of operations may be materially and adversely affected by any significant change in the fair value of our investment properties that are completed or under development or any transfer of properties held for sale/under development to investment properties. Fair value gain of investment properties is an accounting treatment and does not represent any actual cash inflow that the Company is able to receive. It is determined by reference to valuations conducted on the investment properties by independent property valuers using property valuation techniques which involve certain assumptions of prevailing market conditions. Favorable or unfavorable changes to these assumptions may result in changes in the fair value of the investment properties, which in turn may lead to changes in our business, financial position and results of operations.

Any recurrence of the global financial crisis and economic downturn or a deterioration of our cash flow position may have a material adverse effect on our ability to service our indebtedness and continue our operations

The global capital and credit markets have in recent years experienced periods of extreme volatility and disruption. The global financial crisis in recent 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, limiting 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 position and operating results.

In addition to bank loans 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 and financial position may be materially and adversely affected.

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

Pursuant to the PRC regulations on land appreciation tax (“LAT”), all entities and individuals receiving net profits from the sale or transfer of land use rights, buildings and their attached facilities are required to pay LAT at progressive rates ranging from 30% to 60% of the appreciated value of the property. If the taxpayer constructs ordinary residential properties and the amount of appreciation does not exceed 20% of the total deductible items set forth in the tax regulation, the taxpayer is exempt from paying LAT. Sales of commercial properties are not eligible for this exemption. Pursuant to a circular issued by the State Administration of Taxation with respect to the settlement of LAT on real estate enterprises, effective on February 1, 2007, LAT obligations must be settled with the relevant tax bureau within a specified time frame after the completion of a property project.

We make sufficient provisions for the amount of applicable LAT payable in accordance with the relevant PRC laws and regulations from time to time, pending final settlement with the relevant tax authorities. Under relevant laws and regulations of the regions in which we operate, we are required to prepay a LAT amount of between 2.0% and 4.0% of the proceeds from pre-sales of our properties in areas of Guangdong Province and between 1.5% and 3.0% in areas of Hunan Province, depending on the type of property. As we often develop our projects in phases, deductible items for calculating LAT, such as land costs, are apportioned among such different phases of development. Provisions for LAT are based partly on our own apportionment of deductible expenses, which is subject to final confirmation by the relevant tax authorities upon settlement of the LAT. We believe that our overall provisions for LAT are sufficient. However, given the time gap between the point at which we make provisions for LAT, and the point at which we settle the full amount of LAT payable, the relevant tax authorities may have different interpretation to the relevant LAT provisions and may not necessarily agree with our own apportionment of deductible expenses or other bases on which we calculate LAT. Hence, our LAT expenses as recorded in our financial statements for a particular period may require subsequent adjustment.

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.

In 2018, 2019 and 2020, we recorded RMB1,327.3 million, RMB2,979.0 million and RMB1,264.4 million (US \$193.8 million), respectively, as LAT expenses. If the LAT provisions we have made are substantially lower than the actual LAT amounts assessed by the PRC government in the future, our business, results of operations and financial position will be materially and adversely affected.

We may not have sufficient cash flow or financing to fund land acquisitions or property developments, and such capital resources may not be available on commercially reasonable terms, or at all

Property development is capital intensive. We finance our land acquisitions and property developments through a combination of internally generated funds and external financing including bank loans, trust financings and funds raised from capital markets, such as our initial public offering in December 2013 and the offering of the Existing Notes, the 2019 Hang Seng Facility and the Corporate Bonds. We have a policy of using approximately 35% to 40% of the proceeds received from our property sales to fund our land premium payment. We expect to continue to incur a high level of capital expenditures for land acquisitions and construction. However, we cannot assure you that we will have sufficient funds or cash flow available or that we will be able to achieve sufficient pre-sales and sales to fund land acquisitions or property developments. In addition, we cannot assure you that we will be able to secure external financing on commercially reasonable terms or at all.

Our ability to arrange adequate financing for land acquisitions or property developments on terms that will allow us to earn reasonable returns depends on a number of factors, many of which 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 austerity of 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.

The PRC government has in recent years introduced numerous policies to manage money supply growth and credit availability, especially with respect to the property development sector, which, among other things:

- prohibit PRC commercial banks from granting loans to property developers for funding the payment of land premiums;
- restrict PRC commercial banks from granting loans for the development of luxury residential properties;
- prohibit PRC commercial banks from granting loans to a property developer to fund a project if the property developer's registered capital has not been paid in full or if the developer has failed to acquire the land use rights certificate with respect to the relevant parcel of land, or if the property developer's internal funds available for the project are less than 35% of the total estimated capital required for that project; and
- prohibit property developers from using borrowings obtained from local banks to fund property developments outside that local region.

The above measures and other similar government policy initiatives have limited our ability and flexibility in using bank loans and trust financing arrangements to finance our property developments. We cannot assure you that the PRC government will not introduce other initiatives that may further limit our access to capital resources, or that we will be able to secure adequate financing or renew our existing credit facilities prior to their expiration on commercially reasonable terms or at all.

We provide guarantees over mortgage loans given by banks to purchasers of our properties, which may negatively impact our financial position if we are required to honor the guarantees

We arrange for various domestic banks to provide mortgage loans to purchasers of our properties. According to typical guarantee contracts for mortgage loans, the banks require us to guarantee these mortgage loans. These guarantees are released upon the earlier of (i) the relevant certificates of registration of mortgage or the certificates of other interests with respect to the relevant properties being delivered to the mortgagee banks and (ii) the settlement of mortgage loans between the mortgagee banks and the purchasers of our projects. In line with industry practice, we do not conduct independent credit reviews of our customers but rely on the credit reviews conducted by the mortgagee banks. As of December 31, 2018, 2019 and 2020, our outstanding guarantees over mortgage loans of our customers amounted to RMB18,017.4 million, RMB24,026.4 million and RMB29,867.7 million (US\$4,577.4 million), respectively.

In the event of a significant depreciation in the market value of the underlying properties, the purchasers may refuse to continue paying the mortgages and the banks may require us to repurchase the underlying properties in order to discharge our obligations as guarantor. We may resell the properties but may not be able to achieve a sale price sufficient to cover the shortfall between the market value of the properties and the amounts guaranteed by us. This could have a material adverse effect on our business, results of operations and financial position. We cannot assure you that defaults will not occur in the future or that we will not suffer any loss as a result of such defaults. In addition, if a significant number of customers default on their mortgages and our guarantees are called upon, our business, results of operations and financial position could be materially and adversely affected.

We may not have maintained adequate insurance to cover our potential losses and claims

We do not maintain insurance against all risks associated with our industry. In line with industry practice, we do not maintain insurance for any destruction of, or damage to, our property developments (whether they are under development or have been completed and are pending delivery to our customers) other than with respect to those buildings in which our lending banks have security interests, for which we are required to maintain insurance coverage under the relevant loan agreements. Apart from insurance covering construction-related personal injuries of our employees, which we are required to maintain as an employer under relevant PRC laws and regulations, we do not maintain insurance covering construction-related property damage or personal injuries of third parties.

In addition, we do not maintain insurance against any liability arising from allegedly tortious acts committed on our work sites. We cannot assure you that we will not be sued or held liable for damage arising from, or in connection with, any such tortious acts. Moreover, there are certain losses for which insurance is not available on commercially practicable terms, such as those suffered due to earthquakes, typhoons, floods, wars, civil disorders and other events of force majeure. If we suffer any loss, damage or liability in the course of our business operations, we may not have sufficient funds to cover such loss, damage or liability or to replace any property development that has been destroyed. In addition, any payment we make to cover any loss, damage or liability could have a material adverse effect on our business, results of operations and financial position.

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

Pursuant to the Measures for Administration of Lease of Commodity Properties (《商品房屋租賃管理辦法》), which was promulgated by the Ministry of Construction on December 1, 2010 and became effective on February 1, 2011, registration of leases is required and a fine will be imposed on the parties to a lease for the failure to register a lease. For an entity, the fine will range from RMB1,000 to RMB10,000, and for an individual, the fine will not be more than RMB1,000 for non-registration of a lease. As of December 31, 2020, we leased 1,713 properties in the PRC from different landlords, out of which we sub-leased 1,437 properties to third parties. In total, we entered into 974 lease agreements as lessor with different tenants, out of which 974 lease agreements had yet to be registered with the relevant government authorities as of December 31, 2020.

Our business operations may be delayed or disrupted if we are not able to obtain all the necessary governmental approvals and certificates and to meet regulatory requirements

The real estate industry in the PRC is subject to extensive governmental regulations. 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 or administrative authorities at various stages of the property development, including, but not limited to, land use rights certificates, construction land planning permits, construction works planning permits, construction works commencement permits, pre-sale permits, permits to carry out property management services and various certificates or confirmations of completion and acceptance. Each approval may depend on the satisfaction of certain conditions.

As of the date of this offering memorandum, we are in the process of converting the land use for our Guangzhou Tianhe Project and Guangzhou Tiansi Project from industrial use to residential and commercial use. 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 and certificates including land use rights certificates, 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 and certificates. If we fail to obtain the relevant approvals or to fulfill the conditions of the approvals and certificates 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.

We may not be able to complete or deliver our development projects on time and face substantial development risks before we realize any benefits from a property development project

Property development projects require substantial capital expenditures prior to and during the construction period. It may take longer than a year from the commencement of construction before a property development project can generate cash flow through pre-sales, sales or leases. The progress and costs of a property development project can be materially and adversely affected by many factors, including, without limitation:

- delays in obtaining necessary licenses, permits or approvals from government agencies or authorities;

- relocation of existing residents or demolition of existing structures;
- 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 government policies.

Construction delays or failure to complete the construction of a property development project according to its planned specifications, schedule or budget as a result of any or all of the above factors may materially and adversely affect our business, results of operations and financial position and may also cause reputational damage. We cannot assure you that we will not experience any significant delays in the completion or delivery of any of our property development projects or that we will not be subject to any liabilities for any such delays. Such disruptions may materially and adversely affect our business, results of operations and financial position.

In addition, if a pre-sold property development project is not completed on time, purchasers may be entitled to compensation for late delivery. If the delay extends beyond the contractually specified period, or if the actual GFA of a completed property delivered to a purchaser deviates by more than 3.0% from the GFA originally indicated in the sale and purchase agreement, the purchaser is entitled to terminate the sale and purchase agreement and claim a refund of the paid purchase price along with accrued interest. Depending on the number of affected purchasers, this would materially and adversely affect our business, results of operations and financial position.

We mainly purchase from a small group of suppliers, and any disruption in their supply may have a material adverse effect on our business and results of operations

In 2018, 2019 and 2020, our major suppliers were mainly our construction contractors and construction material suppliers. Purchases from our five largest suppliers accounted for 29.7%, 28.5% and 24.3%, respectively, of our total purchases for the years ended December 31, 2018, 2019 and 2020, and purchases from our largest supplier accounted for 12.2%, 9.8% and 6.6%, respectively, of our total purchases for the corresponding periods. We have, on average, a five-year working relationship with each of them. Should there be a disruption in supply by one or more of our major suppliers and we fail to find replacement suppliers on favorable terms, or at all, our business and results of operations may be materially and adversely affected.

We rely on third-party architecture and design firms and construction contractors for various services relating to our property developments and are subject to risks relating to their performance and reputation and any additional unforeseen costs associated with engaging them

We engage third-party architecture and design firms and construction contractors to carry out various services relating to our property development projects. Services provided by third-party architecture and design firms include master planning, architectural design, landscape design, interior design and ancillary facilities design. Services provided by third-party construction contractors include construction, piling and foundation, engineering, interior decoration, mechanical and electrical installation and utilities installation. Construction and completion of our projects is, therefore, largely subject to the performance of these independent firms and contractors.

When selecting third-party architecture and design firms, we take into consideration factors such as reputation, technical abilities, product innovation capabilities, track record in developing similar projects, service standards and past relationship with us. Although we generally engage firms or designers that are reputable, we cannot assure you that the work or designs rendered by any of these firms will meet the needs and preferences of our potential customers. We generally select independent contractors through a tender process. Although we invite contractors to tender bids which we assess and consider according to their reliability, timeliness, quality, past relationship with us, track record and references, and our supervision of the construction progress once a contract is awarded, we cannot assure you that the services rendered by any of these independent contractors or their subcontractors will be satisfactory or meet our quality standard, especially since it is difficult for us to effectively monitor the quality and progress of contracted work at all times.

In addition, reputation and brand name are important to architecture and design firms and construction companies. Any negative incident or negative publicity affecting the reputation of these firms and companies may in turn have a negative impact on our properties that are designed or constructed by them. Moreover, construction or completion of our property developments may be delayed, and we may incur additional costs, due to financial or other difficulties related to these design firms and contractors. Any of these factors could have a material adverse effect on our business, reputation, results of operations and financial position.

The PRC government may impose a fine or reclaim our land if we fail to comply with the terms of the land grant contracts

Under PRC laws and regulations, if a property developer fails to comply with the terms of the land grant contract, including those relating to payment of land premiums, the designated use of the land and the schedule for commencement and completion of the development of the land, the relevant PRC land bureau may issue a warning to, or impose a penalty on, the developer or reclaim the relevant land. Specifically, under current PRC laws and regulations, if a developer fails to pay any outstanding land premium by the stipulated deadline, a late payment penalty of the unpaid land premium will be imposed on a daily basis. 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 relevant PRC land bureau may launch an investigation in respect of idle land. Upon investigation, if the bureau proves 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 under the land grant contract or the total capital invested is less than one-fourth of the total estimated investment of the project under the land grant contract, and (ii) the development of the land has been suspended for more than one year without governmental approval.

We cannot assure you that delays in payment of land premium, or other circumstances, including insufficient cash flow or financing to fund land acquisitions or property developments, leading to delay in commencement or completion of a property development will not arise in the future.

If we are sanctioned or any of our land is forfeited in the future, we will not be able to continue our property development on the forfeited land, recover the costs incurred for the initial acquisition of the forfeited land or recover development costs and other costs incurred up to the date of forfeiture, which may, in turn, materially and adversely affect our business, results of operations, financial position and future prospects.

Our property development schedule may be delayed and our development costs may increase as a result of the demolition and resettlement processes

We may be required to undertake and pay for demolition of existing buildings and resettlement of existing residents with respect to some of our property developments in accordance with the relevant PRC laws and regulations. The land parcels that we acquire in the future for development may have existing buildings or other structures or may be occupied by third parties, which require demolition and resettlement. Given the nature of demolition and resettlement, which depends on various external factors that are beyond our control, we cannot guarantee that there will not be any delay in our development schedule. If the party responsible for the 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. Although we take into consideration the difficulties in resettlement compensation negotiations before we enter into such contractual arrangements, the protracted resettlement process may cause delays in the redevelopment projects, and adversely affect our plans to obtain the relevant land use rights or enter into the new markets. Furthermore, resettlement negotiations with villagers, zoning approvals from local governments and other non-commercial factors could result in much longer development cycle which could adversely affect our cash flow. In addition, there is no assurance that we will be able to reach agreements for compensation and resettlement for such redevelopment projects on terms satisfactory to us or at all. Moreover, we may be involved in disputes with other property developers over the land development rights of the redevelopment projects. As a result, we cannot assure you that we will be able to recoup our upfront investments in such redevelopment projects. An unfavorable final judgment, determination or settlement regarding the land development right or the amount of compensation payable by us may increase the cost of the development. The occurrence of any of the above events may have an adverse effect on our business, financial condition and results of operations.

As of December 31, 2020, one of our potential development projects, Hongwei Village property development project in Guangzhou, involved the demolition of existing properties and relocating existing residents. We had completed the demolition work and resettled substantially all of the village citizens. For further information of this project, see the section

entitled “Business — Potential Development Projects.” We cannot assure you that the resettlement negotiation will proceed smoothly or our potential development project will not be delayed. If such delay occurs, it could adversely affect our reputation and lead to an increase in development cost, which may in turn adversely affect our business, financial position and results of operations.

We may not be able to use or sublet certain properties leased by us because of defects affecting our leasehold interests

We occupy or sublet to third parties some properties of which the property ownership certificates have not been obtained by the lessors. Some of our lessors were not able to provide property ownership certificates or proof to allow us to sub-lease the relevant properties. As a result, it is possible that third parties may seek to assert their ownership rights against the landlords or challenge our sub-leases.

Since we are not able to confirm the ownership of some of the properties we occupy due to the lack of the property ownership certificates, in the event that any party claims its right upon such properties, we may need to relocate and seek an alternative location. However, we cannot assure you that we can find a suitable replacement in a timely manner, or at all. Any relocation of our operations on such properties, or failure to find a suitable replacement, may result in significant costs to us or cause a disruption to our operations.

In addition, although we have disclosed to our sub-lessees when we sublet to them the fact that certain properties may not have the property ownership certificate and such parties have confirmed that they are fully aware of such defects, there is no assurance that we will not be sued or held liable for damages arising from, or in connection with, our sub-lease arrangements with third-parties. There may be disruptions to our sub-leasing business in relation to properties without the property ownership certificates if any of the leases are terminated as a result of any challenges by third parties. In this case, our business, results of operations and financial position would be adversely affected.

A deterioration in our “Times China” (時代中國) (previously known as “Times Property” (時代地產)) brand image and any third party’s inappropriate use of the trademarks and service marks of “Times China” (時代中國) or “Times Property” (時代地產) may damage our reputation and materially and adversely affect our business, results of operations and financial position

We rely, to a significant extent, on our “Times China” (時代中國) (previously known as “Times Property” (時代地產)) 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, business, results of operations and financial position. 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, 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 any failure to establish our brand outside Guangdong and Hunan Provinces and cities in which we currently operate, may have a material adverse effect on our business, results of operation and financial position.

Our brand name may be used by third parties without our prior consent. If a third party uses “Times China” (時代中國) or “Times Property” (時代地產) in its operations and conducts its businesses in a negligent or reckless manner, our “Times China” (時代中國) or “Times Property” (時代地產) brand and our reputation may be materially and adversely affected. This may in turn have a negative impact on our business, results of operations and financial position.

Furthermore, as of December 31, 2020, we had registered 10 trademarks in Hong Kong, and were licensed to use 25 trademarks in the PRC. These 25 trademarks are registered in the PRC and held by Times Development Group. On March 13, 2013, Guangzhou Times Holdings Group Co., Ltd. (“Times Group”) entered into a trademark license agreement with Times Development Group. Pursuant to this trademark license agreement (which was amended and supplemented by a supplemental agreement dated July 1, 2013), Times Development Group granted an exclusive license to us to use these trademarks on a royalty-free basis for a period commencing from March 13, 2013 and ending on March 12, 2033. Failure to renew the license to use such trademarks may have a material adverse effect on our business, results of operations and financial position.

If we are unable to retain our existing senior management and other key personnel and hires, train and retain senior management or key personnel, our ability to maintain and develop our business could be harmed

Our operations and long-term success depend heavily upon the continued service of members of our senior management team and our ability to attract and retain qualified staff. Our chairman, Mr. Shum Chiu Hung, has over 20 years of experience in the PRC real estate industry. In 2001, he founded Times Group and served as the president of Times Group. In addition, several other members of our senior management team have worked for us for many years and have played key roles in making major business decisions. If any of our senior management team or other key personnel is unable or unwilling to continue in their present position with us and we are unable to replace them in a timely manner, our business operations may be disrupted and our business, results of operations and financial position may be materially and adversely affected. As competition in China for quality, experienced senior management and key personnel is intense, we may not be able to retain the services of our senior executives or key personnel, or attract, retain or replace quality senior executives or key personnel in the future. If any member of our senior management team or key personnel joins a competitor or carries on a competing business, we may lose customers and other key staff members, which will materially and adversely affect our business and expansion prospects.

In addition, we may be unable to retain a sufficient number of suitable employees for the development of our existing projects or recruit additional qualified employees for our daily operations and business expansion, in which case, our business, results of operations, growth and business prospects could be materially and adversely affected.

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

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 61.54% of the total issued share capital of the Company is beneficially owned by Mr. Shum Chiu Hung, the founders of our Group and the president of Times Group. Subject to compliance with applicable laws, by maintaining such ownership, Mr. Shum Chiu Hung is 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. Shum Chiu Hung 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.

Our financing costs are subject to changes in interest rates

We rely on and expect to continue to rely on bank and third-party loans to finance a substantial part of our project developments. In addition, purchasers of our properties often obtain mortgage loans to purchase our properties. Accordingly, changes in interest rates have affected and will continue to affect the purchasers of our properties and our financing costs. As our bank loans are principally denominated in Renminbi, the interest rates on our loans are primarily affected by the benchmark interest rates set by the People's Bank of China (the "PBOC"), which have fluctuated significantly in recent years. The PBOC benchmark one-year lending rates in the PRC (which affects the property mortgage rates offered by commercial banks in the PRC) as of December 31, 2018, 2019 and 2020 were 4.35%, 4.35% and 3.85%, respectively. As of December 31, 2018, 2019 and 2020, the weighted average effective interest rate for our bank loans, including syndicated loan, was 6.24%, 7.22% and 6.62%, respectively, and the weighted average effective interest rate for our trust financing arrangements was 9.0%, 10.15% and 10.82%, respectively. We cannot assure you that lending rates will remain unchanged. Future increases in the PBOC benchmark interest rate may lead to higher lending rates, which may increase our financing costs and thereby materially and adversely affect our business, results of operations and financial position.

Our results of operations may be affected by the price volatility of construction materials

The cost of construction materials such as steel and cement, as well as contractors' labor costs, may fluctuate. Our results of operations are affected by the price volatility of construction materials, particularly in light of the fact that it normally takes several years to complete a project. As some of our major construction contracts are not fixed unit price contracts, we bear the risk of fluctuations in construction material prices during the term of the relevant contract. To the extent that we are unable to pass any increased materials costs on to our customers, our cost of sales will increase and our profit margin will decrease. Furthermore, we normally pre-sell our properties prior to their completion, and we will be unable to pass the increased costs on to our pre-sale customers if construction costs increase subsequent to the time of such pre-sale. If we are unable to pass the increase in the cost of construction materials on to either our construction contractors or to the purchasers of our property, our results of operations and profitability may be materially and adversely affected.

As we expand into new regions, we may not be able to replicate the success we have achieved in cities in which we currently operate

We are one of the leading property developers in Guangdong Province focusing on the development of mid-market to high-end residential properties. We believe we have a deep understanding of, and insight into, the market developments and trends in this region. We began our business in Guangzhou in 1999 and since then expanded into other cities in Guangdong Province, including Foshan, Zhuhai, Zhongshan, Qingyuan, Huizhou, Dongguan and Jiangmen, as well as Changsha in Hunan Province, Chengdu in Sichuan Province, Wuhan in Hubei Province and Hangzhou in Zhejiang Province. As one of our business strategies, we plan to further penetrate the existing areas where we operate and expand our business into other cities in Guangdong Province with high growth potential. Such areas or cities may differ from our existing markets in terms of level of economic development, topography, real estate trends and regulatory practices. In addition, as we enter new markets, we may not have the same level of familiarity with local contractors, business practices, customs and customer tastes, behavior and preferences. As a result, we may not be able to successfully replicate our successful business model in our existing markets to the new regional markets.

In addition, when we enter new geographical areas, we may face intense competition from developers with more established experience or presence in those markets in terms of land acquisition and recruitment of suitable personnel. Any failure to leverage our experience or to understand the property market in other cities that we target for expansion may have a material adverse effect on our business, results of operations, growth and business prospects and financial position.

We may not be successful in leveraging our past experience in residential property development to further expand into other business segments or businesses complementary to property development or into other new businesses

In the mid-to-long term, we may expand our business into new segments and product offerings. We may also pursue selective strategic acquisitions of complementary businesses and investment properties or expand into other new businesses, if a suitable opportunity arises, in order to maintain a more balanced earnings and cash flow profile. However, our experience as a predominantly residential property developer may not be applicable to the future development and management of properties in other segments or to any new business in which we have relatively little experience. In addition, expansion or acquisition may require a significant amount of capital investment and may involve uncertainties and risks, including the risks of operating in a new product market, the costs and difficulties of integrating new businesses into our existing businesses and the diversion of resources and attention of our management. Any failure to adequately address these risks may materially and adversely affect our business, results of operations and financial position. Furthermore, we may decide to acquire a non-controlling interest in other entities, and may embark on new business lines. For example, we acquired a 20% equity interest in Guangzhou Baiyun Heyintaifu Micro-credit Co., Ltd., which is engaged in money lending, through our acquisition of Guangzhou Zhide in December 2012. Such growth opportunities carry additional risks as we may not have prior experience in running or investing in such businesses, we do not have control over the acquired entities and disputes may arise between us and our business partners. As a result, we may be unable to recover our investment cost or realize anticipated returns or other benefits from such acquired businesses. Any such problems may impair our competitiveness or growth prospects, and materially and adversely impact our business, financial position and results of operations.

We cooperate with Times Neighborhood for various property management services and are subject to risks relating to their performance and reputation

We used to manage all of our properties through Times Neighborhood. On December 19, 2019, we separately listed Times Neighborhood on the main board of the Hong Kong Stock Exchange. Upon the completion of spin-off and separate listing of Times Neighborhood, Times Neighborhood and its subsidiaries were no longer our subsidiaries. However, Times Neighborhood continues to use our trademark under a trademark licensing agreement. Also, Times Neighborhood continues to provide property management services to substantially all of the projects we develop. Our customers are expected to continue to associate Times Neighborhood with us. If they are not satisfied with Times Neighborhood's services, or if there are any negative incident or negative publicity concerning Times Neighborhood, our reputation and demand for our properties could be materially and adversely affected.

We may be treated as a PRC resident enterprise for PRC tax purposes, which may subject us to PRC income taxes on our worldwide income and PRC withholding taxes on interest we pay on the Notes and require holders of the Notes to pay taxes on gains realized from the sale of the Notes

Under the Enterprise Income Tax Law (企業所得稅法) (the "EIT Law") and the implementation rules which both took effect on January 1, 2008, enterprises established

outside the PRC whose “*de facto* management bodies” are located in China are considered “resident enterprises” for PRC tax purposes. The implementation rules define the term “*de facto* management body” as a management body that exercises full and substantial control and management over the business, personnel, accounts and properties of an enterprise. In April 2009, the State Administration of Taxation specified certain criteria for the determination of the “*de facto* management bodies” for foreign enterprises that are controlled by PRC enterprises. However, there have been no official implementation rules regarding the determination of the “*de facto* management bodies” for foreign enterprises that are not controlled by PRC enterprises (including companies like ourselves).

We are a Cayman Islands holding company and we hold our shareholders’ meetings and board meetings outside the PRC and keep our shareholders’ list outside the PRC. However, most of our directors and senior management are currently based inside the PRC and we keep our books of account inside the PRC. The above elements may be relevant for the tax authorities in determining whether we are a PRC resident enterprise for tax purposes. However, there is no clear standard published by the tax authorities for making such a determination.

Although it is unclear under PRC tax law whether we have a “*de facto* management body” located in the PRC for PRC tax purposes, we currently take the position that we are not a PRC resident enterprise for tax purposes. We cannot assure you that the tax authorities will agree with our position. If we are deemed to be a PRC resident enterprise for EIT Law purposes, we would be subject to the PRC enterprise income tax at the rate of 25% on our worldwide income. Furthermore, we may be obligated to withhold PRC income tax of up to 7% on payments of interest and redemption premium on the Notes to investors that are non-resident enterprises located in Hong Kong, who are the beneficial owners of the income applicable to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, or 10% on payments of interest and redemption premium on the Notes to investors that are non-resident enterprises located outside Hong Kong, because the interest and redemption premium may be regarded as being derived from sources within the PRC. In the case of individual holders of Notes, the tax may be withheld at a rate of 20%. In addition, if we fail to withhold, we may be subject to fines and other penalties. If we are required to withhold PRC tax from interest payments on the Notes, we will be required, subject to certain exceptions, to pay such additional amounts as will result in receipt by the holders of the Notes of such amounts as would have been received 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 an adverse effect on our financial condition. Further, if we were treated as a PRC resident enterprise, any gain realized by a non-resident enterprise 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 in the case of non-resident enterprises or 20% in the case of non-resident individuals, subject to the provisions of any applicable tax treaty.

We may be involved in disputes arising out of our operations and may face significant liability 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 projects through joint ventures or cooperation arrangements. Such joint ventures and cooperation arrangements involve a number of risks, including, without limitation those discussed in “— Risks Relating to Our Businesses — We may not be able to realize the anticipated economic and other benefits from our joint ventures and cooperation arrangements, and disputes with such partners may adversely affect our business” below.

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 are 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 decisions that result in penalties or delays to our property developments. We may also be involved in disputes or legal proceedings relating 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 position and operating results. 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 any investigation in relation to such failure or alleged failure by any regulatory body, could also materially and adversely affect our reputation and our business, financial position and results of operations.

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

We have entered into joint ventures and cooperation arrangements with other property developers to develop projects and may continue to do so in the future. We have limited experience in developing projects through cooperation arrangements and joint ventures or in managing joint ventures and relationships with joint venture partners. The success of a joint venture or cooperative arrangement 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 or cooperative arrangements. 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 and cooperation arrangements may involve risks associated with, among others, the possibility that our business 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 or cooperation 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.

RISKS RELATING TO THE REAL ESTATE INDUSTRY IN THE PRC

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

In the past, the PRC government exerts considerable direct and indirect influence on the growth and development of the PRC property market through industry policies and other economic measures such as setting interest rates, controlling the supply of credit by changing bank reserve ratios and implementing lending restrictions, increasing tax and duty on property transfers and imposing foreign investment and currency exchange restrictions. From 2004 to 2013, the PRC government introduced a series of regulations and policies designed generally to control the growth of the property market, including, without limitation:

- strictly enforcing idle land-related laws and regulations;
- restricting the grant or extension of revolving credit facilities to property developers that hold a large amount of idle land and vacant commodity properties;
- prohibiting commercial banks from lending funds to real estate developers with an internal capital ratio of less than a certain prescribed percentage; and
- restricting PRC commercial banks from granting loans to property developers for the purpose of paying land grant premiums.

In particular, the PRC government also introduced the following policies, among others, to specifically control the growth of the residential property market:

- limiting the maximum amount of monthly mortgage payments and the maximum amount of total monthly debt service payments of an individual borrower;
- imposing a business tax levy on the sales proceeds from second-hand transfers, subject to the length of holding periods and the type of property;
- increasing the minimum amount of down payment of the purchase price of a residential property of a family;
- tightening the availability of individual housing loans in the property market to individuals and their family members with more than one residential property; and
- limiting the availability of individual housing provident fund loans for the purchase of second (or subsequent) residential properties.

However, in 2014, the PRC government introduced measures (including interest rate cut, mortgage loosening and removal of home purchase restrictions) to relax the restrictions on the growth of the property market and reduce large inventories. Since mid-2016, the PRC government has strengthened the control on the property market again.

See the section entitled “Regulation — Land Grants” for further information.

Following a downturn in the PRC property market in late 2008 and early 2009, property prices and transaction volume began increasing sharply in the second half of 2009. This has led to the imposition of further regulations and policies by the PRC government aimed at slowing down the property market. These measures resulted in downward pricing pressure on the PRC property market starting in the second half of 2011 and low transaction volumes in the first half of 2012. See the section entitled “Regulation.”

We cannot assure you that the PRC government will not implement further tightening measures to restrain the PRC property market at the national, provincial, municipal or local levels, which may result in declines in transaction volume and selling prices of properties in the PRC, and as a result, our financial position and results of operations may be materially and adversely affected.

PRC government policies, regulations and measures intended to discourage speculation in the real estate market may materially and adversely affect our business

Along with economic growth in China, investment in the property sector has increased significantly in the past few years. In May 2006, the Ministry of Construction, the NDRC, the PBOC and other relevant PRC government authorities jointly issued the Opinions on Adjusting Housing Supply Structure and the Stabilization of Property Prices (《關於調整住房供應結構穩定住房價格的意見》) to further curb rapid increases in property prices in certain cities and to promote the healthy development of the PRC property market.

In September 2007, the PBOC and the China Banking Regulatory Committee (the “CBRC”) jointly issued the Notice on Strengthening the Administration of Commercial Real Estate Credit Loans (《關於加強商業性房地產信貸管理的通知》), and in December 2007, they issued the Supplementary Notice on Strengthening the Administration of Commercial Real Estate Credit Loans (《關於加強商業性房地產信貸管理的補充通知》) to further regulate the management of credit loans for commercial real estate.

The various restrictive measures taken by the PRC government to ensure the healthy growth of the property sector may limit our access to capital resources, reduce market demand and increase our operating costs in adapting to these measures. See the section entitled “Regulation” for further information on the restrictive measures taken by the PRC government. We cannot assure you that the PRC government will not adopt additional and more stringent measures, which could further slow down property development in China. Any limitation on our access to capital, increase in our operating costs or decrease in property development growth in China resulting from existing or future measures could have a material adverse effect on our business, results of operations and financial position.

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

Pursuant to the Notice on Adjustment of Transfer Business Tax to Appreciation Tax (關於全面推開營業稅改徵增值稅試點的通知) issued on March 23, 2016 (“Circular 36”), by the Ministry of Finance and the State Administration of Taxation (“SAT”), effective from May 1, 2016, PRC tax authorities have started imposing value added tax (“VAT”) on revenues from various service sectors, including real estate, construction, financial services and insurance, as well as other lifestyle service sectors, to replace the business tax (“BT”) that co-existed with VAT for over 20 years. Since the issuance of Circular 36, the Ministry of Finance 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 BT rate we

were subject to prior to the implementation of Circular 36. For example, the VAT rate for sale of self-developed real estate projects will be increased from 5% (current BT rate) to 11%. Unlike the BT, the VAT will only be imposed on added value, which means the input tax incurred from our construction and real estate will be able to be offset in the 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 VAT regime on our tax burden, our revenues and results of operations, which remains uncertain.

Our ability to secure new projects may be materially and adversely affected by policies and regulations introduced by the PRC government which have the effect of restricting investment in the PRC real estate industry

In recent years, the PRC government has introduced a number of policies and regulations aimed at regulating overseas investment in the real estate industry to ease pressure on the Renminbi, which is perceived to result from foreign equity and debt financing of real estate developments. On May 23, 2007, MOFCOM and State Administration of Foreign Exchange (“SAFE”) jointly issued Notice 50 which MOFCOM amended on October 28, 2015. Notice 50, among other things, regulates the establishment of a FIREE in the PRC by a foreign investor, by requiring additional filing procedures with MOFCOM. On May 10, 2013, SAFE issued the Administrative Provision on Foreign Exchange in Domestic Direct Investment by Foreign Investors, which regulates the administration of foreign exchange in domestic direct investment by foreign investors. Should we be unable to obtain approvals for increasing the registered capital of our existing FIREEs in the PRC or for establishing new FIREEs in the PRC, we may be unable to inject the net proceeds of this offering into the PRC. See the section entitled “Regulation — Foreign Investment in Property Development” for further details.

If we increase the registered capital of our FIREEs in the future, we will have to obtain approvals and undertake credit and foreign exchange registrations in accordance with relevant PRC laws within the approved investment deadline and amount. If the PRC government issues policies or regulations aimed at further regulating or restricting overseas investment in the PRC real estate industry that directly apply to us, our ability to secure new projects may be materially and adversely affected, and our revenue and results of operations may also suffer.

The terms on which mortgage loans are available, if at all, may affect our sales

Substantially all purchasers of our residential properties rely on mortgages to fund their purchases. An increase in interest rates may significantly increase the cost of mortgage financing and affect the affordability of residential properties. In addition, the PRC government and commercial banks may also increase the down payment requirements, impose other conditions, limit loan availability, or otherwise change the regulatory framework in a manner that would make mortgage financing unavailable or unattractive to potential property purchasers. Under the existing PRC laws and regulations, purchasers of residential properties with a unit floor area of less than 90 sq.m. must generally pay at least 20% of the purchase price of the property before they can finance their purchases through mortgages. Since June 2006, the PRC government has increased the minimum amount of down payment to 30% of the purchase price for first-time homeowners if the property has a unit floor area of 90 sq.m. or more. For second-time homeowners that use mortgage financing, the PRC government-sanctioned minimum down payment has increased to 40% of the purchase price, with a minimum mortgage loan interest rate of 110% of the relevant PBOC benchmark interest rate.

For commercial property buyers, banks are not allowed to finance the purchase of any pre-sold properties. The minimum down payment for commercial property buyers has increased to 50% of the purchase price, with a minimum mortgage loan interest rate of 110%

of the relevant PBOC benchmark interest rate and maximum maturities of no more than ten years. In addition, 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. If the availability or attractiveness of mortgage financing is reduced or limited, many of our prospective customers may not be able to purchase our properties and, as a result, our business, results of operations and financial position could be materially and adversely affected.

Increasing competition in the PRC, particularly in Guangdong and Hunan Provinces, may materially and adversely affect our business, results of operations and financial position

In recent years, a large number of property developers have begun undertaking property development and investment projects in Guangdong Province and elsewhere in the PRC. These include overseas property developers (including a number of leading Hong Kong property developers) and developers from other regions of the PRC, some of which may have better track records and greater financial and other resources than we do. The intensity of the competition among property developers, and also among Guangdong Province, Hunan Province and other regions or cities in the PRC, may result in increased costs for the acquisition of land for development, an oversupply of properties in certain parts of the PRC, including Guangdong and Hunan Provinces, a decrease in property prices, a price war or a slowdown in the rate at which new property developments will be approved or reviewed by the relevant government authorities, any of which may materially and adversely affect our business, results of operations and financial position. In addition, the real estate market in Guangdong Province, Hunan Province and elsewhere in the PRC is rapidly changing. If we cannot respond to such changes in market conditions more quickly or more effectively than our competitors, our business, results of operations and financial position may be materially and adversely affected.

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

Under the Administrative Regulations on the Development and Operation of Urban Real Estate (《城市房地產開發經營管理條例》), all property development companies in the PRC must provide certain quality warranties for the properties they construct or sell. We are required to provide, and we have provided, these warranties to our customers. We may sometimes receive quality warranties from third-party contractors that we hire to construct our development projects. If a significant number of claims is 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 money we retained from contractors 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 could in turn harm our reputation and have a material adverse effect on our business, results of operations and financial position.

We may be liable to our customers for damages if we do not deliver individual property ownership certificates in a timely manner

According to the relevant PRC rules, property developers are required to assist purchasers in obtaining the relevant individual property ownership certificates within 90 days of delivery of the property or within a time frame set out in the relevant sale and purchase agreement.

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 processes. We generally obtain and deliver the ownership certificates to purchasers within two years of delivery of the completed properties.

Under the local regulations of Guangdong Province, we are required to submit requisite governmental approvals in connection with our property developments, including, among other things, land use rights certificates and construction works planning permits, to the local bureau of land resources and housing administration regulated periods or a time set out in the relevant sale and purchase agreement, and to apply for the general property ownership certificate with respect to these properties. Purchasers may then submit or authorize us to submit, within regulated periods or a time set out in the relevant sale and purchase agreement, the relevant property sale and purchase agreements, identification documents of the purchasers, proof of payment of the deed tax, and the general property ownership certificates, for the bureau's review and the issuance of the individual property ownership certificates with respect to the properties purchased. Similar regulations are applicable for Hunan Province. Delays by administrative authorities in reviewing the relevant applications and granting approval, as well as other factors, may affect timely delivery of the general as well as individual property ownership certificates. As a result, our reputation may be harmed and we may become liable for monetary penalties to purchasers for late delivery of the individual property ownership certificates due to delays in the administrative approval process.

Potential liability for environmental problems could result in substantial costs

We are subject to various laws and regulations concerning the protection of the environment. The particular environmental laws and regulations which apply to a given project development site vary greatly according to the site's location, its environmental condition, and the present and former uses of the site as well as of any adjacent properties. Environmental laws and conditions may result in delays to our property developments, may cause us to incur substantial compliance and other costs and can prohibit or severely restrict project development activity in environmentally sensitive regions or areas.

Pursuant to PRC laws and regulations, each project we develop is required to undergo environmental assessments. Further, an environmental impact assessment report is required to be submitted to the relevant government authorities for approval before commencement of construction. The local authorities may request us to submit additional environmental impact documents, issue orders to suspend construction and impose penalties for any projects that have not, prior to the commencement of construction, received approval following the submission of the required environmental impact assessment documents. Although the environmental investigations conducted to date have not revealed any environmental liability that we believe would have a material adverse effect on our business, results of operations or financial position, it is possible that these investigations did not reveal all environmental liabilities, or that there are material environmental liabilities of which we are unaware. If we are subject to any regulatory action as a result of our failure to carry out an environmental impact assessment fully, or at all, our reputation, business, results of operations and financial position may be materially and adversely affected. See the section entitled "Business — Environmental Matters" for a description of the foregoing environmental matters.

We are heavily dependent on the performance of the property market in China, which is at a relatively early stage of development

Although demand for private property in the PRC has been growing rapidly in recent years, private ownership of property in the PRC is still in a relatively early stage of development and such growth is often coupled with volatility in market conditions and fluctuation in property prices. It is extremely difficult to predict how much and when demand will develop, as social, political, economic, legal and many other factors, most of which are beyond our control, may affect the development of the property market. The level of uncertainty is increased by the limited availability of accurate financial and market information as well as the overall low level of transparency in the PRC. 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 property development.

Certain facts and statistics are derived from publications not independently verified by us, the Initial Purchasers or our or their respective 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 Purchasers or our or their respective advisors and, therefore, we or the Initial Purchasers 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 possibly flawed or 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

All of our assets are located in the PRC and all of our revenue is sourced from the PRC. Accordingly, our business, results of operations, financial position and prospects are subject, to a significant degree, to economic, political and legal developments in the PRC.

Natural disasters, acts of war, occurrence of epidemics, and other disasters could affect our business and results of operations and the national and regional economies in the PRC.

Our business is subject to general economic and social conditions in the PRC. Natural disasters, epidemics such as the human swine flu, also known as Influenza A (H1N1), H5N1 avian flu or severe acute respiratory syndrome ("SARS"), the Ebola virus or, most recently, the novel coronavirus named COVID-19 by the WHO and other natural disasters which are beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the PRC. Some regions in the PRC, including certain cities where we operate, are under the threat of flood, earthquake, fire, drought or epidemics. Our business, financial position and results of operations may be materially and adversely affected if natural disasters or other such events occur.

For instance, past occurrences of epidemics, depending on their scale, have caused different degrees of damage to the national and local economies in China. The PRC reported a number of cases of SARS in 2003. Since its outbreak in 2004, there have been reports on

occurrences of avian flu in various parts of the PRC, including several confirmed human cases and deaths. Given the high uncertainties associated with the COVID-19 epidemic at the moment, it is difficult to predict how long these conditions will last and the extent to which we may be affected. Should the disruption to our operations continue, we may experience delays in completion and delivery of our projects, which may materially and adversely affect our results of operations and financial condition and may also cause reputation damage. In addition, any further disruption to our sales activities may negatively affect our liquidity and access to capital. The outbreak of COVID-19 epidemic also caused the delay in resumption of local business in the PRC after the Chinese New Year holiday and, as the outbreak extended, several countries have arranged to evacuate their nationals from Wuhan and introduced new restrictions on travel to and from China. The COVID-19 epidemic may further create negative economic impact and increase volatility in the PRC and global market and continue to cause increasing concerns over the prospects of the PRC residential property market, which may materially and adversely affect the demand for properties and property prices in China. Most of our property projects are located in Guangdong Province, the second worst-hit province after Hubei province. If the epidemic is not contained in Guangdong Province in a timely manner, there could be material disruptions to our operations and result in a material adverse effect on our business operations, financial condition and results of operations. A recurrence of SARS or an outbreak of a health epidemic or contagious disease, including, for example, the ongoing COVID-19 epidemic, could result in a widespread health crisis and restrict the level of business activities in affected areas, which may in turn adversely affect our business, results of operations and financial condition. In 2020, our results of operations and contracted sales were affected due to the impact of COVID-19.

PRC economic, political and social conditions, as well as governmental policies, could affect our business

The economy of the PRC differs from the economies of most developed countries in many respects, including, without limitation, structure, level of government involvement, level of development, growth rate, government policies relating to foreign exchange, and allocation of resources.

While the PRC economy has grown significantly in the past 20 years, growth has been uneven, both geographically and among the various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall PRC economy, but may also negatively affect our operations. For example, our business, results of operations and financial position may be materially and adversely affected by the PRC government's control over capital investments or any changes in tax regulations or foreign exchange controls that are applicable to us.

The PRC economy has been transitioning from a planned economy to a market-oriented economy. For the past two decades, the PRC government has implemented economic reforms emphasizing the utilization of market forces to develop the PRC economy. Although we believe these reforms will have a positive effect on our overall and long-term development, we cannot predict whether changes in the PRC's political, economic and social conditions, laws, regulations and policies will have any material adverse effect on our current or future business, results of operations or financial position.

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 to jurisdictions outside China. We

receive substantially all of our revenue 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 SAFE by complying with certain procedural requirements. However, approval from appropriate government authorities is required when 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 currency. 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 contributions from us. Furthermore, the PRC government may in the future and at its discretion restrict access 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 are 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.

Uncertainty with respect to the PRC legal system could affect us

As all of our businesses are conducted and all of our assets are located in the PRC, our operations are governed principally by PRC laws and regulations. The PRC legal system is based on written statutes, and prior court decisions can be cited only as a reference. Since 1979, the PRC government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organization and governance, commerce, taxation, foreign exchange and trade, with a view to developing a comprehensive system of commercial law. However, China has not developed a fully integrated legal system and recently enacted laws and regulations may not sufficiently cover all aspects of economic activity in China. In particular, because these laws and regulations are relatively new, and because of the limited volume of published decisions and their non-binding nature, the interpretation and enforcement of these laws and regulations involve uncertainties. The interpretation of statutes, regulations and rules may also be subject to government policies which can change to reflect domestic political factors.

In addition, as the PRC legal system is based, in part, on government policies and internal rules (some of which are not published on a timely basis or at all) that may have a retroactive effect, we may not be aware that we have violated such policies and rules until some time after the violation. Any litigation in China may be protracted and result in substantial costs and diversion of resources and management's attention.

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 or most other western countries.

The global financial markets, and therefore PRC markets, have experienced significant slowdown and volatility during the past few years and any continued deterioration may adversely affect our business and results of operations

The global 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 affected the PRC real estate industry and many other industries. Subsequently, global markets and economic conditions were adversely affected by the credit crisis in Europe, the credit rating downgrade of the United States and heightened market volatility in major stock markets. In June 2016, the United Kingdom held a remain-or-leave referendum on its membership within the European Union, the result of which favored the exit of the United Kingdom from the European Union (“Brexit”). On January 31, 2020, the UK officially exited the European Union following a UK-EU Withdrawal Agreement signed in October 2019. The UK and the European Union had a transition period until December 31, 2020 to negotiate, among others, trade agreements in details. At the end of the transition period, December 31, 2020, the United Kingdom was no longer a part of the European Union. While the United Kingdom has for the most part chosen to retain existing European Union law and have recently reached a trade deal to allow the United Kingdom to continue to trade with the European Union without tariffs or quotas, there are still many unanswered questions. Given the lack of precedent, it is unclear how Brexit would affect the fiscal, monetary and regulatory landscape within the United Kingdom, the European Union and globally. This event has resulted in a downgrade of the credit ratings of the United Kingdom and the uncertainty before, during and after the period of negotiation may also create a negative economic impact and increase volatility in global markets.

The outlook for the world economy and financial markets remains uncertain. In Europe, several countries are facing difficulties in refinancing sovereign debt. In the United States, the unemployment rate remains relatively high. In Asia and other emerging markets, some countries are expecting to increase inflationary pressure as a consequence of liberal monetary policy or excessive foreign fund inflow and outflow, or both. In the Middle East, Eastern Europe and Africa, political unrest in various countries has resulted in economic instability and uncertainty. In May 2017, Moody’s Investors Service downgraded PRC’s sovereign credit rating for the first time since 1989 and changed its outlook from stable to negative, citing concerns on the country’s rising levels of debt and expectations of slower economic growth. The full impact of the Moody’s downgrade remains to be seen, but the perceived weaknesses in PRC’s economic development model, if proven and left unchecked, would have profound implications. Moreover, PRC’s economic growth may also slow down due to weakened exports as well as recent developments surrounding the trade war with the United States. In 2018 and 2019, the U.S. government, under the administration of President Donald J. Trump, imposed several rounds of tariffs on cumulatively US\$550 billion worth of Chinese products. In retaliation, the Chinese government responded with tariffs on cumulatively US\$185 billion worth of U.S. products. In addition, in 2019, the U.S. government restricted certain Chinese technology firms from exporting certain sensitive U.S. goods. The Chinese government lodged a complaint in the World Trade Organization against the U.S. over the import tariffs in the same year. The trade war created substantial uncertainties and volatilities to global markets. On January 15, 2020, the U.S. and Chinese governments signed the U.S.-China Economic and Trade Agreement (the “Phase I Agreement”). Under the Phase I Agreement, the U.S. agreed to cancel a portion of tariffs imposed on Chinese products, China promised additional purchases of U.S. goods and services, and both parties expressed a commitment to further improving various trade issues. Despite this reprieve, however, it remains to be seen whether the Phase I Agreement will be abided by both governments and successfully reduce trade tensions. If either government violates the Phase I Agreement, it is likely that enforcement actions will be taken and trade tensions will escalate. Furthermore, additional concessions are needed to reach a comprehensive resolution of the trade war. The amicable

resolution of the trade war remains elusive, and the lasting impact it may have on PRC's economy and the real estate industry in which we operate remains uncertain. In addition, in March 2020, the WHO declared COVID-19 as a global pandemic. Many countries have implemented drastic measures, including but not limited to travel bans, closing of borders and military interventions, to help contain the spread of the virus. There is no assurance that the current containment measures will be effective in halting the pandemic. The current containment measures and any future containment measure may, however, adversely and materially affect the manufacturing, exports and imports and consumption of goods and services globally. The reduction in demand and supply may adversely and materially affect economic growth globally. The accelerated spread of the virus globally has also caused extreme volatility in the global financial market, including the repeated triggering of stock market "circuit breakers" in the U.S. and many other countries. Any contraction or slowdown in the economic growth of China and the world could adversely affect our business, financial condition, results of operations and growth prospects.

The above and other issues resulting from the global economic slowdown or uncertainty and financial market turmoil have adversely affected, and may continue to adversely affect home owners and potential property purchasers, which may lead to a decline in the general demand for our products and erosion of their sale prices. In addition, any further tightening of liquidity in the global financial markets may negatively affect our access to capital and liquidity. Therefore, if the global economic slowdown and turmoil in the financial markets continue, our business, financial condition and results of operations may likely be adversely affected.

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 primarily through our PRC subsidiaries. The Notes will not be guaranteed by any current or future PRC subsidiaries or by certain other Non-Guarantor Subsidiaries as defined in the section entitled "Description of the Notes." In addition, shares of our PRC subsidiaries and other Non-Guarantor Subsidiaries will not be pledged for the benefit of the holders of the Notes. Our primary assets are ownership interests in our PRC subsidiaries and other Non-Guarantor Subsidiaries, which are held through the Subsidiary Guarantors. The Subsidiary Guarantors do not, and the JV Subsidiary Guarantors (if any) may not, have material operations. Accordingly, our ability to pay principal and interest on the Notes and the ability of the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) to satisfy their obligations under the Subsidiary Guarantees or the JV Subsidiary Guarantees (as the case may be) will depend upon our receipt of principal and interest payments on the intercompany loans and distributions of dividends from our PRC subsidiaries.

Creditors, including trade creditors of our Non-Guarantor 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 will be effectively subordinated to all existing and future obligations of such subsidiaries, and all claims of creditors of our Non-Guarantor Subsidiaries will have priority as to the assets of such entities over our claims and those of our creditors, including holders of the Notes. As of December 31, 2020, our Non-Guarantor Subsidiaries had bank loans and other borrowings (excluding the April 2017 Notes, the November 2017 Notes, the January 2018 Notes, the June 2018 Notes, the February 2019 Notes, the July 2019 Notes, the May 2020 Notes, the July 2020 Notes, the September 2020 Notes, the April 2021 Notes, the Corporate Bonds and the 2019 Hang Seng Facility) in the amount of RMB23,493.8 million

(US\$3,600.6 million) and capital and other commitments and outstanding guarantees of RMB19,667.7 million (US\$3,014.2 million) and RMB29,867.7 million (US\$4,577.4 million), respectively. See “Description of Other Material Indebtedness.” The Notes and the Indenture permit us, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any) and our Non-Guarantor Subsidiaries to incur additional indebtedness and issue additional guarantees, subject to certain limitations. The Notes and the Indenture do not restrict the ability of our subsidiaries to issue certain categories of guarantees in the ordinary course of business. In addition, our secured creditors or those of any Subsidiary Guarantor or JV Subsidiary Guarantor (if any) would have priority as to our assets or the assets of such Subsidiary Guarantor or JV Subsidiary Guarantor (if any) securing the related obligations over the claims of holders of the Notes (other than the Collateral).

Under the terms of the Notes, a Subsidiary Guarantee required to be provided by a subsidiary of the Company may be replaced by a limited-recourse guarantee, or JV Subsidiary Guarantee, following the sale or issuance to, or a purchase from, a third party of an equity interest in such subsidiary or its direct or indirect majority shareholders (subject to the satisfaction of certain conditions). Recovery under the JV Subsidiary Guarantees provided by a JV Subsidiary Guarantor and its shareholders and subsidiaries are limited to an amount equal to our proportional interest in the issued share capital of such JV 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 Trustee may request the holders of the Notes to provide an indemnity and/or security to its satisfaction

In certain circumstances, the Trustee may request holders of the Notes to provide an indemnity and/or security 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 to its satisfaction. Negotiating and agreeing to an indemnity and/or security can be a lengthy process and may impact on when such actions can be taken. Further, the Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security to it, in breach of the terms of the 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, 2020, our total outstanding bank loans and other borrowings (excluding the April 2017 Notes, the November 2017 Notes, the January 2018 Notes, the June 2018 Notes, the February 2019 Notes, the July 2019 Notes, the May 2020 Notes, the July 2020 Notes, the September 2020 Notes, the April 2021 Notes, the Corporate Bonds and the 2019 Hang Seng Facility) amounted to RMB23,493.8 million (US\$3,600.6 million). The January 2017 Notes were fully redeemed on January 23, 2020. The total amount of our indebtedness is relatively high as compared to our issued capital and operating cash flow. For the years ended December 31, 2018, we recorded negative net cash flows from operating activities of RMB522.9 million.

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.

Our ability to generate sufficient cash to satisfy our outstanding and future debt obligations will depend upon our future operating performance, which will be affected by prevailing economic conditions and financial, business and other factors, many of which are beyond our control. We may not generate sufficient cash flow to meet our anticipated operating expenses and to service our debt obligations as they become due. 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, the indentures governing the Existing Notes prohibit us from incurring additional indebtedness unless (i) we are able to satisfy certain financial ratios or (ii) we are able to incur such additional indebtedness pursuant to any of the specific 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.” 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 we believe to be desirable, 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.

In the future, we may from time to time incur substantial additional indebtedness and contingent liabilities and make restricted payments, in particular given the method for calculating our Fixed Charge Coverage Ratio and Consolidated Net Income

Under the Notes, our ability to incur additional debt is subject to the limitation on indebtedness and preferred stock covenant. Under such covenant, we may incur certain indebtedness if we can, among other things, satisfy the Fixed Charge Coverage Ratio (as defined in the “Description of the Notes”), which ratio is derived by dividing Consolidated EBITDA by Consolidated Fixed Charges (each as defined in the “Description of the Notes”).

Because our definition of Consolidated EBITDA includes our gains on valuation adjustments on our investment properties, our Consolidated EBITDA could be substantially larger when compared to other similarly situated PRC issuers whose covenants do not typically include such gains in the definition of Consolidated Net Income. Our definition of Consolidated EBITDA also does not reduce the contribution of net income in proportion to our ownership interest by Restricted Subsidiaries that are not wholly owned. Instead, all of a Restricted Subsidiary’s net income without reduction, even when not wholly owned, is used in the calculation of Consolidated EBITDA. As a result, our ability to incur additional debt under the Fixed Charge Coverage Ratio could be substantially larger when compared to such other issuers.

In addition, because our definition of Consolidated Interest Expense for the Notes excludes (i) the interest expense on indebtedness of third parties that we guarantee (except to the extent that such interest expense has become payable by us), (ii) interest expense arising from lease liability which would have been classified as “operating lease” before the adoption of IFRS 16 and (iii) interest expense arising from pre-sale receipts in advance from customers, our Consolidated Interest Expense and our ability to incur additional debt could be even larger when compared to other similarly situated PRC senior notes issuers whose covenants would typically include such interest expense in the definition of consolidated interest expense.

Furthermore, our definition of Consolidated Net Income does not exclude net income from an entity that is not a Restricted Subsidiary or that is accounted for by the equity method, and include net income arising from remeasurement of the pre-existing interests in any redevelopment company as associate or joint venture when we start to account it as our subsidiary in connection with a redevelopment project we are engaged in. Typically, such contribution would be limited to the amount of net income that is actually distributed by such entity. Instead, our definition of Consolidated Net Income includes income from unconsolidated entities, regardless of whether the respective income is actually distributed. As a result, our Consolidated Net Income and our ability to incur additional debt and make restricted payments could be even larger when compared to other similarly situated PRC senior notes issuers whose covenants would typically have such exclusions.

As a result if we or our subsidiaries incur additional debt or make restricted payments, the risks that we face as a result of our already substantial indebtedness and leverage could intensify.

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

In light of land prices, sizes of projects, the competitive landscape and other factors, we may from time to time consider developing properties jointly with other property developers. When suitable opportunities arise, we may also consider acquiring equity interests or otherwise making investments in other entities that we consider beneficial to our business,

such as investments in a bank, financial institution or real estate fund. As a result, we may need to make investments in joint ventures and minority-owned entities, some of which may not be engaged in the Permitted Business (as defined under the Indenture). Although the Indenture governing the Notes restricts us and our Restricted Subsidiaries from making investments in Unrestricted Subsidiaries, joint ventures or minority-owned entities, these restrictions are subject to important exceptions and qualifications, including, among others, that we may, subject to certain conditions, make investments in any Unrestricted Subsidiaries and minority-owned joint ventures up to an aggregate amount of 20% of our total assets (of which, an aggregate amount of up to 5% of our total assets would not be required to satisfy the Fixed Charge Coverage Ratio requirement). See the section entitled “Limitation on Restricted Payments” and the definition of “Permitted Investment” in “Description of the Notes.”

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

As a holding company, we depend on the receipt of dividends and interest and principal payments on intercompany loans or advances from our subsidiaries, including our PRC subsidiaries, to satisfy our debt 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.” 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 secured trust financing agreements obtained by our PRC subsidiaries from lender banks and trust companies in the PRC contain provisions that restrict or prohibit the payment or declaration of dividends or distributions. These restrictions could reduce the amounts that we receive from our subsidiaries, which would restrict our ability to meet our payment obligations under the Notes and the ability of the Subsidiary Guarantors or JV Subsidiary Guarantors (if any) to satisfy their obligations under the Subsidiary Guarantees or JV Subsidiary Guarantees (as the case may be).

PRC laws and regulations permit payment of dividends only out of accumulated profits as determined in accordance with PRC accounting standards and regulations and such profits differ from profits determined in accordance with IFRS in certain significant respects, including the use of different bases of recognition of revenue and expenses. Our PRC subsidiaries are also required to set aside a portion of their after-tax profits according to PRC accounting standards and regulations to fund certain reserves that are not distributable as cash dividends 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, the withholding tax rate may be lowered to 5%. However, according to the State Administration of Taxation promulgated the Notice of the State Administration of Taxation on the “Beneficial Owner” in Tax Treaties (《國家稅務總局關於稅收協定中“受益所有人”有關問題的公告》) which becomes effective on April 1, 2018 and provides that a case-by-case analysis approach should be adopted and sets forth the relevant factors to be taken into account when determining a beneficial owner. As a result of such limitations, there could be timing limitations on payments from our PRC subsidiaries to meet our payment obligations under the Notes or to satisfy the obligations of the Subsidiary Guarantors or JV Subsidiary Guarantors (if any)

under the Subsidiary Guarantees or the JV Subsidiary Guarantees (as the case may be), 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 approval by SAFE prior to any of our non-PRC subsidiaries making shareholder loans in foreign currencies to our PRC subsidiaries (except the loans to a foreign-invested enterprise within the difference between its total investment and registered capital), and require such loans (including the loans to a foreign-invested enterprise within the difference between its total investment and registered capital) to be registered with 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 SAFE, as well as any other documents that SAFE or its local branch may require.

As a result of the foregoing, we cannot assure you that we will have sufficient cash flow from dividends or payments on intercompany loans or advances from our subsidiaries to satisfy our obligations under the Notes or the obligations of the Subsidiary Guarantors or JV Subsidiary Guarantors (if any) under the Subsidiary Guarantees or the JV Subsidiary Guarantees (as the case may be). 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.

The terms of the Notes give us enhanced flexibility to pay dividends and repurchase our shares

We pay dividends to our shareholders or repurchase our common stock from time to time. Under the Indenture, any such dividend payment will be a "Restricted Payment", which could not be made unless we can, among other things, satisfy the Fixed Charge Coverage Ratio. However, such restriction is subject to important exceptions and qualifications. Under the Description of the Notes, we may pay dividends on our common stock or repurchase our common stock in an aggregate amount up to 20% of our consolidated profit for the year without satisfying the Fixed Charge Coverage Ratio. With such an exception, we may be able pay substantial amount of dividends even when we are highly leveraged, which may materially and adversely affect our ability to service our indebtedness, including the Notes.

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 floating band was further widened to 1.0% on April 16, 2012 and to 2.0% on March 17, 2014. These changes in currency policy resulted in the Renminbi appreciating against the U.S. dollar by approximately 33% from July 21, 2005 to December 31, 2014. On August 11, 2015, the PBOC announced plans to improve the central parity rate of the RMB against the U.S. dollar by authorizing market-makers to provide parity to the China Foreign Exchange Trading Center operated by the PBOC with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign currencies as well as changes in exchange rates of major international currencies. On the same day, the central parity rate of the RMB against the U.S. dollar depreciated by nearly 2.0% as compared to August 10, 2015, and further depreciated by nearly 1.6% on August 12, 2015 as compared to August 11, 2015. The International Monetary Fund announced on September 30, 2016 that the Renminbi joined its Special Drawing Rights currency basket. Such change and additional future changes may increase the volatility in the trading value of the Renminbi against foreign currencies. In addition, there remains significant international pressure on the PRC government to adopt a more flexible currency policy.

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.

There are limited hedging instruments available in China to reduce our exposure to exchange rate fluctuations between the Renminbi and other currencies. To date, we have not entered into any hedging transactions to reduce our exposure to such risks. 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 Purchasers and their 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.

Any hedging obligation entered into or to be entered into by us or our subsidiaries, may contain terms and conditions that may result in the early termination, in whole or in part, of such hedging obligation upon the occurrence of certain termination or analogous events or conditions (howsoever described), including such events relating to us and/or any of our subsidiaries, and the terms and conditions of such hedging obligation(s) may provide that, in respect of any such early termination, limited or no payments may be due and payable to, or that certain payments may be due and payable by, us and/or any of our subsidiaries (as relevant) in respect of any such early termination. Any such early termination, in whole or in part, of any such hedging obligation(s), and the payment and any other consequences and effects of such early termination(s), may be material to our financial condition and/or any of our subsidiaries and may be material in relation to the performance of our or their respective obligations under or in relation to the Notes (if applicable), any indebtedness or any other present or future obligations and commitments.

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

We must offer to purchase the 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.”

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. Our failure to make the offer to purchase or to purchase the outstanding 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 repay the debt.

In addition, the definition of Change of Control Triggering Event for purposes of the Indenture does not necessarily afford protection for the holders of the Notes 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 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 ability of a holder of the Notes to require us to purchase its Notes pursuant to the offer as a result of a highly leveraged transaction or a sale of less than all of our assets may be uncertain.

We may be able to 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 payable 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 laws 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.

The 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 the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

We may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. In such case, an investor 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 do 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 the laws of the United States or other jurisdictions with which holders of the Notes are familiar. In addition, the Subsidiary Guarantors are incorporated in the BVI or Hong Kong and the insolvency laws of the BVI 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 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. Any JV Subsidiary Guarantors which become equity holders of our PRC Subsidiaries would also be subject to such laws. 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 laws of the Cayman Islands, the BVI, Hong Kong, 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 Indenture and the indentures governing the Existing Notes, there could be a default under the terms of these agreements, which could cause repayment of our debt to be accelerated

If we are unable to comply with the restrictions and covenants in the Indenture 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 and the indenture governing the Existing Notes 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 and the Existing Notes or result in a default under our other debt agreements, including the Indenture and the indentures governing the Existing Notes. If any of these events occur, we cannot assure you that our assets and cash flow would be sufficient to repay in full all of our indebtedness, or that we would be able to find alternative financing. Even if we could obtain alternative financing, we cannot assure you that it would be on terms that are favorable or acceptable to us.

Our operations are restricted by the terms of the Notes, 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 includes a number of significant restrictive covenants. These covenants restrict, among other things, our ability, and the ability of our Restricted Subsidiaries, to:

- incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- make investments or other specified restricted payments;
- issue or sell capital stock of Restricted Subsidiaries;
- guarantee indebtedness of Restricted Subsidiaries;
- sell assets;
- create liens;
- engage in any business other than the permitted business;
- 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.

A trading market for the Notes may not develop, 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. Although application will be made to the Hong Kong Stock Exchange for listing of the Notes

by way of debt issues to Professional Investors only as described in this offering memorandum, we cannot assure you that we will obtain or be able to maintain a listing on the Hong Kong Stock Exchange, or that, if listed, a liquid trading market will develop. We have been advised that the Initial Purchasers intend to make a market in the Notes, but the Initial Purchasers are not obligated to do so and may discontinue such market making activity at any time without notice. In addition, the Notes are being offered pursuant to exemptions from registration under the Securities Act and, as a result, you will only be able to resell your Notes in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act. See “Plan of Distribution.” We cannot predict whether an active trading market for the Notes will develop or be sustained.

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

The Notes are expected to be rated “B1” by Moody’s Investors Service, “B+” by Standard and Poor’s Rating Services and “BB-” by Fitch Ratings. The rating addresses 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. Additionally, we have been rated “Ba3” with a stable outlook by Moody’s Investors Service, “BB-” with a stable outlook by Standard & Poor’s Ratings Services and “BB-” with a stable outlook by Fitch Ratings. 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 will be confirmed or they will 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 any class of Capital Stock 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, and such 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.

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

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

Unlike the holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon our solicitations for consents, requests for waivers or other actions

from Noteholders. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear and Clearstream. The procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on a timely basis.

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

RISKS RELATING TO THE SUBSIDIARY GUARANTEES, THE JV SUBSIDIARY GUARANTEES AND THE COLLATERAL

Our initial Subsidiary Guarantors do not currently have significant operations and certain Subsidiary Guarantees may in some cases be replaced by limited-recourse guarantees

We conduct substantially all of our business operations through our PRC subsidiaries but none of our current PRC subsidiaries will provide a Subsidiary Guarantee either upon issuance of the Notes or at any time thereafter. Therefore, almost all of our revenue and income (as shown in our consolidated financial information included elsewhere in this offering memorandum) are attributed to our PRC operating subsidiaries and any contribution from direct operations of the Subsidiary Guarantors (or JV Subsidiary Guarantors) are immaterial. No future subsidiaries that are organized under the laws of the PRC, that are not permitted by applicable laws or regulation to guarantee the Notes (the “Exempted Subsidiaries”), or that are listed on a qualified exchange and their subsidiaries (the “Listed Subsidiaries”) will provide a Subsidiary Guarantee or JV Subsidiary Guarantee at any time in the future. In addition, certain of our offshore subsidiaries will not be required to guarantee the Notes if the consolidated assets of these subsidiaries (other than the Exempted Subsidiaries and Listed Subsidiaries) do not exceed 25% of our total assets. As a result, the Notes will be effectively subordinated to all the debt and other obligations, including contingent obligations and trade payables, of our PRC subsidiaries and other Non-Guarantor Subsidiaries. Moreover, the Collateral will not include the capital stock of our existing or future PRC subsidiaries and other Non-Guarantor Subsidiaries.

The initial Subsidiary Guarantors that will 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 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, or purchase from, a third party of an equity interest in such subsidiary or its direct or indirect majority shareholders (subject to the satisfaction of certain conditions). Recovery under the JV Subsidiary Guarantees provided by a JV Subsidiary Guarantor and its shareholders and subsidiaries are limited to an amount equal to our proportional interest in the issued share capital of such JV 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.

Security over the Collateral will not be granted directly to the holders of the Notes, and the Collateral will generally be shared with creditors under certain other financings

Security over the Collateral for the obligations of the Company under the Notes and the Indenture will not be granted directly to the holders of the Notes but will be granted only in favor of the Collateral Agent. As a consequence, holders of the Notes will not have direct security and will not be entitled to take enforcement action in respect of the security for the Notes, except through the Collateral Agent, which has agreed to apply any proceeds of enforcement on such security towards such obligations.

The Indenture also permits us to enter into certain future financings, and creditors under those future financings may share the Collateral *pari passu* with the holders of the Notes. See the section entitled “Description of the Notes — Security — Permitted Pari Passu Secured Indebtedness” for a further discussion of the sharing of the Collateral with future financings. If creditors under future financings opt to share the Collateral under an intercreditor agreement, a smaller portion of the proceeds from the Collateral will be available to satisfy the claims of the holders of the Notes, which could have a material adverse effect on their ability to recover sufficient proceeds to satisfy their claims under the Notes.

The Intercreditor Agreement may impact the ability of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) to pay amounts due under the Notes, the Subsidiary Guarantees, the JV Subsidiary Guarantees (if any) and the Intercreditor Agreement may limit the rights of holders of the Notes to the Collateral

The Collateral Agent is required to take action to enforce the Collateral in accordance with the instructions of the holders of the Notes, the holders of the Existing Notes and the holders (or representatives or agents) of other Permitted Pari Passu Secured Indebtedness, given under and in accordance with the Intercreditor Agreement. Any enforcement action taken by the Collateral Agent will adversely affect the Company’s entitlement to receive distributions from the Collateral, which will, in turn, have an adverse impact on the Company’s ability to fulfill its payment obligations under the Notes. Further, the Subsidiary Guarantors’ or the JV Subsidiary Guarantors’ ability to pay under the Subsidiary Guarantees or the JV Subsidiary Guarantees will be adversely affected. The ability of holders of the Notes to enforce the Collateral is restricted under the Intercreditor Agreement, as only the Collateral Agent is permitted to take enforcement actions. If an event of default occurs under the Notes, the holders of the Notes holding 25% of the outstanding amount of the Notes, the Existing Notes and other Permitted Pari Passu Secured Indebtedness may decide whether to take any enforcement action and may thereafter, through their respective trustee, representative or agent, in accordance with the Intercreditor Agreement, instruct the Collateral Agent to take enforcement action against the Collateral. By virtue of the instructions given to the Collateral Agent described above, actions may be taken in respect of the Collateral that may be adverse to holders of the Notes. In such event, the only remedy available to holders of the Notes would be to sue for payment under the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any).

The Collateral Agent, acting in its capacity as such, shall have such duties with respect to the Collateral pledged, assigned or granted pursuant to the security documents relating to the Collateral (the “Security Documents”) as are set forth in the Intercreditor Agreement. Under certain circumstances, the Collateral Agent may have obligations under the Security Documents or the Intercreditor Agreement that are in conflict with the holders of the Notes. The Collateral Agent will not be under any obligation to exercise any rights or powers conferred under the Intercreditor Agreement or any of the Security Documents for the benefit of the holders of the Notes and the holders of the Existing Notes, unless such holders have

offered to the Collateral Agent indemnity and/or security satisfactory to the Collateral Agent against any loss, liability or expense.

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 BVI 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 proceedings may be commenced with respect to any such Subsidiary Guarantor or JV Subsidiary Guarantor, 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 BVI:

- 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) was given within the six months, or, if the guarantee and beneficiary are connected entities, two years, before the onset of insolvency).

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 (if any). 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 (if any) without rendering the guarantee, as it relates to such Subsidiary Guarantor or JV Subsidiary Guarantor (if any), voidable under such applicable insolvency or fraudulent transfer laws.

If a court voided a Subsidiary Guarantee or JV Subsidiary Guarantee (if any), subordinated such guarantee to other indebtedness of the Subsidiary Guarantor or JV Subsidiary Guarantor (if any) or held the Subsidiary Guarantee or JV Subsidiary Guarantee (if any) unenforceable for any other reason, holders of the Notes would cease to have a claim against that Subsidiary Guarantor or JV Subsidiary Guarantor (if any) 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 (if any) 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.

The pledge of certain Collateral may in some circumstances be voidable

The pledge of the Collateral may be voidable as a preference under insolvency or fraudulent transfer or similar laws of Hong Kong and the BVI if the creation of the pledge takes place at any time within six months prior to the onset of insolvency or, under some circumstances, within a longer period. Pledges of shares of future Subsidiary Guarantors may also be voidable as a preference under relevant insolvency or fraudulent transfer or similar laws. In addition, the pledge of certain Collateral may be voided based on the analysis set forth under “— Risks Relating to the Subsidiary Guarantees, the JV Subsidiary Guarantees and the Collateral — 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.” If the pledges of the Collateral were to be voided for any reason, holders of the Notes would have only an unsecured claim against us and the Subsidiary Guarantor Pledgors.

The value of the Collateral will likely not be sufficient to satisfy our obligations under the Notes and other pari passu secured indebtedness

The Collateral consists only of the shares of the Subsidiary Guarantors. The security interest in respect of certain Collateral may be released upon the disposition of such Collateral and any proceeds from such disposition may be applied, prior to repaying any amounts due under the Notes, to repay other debt or to make investments in properties and assets that will not be pledged as additional Collateral.

The ability of the Collateral Agent to foreclose on the Collateral upon the occurrence of an Event of Default or otherwise will be subject in certain instances to perfection and priority issues. Although procedures will be undertaken to support the validity and enforceability of the security interests, we cannot assure you that the Collateral Agent, the Trustee or holders of the Notes will be able to enforce the security interest.

The value of the Collateral in the event of a liquidation will depend upon market and economic conditions, the availability of buyers and similar factors. No independent appraisals of any of the Collateral have been prepared by or on behalf of us in connection with this offering of the Notes. Accordingly, we cannot assure you that the proceeds of any sale of the Collateral following an acceleration of the Notes would be sufficient to satisfy, or would not be substantially less than, amounts due and payable on the Notes. By their nature, some or all of the Collateral, in particular, the shares of the existing or any future Subsidiary Guarantors may be illiquid and may have no readily ascertainable market value. Likewise, we cannot assure you that the Collateral will be saleable or, if saleable, that there will not be substantial delays in its liquidation.

The Collateral will be shared on a *pari passu* basis by the holders of the Notes and the Existing Notes, the 2019 Hang Seng Facility and any other creditors with respect to Permitted *Pari Passu Secured Indebtedness*. Accordingly, in the event of a default on the Notes or the other secured indebtedness and a foreclosure on the Collateral, any foreclosure proceeds would be shared by the holders of secured indebtedness in proportion to the outstanding amounts of each class of secured indebtedness. The value of the Collateral securing the Notes and the Subsidiary Guarantees of the Subsidiary Guarantor Pledgors is unlikely to be sufficient to satisfy the Company's and each of the Subsidiary Guarantor Pledgors' obligations under the Notes and the Subsidiary Guarantees of the Subsidiary Guarantor Pledgors, and the Collateral securing the Notes and such Subsidiary Guarantees may be reduced or diluted under certain circumstances, including the issuance of Additional Notes or additional Permitted *Pari Passu Secured Indebtedness* and the disposition of assets comprising the Collateral, subject to the terms of the Indenture and the Intercreditor Agreement.

The pledge of certain Collateral may be released under certain circumstances

If we dispose of not less than 20% of the shares of a Subsidiary Guarantor, the Subsidiary Guarantees provided by such Subsidiary Guarantor and its subsidiaries, and the Collateral comprising the shares of these companies, may be released if the consolidated assets of our non-PRC subsidiaries (other than Exempted Subsidiaries and Listed Subsidiaries) do not account for more than 25% of our total assets immediately following such release. In addition, in the event the conditions applicable to the replacement of a Subsidiary Guarantee with a JV Subsidiary Guarantee are satisfied, we are permitted to release the pledge of the shares granted by such Subsidiary Guarantor, as well as the pledge of the shares granted by the subsidiaries of such Subsidiary Guarantor. We are only required to deliver a replacement share pledge for the shares that we continue to hold in such JV Subsidiary Guarantor (but not the subsidiaries of such JV Subsidiary Guarantor) following the sale of the equity interests in such Subsidiary Guarantor. As a result, in the event we sell minority equity interests in our Subsidiary Guarantors or otherwise create JV Subsidiary Guarantors in accordance with the terms of the Indenture, the Collateral will be reduced in value and scope, and holders of the Notes would be subject to increased risks.

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. Since 1994, the conversion of Renminbi into foreign currencies, including Hong Kong dollars and U.S. dollars, has been based on rates set by PBOC, which are set daily based on the previous day's inter-bank foreign exchange market rates and current exchange rates in the world financial markets. From 1994 to July 20, 2005, 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, loans or securities, 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. On May 18, 2007, 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 PBOC. The floating band was further widened to 1.0% on April 16, 2012 and to 2.0% on March 17, 2014. From July 21, 2005 to December 31, 2014, the value of the Renminbi appreciated by approximately 33% against the U.S. dollar. On August 11, 2015, the PBOC announced plans to improve the central parity rate of the RMB against the U.S. dollar by authorizing market-makers to provide parity to the China Foreign Exchange Trading Center operated by the PBOC with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign currencies as well as changes in exchange rates of major international currencies. The PRC government has since made and in the future may make further adjustments to the exchange rate system. PBOC announces the central parity exchange rate of certain foreign currencies against the Renminbi on each business day. This rate is set as the central parity for the trading against the Renminbi in the inter-bank foreign exchange spot market and the over-the-counter exchange rate for the business day.

The following table sets forth the exchange rate of the Renminbi against the U.S. dollar as set forth in the H.10 statistical release of the Federal Reserve Board for and as of the period ends indicated.

Period	Exchange Rate			
	Period End	Average ⁽¹⁾	High	Low
		(RMB per US\$1.00)		
2016.....	6.9430	6.6549	6.9580	6.4480
2017.....	6.5063	6.7569	6.9575	6.4773
2018.....	6.8755	6.6079	6.9737	6.2649
2019.....	6.9618	6.9014	7.1786	6.6822
2020.....	6.5250	6.8878	7.1348	6.5250
December.....	6.5250	6.5393	6.5705	6.5208
2021				
January.....	6.4282	6.4672	6.4822	6.4282
February.....	6.4730	6.4601	6.4869	6.4344
March.....	6.5518	6.5109	6.5716	6.4932
April.....	6.4749	6.5186	6.5649	6.4710
May (through May 21, 2021).....	6.4339	6.4449	6.4749	6.4156

Source: Federal Reserve H.10 Statistical Release

Note:

- (1) Annual and monthly averages are calculated using the average of the daily rates during the relevant period.

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 rate of the H.K. dollar against the U.S. dollar as set forth in the H.10 statistical release of the Federal Reserve Board for and as of the period ends indicated.

Period	Exchange Rate			
	Period end	Average ⁽¹⁾	High	Low
		(HK\$ per US\$1.00)		
2016.....	7.7534	7.7618	7.8270	7.7505
2017.....	7.8128	7.7926	7.8267	7.7540
2018.....	7.8316	7.8376	7.8499	7.8043
2019.....	7.7894	7.8335	7.8499	7.7850
2020.....	7.7534	7.7562	7.7927	7.7500
December.....	7.7534	7.7519	7.7539	7.7505
2021				
January.....	7.7531	7.7533	7.7555	7.7517
February.....	7.7567	7.7529	7.7567	7.7515
March.....	7.7746	7.7651	7.7746	7.7562
April.....	7.7664	7.7691	7.7849	7.7596
May (through May 21, 2021)	7.7640	7.7664	7.7697	7.7631

Source: Federal Reserve H.10 Statistical Release

Note:

- (1) Annual and monthly averages are calculated using the average of the daily rates during the relevant period.

USE OF PROCEEDS

The gross proceeds from this offering, before deducting the underwriting discounts and commissions and other estimated expenses payable by us in connection with this offering, will be approximately US\$400 million. We plan to use the proceeds from this offering to refinance our mid- and long-term indebtedness which will become due and payable within a year.

We may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of the proceeds. Pending application of the net proceeds of this offering, we intend to invest the net proceeds in Temporary Cash Investments (as defined under “Description of the Notes — Definitions”).

CAPITALIZATION AND INDEBTEDNESS

The following table sets forth our capitalization and indebtedness as of December 31, 2020 on an actual basis and on an adjusted basis after giving effect to the issuance of the Notes in this offering before deducting the underwriting discounts and commissions and other estimated expenses payable by us in connection with this offering, but without giving effect to the issuance of the January 2021 Notes, the Additional September 2020 Notes and the April 2021 Notes. The following table should be read in conjunction with the selected consolidated financial information and our consolidated financial statements and related notes included in this offering memorandum.

	As of December 31, 2020			
	Actual		As adjusted	
	(RMB)	(US\$)	(RMB)	(US\$)
		unaudited		unaudited
		(in thousands)		
Cash and cash equivalents⁽¹⁾	33,531,747	5,138,965	36,141,747	5,538,965
Current debt:⁽²⁾				
Interest-bearing bank and other borrowings and interest payable ⁽³⁾	19,030,214	2,916,508	19,030,214	2,916,508
Total current debt	<u>19,030,214</u>	<u>2,916,508</u>	<u>19,030,214</u>	<u>2,916,508</u>
Non-current debt:				
Interest-bearing bank and other borrowings and interest payable ⁽³⁾	43,439,917	6,657,459	43,439,917	6,657,459
Notes to be issued	–	–	2,610,000	400,000
Total non-current debt⁽⁴⁾	<u>43,439,917</u>	<u>6,657,459</u>	<u>46,049,917</u>	<u>7,057,459</u>
Total equity	<u>35,883,414</u>	<u>5,499,373</u>	<u>35,883,414</u>	<u>5,499,373</u>
Total capitalization⁽⁵⁾	<u>79,323,331</u>	<u>12,156,832</u>	<u>81,933,331</u>	<u>12,556,832</u>

Notes:

- (1) Cash and cash equivalents excludes restricted bank deposits of RMB4,427.9 million (US\$678.6 million).
- (2) Current debt includes the current portion of long-term bank loans and other borrowings.
- (3) Our interest-bearing bank and other borrowings includes senior notes.
- (4) Our non-current total debt does not include capital and other commitments. As of December 31, 2020, our consolidated capital and other commitments were RMB19,667.7 million (US\$3,014.2 million) and we had RMB29,867.7 million (US\$4,577.4 million) of guarantees for mortgage bank loans granted to purchasers of our properties. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Indebtedness and Contingent Liabilities — Contractual Obligations” and “— Contingent Liabilities.” We have, since December 31, 2020, in the ordinary course of business, entered into additional financial arrangements to finance our property development and for general corporate purposes, which are not reflected in the table above. See “Description of Other Material Indebtedness.”
- (5) Total capitalization equals total non-current debt plus total equity.

Subsequent to December 31, 2020, we have, in the ordinary course of business, entered into additional financial arrangements, such as the January 2021 Notes, the Additional September 2020 Notes and the April 2021 Notes, to finance our business development and for general corporate purposes. See “Business — Recent Developments.” Except as otherwise disclosed in this offering memorandum, there has been no material adverse change in our capitalization and indebtedness since December 31, 2020.

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables present our selected financial and other data. The selected consolidated income statement data for the years ended December 31, 2018, 2019 and 2020 and the selected consolidated statements of financial position as of December 31, 2018, 2019 and 2020 set forth below (except for EBITDA data) have been derived from our audited consolidated financial statements for such periods and as of such dates, as audited by Ernst & Young, our independent certified public accountants, and included elsewhere in this offering memorandum. 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 Income Statement and Other Financial Data

	Year ended December 31,			
	2018	2019	2020	
	(RMB)	(RMB)	(RMB)	(US\$)
	(in thousands)			
Revenue	34,375,010	42,433,383	38,576,694	5,912,137
Cost of sales	(23,754,162)	(29,997,746)	(27,474,248)	(4,210,613)
Gross profit	10,620,848	12,435,637	11,102,446	1,701,524
Other income and gains	1,030,565	1,033,777	1,935,114	296,568
Selling and marketing costs	(835,642)	(1,212,434)	(1,119,973)	(171,643)
Administrative expenses	(1,111,916)	(1,554,296)	(1,574,063)	(241,236)
Other expenses	(367,480)	(561,624)	(484,936)	(74,320)
Finance costs	(667,219)	(1,010,850)	(1,181,169)	(181,022)
Share of profits and losses of associates and joint ventures	(330,531)	1,208,769	445,059	68,208
Profit before tax	8,338,625	10,338,979	9,122,478	1,398,079
Income tax expense	(3,527,482)	(4,778,518)	(3,756,468)	(575,704)
Profit for the year	<u>4,811,143</u>	<u>5,560,461</u>	<u>5,366,010</u>	<u>822,375</u>
Attributable to:				
Owners of the Company	4,399,190	5,212,623	4,941,190	757,268
Non-controlling interests	411,953	347,838	424,820	65,107
	<u>4,811,143</u>	<u>5,560,461</u>	<u>5,366,010</u>	<u>822,375</u>
Other Financial Data (unaudited):				
EBITDA ⁽¹⁾	12,131,799	14,734,443	12,129,662	1,858,952
EBITDA margin ⁽²⁾	35.3%	34.7%	31.4%	31.4%

Notes:

- (1) EBITDA for any period consists of earnings before fair value gains or losses on the investment properties and certain other special gains or expenses, plus depreciation of property, plant and equipment, capitalized interest under cost of sales, income tax expense and finance costs. 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 Operations — Non-GAAP Financial Measures" for a reconciliation of our operating profit for the year under IFRS to our definition of EBITDA. Investors should also note that EBITDA as presented herein may be calculated differently from Consolidated EBITDA as defined and used in the Indenture governing the Notes. Interest expense excludes amounts capitalized. See the section entitled "Description of the Notes — Definitions" for a description of the manner in which Consolidated EBITDA is defined for purposes of the Indenture governing the Notes.
- (2) EBITDA margin is calculated by dividing EBITDA by revenue.

Selected Consolidated Statements of Financial Position

	As of December 31,			
	2018	2019	2020	
	(RMB)	(RMB)	(RMB)	(US\$)
	(in thousands)			
Non-current assets				
Property, plant and equipment	1,549,786	1,096,102	1,177,999	180,536
Inventories of properties	1,476,969	1,518,010	1,354,246	207,547
Right-of-use assets	–	138,186	85,523	13,107
Investment properties	1,336,299	3,489,209	7,007,400	1,073,931
Other intangible assets	152,605	142,927	165,949	25,433
Goodwill	441,850	88,526	78,318	12,003
Interests in joint ventures	4,668,550	7,587,048	9,383,838	1,438,136
Interests in associates	488,602	2,520,090	2,782,440	426,428
Available-for-sale investments	–	–	–	–
Equity instruments at fair value through other comprehensive income	424,828	434,207	410,952	62,981
Deferred tax assets	1,092,131	1,678,601	1,924,839	294,994
Prepayments, deposits and other receivables	1,481,000	1,148,838	1,067,739	163,638
Total non-current assets	<u>13,112,620</u>	<u>19,841,744</u>	<u>25,439,243</u>	<u>3,898,734</u>
Current assets				
Inventories of properties	50,677,350	61,460,980	79,079,315	12,119,435
Trade receivables	4,889,684	6,101,701	6,371,029	976,403
Contract assets	–	210,434	457,090	70,052
Contract cost	216,567	619,341	724,086	110,971
Prepayments, deposits and other receivables	25,169,513	31,830,195	30,733,096	4,710,053
Financial asset at fair value through profit or loss	220,500	–	–	–
Amounts due from joint ventures	5,017,516	8,423,080	7,532,760	1,154,446
Amounts due from associates	1,094,766	1,874,858	1,080,588	165,607
Tax prepayments	1,227,953	1,456,341	2,125,583	325,760
Restricted bank deposits	4,051,526	3,404,545	4,427,850	678,598
Cash and cash equivalents	23,374,181	25,874,865	33,531,747	5,138,965
Total current assets	<u>115,939,556</u>	<u>141,256,340</u>	<u>166,063,144</u>	<u>25,450,290</u>
Total assets	<u>129,052,176</u>	<u>161,098,084</u>	<u>191,502,387</u>	<u>29,349,024</u>

	As of December 31,			
	2018	2019	2020	
	(RMB)	(RMB)	(RMB)	(US\$)
	(in thousands)			
Current liabilities				
Trade and bills payables	8,520,818	14,470,947	20,608,415	3,158,378
Other payables and accruals	11,749,129	21,337,585	23,300,554	3,570,964
Contract liabilities	19,028,629	21,579,362	24,203,207	3,709,304
Amounts due to joint ventures	3,417,681	4,950,359	10,853,290	1,663,339
Amounts due to associates	–	–	638,847	97,908
Interest-bearing bank loans and other borrowings and interest payable	7,311,784	18,597,713	19,030,214	2,916,508
Lease liabilities	–	51,959	115,881	17,760
Tax payable	4,557,264	7,014,368	9,358,981	1,434,327
Total current liabilities	54,585,305	88,002,293	108,109,389	16,568,488
Net current assets	61,354,251	53,254,047	57,953,755	8,881,802
Total assets less current liabilities	74,466,871	73,095,791	83,392,998	12,780,536
Non-current liabilities				
Interest-bearing bank loans and other borrowings	40,319,161	34,663,066	43,439,917	6,657,459
Derivative financial instruments	–	–	57,405	8,798
Other long-term payables	162,603	134,934	58,581	8,978
Lease liabilities	–	1,174,471	2,210,090	338,711
Deferred tax liabilities	1,688,915	1,418,965	1,743,591	267,217
Total non-current liabilities	42,170,679	37,391,436	47,509,584	7,281,163
Total liabilities	96,755,984	125,393,729	155,618,973	23,849,651
Net assets	32,296,192	35,704,355	35,883,414	5,499,373
Equity				
Equity attributable to owners of the Company				
Share capital	145,260	154,528	154,528	23,682
Reserves	16,806,843	18,932,706	18,623,208	2,854,131
	16,952,103	19,087,234	18,777,736	2,877,813
Non-controlling interests	15,344,089	16,617,121	17,105,678	2,621,560
Total equity	32,296,192	35,704,355	35,883,414	5,499,373
Total equity and liabilities	129,052,176	161,098,084	191,502,387	29,349,024

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

The following discussion should be read in conjunction with the section entitled "Selected Consolidated Financial and Other Data" and our consolidated financial statements, including the notes thereto, included elsewhere in this offering memorandum. All significant intra-group transactions, balances and unrealized gains on intra-group transactions have been eliminated. Our consolidated financial statements were prepared in accordance with IFRS, which differ in certain material respects from generally accepted accounting principles in other jurisdictions. In this section of the offering memorandum, references to "2018", "2019" and "2020" refer to our financial years ended December 31, 2018, 2019 and 2020, respectively.

OVERVIEW

We are one of the leading property developers in the PRC, focusing on the development of mid-market to high-end residential properties. Our business comprises three areas: (i) property development, i.e., the development of residential and commercial properties for sale, (ii) urban redevelopment, i.e., the redevelopment of old towns, old factories and old villages, and (iii) property leasing, i.e., the development, leasing and sub-leasing of commercial properties owned by us or third parties. We separately listed our property management subsidiary, Times Neighborhood, on the main board of the Hong Kong Stock Exchange on December 19, 2019. In 2020, we were ranked 32th among the "2020 Top 100 China Real Estate Companies" (2020中國房地產百強企業) by PRC Real Estate TOP 10 Research Group (中國房地產TOP10研究組), and awarded "2020 Top 50 China Real Estate Developers" (2020中國房地產開發企業50強), "2020 Top 10 China Real Estate Development Enterprises in Comprehensive Development" (2020中國房地產開發企業綜合發展10強), 2020 Top 30 Listed Real Estate Companies (2020中國房地產上市企業30強) and Best 50 China Real Estate Listed Companies with Strongest Comprehensive Strengths (2020中國房地產上市公司綜合實力50強) by Shanghai E-House Real Estate Research Institute (上海易居房地產研究院) and China Real Estate Survey and Evaluation Center (中國房地產測評中心), and 2020 Top 100 Outstanding Real Estate Enterprises in China (2020中國房地產卓越100榜) by Guandian.cn. In 2019, we were awarded "2019 Top 100 China Real Estate Companies" (2019中國房地產百強企業) by PRC Real Estate TOP 10 Research Group (中國房地產TOP10研究組), "2019 Top 50 China Real Estate Developers" (2019中國房地產開發企業50強) and "2019 Top 10 China Real Estate Development Enterprises in Comprehensive Development" (2019中國房地產開發企業綜合發展10強) by Shanghai E-House Real Estate Research Institute (上海易居房地產研究院) and China Real Estate Survey and Evaluation Center (中國房地產測評中心) and 2019 Top 100 Outstanding Real Estate Enterprises in China (2019中國房地產卓越100榜) by Guandian.cn. In 2018, we were awarded "2018 China Top 100 Real Estate Enterprises" (2018中國房地產百強企業) by PRC Real Estate TOP 10 Research Group (中國房地產TOP10研究組), "2018 Best 50 of China Real Estate Developers" (2018中國房地產開發企業50強) and "2018 Best 10 of Development of China Real Estate Developers" (2018中國房地產開發企業綜合發展10強) by Shanghai E-House Real Estate Research Institute (上海易居房地產研究院) and China Real Estate Survey and Evaluation Center (中國房地產測評中心) and 2018 Best 100 of China Real Estate Enterprises (2018中國房地產卓越100榜) by Guandian.cn. In 2017, we were awarded "2017 Top 100 China Real Estate Enterprises" (2017中國房地產百強企業) by PRC Real Estate TOP 10 Research Group (中國房地產TOP10研究組), "2017 Top 50 China Real Estate Developers" (2017中國房地產開發企業50強) by Enterprises Development Research Center of the State Council (國務院發展研究中心), "Top 100 China Service Private Enterprises" (中國民營企業服務業100強) by All China Federation of Industry and Commerce (中華全國工商業聯合會) and "Top 500 China Private Enterprises" (中國民營企業500強) by All China Federation of

Industry and Commerce (中華全國工商業聯合會). We believe our success is attributable to our market positioning, our well-recognized “Times China” (時代中國) (previously known as “Times Property” (時代地產)) brand image and our property developments with modern designs.

Property development — We define ourselves as a “life stylist” (生活藝術家), with a vision of introducing contemporary and artistic lifestyles to increasingly affluent middle- to high-income households that have relatively high disposable income and strong purchasing power. To meet the anticipated needs and preferences of our target customers during their progression through different stages of their professional careers and lives, we offer three series of residential property developments, namely the “Growth Series” (成長型), the “Blossom Series” (成熟型) and the “Prosperity Series” (成功型). Our series contain modern and artistic themes designed by reputable architecture and design firms, such as AECOM Technology Corporation, Guangzhou Hanhua Architects and Engineers Co., Ltd. (廣州瀚華建築設計有限公司), Shenzhen Huasen Architecture and Engineering Designing Consultants Company Ltd. (深圳華森建築與工程設計顧問有限公司), and SCDA Architects. Substantially all of our residential developments are equipped with well-designed ancillary facilities, such as residents-only parks, clubhouses and swimming pools. We have introduced an art gallery within Times Deconstruction (時代玫瑰園) and we have included private theaters and art salons in some of our property developments to enhance the artistic experience for our customers. To increase our operating efficiency and enhance our cost and quality control, we have standardized and replicated certain themes that we believe to be the most popular among our product offerings. We have also developed commercial properties within our residential property developments so that retail shops and other entertainment facilities are made available to our residential neighborhoods.

Urban redevelopment — We actively follow in the “Urban Redevelopment” (三舊改造) policies to redevelop and reform old towns, old factories and old villages. Upon the completion of the urban redevelopment projects, the local governments typically organize auctions and public listing-for-sale process to sell the underlying land parcels. If the underlying land parcels are sold to independent third parties, we receive certain compensation from the local governments. Urban redevelopment business, which enjoys favorable policies, has brought us and we believe will continue to bring us further opportunities for land acquisitions and business growth. In 2018, 2019 and 2020, we derived income from urban redevelopment business in an amount of RMB2,775.6 million, RMB2,167.6 million and RMB5,453.3 million (US\$835.8 million), respectively. As of December 31, 2020, we had over 160 urban redevelopment projects.

Property leasing — We seek to sell the commercial properties within our residential developments as soon as practicable. In 2018, 2019 and 2020, we rented out a small portion of the commercial properties within our residential developments which had not yet been sold. In addition, we occupied certain premises in Times Property Center for our corporate headquarters, with the remaining premises being leased to third parties. Leveraging our experience in leasing and managing our properties, we also engage in the sub-leasing of commercial properties owned by third parties.

Leveraging our strong presence in Guangdong Province, we expanded into neighboring Hunan Province in 2011. We typically select sites located in Emerging Urban Areas. As of December 31, 2020, we had a total of 138 residential property projects at various stages of development, 128 of which were located in Guangdong Province (comprising 32 in Guangzhou, 15 in Zhuhai, 30 in Foshan, 14 in Qingyuan, eight in Zhongshan, four in Huizhou, 11 in Dongguan, seven in Jiangmen, four in Zhaoqing and one in each of Shantou, Shanwei and Heyuan), five of which were located in Changsha, Hunan Province, two of which were

located in Chengdu, Sichuan Province, one of which was located in Wuhan, Hubei Province and two of which was located in Hangzhou area, Zhejiang Province. As of December 31, 2020, these 138 projects had an aggregate site area of approximately 11,333.473 sq.m. and an aggregate GFA of approximately 21,585,729 sq.m., of which approximately 3,179,369 sq.m. of the GFA was completed, approximately 12,414,031 sq.m. of the GFA was under development and approximately 5,992,329 sq.m. of the GFA was held for future development. Our business strategy is to focus on residential project development. Except for certain premises in Times Property Center that are leased to third parties, the property projects we develop are mainly for sale.

In order to maximize investment returns, improve cash flow and obtain sustainable growth, we strive to shorten our project development cycle. We believe this efficient project development practice is crucial to the success of our business operations. In support of this model, we develop our properties through standardized procedures and by creating standardized residential units for each development theme, while catering to the unique consumer preferences of each market.

KEY FACTORS AFFECTING OUR BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL POSITION

Our business, results of operations and financial position are affected by a number of factors, many of which are beyond our control. See the section entitled “Risk Factors.” Such factors include, without limitation, the following:

Economic Growth and the State of the Real Estate Market in China, in particular, in Guangdong and Hunan Provinces

Economic growth, urbanization and rising living standards in China have been the key drivers behind increasing market demand for residential properties. Currently, while the real estate industry is regarded by the PRC government as one of China’s pillar industries, it is significantly dependent on overall economic growth and the resultant consumer demand for residential properties. Since we target customers in fast-growing urbanizing cities, we believe that urbanization in China and overall economic growth, in particular, in Guangdong and Hunan Provinces, are especially important to our sales and profitability. As such, these factors will continue to have a significant impact on our results of operations.

In addition, our results of operations are subject to the performance of the PRC’s real estate market, in particular, the supply and demand for residential properties and pricing trends of mid-market to high-end residential properties in the cities and regions where we operate. Any general economic downturn or downturn in the real estate market, particularly in the regions where we operate, could adversely affect our business, results of operations and financial position.

Regulatory Measures in the Real Estate Industry in China

Policies and measures relating to property development and related industries implemented by the PRC government have a direct impact on our business and results of operations. From time to time, the PRC government adjusts its macro-economic control policies to encourage or restrict development in the property sector by regulating, among other things, land grants, pre-sales of properties, bank financing and taxation. Prior to the second half of 2008, the PRC government took various measures to control money supply, credit availability and fixed asset investment with a view to preventing China’s economy from overheating and to achieve more balanced and sustainable economic growth. From the second

half of 2008 through the third quarter of 2009, as a result of a global economic downturn, the PRC government adopted measures to encourage consumption in the residential property market and provided support to property developers. Since the fourth quarter of 2009, the PRC government has adjusted some policies to curtail the overheating of the real estate market. These policies include abolishing certain preferential treatment in respect of business tax payable upon the transfer of residential properties, increasing the down payment for mortgage loans, imposing more stringent requirements on the payment of land premium, limiting the number of residential properties a household can buy, and levying a 20% personal income tax on the sale of certain residential properties. PRC regulatory measures in the real estate industry will continue to impact our business.

Ability to Acquire Suitable Land at Reasonable Cost

Our continuing growth and profitability depend, to a large extent, on our ability to acquire quality land at reasonable cost. Land acquisition costs, which consist of land premium and, where necessary, the costs of demolishing existing buildings and relocating residents, are one of the primary components of our cost of sales for property development. Over the past few years, land premiums in China have generally shown an increase as a result of the growing PRC economy. Based on our current development plans, we believe we have sufficient land reserves for our property developments for the next few years. We believe that if the PRC economy continues to grow, demand for residential properties is likely to remain strong and competition for land reserves suitable for property development will intensify. In addition, the public tender, auction and listing-for-sale practices in respect of the grant of state-owned land use rights are also likely to increase competition for undeveloped land, resulting in higher land acquisition costs.

Pre-sales

Our ability to sell properties prior to completion, known as the pre-sale of properties, constitutes the most important source of our operating cash inflow during project development. PRC law allows us to pre-sell properties upon the satisfaction of certain requirements and requires us to use the pre-sale proceeds to develop the property projects that are pre-sold. The amount and timing of cash inflows from pre-sales are affected by a number of factors, including timing and other restrictions on pre-sale imposed by the PRC government, market demand for our properties subject to pre-sale and the number of properties we have available for pre-sale. Reduced cash inflows from pre-sales of our properties will increase our reliance on external financing and impact our ability to finance our property developments as well as profitability.

Timing of Property Development

According to our accounting policy for revenue recognition, no revenue is recognized with respect to a property project until it has been completed, sold and delivered to the customers. The development of our property projects may take many months or sometimes years before the commencement of pre-sales or completion and delivery. As market demand fluctuates, the revenue we recognize in a particular period may depend on market conditions at the time a particular project is pre-sold or sold. Moreover, delays in construction, regulatory approval and other processes can adversely affect the timetable of our projects. Given these limitations, timing differences and uncertainties, coupled with the substantial capital requirements of property development, we can undertake only a limited number of projects at any one time. Since the delivery of our properties varies according to our construction timetable, our results of operations are likely to continue to fluctuate in the future. In order to mitigate these fluctuations, we aim to schedule projects so they will be at different stages of development during any particular period.

Change in Product Mix

The average selling prices per sq.m. and gross profit margins of our products vary by the type of properties we develop and sell. Our gross profit margin is affected by the proportion of revenue attributable to our high gross margin products compared to revenue attributable to lower gross margin products. In 2018, 2019 and 2020 our low-density units, higher-end apartment units (for example, our “Prosperity Series” (成功型) of property development) and retail shops commanded higher average selling prices per sq.m. and gross margins than our mid-market apartment units. In addition, similar properties located in different cities or regions could command different selling prices and thus result in different gross margins. Our properties located in first-tier cities such as Guangzhou typically command higher average selling prices per sq.m. and higher gross profit margins than our properties located in second- or third-tier cities. Our product mix varies from period to period based on a number of factors, including government-regulated plot ratios, project locations, land size and cost, market conditions and our development planning. We adjust our product mix from time to time but may nonetheless be unable to maintain or increase our gross profit margin, which would materially and adversely affect our profitability.

Access to Adequate Financing and Capital Resources

We fund our business operations both through cash flows generated from our business operations and through external financing, primarily including bank loans, trust financings and funds raised from capital markets, such as our initial public offering in December 2013 and issue of the Existing Notes and Corporate Bonds. As of December 31, 2018, 2019 and 2020, our outstanding bank loans and other borrowings (excluding the April 2017 Notes, the November 2017 Notes, the January 2018 Notes, the June 2018 Notes, the February 2019 Notes, the July 2019 Notes, the May 2020 Notes, the July 2020 Notes, the September 2020 Notes, Corporate Bonds and the 2019 Hang Seng Facility) amounted to RMB18,330.7 million, RMB17,354.5 million and RMB23,451.5 million (US\$3,594.1 million), respectively.

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. Furthermore, since commercial banks in China link the interest rates on their loans to benchmark lending rates published by the PBOC, an increase in such benchmark lending rates may increase our interest costs. For the applicable interest rates of our bank loans in 2018, 2019 and 2020, see the subsection entitled “— Indebtedness and Contingent Liabilities — Borrowings” below. Our access to capital and cost of financing are also affected by restrictions imposed from time to time by the PRC government on bank lending for property developments.

From time to time in 2018, 2019 and 2020, we obtained secured trust financings from a number of trust companies in China. Compared to bank loans, trust financings are more readily obtainable and offer greater flexibility in terms of availability of funds. While drawdowns on bank loans usually depend on actual construction progress, drawdowns on trust financings may be made in full in one or multiple installments as agreed with the relevant trust companies. However, financing costs under these trust financing arrangements are generally higher than those under bank loans. There is no guarantee that in the future we will be able to enter into these arrangements, if needed, at all or on favorable terms.

Our ability to access capital at reasonable cost may have a significant impact on our results of operations and financial position.

LAT

We are required to pay LAT on our property developments with respect to the appreciated value of the related land. We paid LAT in an aggregate amount of RMB1,160.7 million (US\$177.9 million) with respect to our pre-sales made in 2018, 2019 and 2020. In 2018, 2019 and 2020, we made provisions for LAT of RMB1,327.3 million, RMB2,979.0 million and RMB1,264.4 million (US\$193.8 million), respectively. However, we cannot assure you that the relevant tax authorities will agree with the basis on which we have calculated our LAT liabilities for provision purposes or that such provisions will be sufficient to cover all LAT obligations that tax authorities may ultimately impose on us. Our financial position may be adversely affected if our LAT liabilities as calculated by the relevant tax authorities are substantially higher than our LAT provisions.

Price Volatility of Construction Materials

Our results of operations are affected by the price volatility of construction materials such as steel and cement and may have a direct effect on our gross margin. For our purchase of key construction materials and facilities such as tiles, electrical wires and cables, lifts, electrical equipment and air-conditioning units, we employ a centralized procurement process to strengthen our bargaining power. Despite the efficiencies and pricing advantages of our volume purchases, any significant increase in the price of construction materials will impact our cost of sales and overall project costs. Furthermore, we typically pre-sell our properties prior to their completion, and we will not be able to pass the increased costs on to our customers if construction costs increase subsequent to the time of such pre-sale. If we cannot successfully pass an increase in the cost of materials to our customers, our profitability will be adversely affected.

Change in Fair Value of Our Investment Properties

Our investment properties consist of commercial units in Times Property Center held for gross rental income. In our consolidated statements of financial position, our investment properties are stated at their fair value as non-current assets at the end of each financial year reporting period on the basis of valuations by a property valuer. Gains or losses arising from changes in the fair value of our investment properties are accounted for in our consolidated income statements as gains or losses upon revaluation, which may have a substantial effect on our profit. The valuation of our investment properties involves the exercise of professional judgment and requires the use of certain bases and assumptions. The fair value of our investment properties, as determined at a particular date, might 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 a different qualified independent professional valuer. In addition, upward revaluation adjustments reflect unrealized capital gains on our investment properties as of the end of the reporting period and do not generate any cash inflow available for our operations or potential dividend distribution to our shareholders. The amounts of fair value adjustments have been, and may continue to be, impacted by prevailing property market conditions in China. In 2018, 2019 and 2020, we had fair value gains on our investment properties of RMB26.5 million, RMB15.7 million and RMB18.8 million (US\$2.9 million), respectively. We recognized gains from fair value changes in our investment properties in 2018, 2019 and 2020 but we cannot assure you that similar levels of fair value gain can be sustained in the future.

Expansion into Other Cities

Our continuing growth depends, to a significant extent, on our ability to expand into other cities. We began our business in Guangzhou and, over the years, have expanded into other cities in Guangdong Province, including Foshan, Zhuhai, Zhongshan, Qingyuan, Huizhou, Jiangmen and Dongguan, as well as into Changsha in nearby Hunan Province, Chengdu in Sichuan Province, Wuhan in Hubei Province and Hangzhou in Zhejiang Province. Despite our past record of expansion, as we enter new markets, we may not have the same level of familiarity with local contractors, business practices, customs and customer tastes, behavior and preference. If we cannot successfully leverage our experience or understand the property market in any other cities which we target for expansion, our business, results of operations and financial position will be adversely affected.

CRITICAL ACCOUNTING POLICIES

We prepare our consolidated financial statements in accordance with IFRS and under the historical cost convention except for available-for-sale investments, equity investments designated at fair value through other comprehensive income, financial asset at fair value through profit or loss, investment properties, the embedded financial derivative component of the convertible bonds and certain other payables included in the other payables and accruals, all of which have been measured at fair value. Some of our accounting policies require us to make judgments, estimates and assumptions that affect: (i) the reported amounts of our assets and liabilities at the end of each financial year; (ii) the disclosure of our contingent assets and liabilities at the end of each financial year; and (iii) the reported amounts of revenue and expenses during each financial year.

We continually evaluate these estimates based on our own historical experience, knowledge and assessment of current business and other conditions, and on our expectations regarding the future based on available information and our best assumptions, which together form our basis for making judgments about matters that are not readily apparent from other sources. Since the use of estimates is an integral component of the financial reporting process, our actual results could differ as a consequence of those estimates and expectations. Some of our accounting policies require a higher degree of judgment than others in their application.

When reviewing our financial statements, you should consider: (i) our selection of critical accounting policies; (ii) the judgment and other uncertainties affecting the application of such policies; and (iii) the sensitivity of reported results to changes in conditions and assumptions. We believe the following accounting policies involve the most significant judgment and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, we estimate the amount of consideration to which we will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between our Group and the customer at contract inception. When the contract contains a financing component which provides us a significant financial benefit for more than one year, revenue recognized under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Sale of completed properties

Revenue from the sale of completed properties is recognized upon the signing of the property handover letter, which is taken to be the point in time when the control of the property is transferred to the buyer.

(b) Urban redevelopment business

Revenue arising from urban redevelopment business is recognized when control of the land held for development or other asset is transferred to the customers at an amount that reflects the consideration to which we expect to be entitled in exchange for the land or other asset.

(c) Construction services

Revenue from the provision of construction services is recognized over time, using an output method to measure progress towards complete satisfaction of the service, because our performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The output method recognizes revenue on the basis of direct measurements of the value to the customer of the services transferred to date relative to the remaining services promised under the contract.

(d) Provision of property management services

Revenue from the provision of management services is recognized over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by us.

Revenue from Other Sources

Rental income is recognized on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognized as income in the accounting period in which they are incurred.

Other Income

Interest income is recognized on an accrual basis, using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Inventories of Properties

Land held for development

Land held for development, representing upfront prepayments for leasehold land for development for future sale in the ordinary course of business, are stated at the lower of cost and net realisable value, of which those within the normal operating cycle are classified as current assets, while those out of the normal operating cycle are classified as non-current assets.

Properties under development

Properties under development are intended to be held for sale after completion.

Properties under development are stated at the lower of cost and net realizable value and comprise land costs, construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to be beyond the normal operating cycle. Upon completion, the properties are transferred to completed properties held for sale.

Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realizable value. Cost is determined by an apportionment of the total land and building costs attributable to unsold properties. Net realizable value takes into account the price ultimately expected to be realized, less estimated costs to be incurred in selling the properties.

Investment Properties

Investment properties are interests in land and buildings (including the leasehold property held as a right-of-use asset (or leasehold property under an operating lease before 2019) which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the fiscal year.

Gains or losses arising from changes in the fair values of investment properties are included in the consolidated statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of investment properties are recognized in the consolidated statement of profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. For a transfer from inventories of properties to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognized in the consolidated statement of profit or loss.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale), are capitalized as part of the cost of those assets. The capitalization of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalized. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Income Tax

Income tax comprises current and deferred tax. Income tax relating to items recognized outside profit or loss is recognized outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each fiscal year, taking into consideration interpretations and practices prevailing in the countries in which we operate.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the fiscal year between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilized, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will

reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Unrecognized deferred tax assets are reassessed at the end of each fiscal year and are recognized to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if we have a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

DESCRIPTION OF CERTAIN INCOME STATEMENT LINE ITEMS

Revenue

Revenue represents (i) gross proceeds from the sale of properties, (ii) gross income from urban redevelopment business, (iii) gross rental income received and receivables and (iv) property management fee income, all of which are net of business tax and surcharges.

The table below sets forth our revenue by operating segment for the periods indicated:

	Year ended December 31,			
	2018	2019	2020	
	Revenue	Revenue	Revenue	Revenue
	(RMB in thousands)	(RMB in thousands)	(RMB in thousands)	(US\$ in thousands)
Sales of properties	30,779,000	38,630,145	32,673,269	5,007,397
Construction services income	–	449,751	–	–
Income from urban redevelopment business	2,775,626	2,167,574	5,453,261	835,749
Rental income	328,044	461,056	450,164	68,991
Property management fee income	492,340	724,857	–	–
Total	34,375,010	42,433,383	38,576,694	5,912,137

Sales of properties represents revenue generated from the sale of aggregate GFA of 2,279,213 sq.m., 2,959,969 sq.m. and 2,354,815 sq.m. for the years ended December 31, 2018, 2019 and 2020, respectively.

We provide construction services and receive construction services fees. Revenue from the provision of construction services is recognized over time, using an output method to measure progress towards complete satisfaction of the service. We started to recognize revenue from construction services in 2019. In 2019, our revenue from constructions services amounted to RMB449.8 million (US\$63.7 million), representing 1.1% of total revenue from sale of properties in 2019. We derived other income from constructions services in 2020.

Gross rental income represents revenue generated from the lease of Times Property Center Block No. 26 of Times King City (Zhongshan) and the sub-leasing business through Guangzhou Times Commercial Management Co., Ltd. and its subsidiaries. For the years ended December 31, 2018, 2019 and 2020, our gross rental income was RMB328.0 million, RMB461.1 million and RMB450.2 million (US\$69.0 million), respectively.

Urban redevelopment business, which enjoys favorable policies, has brought us and we believe will continue to bring us further opportunities for land acquisitions and business growth. In 2018, 2019 and 2020, we derived income from urban redevelopment business in an amount of RMB2,775.6 million, RMB2,167.6 million and RMB5,453.3 million (US\$835.7 million), respectively. As of December 31, 2020, we had over 160 urban redevelopment projects.

Property management fee income represents revenue generated from property management services provided in relation to delivered properties. For the years ended December 31, 2018 and 2019, our revenue from property management was RMB492.3 million and RMB724.9 million, respectively. For the year ended December 31, 2020, no new income from the property management services was recorded by us, primarily attributable to the spin-off of Times Neighborhood which is principally engaged in the provision of property management services. We used to manage all of our properties through Times Neighborhood. On December 19, 2019, we separately listed Times Neighborhood on the main board of the Hong Kong Stock Exchange. Upon the completion of spin-off and separate listing of Times Neighborhood, Times Neighborhood and its subsidiaries were no longer our subsidiaries. However, Times Neighborhood continues to use our trademark under a trademark licensing agreement and continues to provide property management services to substantially all of the projects we develop.

As we derive substantially all of our revenue from the sales of properties, our results of operations for a given period depend principally on the price for the properties we deliver during such period, which in turn depends on the amount of total GFA, the location and type of such properties, and market demand at the time the properties are sold or pre-sold. Conditions in the property markets in which we operate change from period to period and are affected significantly by general economic, political and regulatory developments in the PRC as well as in the regions in which we operate.

The table below sets forth our revenue from the sales of properties, the aggregate GFA of properties we delivered, and the average selling prices per sq.m. for these properties by type of property for the periods indicated:

	Year ended December 31,									
	2018			2019			2020			
	Revenue	GFA delivered ⁽¹⁾	Average selling price per sq.m.	Revenue	GFA delivered ⁽¹⁾	Average selling price per sq.m.	Revenue	Revenue	GFA delivered	Average selling price per sq.m.
	(RMB in thousands)	(sq.m.)	(RMB)	(RMB in thousands)	(sq.m.)	(RMB)	(RMB in thousands)	(US\$ in thousands)	(sq.m.)	(RMB)
(RMB)										
Residential	28,800,015	2,088,146	13,792	36,577,260	2,819,799	12,972	29,760,252	4,560,958	2,167,577	13,730
Commercial	814,478	51,789	15,727	1,066,298	58,269	18,300	2,110,325	323,421	121,406	17,382
Car park	1,164,507	139,278	8,361	986,587	81,901	12,046	802,693	123,018	65,832	12,193
Total	30,779,000	2,279,213		38,630,145	2,959,969		32,673,269	5,007,397	2,354,815	

Notes:

- (1) “GFA delivered” excludes the GFA for ancillary facilities, such as clubhouses, which are delivered in aggregate to the purchasers of properties in the relevant property developments. We did not generate any revenue from such GFA in 2018, 2019 and 2020.

Residential properties

The changes in the average selling price per sq.m. of our residential properties in 2018, 2019 and 2020 were primarily driven by (i) the location of the properties (for example, the properties located in Guangzhou and Zhuhai generally commanded higher selling prices than those in other cities, such as Zhongshan and Foshan, and the properties located in prefecture-level cities, such as Foshan, generally commanded higher selling prices than those in county-level cities, such as Zengcheng), and (ii) overall property market conditions. The average selling price per sq.m. of our residential properties decreased by 5.9% from RMB13,792 per sq.m. in 2018 to RMB12,972 per sq.m. in 2019, primarily due to a decrease in the proportion of lower unit price properties. The average selling price per sq.m. of our residential properties increased by 5.8% from RMB12,972 per sq.m. in 2019 to RMB13,730 per sq.m. (US\$2,104 per sq.m.) in 2020, primarily due to increase in proportion of higher unit price properties and location mix. Overall, the average selling price per sq.m. of our residential properties remain stable. The projects that contributed substantially to the average selling price per sq.m. include Times The Shore (Guangzhou), Times Riverbank (Foshan) Phase II and Times King City (Heshan).

Commercial properties

The change in the average selling price per sq.m. of our commercial properties in 2018, 2019 and 2020 was primarily driven by the location of the properties. Our commercial properties located in Guangzhou and Foshan generally commanded higher selling prices than those located in Zhongshan. The average selling price per sq.m. of our commercial properties increased by 16.4% from RMB15,727 per sq.m. in 2018 to RMB18,300 per sq.m. in 2019, primarily due to an increase in the proportion of higher unit price commercial properties. The average selling price per sq.m. of our commercial properties decreased by 5.0% from RMB18,300 per sq.m. in 2019 to RMB17,382 per sq.m. in 2020, primarily due to the increase in proportion of lower unit price commercial properties. The projects that contributed substantially to the decrease in average selling price per sq.m. include Times Thriving City (Dongguan) and Times Riverbank (Foshan) Phase II.

Car parking spaces

The average selling price per sq.m. of our car parking spaces generally decreased in 2018. The change in selling price is primarily attributable to the location of the properties (for example, the car parking spaces at properties located in Foshan generally commanded higher selling prices than those at properties in Zhuhai). The average selling price per sq.m. of our car parking spaces increased by 44.1% from RMB8,361 per sq.m. in 2018 to RMB12,046 per sq.m. in 2019. The increase is primarily due to the increase in unit price of car parks delivered. The average selling price per sq.m. of our car parking spaces increased slightly by 1.2% from RMB12,046 per sq.m. in 2019 to RMB12,193 per sq.m. in 2020.

Cost of Sales

Cost of sales primarily consists of costs incurred for our property development activities, which are land acquisition costs, construction costs and capitalized finance costs. Our cost of sales also includes the costs relating to our property leasing (including sub-leasing) and property management services, which consist of costs relating directly to such business activities, such as repairs and maintenance arising from rental-earning properties and staff costs associated with our property management companies. The table below sets forth a breakdown of our cost of sales for the periods indicated:

	Year ended December 31,						
	2018		2019		2020		
	(RMB in thousands)	(%)	(RMB in thousands)	(%)	(RMB in thousands)	(US\$ in thousands)	(%)
Cost of properties sold							
Land acquisition costs	9,362,553	39.4	12,663,811	42.2	11,733,179	1,798,188	42.7
Construction costs	10,892,520	45.9	13,072,298	43.6	12,108,431	1,855,699	44.1
Capitalized finance costs	1,916,065	8.1	2,114,193	7.0	2,300,128	352,510	8.4
Subtotal.	22,171,138	93.4	27,850,302	92.8	26,141,738	4,006,397	95.1
Cost of construction services	–	–	440,756	1.5	–	–	–
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	2,874	–	6,159	–	3,224	494	–
Direct operating expenses (including rental and depreciation of leasehold improvements) arising on the subleasing business	189,079	0.8	87,464	0.3	58,150	8,912	0.2
Cost of property management services provided	408,415	1.7	531,041	1.8	–	–	–
Cost of urban redevelopment business	982,656	4.1	1,082,024	3.6	1,271,136	194,810	4.6
Total	23,754,162	100.0	29,997,746	100.0	27,474,248	4,210,613	100.0

Cost of properties sold

Land Acquisition Costs

Land acquisition costs relate to the acquisition of 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 cooperative arrangement, corporate acquisition or otherwise. Land acquisition costs also include any demolition and resettlement costs that we may be required to pay. Our land acquisition costs are influenced by a number of factors, including the location of the property, the timing of the acquisition, the project's plot ratios, the method of acquisition and changes in the PRC regulations.

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 costs of construction materials. Our construction material costs fluctuate as a result of changes in the prices of key construction materials, including steel, cement and other key building materials. Despite our cost control measures, we are still subject to general increases in the prices of construction materials, and we expect the current trend of increasing prices for construction materials to continue in the near future, which in turn will likely increase our construction costs.

Capitalized Finance Costs

We capitalize a portion of our finance costs to the extent that such costs are directly attributable to the acquisition and construction of a project. For any given project, the finance costs incurred after construction on the project is completed are not capitalized but are instead accounted for as finance costs in the period in which they are incurred.

Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties

Direct operating expenses arising from rental-earning investment properties primarily includes the repair and maintenance costs for our rental-earning properties, as well as fees and costs associated with the management of our rental-earning properties. Such direct operating expenses are recognized when such costs are incurred.

Direct operating expenses (including rental and depreciation of leasehold improvements) arising on the subleasing business

Direct operating expenses (including rental and depreciation of leasehold improvements) arising on the subleasing business primarily includes the rental expense paid to the owners of the properties and the amortization of the leasehold improvements. Such direct operating expenses are recognized when such costs are incurred.

Cost of property management services provided

Cost of property management services provided primarily includes staff costs associated with our property management companies and other costs associated with the management of the properties that we have developed.

Gross Profit

Our gross profit in 2018, 2019 and 2020 was 10,620.8 million, RMB12,435.6 million and RMB11,102.4 million (US\$1,701.5 million), respectively, and our gross profit margin was 30.9%, 29.3% and 28.8%, respectively, for the corresponding periods.

Other Income and Gains

Other income and gains primarily comprise bank interest income, other interest income, foreign exchange gain, fair value gains on derivative component of the Convertible Bonds, fair value gains on investment properties, gain on early repayment of debts to independent investors and gains on acquisition or disposal of subsidiaries. Gains on acquisition of subsidiaries represents the excess of the fair value of the net assets of subsidiaries acquired over the aggregate of the consideration transferred. We have adopted investment and treasury policies and internal control measures to review and monitor our investment risks. We consider the profits expected to be generated and the risks expected to be involved before we make any investment. For each investment that we decide to make, we aim to maintain its value by setting up a working team, which comprises business, finance and legal staff, and keeping a register to monitor the performance of the investment. We also maintain detailed accounting records of each investment and review the investments on a regular basis. Our other income and gains in 2018, 2019 and 2020 was RMB1,030.6 million, RMB1,033.8 million and RMB1,935.1 million (US\$296.6 million), respectively.

Selling and Marketing Costs

Selling and marketing costs comprise primarily advertising and promotion expenses, including expenses for advertisements on television, in newspapers and magazines, and on billboards and for promotion offers made directly to our customers. Selling and marketing costs also include sales commissions paid to independent third-party sales agents and staff costs in relation to our selling and marketing staff. Our selling and marketing costs in 2018, 2019 and 2020 was RMB835.6 million, RMB1,212.4 million and RMB1,120.0 million (US\$171.6 million), respectively.

Administrative Expenses

Administrative expenses comprise primarily costs arising from the administration departments of our project companies, such as utility charges, administrative staff costs, transportation and entertainment expenses, rental expenses, general office expenses, legal and professional expenses, other taxes, depreciation and amortization and rental expenses for properties to be sub-leased. Our administrative expenses in 2018, 2019 and 2020 was RMB1,111.9 million, RMB1,554.3 million and RMB1,574.1 million (US\$241.2 million), respectively.

Other Expenses

Other expenses comprised primarily donations we made to social and charitable organizations, including China Overseas-Educated Scholars Development Foundation (中國留學人才發展基金會) (which has the Ministry of Civil Affairs of the PRC as its registration administration organ and the United Front Work Department of Communist Party of China as its business unit) and Guangzhou Times Property Charity Fund (時代地產公益基金會) (a charitable organization registered with the Department of Civil Affairs of Guangdong Province, which was established by Times Development Group, our connected person, in 2007 and primarily serves the underprivileged, such as elderly or disabled people, orphans and people suffering from natural disasters, as its main targeted beneficiaries). Our other expenses in 2018, 2019 and 2020 was RMB367.5 million, RMB561.6 million and RMB484.9 million (US\$74.3 million), respectively.

Finance Costs

Finance costs comprise primarily interest costs on bank loans and other borrowings net of capitalized borrowing costs relating to properties under development to the extent that such costs are directly attributable to the acquisition and construction of a project or project phase. The capitalization of borrowing costs relating to property under development commences when the construction of a property starts and ceases when the construction works are completed. See the subsection entitled “— Critical Accounting Policies — Borrowing Costs” above. Since the construction period for a project or project phase does not necessarily coincide with the repayment period of the relevant loan, not all of the interest costs related to a project or project phase can be capitalized. As a result, our finance costs fluctuate from period to period depending on the level of outstanding indebtedness and the interest rates on such indebtedness, as well as the amount of capitalized borrowing costs, and the timing of the capitalization of such costs, within the reporting period.

The following table sets forth our finance costs for the periods indicated:

	Year ended December 31,			
	2018	2019	2020	
	(RMB)	(RMB)	(RMB)	(US\$)
	(in thousands)			
Interest expense	3,184,996	4,333,985	5,426,402	831,632
Interest on lease liabilities.....	—	96,144	141,772	21,728
Less: Interest capitalized	(2,517,777)	(3,419,279)	(4,387,005)	(672,338)
	667,219	1,010,850	1,181,169	181,022

The weighted average effective interest rate for our bank loans and other borrowings (including senior notes) for the years ended December 31, 2018, 2019 and 2020 was 7.78%, 8.71% and 8.10%, respectively.

We adopted IFRS 16 on January 1, 2019 using the modified retrospective approach. IFRS 16 standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognize and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Under IFRS 16, we recognize right-of-use assets at the commencement date of the lease. We measure right-of-use assets at cost, less any accumulated depreciation and any impairment losses, and adjust for any re-measurement. We recognize lease liabilities at the commencement date of the lease at the present value of lease payments to be made over the lease term. In 2019 and 2020, we recognized interest on lease liabilities of RMB96.1 million and RMB141.8 million (US\$21.7 million).

Income Tax Expense

Income tax expense consists primarily of PRC corporate income tax expense and LAT expense of our PRC subsidiaries. The following table sets forth our tax for the periods indicated:

	Year ended December 31,			
	2018	2019	2020	
	(RMB)	(RMB)	(RMB)	(US\$)
	(in thousands)			
Current:				
PRC corporate				
income tax.	2,808,394	2,853,316	3,065,857	469,863
LAT.	1,327,257	2,978,954	1,264,403	193,778
Deferred	(608,169)	(1,053,752)	(573,792)	(87,937)
Total tax charge for the year	<u>3,527,482</u>	<u>4,778,518</u>	<u>3,756,468</u>	<u>575,704</u>

Our effective tax rate for the years ended December 31, 2018, 2019 and 2020 was 42.3%, 46.2% and 41.2%, respectively. Our effective tax rate remained relatively stable in 2018, 2019 and 2020, with our higher effective tax rate in 2019 mainly due to higher land appreciation tax in respect of our properties delivered in 2019.

Non-controlling Interests

Non-controlling interests mainly represent the portion of our net profit or loss of our non-wholly owned subsidiaries that is attributable to their non-controlling shareholders.

RESULTS OF OPERATIONS

2020 Compared to 2019

Revenue. Our revenue decreased by RMB3,856.7 million, or 9.1%, to RMB38,576.7 million (US\$5,912.1 million) in 2020 from RMB42,433.4 million in 2019. The decrease was primarily due to the decrease in property management fee income and the decrease in the delivered area of property sales.

The table below sets forth, for the periods indicated, our revenue from the sales of properties by type of property and revenue from other sources:

	Year ended December 31,						
	2019			2020			
	Revenue	GFA delivered ⁽¹⁾	Average selling price per sq.m.	Revenue	Revenue	GFA delivered ⁽¹⁾	Average selling price per sq.m.
	(RMB in thousands)	(sq.m.)	(RMB)	(RMB in thousands)	(US\$ in thousands)	(sq.m.)	(RMB)
Sales of properties							
Residential	36,577,260	2,819,799	12,972	29,760,252	4,560,958	2,167,577	13,730
Commercial	1,066,298	58,269	18,300	2,110,325	323,421	121,406	17,382
Car park	986,587	81,901	12,046	802,693	123,018	65,832	12,193
Sub-total	<u>38,630,145</u>	<u>2,959,969</u>		<u>32,673,269</u>	<u>5,007,397</u>	<u>2,354,815</u>	
Urban redevelopment							
business	2,167,574			5,453,261	835,749		
Rental income	461,056			450,164	68,991		
Construction services income	449,751			-	-		
Property management fee income	724,857			-	-		
	<u>42,433,383</u>			<u>38,576,694</u>	<u>5,912,137</u>		

Note:

(1) “GFA delivered” excludes the GFA for ancillary facilities, such as clubhouses, which are delivered in aggregate to the purchasers of properties in the relevant property developments. We did not generate any revenue from such GFA in 2019 and 2020.

Revenue from the sales of properties decreased by 15.4% to RMB32,673.3 million (US\$5,007.4 million) in 2020 from RMB38,630.1 million in 2019. The decrease was primarily due to the decrease in delivered gross floor area for the year. The projects that contributed substantially to the Group’s revenue for 2020 mainly included Times The Shore (Guangzhou), Times Horizon (Foshan), Times Riverbank (Foshan), Times King City (Heshan) and Timing Home (Foshan).

Income from urban redevelopment business increased to RMB5,453.3 million (US\$835.7 million) in 2020 from RMB2,167.6 million in 2019. The income was mainly generated from urban redevelopment projects in Guangzhou and Foshan etc..

Gross rental income decreased by 2.4% to RMB450.2 million (US\$69.0 million) in 2020 from RMB461.1 million in 2019. The decrease was primarily due to certain rent exempt was granted to tenants as a result of the epidemic during the year.

Property management fee income decreased to nil in 2020 from RMB724.9 million in 2019, due to the spin-off of Times Neighborhood which is principally engaged in the provision of property management services.

Cost of sales. The Group's cost of sales decreased by RMB2,523.6 million, or 8.4%, to RMB27,474.2 million (US\$4,210.6 million) in 2020 from RMB29,997.8 million in 2019. Such decrease was primarily attributable to the decrease in the delivered area of property sales.

Gross profit. The Group's gross profit decreased by RMB1,333.2 million, or 10.7%, to RMB11,102.4 million (US\$1,701.5 million) in 2020 from RMB12,435.6 million in 2019. The Group's gross profit margin decreased to 28.8% in 2020 from 29.3% in 2019. The decrease was primarily due to decrease in the proportion of recognized income from products with higher gross profit margin as compared with 2019.

Other income and gains. The Group's other income and gains increased to RMB1,935.1 million (US\$296.6 million) in 2020 from RMB1,033.8 million in 2019, which was primarily attributable to the breakthrough result attained in urban redevelopment business, bringing premium income after the successful transformation of Guangzhou Hongwei project and net foreign exchange gain.

Selling and marketing costs. The Group's selling and marketing costs decreased by RMB92.4 million, or 7.6%, to RMB1,120.0 million (US\$171.6 million) in 2020 from RMB1,212.4 million in 2019. The decrease was mainly due to the strict control over the marketing expenses of the Group.

Administrative expenses. The Group's administrative expenses increased slightly by RMB19.8 million, or 1.3%, to RMB1,574.1 million (US\$241.2 million) in 2020 from RMB1,554.3 million in 2019.

Other expenses. The Group's other expenses decreased by RMB76.7 million, to RMB484.9 million (US\$74.3 million) in 2020 from RMB561.6 million in 2019. The decrease was primarily due to decrease in impairment of goodwill.

Finance costs. The Group's finance costs increased to RMB1,181.2 million (US\$181.0 million) in 2020 from RMB1,010.9 million in 2019. The increase was primarily due to an increase in interest expense arising from the corresponding increase in the amount of bank facilities for the Group's land acquisition and expansion of property development.

Income tax expense. The Group's income tax expense by RMB1,022.0 million, or 21.4%, to RMB3,756.5 million (US\$575.7 million) in 2020 from RMB4,778.5 million in 2019. The decrease was primarily attributable to the decreases in the Group's taxable profit in 2020.

Profit for the year. As a result of the foregoing, the Group's profit for the year decreased by RMB194.5 million, or 3.5%, to RMB5,366.0 million (US\$822.4 million) in 2020 from RMB5,560.5 million in 2019. Basic earnings per share and diluted earnings per share in 2020 were RMB254 cents (2019: RMB273 cents).

Profit attributable to owners of the Company. Profit attributable to the owners of the Company decreased by RMB271.4 million, or 5.2%, to RMB4,941.2 million (US\$757.3 million) in 2020 from RMB5,212.6 million in 2019. Core net profit attributable to the owners of the Company decreased by RMB502.1 million, or 9.2%, to RMB4,963.6 million (US\$760.7 million) in 2020 from RMB5,465.7 million in 2019.

2019 Compared to 2018

Revenue. Our revenue increased by RMB8,058.4 million, or 23.4%, to RMB42,433.4 million in 2019 from RMB34,375.0 million in 2018. The increase was primarily due to an increase in revenue from the sales of properties as described below.

The table below sets forth, for the periods indicated, our revenue from the sales of properties by type of property and revenue from other sources:

	Year ended December 31,					
	2018			2019		
	Revenue	GFA delivered ⁽¹⁾	Average selling price per vsq.m.	Revenue	GFA delivered ⁽¹⁾	Average selling price per vsq.m.
(RMB in thousands)	(sq.m.)	(RMB)	(RMB in thousands)	(sq.m.)	(RMB)	
Sales of properties						
Residential	28,800,015	2,088,146	13,792	36,577,260	2,819,799	12,972
Commercial	814,478	51,789	15,727	1,066,298	58,269	18,300
Car park	1,164,507	139,278	8,361	986,587	81,901	12,046
Sub-total	<u>30,779,000</u>	<u>2,279,213</u>		<u>38,630,145</u>	<u>2,959,969</u>	
Construction services income . .	–			449,751		
Income from urban redevelopment business	2,775,626			2,167,574		
Rental income	328,044			461,056		
Property management fee income	492,340			724,857		
	<u>34,375,010</u>			<u>42,433,383</u>		

Note:

(1) “GFA delivered” excludes the GFA for ancillary facilities, such as clubhouses, which are delivered in aggregate to the purchasers of properties in the relevant property developments. We did not generate any revenue from such GFA in 2018 and 2019.

Revenue from the sales of properties increased by 25.5% to RMB38,630.1 million in 2019 from RMB30,779.0 million in 2018. The increase was primarily due to the increase in delivered GFA for the year.

We started to recognize revenue from construction services in 2019. In 2019, our revenue from constructions services amounted to RMB449.8 million.

Income from urban redevelopment business decreased by 21.9% to RMB2,167.6 million in 2019 from RMB2,775.6 million in 2018. The decrease was primarily due to the fact that some urban redevelopment projects are joint ventures in nature and the related profit was recognized as share of profit of joint ventures.

Gross rental income increased by 40.5% to RMB461.1 million in 2019 from RMB328.0 million in 2018. The increase was primarily due to the rise in rental and occupancy rate.

Property management fee income increased by 47.2% to RMB724.9 million in 2019 from RMB492.3 million in 2018, primarily due to the increase in the number of projects and area that the Group managed. We used to manage all of our properties through Times

Neighborhood. On December 19, 2019, we separately listed Times Neighborhood on the main board of the Hong Kong Stock Exchange. Upon the completion of spin-off and separate listing of Times Neighborhood, Times Neighborhood and its subsidiaries were no longer our subsidiaries. However, Times Neighborhood continues to use our trademark under a trademark licensing agreement and continues to provide property management services to substantially all of the projects we develop.

Cost of sales. The Group's cost of sales increased by RMB6,243.6 million, or 26.3%, to RMB29,997.8 million in 2019 from RMB23,754.2 million in 2018. Such increase was primarily attributable to the increase of property sales.

Gross profit. The Group's gross profit increased by RMB1,814.8 million, or 17.1%, to RMB12,435.6 million for 2019 from RMB10,620.8 million for 2018. The Group's gross profit margin decreased to 29.3% for 2019 from 30.9% for 2018. The decrease was primarily due to the decrease in recognized income from products with higher gross profit margin as compared with the corresponding period in 2018 and the decrease in the gross profit margin of urban redevelopment business.

Other income and gains. The Group's other income and gains increased to RMB1,033.8 million for 2019 from RMB1,030.6 million for 2018, which was primarily attributable to the increase in bank interest income, management fee income and interest income from third parties and joint ventures.

Selling and marketing costs. The Group's selling and marketing costs increased by RMB376.8 million, or 45.1%, to RMB1,212.4 million for 2019 from RMB835.6 million for 2018. The increase was mainly due to the increase in sales volume.

Administrative expenses. The Group's administrative expenses increased by RMB442.4 million, or 39.8%, to RMB1,554.3 million for 2019 from RMB1,111.9 million for 2018. Such increase was primarily attributable to an increase in staff costs due to the increase in the number of employees resulting from business expansion of the Group.

Other expenses. The Group's other expenses increased by RMB194.1 million, or 52.8%, to RMB561.6 million for 2019 from RMB367.5 million for 2018. The increase was primarily due to increase in impairment of goodwill and donations.

Finance costs. The Group's finance costs increased to RMB1,010.9 million for 2019 from RMB667.2 million for 2018. The increase was primarily due to an increase in interest expense arising from the corresponding increase in the amount of bank facilities for the Group's land acquisition and expansion of property development.

Share of profits and losses of joint ventures and associates. We record share of profits of joint ventures and associates of RMB1,208.8 million in 2019, compared to share of losses of joint ventures and associates of RMB330.5 million in 2018.

Income tax expense. The Group's income tax expense increased by RMB1,251.0 million, or 35.5%, to RMB4,778.5 million for 2019 from RMB3,527.5 million for 2018. The increase was primarily attributable to the increase in the Group's taxable profit in 2019.

Profit for the year. As a result of the foregoing, the Group's profit for the year increased by RMB794.4 million, or 15.6%, to RMB5,560.5 million for 2019 from RMB4,811.1 million for 2018. Basic earnings per share and diluted earnings per share for 2019 were RMB273 cents (for 2018: RMB240 cents).

Profit attributable to owners of the Company. Profit attributable to the owners of the Company increased by RMB813.4 million, or 18.5%, to RMB5,212.6 million for 2019 from RMB4,399.2 million for 2018. Core net profit attributable to the owners of the Company increased by RMB1,262.1 million, or 30.0%, to RMB5,465.7 million for 2019 from RMB4,203.6 million for 2018.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The table below summarizes our consolidated statements of cash flows for the periods indicated:

	Year ended December 31,			
	2018	2019	2020	
	RMB'000	RMB'000	RMB'000	(US\$000)
Net cash flows generated from/(used in) operating activities	(522,881)	789,071	1,307,804	200,430
Net cash flows (used in) investing activities	(7,078,827)	(14,242,220)	(7,745,028)	1,186,977
Net cash flows generated from financing activities	16,441,459	15,778,592	14,295,428	2,190,870
Net increase in cash and cash equivalents	<u>8,839,751</u>	<u>2,325,443</u>	<u>7,858,204</u>	<u>1,204,322</u>

Cash flows used in operating activities

Our cash used in operating activities principally comprises payments made in relation to our property development activities and land acquisitions. Our cash generated from operating activities is principally proceeds received from pre-sales and sales of our properties, gross rental income from the leasing of our rental-earning properties, and property management fee income from the property management services we provide.

In 2020, our net cash flow generated from operating activities was RMB1,307.8 million (US\$200.4 million), which was the result of cash generated from operations of RMB8,435.7 million (US\$1,292.8 million), interest received of RMB330.0 million (US\$50.6 million), offset by interest paid of RMB4,875.2 million (US\$747.2 million), corporate income tax paid of RMB1,421.9 million (US\$217.9 million) and land appreciation tax of RMB1,160.7 million (US\$177.9 million). The decrease of RMB642.2 million (US\$98.4 million) in working capital was primarily attributable to (i) an increase in inventories of properties of RMB4,790.3 million (US\$734.1 million) and (ii) an increase in amounts due from joint ventures of RMB3,777.7 million (US\$579.0 million), partially offset by an increase in amounts due to joint ventures of RMB5,904.8 million (US\$905.0 million).

In 2019, our net cash flow generated from operating activities were RMB789.1 million, which was the result of cash generated from operation of RMB7,704.9 million, interest received of RMB365.3 million, offset by interest paid of RMB4,012.0 million, corporate income tax paid of RMB1,973.2 million and land appreciation tax paid of RMB1,296.0 million. Our cash generated from operating activities before changes in working capital was RMB10,305.7 million. The decrease of RMB2,600.8 million in working capital was primarily attributable to (i) an increase in prepayments, deposits and other receivables of RMB15,304.0 million and (ii) an increase in inventory of RMB6,034.6 million, partially offset by (i) an increase in other payables and accruals of RMB11,672.5 million and (ii) an increase in trade and bills payables of RMB6,932.8 million.

In 2018, we had cash generated from operating activities, before changes in working capital, of RMB8,902.0 million and net cash flow used in operating activities of RMB522.9 million. The difference of RMB9,424.9 million was primarily attributable to (i) an increase in prepayments, deposits and other receivables of RMB9,377.2 million, (ii) a decrease in other payables and accruals of RMB17,743.1 million, (iii) an increase in completed properties held for sale of RMB4,227.7 million and (iv) an increase in trade receivables of RMB1,604.5 million, partially offset by (i) an increase in contract liabilities of RMB19,028.6 million and (ii) a decrease in properties under development of RMB6,350.2 million.

Cash flows used in investing activities

In 2020, our net cash flows used in investing activities were RMB7,745.0 million (US\$1,187.0 million), which was primarily attributable to acquisition of non-controlling interests of RMB7,423.5 million (US\$1,137.7 million).

In 2019, our net cash flows used in investing activities were RMB14,242.2 million, which was primarily attributable to acquisitions of non-controlling interests of RMB7,659.7 million, loans to joint ventures of RMB4,588.0 million and capital injection to associates of RMB2,035.2 million.

In 2018, our net cash flows used in investing activities were RMB7,078.8 million, which was primarily attributable to acquisitions of non-controlling interests of RMB3,590.1 million, change from joint ventures to subsidiaries of RMB1,712.4 million and loans to joint ventures of RMB1,427.5 million.

Cash flows generated from financing activities

Our cash flows from financing activities are mainly generated from bank loans and other borrowings used to finance our project development activities. Our cash inflows from financing activities were mainly offset by repayments of bank loans and other borrowings.

In 2020, our net cash flows generated from financing activities were RMB14,295.4 million (US\$2,190.9 million), which was primarily attributable to new interest-bearing bank and other borrowings of RMB31,359.7 million (US\$4,806.1 million) and proceeds from partial disposal of interests in subsidiaries without loss of control of RMB6,527.9 million (US\$1,000.4 million).

In 2019, our net cash flows generated from financing activities were RMB15,778.6 million, which was primarily attributable to new interest-bearing bank loans and other borrowings of RMB23,836.9 million, capital injection by non-controlling shareholders of RMB4,005.6 million and advances from non-controlling shareholders of RMB3,467.2 million.

In 2018, our net cash flows generated from financing activities were RMB16,441.5 million, which was primarily attributable to new interest-bearing bank loans and other borrowings of RMB25,875.8 million, proceeds from partial disposal of interests in subsidiaries of RMB1,855.3 million and capital injection by non-controlling shareholders of RMB2,755.5 million.

Restricted Bank Deposits

Under relevant PRC laws and regulations, some of our project companies are required to place a certain amount of pre-sale proceeds in designated bank accounts as guarantee deposits for construction of the relevant properties. These guarantee deposits may only be used for payments to construction contractors in the project development process and for other construction-related payments, such as the purchase of materials. The remaining guarantee deposits are released when the certificates of completion for the relevant properties have been obtained. In addition, a portion of our bank deposits represented loan proceeds in the monitoring accounts designated by the banks, in which case the use of the restricted bank deposits, subject to the banks' approval, is restricted to the purposes as set out in the relevant loan agreements. As of December 31, 2018, 2019 and 2020, our restricted bank deposits were RMB4,051.5 million, RMB3,404.5 million and RMB4,427.9 million (US\$678.6 million), respectively.

INDEBTEDNESS AND CONTINGENT LIABILITIES

Borrowings

The following table shows our borrowings as of the dates indicated:

	As of December 31,			
	2018	2019	2020	
	RMB'000	RMB'000	RMB'000	(US\$000)
Current				
Bank loans — unsecured	388,000	683,710	276,152	42,322.1
Bank loans — secured	631,790	1,380,216	729,586	111,813.9
Other borrowings — unsecured	1,067,064	477,621	400,000	61,302.7
Other borrowings — secured	1,414,656	1,776,467	7,078,000	1,084,751.0
Senior note ⁽¹⁾ — secured	—	4,683,647	6,134,095	940,091.2
Syndicated loan ⁽³⁾	320,317	1,306,377	463,034	70,963.1
Corporate bonds ⁽²⁾	3,489,957	8,289,675	2,989,622	458,179.6
Interest payables ⁽⁴⁾	—	—	959,725	147,084.3
Subtotal	<u>7,311,784</u>	<u>18,597,713</u>	<u>19,030,214</u>	<u>2,916,507.9</u>
Non-current				
Bank loans — unsecured	3,478,687	2,776,874	2,175,956	333,479.8
Bank loans — secured	8,148,725	6,061,435	11,008,942	1,687,194.2
Other borrowings — secured	3,201,748	4,198,149	1,782,908	273,242.6
Senior notes ⁽¹⁾ — secured	14,628,763	17,067,386	15,708,359	2,407,411.3
Syndicated loan ⁽³⁾	1,281,266	1,131,582	1,852,134	283,852.0
Corporate bonds ⁽²⁾	9,579,972	3,427,640	10,911,618	1,672,278.6
Subtotal	<u>40,319,161</u>	<u>34,663,066</u>	<u>43,439,917</u>	<u>6,657,458.5</u>
Total	<u>47,630,945</u>	<u>54,117,079</u>	<u>62,470,131</u>	<u>9,573,966.4</u>

Note:

- (1) Senior notes include the April 2017 Notes, the November 2017 Notes, the January 2018 Notes, the June 2018 Notes, the February 2019 Notes, the July 2019 Notes, the May 2020 Notes, the July 2020 Notes and the September 2020 Notes.
- (2) Corporate bonds include the 2017 Corporate Bonds, the December 2018 Corporate Bonds, the January 2019 Corporate Bonds, the June 2019 Corporate Bonds, the February 2020 Corporate Bonds, the March 2020 Corporate Bonds, the May 2020 Corporate Bonds, the July 2020 Corporate Bonds and the August 2020 Corporate Bonds.
- (3) Syndicated loan refers to the 2019 Hang Seng Facility.
- (4) Interest payables accrued were presented in “interest-bearing bank and other borrowings and interest payable” as of December 31, 2020, while the items were presented in “other payables and accruals” in previous years.

Our total outstanding bank loans amounted to RMB12,647.2 million, RMB10,902.2 million and RMB14,190.6 million (US\$2,174.8 million), respectively, as of December 31, 2018, 2019 and 2020. Our total outstanding borrowings from other financial institutions, including trust financing companies, amounted to RMB5,683.5 million, RMB6,452.2 million and RMB9,260.9 million (US\$1,419.3 million), respectively, as of December 31, 2018, 2019 and 2020. The increase in our bank loans and other borrowings during 2018, 2019 and 2020 was primarily due to the expansion of our business operations, which in turn increased our financing requirements.

The following table shows the interest rates applicable to our borrowings for the periods indicated:

	As of December 31,		
	2018	2019	2020
Current			
Bank loans — unsecured	5.0%-5.8%	4.7%-6.8%	5.4%-7.5%
Bank loans — secured	5.1%-7.9%	5.4%-9.7%	7.6%-9.7%
Other borrowings — unsecured	8.2%-9.0%	8.5%-11.5%	12.0%
Other borrowings — secured	6.2%-9.5%	9.9%-14.8%	6.5%-12.3%
Senior notes ⁽¹⁾ — secured	—	6.9%-11.8%	6.9%-8.5%
Syndicated loans ⁽³⁾	5.7%-6.4%	5.9%-6.1%	5.6%-5.9%
Corporate bonds ⁽²⁾	8.2%-8.9%	8.9%-10.8%	8.5%-8.8%
Non-current			
Bank loans — unsecured	5.1%-8.6%	6.1%-10.4%	5.0%-8.3%
Bank loans — secured	5.2%-9.8%	5.4%-11.6%	4.9%-9.2%
Other borrowings — secured	7.1%-10.3%	8.8%-11.9%	6.9%-11.4%
Senior notes ⁽¹⁾ — secured	6.1%-11.8%	6.1%-8.5%	6.1%-8.1%
Syndicated loan ⁽³⁾	5.7%-6.4%	5.1%-6.2%	5.6%-5.9%
Corporate bonds ⁽²⁾	8.2%-9.8%	8.5%-8.8%	5.5%-8.6%

Note:

- (1) Senior notes include the April 2017 Notes, the November 2017 Notes, the January 2018 Notes, the June 2018 Notes, the February 2019 Notes, the July 2019 Notes, the May 2020 Notes, the July 2020 Notes and the September 2020 Notes.
- (2) Corporate bonds include the 2017 Corporate Bonds, the December 2018 Corporate Bonds, the January 2019 Corporate Bonds, the June 2019 Corporate Bonds, the February 2020 Corporate Bonds, the March 2020 Corporate Bonds, the May 2020 Corporate Bonds, the July 2020 Corporate Bonds and the August 2020 Corporate Bonds.
- (3) Syndicated loan refers to the the 2019 Hang Seng Facility.

Our subsidiaries have entered into long-term bank loans with a number of PRC commercial banks to finance the development of our projects. As of December 31, 2020, all our bank loans and other borrowings had been utilized.

In addition, our bank loans generally include covenants relating to the status of our property development projects, as are commonly found in loan agreements for property development projects in the PRC, the breach of which would result in the relevant bank loans becoming payable on demand.

As of December 31, 2020, our total outstanding borrowings under trust financing arrangements amounted to RMB9,260.9 million (US\$1,419.3 million).

The table below sets forth the maturity profiles of our bank loans and other borrowings as of the dates indicated:

	As of December 31,			
	2018	2019	2020	
	(RMB)	(RMB)	(RMB)	(US\$)
	(in thousands)			
Bank loans repayable:				
Within one year	1,019,790	2,063,926	1,005,738	154,136
In the second year	5,669,269	3,080,497	7,302,143	1,119,102
In the third to fifth years	5,318,619	5,305,392	5,384,594	825,225
Beyond five years	639,524	452,420	498,161	76,347
Subtotal	12,647,202	10,902,235	14,190,636	2,174,810
Other borrowings (including senior notes ⁽¹⁾ , corporate bonds and syndicated loans) repayable:				
Within one year	6,291,994	16,533,787	17,064,751	2,615,288
In the second year	9,944,814	13,964,111	8,598,603	1,317,794
In the third to fifth years, inclusive	18,387,655	11,860,646	19,405,096	2,973,961
Beyond five years...	359,280	–	2,251,320	345,030
Subtotal	34,983,743	42,358,544	47,319,770	7,252,073
Interest payables	–	856,300	959,725	147,084
Total	47,630,945	54,117,079	62,470,131	9,573,967

Note:

- (1) Senior notes include the April 2017 Notes, the November 2017 Notes, the January 2018 Notes, the June 2018 Notes, the February 2019 Notes, the July 2019 Notes, the May 2020 Notes, the July 2020 Notes and the September 2020 Notes.

Commercial banks and trust financing companies in China typically require guarantees or security for our bank loans and trust financing arrangements. As of December 31, 2018, 2019 and 2020, our outstanding bank loans and/or trust financing arrangements were secured by certain of investment properties, inventories of properties, the property, plant and equipment and trade receivables and pledge of our equity interest in certain subsidiaries. We are required to maintain property damage insurance in respect of the properties secured under our loan agreement in favor of the lending banks. As we are generally required to repay our bank loans and other borrowings using pre-sale and sale proceeds, we typically fully settle the outstanding amounts of the loans prior to the due date and do not normally roll over our bank loans.

Certain of our bank loans are subject to a number of customary restrictive covenants, such as restrictions on change of control and disposition of material assets, as well as financial ratios, such as the debt ratio, with which we must comply. For further information, see the section entitled “Risk Factors — Risks Relating to the Notes — 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.”

On January 23, 2017, we issued the January 2017 Notes in the aggregate principal amount of US\$375 million. In January 2020, the January 2017 Notes were fully redeemed.

On April 26, 2017, we issued the April 2017 Notes in the aggregate principal amount of US\$225 million. As of the date of this offering memorandum, all of the April 2017 Notes remain outstanding.

On November 30, 2017, we issued the November 2017 Notes in the aggregate principal amount of US\$300 million. As of the date of this offering memorandum, all of the November 2017 Notes remain outstanding.

On January 17, 2018, we issued the January 2018 Notes in the aggregate amount of US\$500 million. On September 25, 2020, we completed the offer to purchase the January 2018 Notes and after cancellation of the January 2018 Notes repurchased pursuant to the offer, the aggregate principal amount of the January 2018 Notes of US\$292,167,000 remains outstanding. In January 2021, the January 2018 Notes were fully redeemed.

On June 4, 2018, we issued the June 2018 Notes in the aggregate amount of US\$450 million. As of the date of this offering memorandum, the aggregate principal amount of the June 2018 Notes of US\$100 million remain outstanding.

On November 27, 2018, we issued the November 2018 Notes in the aggregate principal amount of US\$300 million. In November 2020, the November 2018 Notes were fully redeemed.

On February 21, 2019, we issued the February 2019 Notes in the aggregate principal amount of US\$500 million. As of the date of this offering memorandum, all of the February 2019 Notes remain outstanding.

On July 16, 2019 and September 4, 2019, we issued the July 2019 Notes in the aggregate principal amount of US\$500 million. As of the date of this offering memorandum, all of the July 2019 Notes remain outstanding.

On May 6, 2020, we issued the May 2020 Notes in the aggregate principal amount of US\$200 million. In May 2021, the May 2020 Notes were fully redeemed.

On July 8, 2020 and October 30, 2020, we issued the July 2020 Notes in the aggregate principal amount of US\$550 million. As of the date of this offering memorandum, all of the Original Notes remain outstanding.

On September 20, 2020 and March 11, 2021, we issued the September 2020 Notes in the aggregate principal amount of US\$450 million. As of the date of this offering memorandum, all of the September 2020 Notes remain outstanding.

On January 14, 2021, we issued the January 2021 Notes in the aggregate principal amount of US\$350 million. As of the date of this offering memorandum, all of the January 2021 Notes remain outstanding.

On April 22, 2021, we issued the April 2021 Notes in the aggregate principal amount of US\$200 million. As of the date of this offering memorandum, all of the April 2021 Notes remain outstanding.

On October 26, 2015, we issued domestic corporate bonds in aggregate principal amount of RMB3,000 million. On January 18, 2016, we issued domestic corporate bonds in aggregate principal amount of RMB3,000 million.

On July 10, 2015 and September 8, 2017, we issued domestic Corporate Bonds in aggregate principal amounts of RMB2,000 million, and RMB1,600 million, respectively. On August 20, 2018, October 17, 2018 and January 24, 2019, we issued domestic corporate bonds in three tranches in principal amounts of RMB2,200 million, RMB1,700 million and RMB1,100 million, respectively. On December 7, 2018, we issued domestic corporate bonds in aggregate principal amount of RMB3,000 million. On June 6, 2019, we issued domestic corporate bonds in aggregate principal amount of RMB500 million. On February 21, 2020, we issued domestic corporate bonds in two tranches in the aggregate principal amount of RMB1,315 million. On March 26, 2020, we issued the domestic corporate bonds in two tranches in the aggregate principal amount of RMB2,500 million. On May 29, 2020, we issued domestic corporate bonds in the aggregate principal amount of RMB2,500 million. On July 17, 2020, August 4, 2020 and August 24, 2020, we issued the domestic corporate bonds in the aggregate principal amount of RMB1,600 million, RMB500 million and RMB1,100 million. As of the date of this offering memorandum, except for the July 2015 Corporate Bonds, the October 2015 Corporate Bonds, the January 2019 Corporate Bonds, the 2016 Corporate Bonds, the August 2018 Corporate Bonds, the October 2018 Corporate Bonds, the December 2018 Corporate Bonds of which RMB1,900 million (US\$268.9 million) remains outstanding and the 2017 Corporate Bonds of which RMB1,100 million (US\$155.7 million) remains outstanding, the entire principal amount of these corporate bonds remain outstanding.

Contingent Liabilities

We make arrangements with various PRC banks to provide mortgage facilities to purchasers of our properties. In line with industry practice, we are required to provide guarantees to these banks in respect of mortgages provided to our customers. These guarantees are released upon the earlier of (i) the relevant certificates of registration of mortgage or the certificates of other interests with respect to the relevant properties being delivered to the mortgagee banks and (ii) the settlement of mortgage loans between the mortgagee banks and the purchasers of our projects. If a purchaser defaults on a mortgage loan before the relevant guarantee is released, we may be required to repurchase the underlying property by paying off the mortgage loan and any accrued interest. If we fail to do so, the mortgagee bank will auction the underlying property and recover the balance from us if the outstanding loan amount exceeds the net foreclosure sale proceeds from the auction. In line with industry practice, we do not conduct independent credit reviews on our customers but rely on the credit reviews conducted by the mortgagee banks. As of December 31, 2018, 2019 and 2020, the outstanding guarantees we had given in relation to mortgage loans of purchasers of our properties were RMB18,017.4 million, RMB24,026.4 million and RMB29,867.7 million (US\$4,577.4 million), respectively.

Contractual Obligations

We have various contractual obligations, some of which are required to be recorded as liabilities in our consolidated financial statements, including long-term and short-term loans. Others, specifically operating lease arrangements, capital commitments and contingent liabilities, are not generally required to be recognized as liabilities in our consolidated financial statements.

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

	As of December 31,			
	2018	2019	2020	
	(RMB)	(RMB)	(RMB)	(US\$)
	(in thousands)			
Contracted, but not provided for:				
Inventories of properties	12,864,229	10,328,946	16,022,111	2,455,496
Equity investments	558,800	2,806,096	3,299,869	505,727
Capital contributions payable to joint ventures	396,963	416,112	345,676	52,977
Total	13,819,992	13,551,154	19,667,656	3,014,200

As of December 31, 2018, 2019 and 2020, our total future minimum lease payments under non-cancellable operating leases were payable as follows:

	As of December 31,			
	2018	2019	2020	
	(RMB)	(RMB)	(RMB)	(US\$)
	(in thousands)			
Within one year	185,244	–	–	–
In the second to fifth years	617,376	–	–	–
After five years	2,095,266	–	–	–
	2,897,886	–	–	–

We expect to continue to rely on the proceeds from our property sales and pre-sales, as well as new bank loans, as the principal sources of funding to finance our contractual obligations.

Off-Balance Sheet Commitments and Arrangements

Except for the contingent liabilities disclosed, we do not have any off-balance sheet arrangements that we believe have, or are reasonably likely to have, a current or future material effect on our financial position, revenue or expenses, results of operations, liquidity, capital expenditure or capital resources.

MARKET RISKS

We are exposed to various types of market risks in the normal course of our business, including interest rate risk, commodity risk, foreign exchange risk and inflation.

Interest Rate Risk

We are exposed to interest rate risk, primarily in relation to our bank loans bearing floating interest rates. We borrow funds to support our property development and general working capital needs. Upward movements in interest rates increase the cost of our financing. Fluctuations in interest rates can also lead to significant fluctuations in the fair values of our debt obligations. To manage such hybrid asset in a cost-effective manner, we have entered into interest rate swaps, in which we agreed to swap, at specified intervals, the difference between

the fixed rate and the floating rate calculated with reference to the agreed notional principal. It has been our policy that all derivatives transactions are for risk management purposes only and we did not hold any derivatives for speculative purposes as of December 31, 2020.

An increase in interest rates may also adversely affect our prospective customers' ability and cost to obtain financing, which in turn may depress the overall housing demand in China. Higher interest rates may adversely affect our revenue and profit.

Commodity Risk

We are exposed to fluctuations in the prices of raw materials for our property developments, particularly steel and cement. We currently do not and do not expect to engage in commodities hedging activities. We purchase most of our supplies of steel and concrete at market prices. As a result, fluctuations in the prices of our construction materials will have an impact on our business, results of operations and financial position.

Foreign Exchange Risk

We conduct most of our sales and purchases in Renminbi except for a small portion of our sales proceeds that are in other currencies. Our exposure to foreign exchange risk is principally due to our bank deposits (including restricted cash) in foreign currencies, mainly Hong Kong dollars and U.S. dollars, our U.S. dollar-denominated Existing Notes, and our 2019 Hang Seng Facility. We may further expose ourselves to foreign exchange risk if we incur additional U.S. dollar-denominated and Hong Kong dollar-denominated debt in the future. We will closely monitor the fluctuations of the RMB exchange rate and give prudent consideration as to entering into any currency swap arrangement as and when appropriate for hedging corresponding risks. We currently do not engage in any hedging activities to manage our foreign exchange risk.

We recognize foreign exchange gain or loss on our income statement and statement of comprehensive income due to changes in value of assets and liabilities denominated in foreign currencies during the relevant accounting period.

Appreciation of the Renminbi against the U.S. dollar generally results in a gain arising from our U.S. dollar-denominated debt and a loss arising from our bank deposits in Hong Kong dollars and U.S. dollars. A depreciation of the Renminbi against the U.S. dollar would have the opposite effect. In addition, a depreciation of Renminbi would negatively affect the value of dividends paid by our PRC subsidiaries, which may in turn affect our ability to service foreign currency-denominated debts.

As a result, fluctuations in the foreign exchange rate have had and will continue to have an impact on our business, financial condition and results of operations.

Inflation

According to the National Bureau of Statistics of China, China's overall national inflation rate, as represented by the general consumer price index, was approximately 2.1%, 2.9% and 2.5%, respectively, in 2018, 2019 and 2020. Recent inflation and deflation have not materially affected our business. Deflation could adversely affect our business, as it might be a disincentive for prospective purchasers to purchase our properties.

Non-GAAP Financial Measures

We use certain non-GAAP data, such as EBITDA, to provide additional information about our operating performance as we believe that it is a useful measure for certain investors to assess our operating performance, operating cash flow and historical ability to meet debt service and capital expenditure requirements.

Our calculation of EBITDA refers to our earnings before the following items:

- income tax expense;
- finance costs;
- capitalized interest under cost of sales;
- depreciation of property, plant and equipment;
- fair value gain or loss on investment properties; and
- certain other special gains or expenses, including gains on deregistration or disposal of subsidiaries, gain on acquisition of subsidiaries, fair value changes in certain other payables to fellow investors/the non-controlling shareholder, fair value loss on derivative component of the Convertible Bonds, fair value adjustments due to acquisition of subsidiaries recognized as cost of sales and gain on early repayment of debts to independent investors.

EBITDA is not a standard measure under IFRS and should not be considered as an alternative to cash flows from operating activities, a measure of liquidity or an alternative to net income as indicators of our operating performance or any other measures of liquidity, profitability or cash flows derived in accordance with IFRS. Investors should also note that EBITDA as presented herein may be calculated differently from Consolidated EBITDA as defined and used in the Indenture governing the Notes. Interest expense excludes amounts capitalized.

As a measure of our operating performance, we believe that the most directly comparable IFRS measure to EBITDA is profit for the year. We operate in a capital intensive industry. We use EBITDA in addition to profit for the year because profit for the year includes many accounting items associated with capital expenditures, such as depreciation and amortization, as well as non-operating items, such as fair value gains or losses on investment properties, interest income and expenses, other special gains or expenses arising from certain acquisitions and disposal and foreign exchange differences. 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, fair value changes of investment properties and certain other special gains or expenses, we believe our calculation of 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 under IFRS to our definition of EBITDA for the periods indicated:

	Year ended December 31,			
	2018	2019	2020	
	(RMB)	(RMB)	(RMB)	(US\$)
	(in thousands)			
Profit for the year	4,811,143	5,560,461	5,366,010	822,377
Adjustments:				
Add:				
Capitalized interest under cost of sales	1,916,065	2,114,193	2,300,128	352,510
Depreciation of property, plant and equipment	142,619	98,714	112,978	17,315
Amortisation of intangible assets ..	–	12,719	15,244	2,336
Amortisation of right of use assets .	–	45,016	78,212	11,986
Income tax expense	3,527,482	4,778,518	3,756,468	575,704
Finance costs	667,219	1,010,850	1,181,169	181,022
Write-down of inventories of properties to net realisable value.	–	–	86,997	13,333
Fair value adjustments due to acquisition of subsidiaries recognized as cost of sales	1,382,230	2,404,334	286,021	43,835
Foreign exchange loss/(gain), net	(5,462)	(356)	(165,064)	(25,297)
Impairment of goodwill	9,719	306,094	10,208	1,564
Premium paid on early redemption of senior notes	106,964	–	12,669	1,942
Less:				
Remeasurement of the pre-existing interests in an associate	–	–	311,900	47,801
Gain on bargain purchases of subsidiaries	13,966	–	500,060	76,638
Gain on bargain purchase of a joint venture	–	8,156	–	–
Gain on deemed disposals of subsidiaries	–	15,573	–	–
Gain on disposal of a subsidiary ...	–	–	99,418	15,236
Remeasurement of the pre-existing interests in the joint ventures	330,792	15,764	–	–
Share of profits and losses of associates and joint ventures	(330,531)	1,208,769	–	–
Non-controlling interests	411,593	347,838	–	–
EBITDA	<u>12,131,799</u>	<u>14,734,443</u>	<u>12,129,662</u>	<u>1,858,952</u>

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 EBITDA measures may not be comparable to similarly titled measures used by other companies.

INDUSTRY OVERVIEW

The information in the section below has been derived, in part, from various government publications unless otherwise indicated. This information has not been independently verified by us or the Initial Purchasers or any of our and their respective affiliates or advisers. The information may not be consistent with other information compiled within or outside the PRC.

OVERVIEW OF THE PRC ECONOMY

China's economy has grown rapidly since the beginning of market-based reforms in 1978. Since 1990, China's economic boom has been built on a relatively high level of fixed asset investment ("FAI") and rapid export growth. China's nominal GDP grew at a CAGR of approximately 11.0% from 2009 to 2019, reaching approximately RMB99.1 trillion in 2019. Although real GDP growth in China moderated to approximately 6.1% in 2019 from approximately 9.4% in 2009, it remains among the fastest growing economies in the world. The PRC government is targeting real GDP growth of approximately 6.5% for the 13th Five-Year Plan⁽¹⁾ period.

The table below sets out the key economic indicators for China for the years indicated:

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (RMB in billions) . . .	34,851.8	41,211.9	48,794.0	53,858.0	59,296.3	64,356.3	68,885.8	74,639.5	83,203.6	91,928.1	99,086.5
Real GDP Growth Rate (%)	9.4	10.6	9.6	7.9	7.8	7.4	7.0	6.8	6.9	6.7	6.1
Nominal GDP per Capita (RMB) . . .	26,180.0	30,808.0	36,302.0	39,874.0	43,684.0	47,173.0	50,237.0	54,139.0	60,014.0	66,006.0	70,892.0
Fixed Asset Investment (RMB in billions)	22,459.9	25,168.4	31,148.5	37,469.5	44,629.4	51,202.1	56,200.0	60,646.6	64,123.8	64,567.5	56,087.4

Source: National Bureau of Statistics of China

In 2019, China had a total population of approximately 1.4 billion, approximately 60.6% of which live in urban areas, compared to approximately 48.3% in 2009. While population growth has slowed to less than 1% since the late 1990s, the urban population has continued to grow, with a CAGR of approximately 2.8% between 2009 and 2019. Given that urbanization rate in developed economies is typically between 70% to 90%, the trend towards urbanization is expected to continue for at least another decade in China.

This rising urban population drives the needs for urban housing and other infrastructure, such as transportation and retail facilities, stimulating the growth of the real estate market. In addition, with the disposable income of urban households being substantially higher than rural households, urbanization is an important underlying factor in increasing domestic consumption.

Annual per capita disposable income for urban households rose year-on-year since 1980 and reached approximately RMB42,359.0 in 2019, increased by 7.9% on a year-on-year basis. This strong growth in disposable income has resulted in the continuous growth of spending power. As China becomes wealthier, the needs for upgrading living standards, including living conditions and environment, became a priority for many households.

Note:

(1) A Five-Year Plan is a series of social and economic development initiatives. The 13th Five-Year Plan, which covers 2016 to 2020, was approved by the National People's Congress of the PRC on March 5, 2016 with the goals of addressing rising inequality and creating an environment for more sustainable growth by prioritizing more equitable wealth distribution, increased domestic consumption, and improved social infrastructure and social safety nets.

The table below sets out the key demographic profile for China for the years indicated:

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Annual per capita disposable income											
for urban households (RMB)	17,174.7	19,109.4	21,809.8	24,564.7	26,467.0	28,843.9	31,194.8	33,616.2	36,396.2	39,250.8	42,359.0
Urban Population (in millions)	645.1	669.8	690.8	711.8	731.1	749.2	771.2	793.0	813.5	831.4	848.4
Urbanization Rate (%)	48.3%	49.9%	51.3%	52.6%	53.7%	54.8%	56.1%	57.3%	58.5%	59.6%	60.6%

Source: National Bureau of Statistics of China

OVERVIEW OF THE REAL ESTATE MARKET IN THE PRC

The PRC government applies various economic, legal and administrative measures to regulate the real estate market, in order to encourage end-user demand while restricting speculation activities, and to better coordinate development between the real estate industry and national economy. See the section entitled “Regulation” for details.

The table below sets out the key real estate indicators for China for the years indicated:

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total investment in property development in urban areas (RMB in billions)	3,624.2	4,825.9	6,179.7	7,180.4	8,601.3	9,503.6	9,597.9	10,258.1	10,979.9	12,026.4	13,219.4
Total investment in residential buildings in urban areas (RMB in billions)	2,561.4	3,402.6	4,432.0	4,937.4	5,895.1	6,435.2	6,459.5	6,870.4	7,514.8	8,519.2	9,707.1
Total floor space of buildings completed (sq.m. in millions)	726.8	787.4	926.2	994.2	1,014.3	1,074.6	1,000.4	1,061.3	1,014.9	935.5	959.4
Total floor space of commercialized residential buildings completed (sq.m. in millions)	596.3	634.4	743.2	790.4	787.4	808.7	737.8	771.9	718.2	660.2	680.1
Total floor space of buildings under construction (sq.m. in millions)	3,203.7	4,053.6	5,067.8	5,734.2	6,655.7	7,264.8	7,356.9	7,589.7	7,814.8	8,223.0	8,938.2
Total floor space of commercialized residential buildings under construction (sq.m. in millions)	2,513.3	3,147.6	3,877.1	4,289.6	4,863.5	5,151.0	5,115.7	5,213.1	5,364.4	5,699.9	6,276.7
Total floor space of commercialized buildings sold* (sq.m. in millions)	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	1,716.5	1,715.6
Total floor space of commercialized residential buildings sold* (sq.m. in millions)	861.8	933.8	965.3	984.7	1,157.2	1,051.9	1,124.1	1,375.4	1,447.9	1,479.3	1,501.4
Average price of commercialized buildings sold** (RMB/sq.m.)	4,681.0	5,032.0	5,357.1	5,791.0	6,237.3	6,324.0	6,792.5	7,475.6	7,892.3	8,736.9	9,310.3
Average price of commercialized residential buildings sold** (RMB/sq.m.)	4,459.0	4,725.0	4,993.2	5,429.9	5,849.8	5,933.0	6,472.4	7,202.6	7,613.8	8,544.1	9,287.1
Total sales of commercialized buildings sold (RMB billion)	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	14,997.3	15,972.5
Total sales of commercialized residential buildings (RMB billion)	3,843.3	4,412.1	4,819.8	5,346.7	6,769.5	6,241.1	7,277.0	9,906.4	11,024.0	12,639.3	13,944.0

Source: National Bureau of Statistics of China

* Inclusive of presales GFA (for floor space of commercialized buildings sold)

** Calculated figure, subject to rounding error

THE REAL ESTATE MARKETS OF SELECT AREAS IN THE PRC

Guangdong Province

Overview

Guangdong Province comprises 21 prefecture-level cities and has a total land area of approximately 179,813 sq.km. It had the largest urban population in China in 2019, at approximately 82.3 million, which accounted for approximately 9.7% of China's total urban population. Strategically located close to Hong Kong and Macau, Guangdong Province is an important southern trading gateway to China.

The table below sets out the key economic and demographic indicators for Guangdong Province for the years indicated:

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (RMB in billions) . . .	3,948.3	4,601.3	5,321.0	5,706.8	6,247.5	6,781.0	7,281.3	8,085.5	8,970.5	9,994.5	10,767.1
Nominal GDP per Capita (RMB) . . .	39,435.9	44,735.6	50,807.0	54,095.0	58,833.0	63,469.0	67,503.0	74,106.0	80,932.0	86,412.0	94,172.0
Fixed Asset Investment (RMB in billions)	1,293.3	1,562.4	1,706.9	1,875.1	2,230.8	2,629.4	3,034.3	3,330.4	3,776.2	N/A	N/A
Utilized Foreign Direct Investment (USD in millions)	19,534.6	20,261.0	21,798.4	23,549.0	24,952.0	26,871.0	24,510.0	23,349.0	N/A	N/A	N/A
Annual per capita disposable income for urban households (RMB) . . .	21,574.7	23,897.8	26,897.5	30,226.7	29,537.3	32,148.1	34,757.2	37,684.3	40,975.1	44,341.0	48,118.0

Source: National Bureau of Statistics of China; Bureau of Statistics of Guangdong

- **Guangdong Province is one of the most prosperous and politically important provinces in China**

Guangdong Province has long been one of the most prosperous and politically important provinces in China, contributing approximately 10.9% of China's national economic output in 2019. In particular, Guangdong Province had the highest GDP value in China in 2019, amounting to approximately RMB10,767.1 billion in 2019. Guangdong Province ranked first among all provinces in China in terms of GDP.

- **Continued investment into Guangdong Province to enhance its vibrancy and economic influence in China**

FAI in Guangdong Province continued to grow and returned to a double digit annual growth rate of approximately 13.4% in 2017. This indicates the commitment of the PRC government to invest into Guangdong Province to improve its infrastructure and livelihood, which will help enhance the vibrancy and competitiveness of Guangdong Province within China.

- **Guangdong Province has one of the highest annual per capita disposable incomes for urban households in China**

Annual per capita disposable income for urban households in Guangdong Province reached approximately RMB48,118.0 in 2019, which was higher than the national average of approximately RMB42,359.0 in the same year.

- **Continued urbanization is expected to drive demand for urban housing and associated infrastructure**

Due to rapid urban development in Guangdong Province, the overall urbanization rate grew from approximately 48.3% in 2009 to approximately 60.6% in 2019. Rapid urbanization is expected to provide a concentration of highly skilled and educated population in urban areas, leading to a continued demand for urban housing and associated infrastructure, and development of the tertiary sector, thereby enhancing the industry structure of the region.

- **Guangdong Province has a well-established transportation network to connect with the rest of China**

Guangdong Province has a well-established transportation network that connects it with the rest of China and the world. It has one of the best highway networks in China, reaching nearly 9,003 km by the end of 2018.

The opening of the Guangzhou-Beijing high speed rail in December 2012 directly connected Guangdong Province with other major cities in China, such as Wuhan, Changsha and Beijing. Looking forward, Guangdong Province is expected to have a comprehensive high speed intercity rail network which, when completed in 2020, will include ten routes connecting the cities of Zhaoqing, Foshan, Jiangmen, Guangzhou, Zhongshan and Zhuhai on the western side of the Pearl River Delta (“PRD”) to the eastern PRD cities of Dongguan, Shenzhen and Huizhou.

The table below sets out the key real estate indicators for Guangdong Province for the years indicated:

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total investment in property development in urban areas (RMB in billions)	296.1	366.0	489.9	535.3	649.0	763.8	853.8	1,030.8	1,207.6	1,441.2	1,585.2
Total investment in residential buildings in urban areas (RMB in billions)	209.0	253.9	345.3	370.5	453.1	518.7	589.1	697.8	810.1	975.8	1,085.3
Total floor space of buildings completed (sq.m. in millions)	50.6	56.6	61.4	63.6	62.7	73.3	60.4	65.9	82.0	76.2	99.6
Total floor space of commercialized residential buildings completed (sq.m. in millions)	38.4	42.5	46.1	49.2	47.5	54.4	44.4	47.7	57.8	52.2	65.8
Total floor space of buildings under construction (sq.m. in millions)	248.1	293.0	361.4	393.0	464.8	539.8	579.4	642.3	724.9	799.4	868.2
Total floor space of commercialized residential buildings under construction (sq.m. in millions)	189.9	222.5	273.8	292.5	336.9	382.9	403.9	441.7	494.5	547.9	596.6
Total floor space of commercialized buildings sold* (sq.m. in millions)	70.6	73.2	74.3	79.0	98.4	93.2	116.8	146.1	159.6	143.4	138.5
Total floor space of commercialized residential buildings sold* (sq.m. in millions)	65.7	65.5	67.1	71.6	88.3	81.6	105.0	130.2	135.2	120.8	118.7
Average price of commercialized buildings sold** (RMB/sq.m.)	6,513.0	7,486.0	7,879.2	8,112.2	9,089.8	9,083.0	9,796.1	11,097.1	11,775.8	13,073.2	14,262.2
Average price of commercialized residential buildings sold** (RMB/sq.m.)	6,360.0	7,004.0	7,560.8	7,667.9	8,465.8	8,526.0	9,494.8	10,935.6	11,416.4	12,915.3	14,114.8
Total sales of commercialized buildings sold (RMB billion)	459.9	548.1	585.3	640.8	894.1	846.2	1,144.3	1,621.5	1,879.3	1,874.2	1,974.8
Total sales of commercialized residential buildings (RMB billion)	417.7	459.0	507.1	548.8	747.6	696.0	996.7	1,424.0	1,543.8	1,559.5	1,675.8

Source: National Bureau of Statistics of Guangdong Province

* Inclusive of presales GFA (for floor space of commercialized buildings sold)

** Calculated figure, subject to rounding error

The PRC real estate market entered into a period of adjustment due to the financial crisis in 2008 and the issuance of various restrictive policies by the PRC government to combat rapid growth in property prices across China in recent years. Nonetheless, investment in real estate in Guangdong Province has maintained a growing trend from 2009 to 2019, with a CAGR of approximately 18.3%. The total residential GFA completed and GFA sold continued to rise since 2010. The average selling price of commercialized residential buildings remained strong, reaching approximately RMB14,262.2 per sq.m. in 2019, representing a YoY growth of approximately 9.1%.

Overview of Select Key Cities in Guangdong Province

Guangzhou

Guangzhou is a key manufacturing, trading and transportation hub in the PRD. Generally considered as a first-tier city in China and being one of the five National Central Cities⁽¹⁾, Guangzhou is the capital city of Guangdong Province and has been one of the most important trading ports and national transportation hubs throughout Chinese history. Guangzhou is also a core city in the PRD Economic Zone⁽²⁾, with major manufacturing, trading and logistics activities, and hosts a number of important trade fairs, such as the Canton Fair, which is the largest import and export fair in China. As a provincial capital, the city attracts international and domestic enterprises and has begun to transform into a more services-based economy in the past decade.

The table below sets out the key economic and demographic indicators for Guangzhou for the years indicated:

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (RMB in billions) . . .	924.1	1,085.9	1,256.2	1,369.8	1,566.3	1,689.7	1,831.4	1,978.2	2,150.3	2,285.9	2,362.9
Nominal GDP growth	10.5%	17.5%	15.7%	9.0%	14.3%	7.9%	8.4%	8.0%	8.7%	6.3%	3.4%
Nominal GDP per Capita (RMB) . . .	80,272.0	88,361.0	98,677.0	107,055.0	121,584.0	129,938.0	137,793.0	143,638.0	150,677.8	155,491.0	N/A
Fixed Asset Investment											
(RMB in billions)	266.0	326.4	341.2	375.8	444.7	489.0	540.6	570.4	592.0	593.8	692.0
Utilized Foreign Direct Investment											
(USD in millions)	3,773.4	3,978.6	4,271.5	4,574.9	4,803.8	5,107.1	5,416.3	5,701.2	6,288.7	6,611.0	N/A
Annual per capita disposable income											
for urban households (RMB)	27,609.6	30,658.5	34,438.1	38,053.5	42,049.1	42,954.6	46,734.6	50,940.7	55,400.5	59,982.1	65,052.0
Urbanization Growth (%)	6.8	8.8	0.7	1.1	N/A	0.2	0.1	0.6	N/A	N/A	N/A

N/A: Not Available

Source: Bureau of Statistics of Guangzhou

Guangzhou is the fourth-largest city in China in terms of GDP in 2019. Guangzhou's nominal GDP expanded by a CAGR of approximately 9.8% from approximately RMB924.1 billion in 2009 to approximately RMB2,362.9 billion in 2019, which was mainly driven by the service industry and domestic investment and consumption. Guangzhou's residents are among China's highest earners. In particular, annual per capita disposable income for urban households for 2019 reached RMB65,052.0, reflecting a CAGR of approximately 8.9% from 2009 to 2019.

Notes:

- (1) National Central City was a concept proposed by the Ministry of Housing and Urban-Rural Development of the PRC in 2005 as a first step in reforming urbanization in China. National Central Cities are described as a group of cities in charge of leading, developing, performing tasks in political, economic and cultural aspects.
- (2) The PRD Economic Zone consists of Guangzhou, Shenzhen, Dongguan, Foshan, Zhongshan, Zhuhai, Jiangmen, and parts of Huizhou and Zhaoqing, and has been the most economically dynamic region of the Chinese Mainland since the launch of China's reform program in 1979.

The table below sets out the key real estate indicators for Guangzhou for the years indicated:

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total GFA of residential buildings completed (million sq.m.)	7.9	7.7	8.4	8.0	7.1	12.2	9.8	8.2	8.3	8.7	16.5
Total GFA of residential buildings under construction (million sq.m.).	34.5	39.8	48.4	49.2	49.9	57.7	57.6	61.1	64.0	65.1	71.6
Total sales of residential buildings (RMB billion)	112.7	118.0	108.3	135.4	195.1	176.3	189.4	265.5	241.8	245.6	N/A
Total GFA of residential buildings sold (million sq.m.).	12.5	11.1	9.9	11.3	14.0	12.0	13.4	16.2	13.7	11.4	N/A
Average selling price of residential buildings* (RMB per sq.m.)	8,988.0	10,615.1	10,925.8	12,000.9	13,954.2	14,738.6	14,083.3	16,345.8	17,684.8	21,581.8	N/A

Source: Bureau of Statistics of Guangzhou

* Calculated figure, subject to rounding error

The table below sets out the key commercial property indicators for Guangzhou for the years indicated:

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GFA completed for office use ('000 sq.m.)	403.0	648.3	1,235.3	1,184.0	1,473.6	1,355.9	1,244.0	1,128.5	641.9	1,884.4	N/A
GFA completed for retail use ('000 sq.m.)	1,066.5	1,314.6	1,184.1	1,510.9	827.1	2,585.0	1,604.4	1,292.4	1,337.2	1,448.1	N/A
Investment in office building (RMB million) ⁽¹⁾	7,447.6	8,155.2	12,524.3	15,363.9	16,684.3	22,290.3	21,753.8	30,415.0	33,023.1	28,748.5	32,786.0
Investment in retail building (RMB million) ⁽¹⁾	11,217.8	17,905.6	17,801.0	19,758.9	20,587.5	29,356.2	31,909.2	37,594.0	29,850.3	26,778.3	29,746.0

N/A: Not Available

Source: National Bureau of Statistics of China

Note:

- (1) Investment in real estate development refers to investment in the construction of buildings by real estate development companies, commercialized building construction companies, and other real estate development units of various types of ownership. It does not include pure land transactions. Sources of funds for investment in fixed assets are categorized as funds from the state budget, domestic loans, foreign investment, self-raised funds, and others, depending on the sources of investment.

Foshan

Foshan, together with Guangzhou, forms the “Guangzhou-Foshan Economic Circle.” The key transportation hubs in Guangzhou, namely Guangzhou Baiyun International Airport, Guangzhou Nansha Port and Guangzhou Railway Station, are all within an hour’s drive from central Foshan. This allows Foshan to share resources with Guangzhou, including, among other things, infrastructure facilities, transportation networks, financial capital, labor resources and technological information. For the 13th Five-Year Plan period, the two cities have been working together to form a “Guangzhou-Foshan metropolitan region,” which is one of the three metropolitan regions identified under the PRD development framework.

Once dominated by State-Owned Enterprises (“SOE”), Foshan’s present economic strength is derived predominantly from private firms, township and village enterprises.

The table below sets out the key economic and demographic indicators for Foshan for the years indicated:

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (RMB in billions) . . .	485.3	568.5	626.0	667.7	711.7	756.1	813.4	875.8	939.9	993.6	1,075.1
Nominal GDP growth	9.8%	17.2%	10.1%	6.7%	6.6%	6.2%	7.6%	7.7%	7.3%	5.7%	8.2%
Nominal GDP per Capita (RMB) . . .	72,167.0	80,794.0	86,759.0	92,145.0	97,784.0	103,253.0	110,054.0	117,606.0	124,323.9	127,691.0	N/A
Fixed Asset Investment (RMB in billions)	147.1	172.0	193.4	212.8	237.6	261.2	303.6	351.2	426.6	375.9	396.2
Utilized Foreign Direct Investment (USD in millions)	1,873.7	1,967.5	2,154.4	2,349.8	2,520.9	2,655.9	2,377.3	1,471.7	1,623.5	N/A	N/A
Annual per capita disposable income for urban households (RMB)	24,577.9	27,244.7	30,718.0	34,579.7	38,037.7	36,554.7	39,756.9	43,120.3	46,848.5	50,736.9	N/A
Urbanization Growth (%).	5.3	6.6	1.3	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A: Not Available

Source: Bureau of Statistics of Foshan

Foshan’s nominal GDP expanded by a CAGR of approximately 8.3% from approximately RMB485.3 billion in 2009 to approximately RMB1,075.1 billion in 2019. Annual per capita disposal income of urban household in Foshan had been increasing steadily since 2009. In 2018, the annual per capita urban disposal income of urban households was approximately RMB50,736.9.

The table below sets out the key real estate indicators for Foshan for the years indicated:

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total GFA of residential buildings completed (million sq.m.)	2.0	5.0	5.0	5.1	4.3	3.8	2.6	3.8	5.0	3.7
Total GFA of residential buildings under construction (million sq.m.)	17.4	23.6	28.9	29.5	33.7	38.2	43.3	49.4	58.3	65.7
Total sales of residential buildings (RMB billion)	44.1	59.4	61.4	56.1	66.7	85.0	104.9	179.4	N/A	N/A
Total GFA of residential buildings sold (million sq.m.)	7.1	7.8	7.5	7.1	8.1	10.0	12.3	18.6	N/A	N/A
Average selling price of residential buildings (RMB per sq.m.)	6,204.1	7,647.8	8,207.3	7,957.7	8,250.1	8,483.9	8,563.0	N/A	N/A	N/A

N/A: Not available

Source: Bureau of Statistics of Foshan, Worldunion research report

Zhuhai

Zhuhai is one of the original Special Economic Zones, or SEZs⁽¹⁾, established in the 1980s to capitalize on its strategic location next to Macau. SEZ status allowed the city to grow as a scenic tourist attraction as well as a modern port city. In 1998, the city was awarded by the United Nations as “the Best Model of International Residential Environment Improvement.”

In terms of economic development, Zhuhai has established electronics, information technology, home electrical appliances, petrochemicals, electrical power, bio-pharmaceuticals and precision machinery as its major industries. It has attracted abundant foreign capital given the city’s excellent geographic location, attractive cityscape, provision of comprehensive ancillary infrastructure and a deep-water port. Utilized foreign investment reached approximately US\$2,178.0 million in 2015.

Aiming to strengthen the existing industrial base and to provide a better environment for the development of new high-tech industries, the local government has taken the initiative to develop five development zones, namely the “Zhuhai High-Tech Industrial Development Zone,” “Zhuhai Free Trade Zone,” “Harbor Industrial Zone (Provincial level),” “Wanshan Ocean Development Zone (Provincial level)” and “Heng Qin Economic Development Zone (Provincial level).” These development zones, together with infrastructure, such as the Lotus Bridge built in 1999, facilitate cross-border traffic with Macau. The Hong Kong-Zhuhai-Macau Bridge, currently under construction, will continue to strengthen the economic ties between Zhuhai and Macau and facilitate Zhuhai’s economic expansion and integration with the rest of the PRD, and to build the image of a modern livable city.

The table below sets out the key economic and demographic indicators for Zhuhai for the years indicated:

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (RMB in billions)	104.9	122.6	143.1	153.7	171.0	190.1	206.6	226.7	267.5	291.5	343.6
Nominal GDP growth	4.2%	16.9%	16.7%	7.4%	11.3%	11.2%	8.7%	9.7%	18.0%	9.0%	17.9%
Nominal GDP per Capita (RMB)	68,722.0	79,002.0	91,458.0	97,565.0	107,765.0	118,672.0	127,227.0	137,005.0	155,502.0	159,428.0	N/A
Fixed Asset Investment											
(RMB in billions)	41.1	50.2	63.7	78.8	91.9	113.5	130.5	139.0	166.2	185.9	197.2
Utilized Foreign Direct Investment											
(USD in millions)	1,180.3	1,223.5	1,337.6	1,446.8	1,687.3	1,931.0	2,177.9	2,294.7	2,433.1	2,392.0	N/A
Annual per capita disposable income											
for urban households (RMB)	22,858.6	25,381.6	28,730.7	32,978.2	36,375.0	35,287.3	38,322.0	42,537.4	46,826.4	50,713.0	N/A
Urbanization Growth (%)	4.6	1.9	0.5	-	0.1	N/A	N/A	N/A	N/A	N/A	N/A

N/A: Not Available

Source: Bureau of Statistics of Zhuhai

Note:

- (1) The original SEZs were Shenzhen, Shantou, Xiamen and Zhuhai. The PRC government provided more free market-oriented economic policies and flexible government measures to the SEZs. This allowed SEZs to utilize an economic management system that is especially conducive to doing business that did not then exist in the rest of mainland China.

Zhuhai’s nominal GDP expanded by a CAGR of 12.6% from approximately RMB104.9 billion in 2009 to approximately RMB343.6 billion in 2019. In 2019, the annual per capita disposable income for urban households was approximately RMB50,713.0, reflecting a CAGR of approximately 9.3% from 2009.

The table below sets out the key real estate indicators for Zhuhai for the years indicated:

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total GFA of residential buildings completed (million sq.m.)	3.1	1.8	2.8	3.3	3	1.3	1.6	3.1	2.8	1.9
Total GFA of residential buildings under construction (million sq.m.)	9.3	9.2	12.4	13.2	13.1	14	14.7	17.3	19.1	19.0
Total sales of residential buildings (RMB billion)	20.5	26.4	23	24.6	34.4	38.4	51.5	109.7	88.1	50.0
Total GFA of residential buildings sold (million sq.m.)	2.8	2.5	1.9	2.3	3.1	2.9	3.9	6.0	4.2	2.2
Average selling price of residential buildings* (RMB per sq.m.)	7,368.6	10,517.9	11,904.8	10,668.0	11,172.3	13,090.4	13,343.7	18,386.6	20,971.5	22,632.8

Source: Bureau of Statistics of Zhuhai

* Calculated figure, subject to rounding error

Zhongshan

As an industrial heartland in Guangdong Province, Zhongshan, together with Dongguan, Nanhai and Shunde, were once generally known as the “Four Little Tigers” in Guangdong Province. Being home to Zhongshan Port, which is a major port in Guangdong Province, and its proximity to Hong Kong (Zhongshan Port operates daily ferries to Hong Kong) and Macau have provided the key foundations for Zhongshan’s economic development, especially in the industrial arena.

The economy of Zhongshan relies heavily on the export of textiles, hardware and lighting industries. In the 1980s, Zhongshan’s industrial activities were dominated by SOEs, which have now been gradually replaced by foreign investors and domestic private sector which together accounted for over 82% of the total industrial output in 2015. In addition, different towns in Zhongshan are known by their specialized industries or an industrial cluster formation where the complete supply base of a specialized product can be found in one township.

Since 2000, the local government began to promote high and new technology in specialized towns, and to shift from overseas markets to domestic market, with the hope to minimize the impact of future global economic uncertainty. In addition, the local government encourages “research and design” in the region by setting up national level research centers and specialized industrial regions.

Industrial and manufacturing industry will remain a key focus of economic activity in the 13th Five-Year Plan and local government investment has been directed to support this. For example, the government has planned to promote coordinated development of four functional areas to develop the new engine of advanced equipment manufacturing industry in Zhongshan in 2016.

The table below sets out the key economic and demographic indicators for Zhongshan for the years indicated:

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (RMB in billions) . . .	158.8	187.8	222.7	248.3	269.3	286.5	305.3	324.9	343.0	363.3	310.1
Nominal GDP growth	7.7%	18.3%	18.6%	11.5%	8.5%	6.4%	6.5%	6.4%	5.6%	5.9%	-14.6%
Nominal GDP per Capita (RMB) . . .	54,887.0	61,691.0	71,079.0	78,846.0	85,101.0	90,007.0	95,365.0	100,897.0	105,710.7	110,585.0	N/A
Fixed Asset Investment											
(RMB in billions)	54,560.5	66,037.5	76,695.4	89,343.5	96,292.8	90,365.7	105,540.9	114,901.5	124,848.2	111,638.5	91,996.6
Utilized Foreign Direct Investment											
(USD in millions)	766.0	668.3	729.5	803.9	646.4	680.8	456.8	474.5	509.3	527.0	N/A
Annual per capita disposable income											
for urban households (RMB)	23,088.0	25,356.6	27,699.7	31,129.8	34,273.9	34,303.9	37,254.0	41,612.8	45,295.3	48,803.6	N/A
Urbanization Growth (%)	5.4	7.2	0.7	-	0.1	0.1	0.1	0.5	N/A	N/A	N/A

Source: Bureau of Statistics of Zhongshan

Zhongshan's nominal GDP expanded by a CAGR of 6.9% from approximately RMB158.8 billion in 2009 to approximately RMB310.1 billion in 2019. In 2018, the annual per capita disposable income for urban households was approximately RMB48,803.6, reflecting a CAGR of approximately 8.7% from 2009.

The table below sets out the key real estate indicators for Zhongshan for the years indicated:

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total GFA of residential buildings completed (million sq.m.)	4.0	5.2	2.7	5.6	4.8	7.0	5.0	5.3	5.8
Total GFA of residential buildings under construction (million sq.m.)	18.6	23.3	30.7	56.3	40.3	46.2	48.7	37.3	38.2
Total sales of residential buildings (RMB billion)	31.2	33.6	31.5	40.5	46.4	61.4	84.5	88.5	81.8
Total GFA of residential buildings sold (million sq.m.)	6.1	5.8	5.9	7.0	7.6	10.4	11.6	8.8	7.4
Average selling price of residential buildings* (RMB per sq.m.)	5,146.7	5,824.5	5,300.2	5,799.0	6,072.5	5,883.7	7,091.0	8,064.0	9,208.6

Source: Bureau of Statistics of Zhongshan

* Calculated figure, subject to rounding error

Qingyuan

Qingyuan, with an area of approximately 19,015 sq.km., is the largest prefecture-level city by land area in Guangdong Province. Heavy industry and light industry constituted approximately 76.7% and 23.3%, respectively, of the city's total value-added industrial output in 2015.

Although the key economic indicators, such as GDP, FAI and FDI are relatively low compared to the other select cities in Guangdong Province, Qingyuan is expected to have the infrastructure in place to make it a major economic and transportation hub in Guangdong Province in the future. In particular, by road, Qingyuan is directly served by China National Highways 106, 107 and 323, which connect it with Guangzhou and other major cities in China. With the Beijing-Zhuhai Highway and the Guangzhou-Qingyuan Highway, the driving time from Qingyuan to Guangzhou, Foshan and Shenzhen is reduced to 30 minutes, 60 minutes and 90 minutes, respectively. By rail, Qingyuan is directly connected to Beijing and Guangzhou through the Beijing-Guangzhou Railway. By sea, Qingyuan has major ports, such as Qingyuan Port, Yingde Port, Lianzhou Port, and Yangshan Port, which play a vital role in transporting goods to other regional centers in Guangdong Province, Hong Kong and Macau. By air, Qingyuan is 28 km away from Guangzhou Baiyun International Airport. Qingyuan is expected to become an attractive investment for investors looking outside the major cities in Guangdong Province for a higher investment return margin.

The table below sets out the key economic and demographic indicators for Qingyuan for the years indicated:

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (RMB in billions)	71.8	87.5	101.4	104.0	111.2	120.5	128.6	139.7	146.9	156.5	169.8
Nominal GDP growth	9.9%	21.9%	15.8%	2.6%	6.9%	8.4%	6.7%	8.7%	5.2%	6.5%	8.5%
Nominal GDP per Capita (RMB)	19,569.0	23,724.0	27,256.0	27,729.0	29,420.0	31,671.0	33,595.0	36,385.0	38,135.0	40,476.0	N/A
Fixed Asset Investment (RMB in billions)	35.3	41.9	48.6	43.8	50.6	59.6	62.1	62.1	66.6	74.7	83.9
Utilized Foreign Direct Investment (USD in millions)	549.1	320.2	384.4	303.0	211.6	227.5	142.0	107.2	144.0	N/A	N/A
Annual per capita disposable income for urban households (RMB)	14,315.0	15,768.2	17,667.5	19,513.8	21,367.6	21,093.4	22,907.4	25,266.9	27,610.0	29,377.0	31,597.1
Urbanization Growth (%)	4.7	5.0	1.3	0.6	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A: Not Available

Source: Bureau of Statistics of Qingyuan

Qingyuan's nominal GDP expanded by a CAGR of 9.0% from approximately RMB71.8 billion in 2009 to approximately RMB169.8 billion in 2019. In 2019, the annual per capita disposable income for urban households was approximately RMB31,597.1, reflecting a CAGR of approximately 8.2% from 2009.

The table below sets out the key real estate indicators for Qingyuan for the years indicated:

	2010	2011	2012	2013	2014	2015	2016	2017
Total GFA of residential buildings completed (million sq.m.)	2.1	1.8	2.9	2.4	3.2	3.7	2.8	2.9
Total GFA of residential buildings under construction (million sq.m.)	11.7	16.7	N/A	N/A	22.0	22.4	24.2	28.0
Total sales of residential buildings (RMB billion)	12.5	14.8	16.3	24.0	19.1	24.1	35.1	51.7
Total GFA of residential buildings sold (million sq.m.)	3.1	3.4	3.7	4.8	3.9	5.1	7.3	8.1
Average selling price of residential buildings* (RMB per sq.m.)	4,065.3	4,328.8	4,408.0	4,970.0	4,834.9	4,719.1	4,782.3	6,398.5

N/A: Not available

Source: Bureau of Statistics of Qingyuan

* Calculated figure, subject to rounding error

Dongguan

Dongguan, being a prefecture-level city in central Guangdong Province, is an important industrial city located in the Pearl River Delta. Heavy industry and light industry constituted approximately 61.6% and 38.4%, respectively, of the city's total value-added industrial output in 2017.

Dongguan is the fourth largest city in Guangdong Province in terms of GDP in 2019, following Shenzhen, Guangzhou and Foshan. During the 13th Five-Year Plan period, Dongguan city plans to strengthen integration with Guangzhou and Shenzhen, and to combine its manufacturing advantages with the two cities' resources, and ultimately build an international advanced manufacturing base with global impact by 2020.

The table below sets out the key economic and demographic indicators for Dongguan for the years indicated:

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (RMB in billions) . . .	381.1	430.9	481.5	509.6	559.1	596.8	637.4	693.7	758.2	827.9	948.3
Nominal GDP growth.	2.6%	13.1%	11.8%	5.8%	9.7%	6.8%	6.8%	8.8%	9.3%	9.2%	14.5%
Nominal GDP per Capita (RMB) . . .	49,601.0	53,575.0	58,440.0	61,593.0	67,320.0	71,651.0	76,812.0	84,007.0	91,329.0	98,939.0	N/A
Fixed Asset Investment (RMB in billions)	109.4	111.5	107.9	118.0	138.4	142.7	144.7	155.7	171.3	181.1	212.8
Utilized Foreign Direct Investment (USD in millions)	2,594.0	2,731.7	3,050.5	3,369.4	3,937.8	4,529.2	5,319.8	3,926.2	1,719.7	1,361.0	N/A
Annual per capita disposable income for urban households (RMB)	33,044.6	35,690.0	39,512.7	42,944.2	46,594.5	36,764.0	39,793.4	43,096.2	46,739.1	50,721.3	N/A
Urbanization Growth (%)	N/A	N/A	N/A	0.1	0.1	0.1	-	N/A	N/A	N/A	N/A

N/A: Not Available

Source: Bureau of Statistics of Dongguan

Note:¹ From 2014, annual per capital disposable income for urban households was calculated in a new way

The table below sets out the key real estate indicators for Dongguan for the years indicated:

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total GFA of residential buildings completed (million sq.m.)	1.9	3.0	2.4	3.6	2.6	2.6	2.7	1.7	3.6	2.5
Total GFA of residential buildings under construction (million sq.m.)	22.2	20.6	24.0	24.5	28.4	35.9	28.3	31.6	32.1	30.8
Total sales of residential buildings (RMB billion)	33.7	33.4	41.3	47.3	63.3	51.1	91.5	122.2	101.7	96.5
Total GFA of residential buildings sold (million sq.m.)	5.9	4.7	5.4	5.8	7.2	5.6	9.5	8.9	5.9	5.4
Average selling price of residential buildings* (RMB per sq.m.)	5,751.6	7,111.1	7,644.6	8,099.7	8,736.8	9,150.6	9,636.5	13,780.1	17,265.8	18,032.7

N/A: Not available

Source: Bureau of Statistics of Dongguan

* Calculated figure, subject to rounding error

Overview of Competitive Landscape in Real Estate Market in Guangdong Province

With a long history of residential development in Guangdong Province, there is strong market competition in Guangdong Province's residential sector, both in the two first-tier cities, Guangzhou and Shenzhen, as well as in the relatively smaller scale cities such as Zhuhai and Zhongshan.

In order to establish a market share amidst the huge competition, developers in Guangdong Province have established different types of product lines and branding in order to differentiate their market position and to attract different groups of target customers. In addition, as land supply in urban core areas becomes increasingly scarce, there is a market trend for developers to have projects along the rail lines and motorways in the suburban areas, capitalizing on the PRD Region's transportation infrastructure. In general, precise market positioning, convenient accessibility and established supporting facilities of a residential project remain key factors which can help developers gain popularity among buyers and, therefore, larger market share.

Changsha, Hunan Province

Overview

Changsha, the capital of Hunan Province and the leading city of the "Greater Changsha Metropolitan Region"⁽¹⁾, has emerged as a key city for investment and development in the central region of China in recent years. Changsha's nominal GDP reached RMB1,157.4 billion in 2019 and nominal GDP growth remained strong, growing at a CAGR of 11.8% from 2009 to 2019. It ranked first in Hunan Province, and second among other provincial capitals in six central provinces (including Shanxi, Henan, Hubei, Anhui, Jiangxi and Hunan) (the "Six Central Provinces") in China, in terms of GDP in 2019. Changsha had the highest annual per capita disposable income for urban households among other provincial capitals in the Six Central Provinces, reaching approximately RMB50,792.0 in 2018, with a CAGR of approximately 10.8% from 2009. The strong growth in GDP and annual per capita disposable income has facilitated the vibrancy of the real estate market in Changsha.

Note:

- (1) The Greater Changsha Metropolitan Region is a large area in Hunan Province, China, comprising the three prefecture-level cities of Changsha, Xiangtan and Zhuzhou. The region is the heavily urbanized region of Hunan and covers an area of approximately 28,087 sq.km.

The table below sets out the key economic and demographic indicators for Changsha for the years indicated:

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (RMB in billions) . . .	378.8	459.8	568.4	648.0	724.9	793.5	863.1	929.2	1,021.0	1,100.3	1,157.4
Nominal GDP growth	13.6%	21.4%	23.6%	14.0%	11.9%	9.5%	8.8%	7.7%	9.9%	7.8%	5.2%
Nominal GDP per Capita (RMB) . . .	57,271.0	67,212.0	80,441.0	91,025.0	100,906.0	109,195.0	117,076.0	123,265.0	131,207.0	136,920.0	N/A
Fixed Asset Investment											
(RMB in billions)	244.2	319.3	351.0	401.2	459.3	543.6	636.3	669.3	756.8	N/A	N/A
Utilized Foreign Direct Investment											
(USD in millions)	2,032.6	2,237.6	2,601.2	2,976.7	3,400.4	3,969.1	4,405.7	4,813.9	5,250.4	5,780.0	6,374.0
Annual per capita disposable income											
for urban households (RMB)	20,238.1	22,814.0	26,451.0	30,287.9	33,662.2	36,826.4	39,961.1	43,294.0	46,948.3	N/A	N/A

N/A: Not Available

Source: National Bureau of Statistics of China; Bureau of Statistics of Changsha

Real Estate Market of Changsha

The table below sets out the key real estate indicators for Changsha for the years indicated:

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total investment in property development in urban areas (RMB billion)	49.7	68.4	88.6	103.2	115.4	131.1	99.7	126.7	149.0
Total GFA of residential buildings completed (million sq.m.) . . .	11.3	11.8	12.1	11.3	10.7	20.4	N/A	11.1	7.9
Total GFA of residential buildings under construction (million sq.m.)	51.0	54.5	59.6	53.3	61.1	103.1	N/A	62.2	61.5
Total GFA of commercial buildings sold* (million sq.m.)	14.1	16.8	15.0	15.3	18.4	15.2	19.0	11.7	11.4
Average price of commercial buildings sold** (RMB per sq.m.)	3,647.8	4,418.1	5,881.9	6,100.9	6,304.4	6,114.5	5,861.8	6,409.8	N/A
Total sales of commercial buildings (RMB billion)	51.3	74.2	88.2	93.2	116.0	92.9	111.7	131.4	N/A

Source: National Bureau of Statistics of Changsha

* Inclusive of presales GFA (for floor space of commercialized buildings sold)

** Calculated figure, subject to rounding error

Overview of Competitive Landscape of the Real Estate Market in Changsha

As an inland city, Changsha's real estate development has generally been behind other coastal cities such as Guangzhou and Shenzhen, which had been targeted for development in the early stages of the reform and opening process. However, as the real estate market of first-tier cities in coastal provinces matures, development has been diverted to the western and central regions of China in the past few years, especially after 2009. This is reflected by the

high double-digit annual growth rates in investment into property development as well as the sales and average prices of commercial properties sold in Changsha from 2009.

It is observed that market competition in Changsha city has increased since 2009 and reputable domestic developers have entered the market and in general, developers with reputable brands maintained to have a competitive advantage in the market.

HISTORICAL PRICE TRENDS OF RAW MATERIALS

The Group's major construction materials generally include, among other things, cement and steel, which are subject to market fluctuation and volatility.

The table below sets out the purchasing price indices for industrial producers for China for the years indicated:

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Purchasing price indices for industrial producers											
(Building materials) ⁽¹⁾⁽²⁾ . . .	101.1	103.8	108.4	99.7	98.7	99.8	95.9	97.6	108.6	110.5	104.2

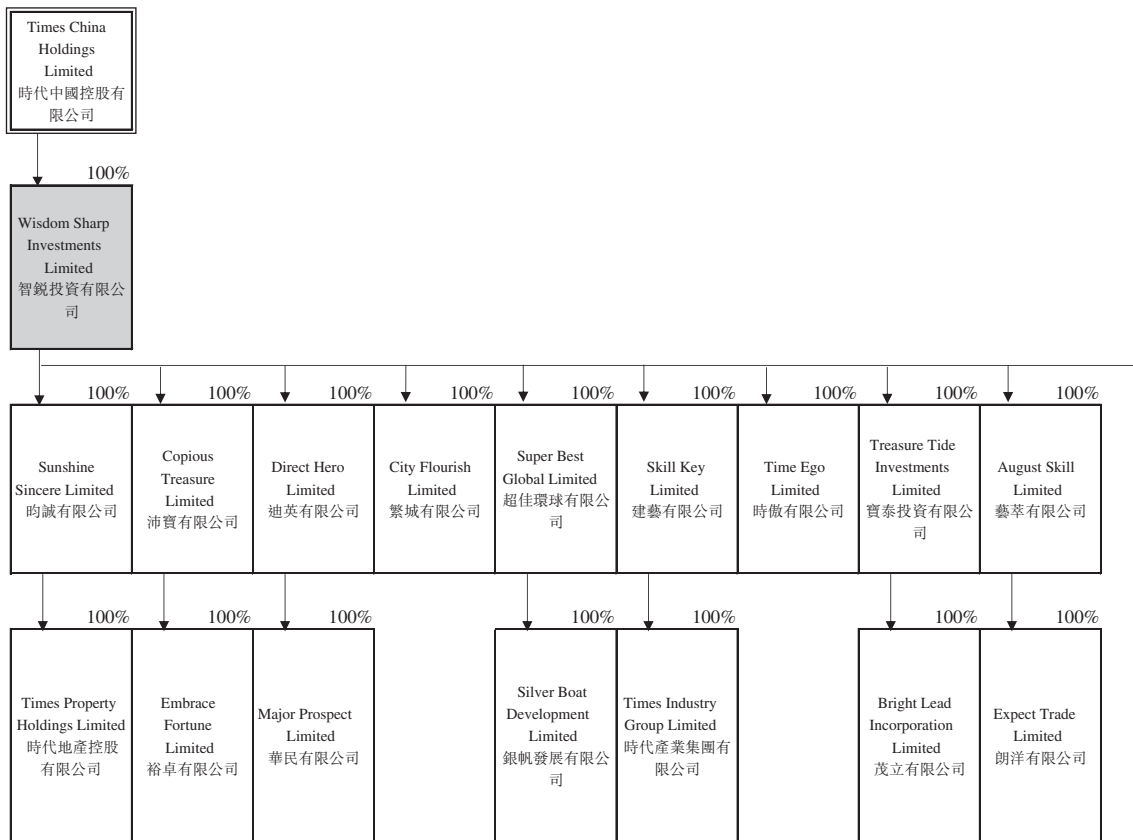
Source: National Bureau of Statistics of China

Notes:

- (1) These indices reflect changes in the level and degree of prices paid by construction/development enterprises when they purchase production input such as raw materials from the material exchange market or from other construction raw materials producing enterprises for a combined range of construction raw materials. General industry's understanding of building materials would include, amongst other things, cement, steel, bitumen, concrete blocks, glass, steel, metal formwork, timber framework, paint, unplasticized PVC pipes, etc.
- (2) These indices reflect the percentage change in our purchasing price over the previous 12-month period. For example, the figure 98.7 in 2013 indicates an average price decrease of 1.3% over the previous 12-month period.

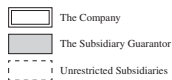
CORPORATE STRUCTURE

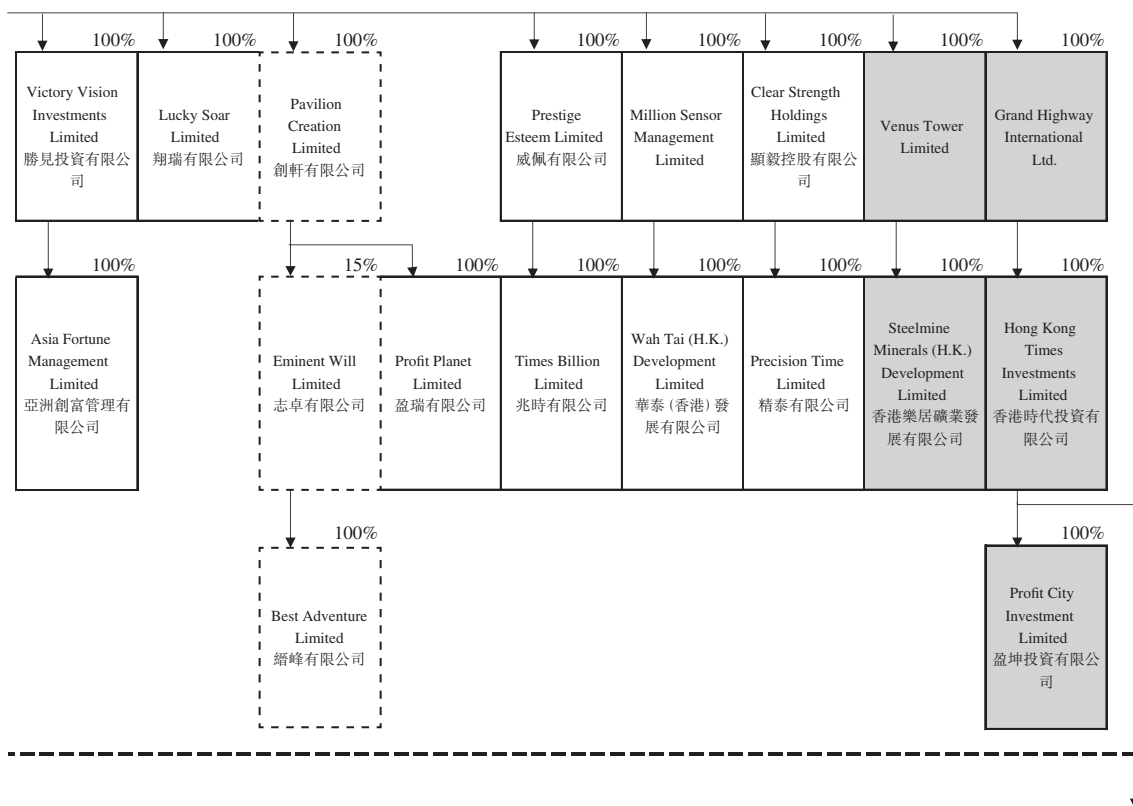
The following chart illustrates our simplified corporate structure as of December 31, 2020:

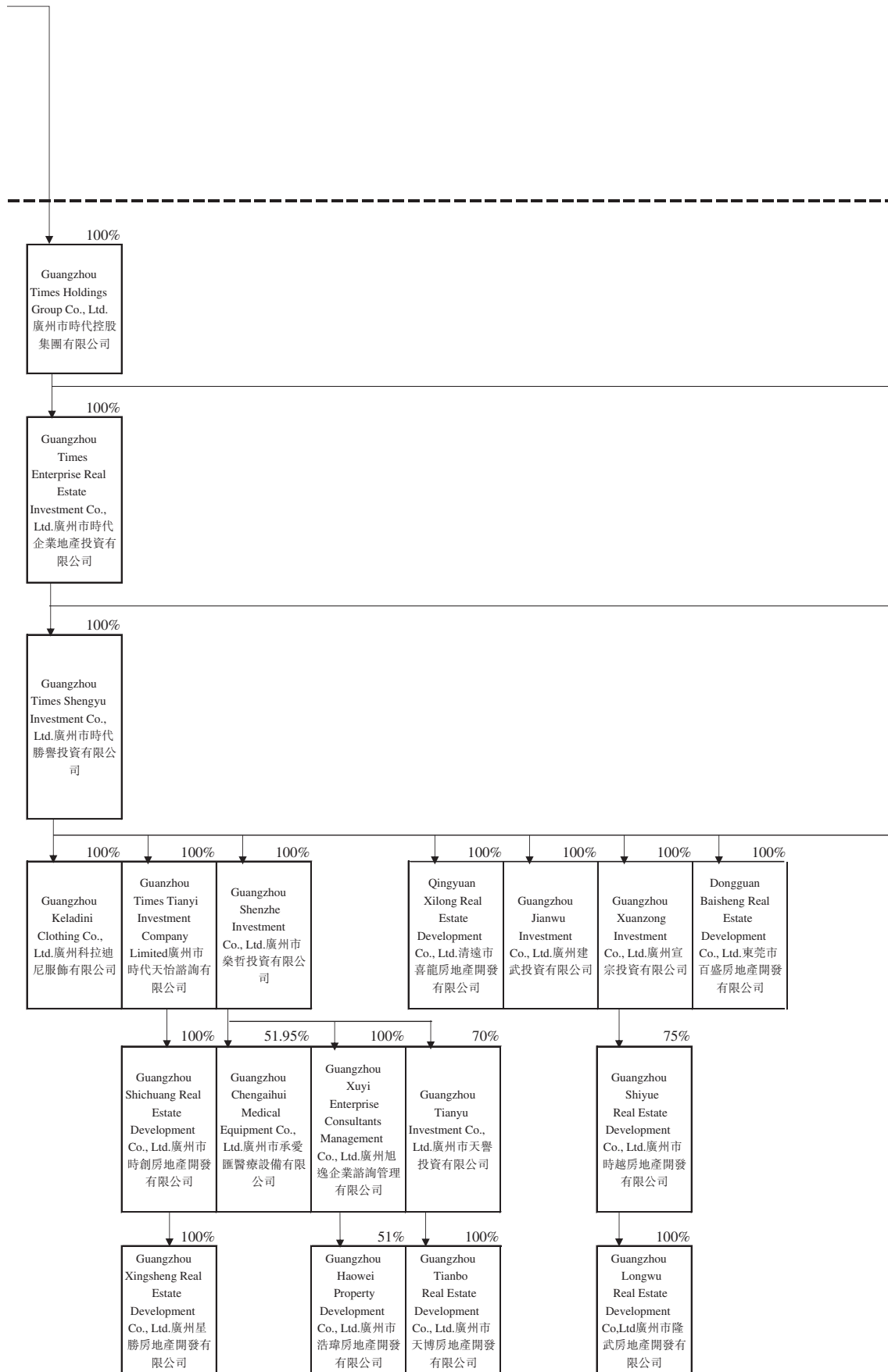


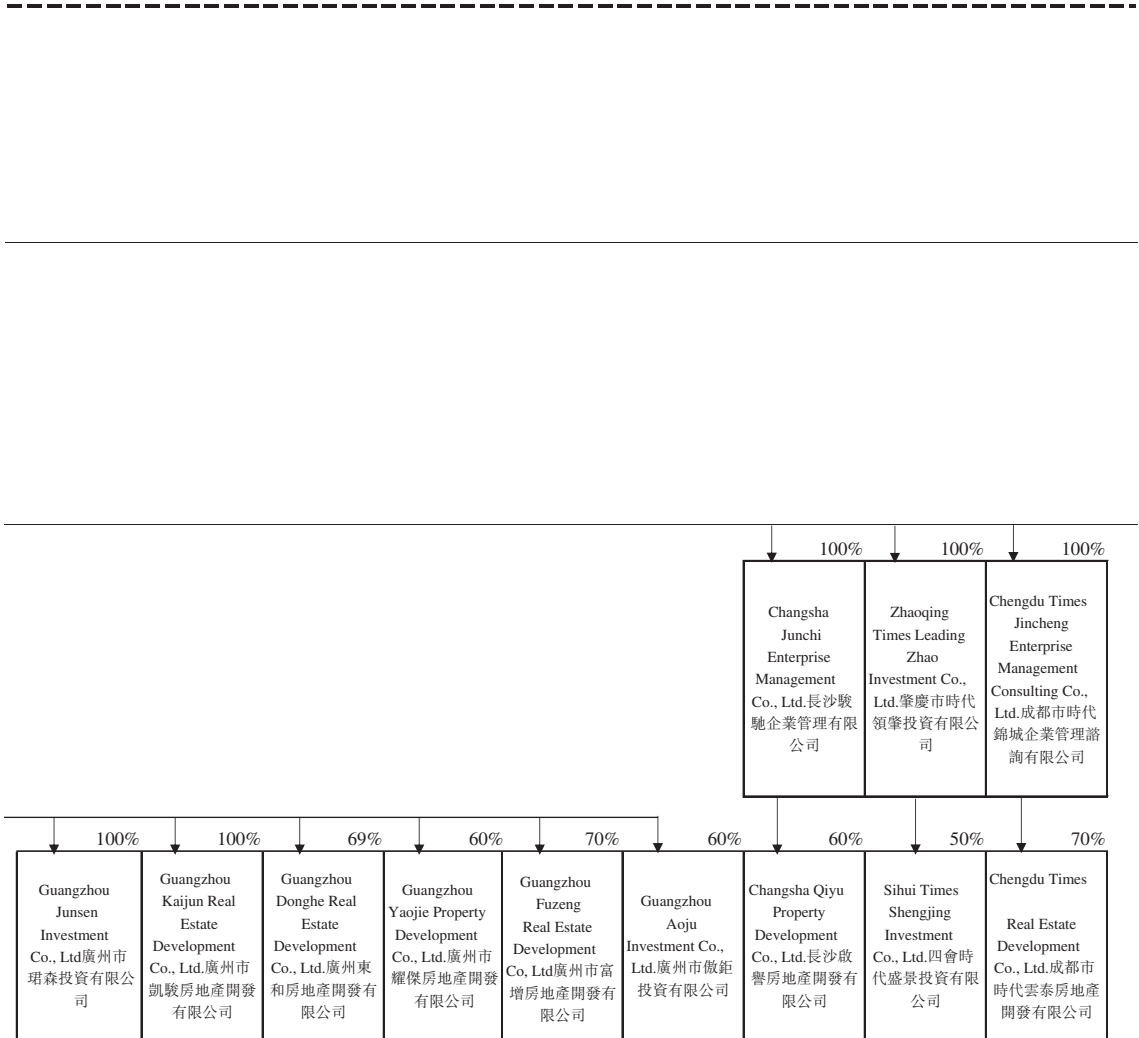
Offshore

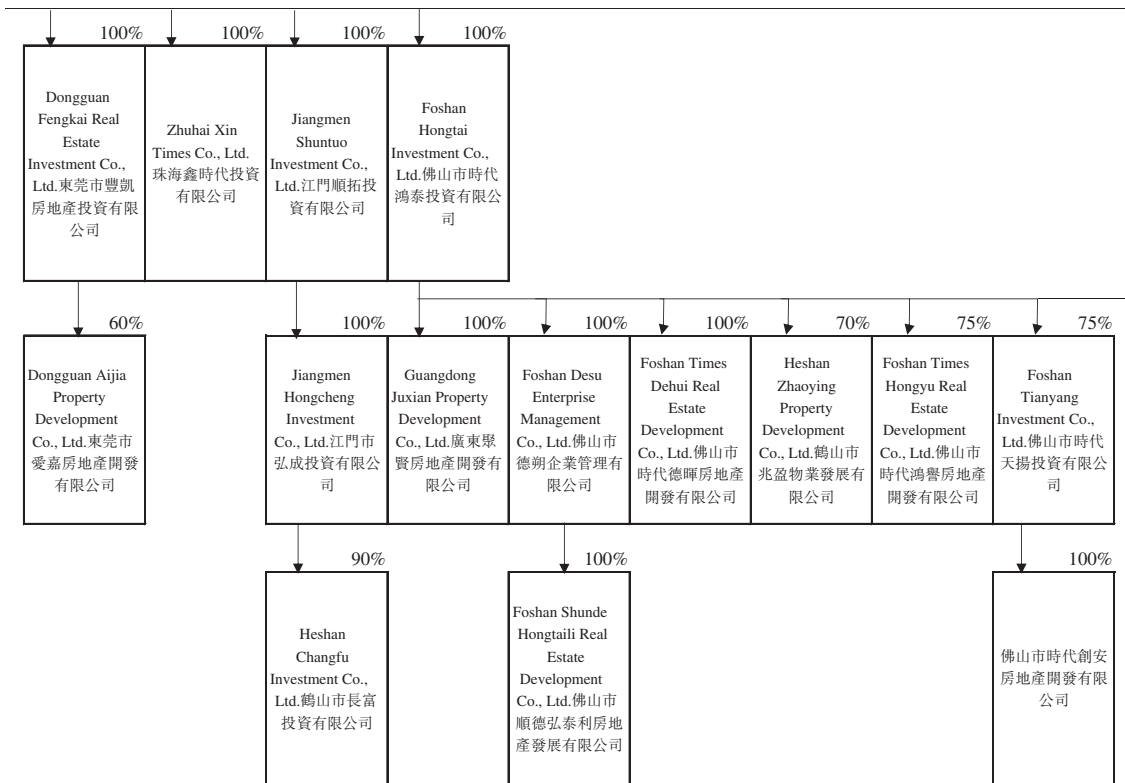
Onshore

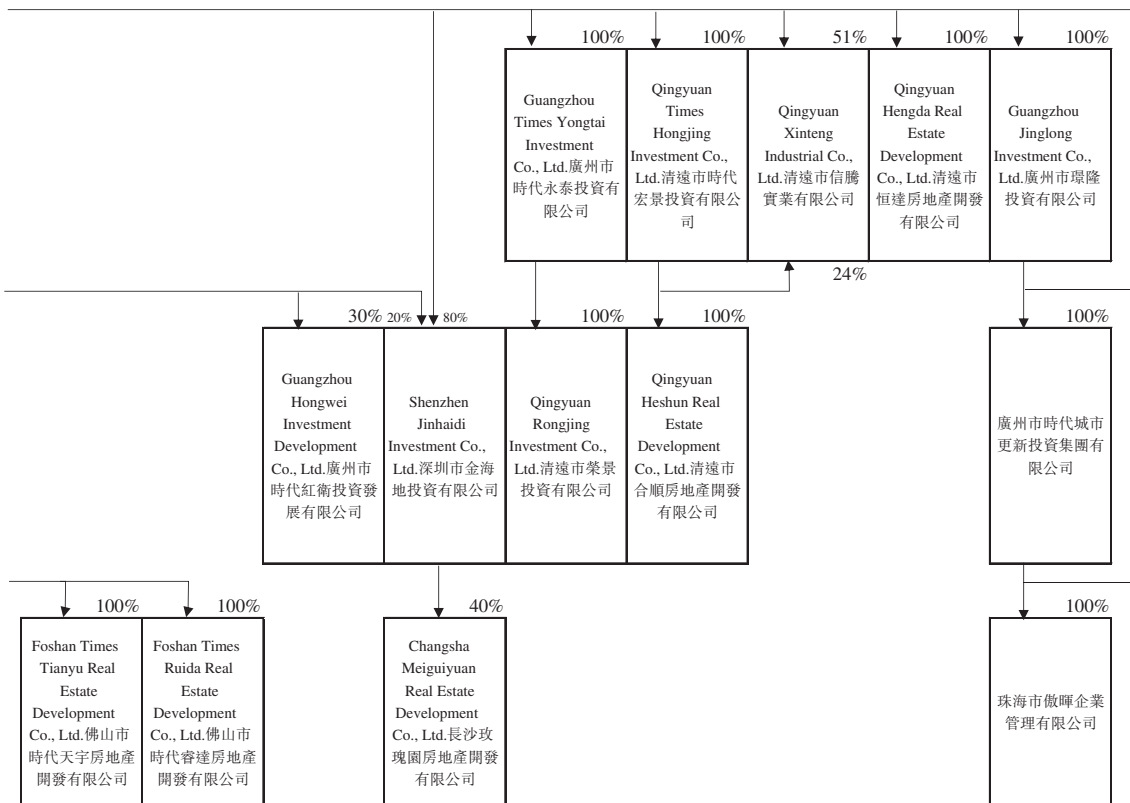


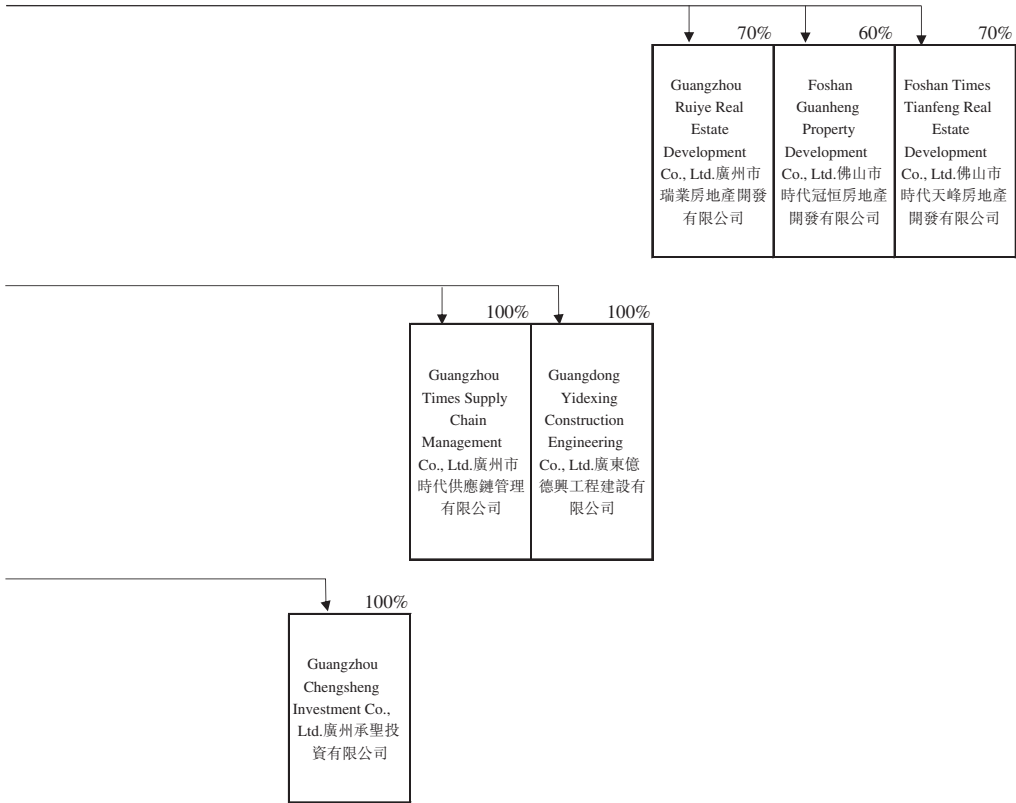












BUSINESS

OVERVIEW

We are one of the leading property developers in the PRC, focusing on the development of mid-market to high-end residential properties. Our business comprises three areas: (i) property development, i.e., the development of residential and commercial properties for sale, (ii) urban redevelopment, i.e., the redevelopment of old towns, old factories and old villages, and (iii) property leasing, i.e., the development, leasing and sub-leasing of commercial properties owned by us or third parties. We separately listed our property management subsidiary, Times Neighborhood, on the main board of the Hong Kong Stock Exchange on December 19, 2019. In 2020, we were ranked 32th among the “2020 Top 100 China Real Estate Companies” (2020中國房地產百強企業) by PRC Real Estate TOP 10 Research Group (中國房地產TOP10研究組), and awarded “2020 Top 50 China Real Estate Developers” (2020中國房地產開發企業50強), “2020 Top 10 China Real Estate Development Enterprises in Comprehensive Development” (2020中國房地產開發企業綜合發展10強), 2020 Top 30 Listed Real Estate Companies (2020中國房地產上市企業30強) and Best 50 China Real Estate Listed Companies with Strongest Comprehensive Strengths (2020中國房地產上市公司綜合實力50強) by Shanghai E-House Real Estate Research Institute (上海易居房地產研究院) and China Real Estate Survey and Evaluation Center (中國房地產測評中心), and 2020 Top 100 Outstanding Real Estate Enterprises in China (2020中國房地產卓越100榜) and by Guandian.cn. In 2019, we were awarded “2019 Top 100 China Real Estate Companies” (2019中國房地產百強企業) by PRC Real Estate TOP 10 Research Group (中國房地產TOP10研究組), “2019 Top 50 China Real Estate Developers” (2019中國房地產開發企業50強) and “2019 Top 10 China Real Estate Development Enterprises in Comprehensive Development” (2019中國房地產開發企業綜合發展10強) by Shanghai E-House Real Estate Research Institute (上海易居房地產研究院) and China Real Estate Survey and Evaluation Center (中國房地產測評中心) and 2019 Top 100 Outstanding Real Estate Enterprises in China (2019中國房地產卓越100榜) by Guandian.cn. In 2018, we were awarded “2018 China Top 100 Real Estate Enterprises” (2018中國房地產百強企業) by PRC Real Estate TOP 10 Research Group (中國房地產TOP10研究組), “2018 Best 50 of China Real Estate Developers” (2018中國房地產開發企業50強) and “2018 Best 10 of Development of China Real Estate Developers”(2018中國房地產開發企業綜合發展10強) by Shanghai E-House Real Estate Research Institute (上海易居房地產研究院) and China Real Estate Survey and Evaluation Center (中國房地產測評中心) and 2018 Best 100 of China Real Estate Enterprises (2018中國房地產卓越100榜) by Guandian.cn. In 2017, we were awarded “2017 Top 100 China Real Estate Enterprises” (2017中國房地產百強企業) by PRC Real Estate TOP 10 Research Group (中國房地產TOP10研究組), “2017 Top 50 China Real Estate Developers” (2017中國房地產開發企業50強) by Enterprises Development Research Center of the State Council (國務院發展研究中心), “Top 100 China Service Private Enterprises”(中國民營企業服務業100強) by All China Federation of Industry and Commerce (中華全國工商業聯合會) and “Top 500 China Private Enterprises” (中國民營企業500強) by All China Federation of Industry and Commerce (中華全國工商業聯合會). We believe our success is attributable to our market positioning, our well-recognized “Times China” (時代中國) (previously known as “Times Property” (時代地產)) brand image and our property developments with modern designs.

Property development — We define ourselves as a “life stylist” (生活藝術家), with a vision of introducing contemporary and artistic lifestyles to increasingly affluent middle- to high-income households that have relatively high disposable income and strong purchasing power. To meet the anticipated needs and preferences of our target customers during their progression through different stages of their professional careers and lives, we offer three series of residential property developments, namely the “Growth Series” (成長型), the “Blossom Series” (成熟型) and the “Prosperity Series” (成功型). Our series contain modern and artistic themes designed by reputable architecture and design firms, such as AECOM Technology Corporation, Guangzhou Hanhua Architects and Engineers Co., Ltd. (廣州瀚華建

築設計有限公司), Shenzhen Huasen Architecture and Engineering Designing Consultants Company Ltd. (深圳華森建築與工程設計顧問有限公司), and SCDA Architects. Substantially all of our residential developments are equipped with well-designed ancillary facilities, such as residents-only parks, clubhouses and swimming pools. We have introduced an art gallery within Times Deconstruction (時代玫瑰園) and we have included private theaters and art salons in some of our property developments to enhance the artistic experience for our customers. To increase our operating efficiency and enhance our cost and quality control, we have standardized and replicated certain themes that we believe to be the most popular among our product offerings. We have also developed commercial properties within our residential property developments so that retail shops and other entertainment facilities are made available to our residential neighborhoods.

Urban redevelopment — We actively follow in the “Urban Redevelopment” (三舊改造) policies to redevelop and reform old towns, old factories and old villages. Upon the completion of the urban redevelopment projects, the local governments typically organize auctions and public listing-for-sale process to sell the underlying land parcels. If the underlying land parcels are sold to independent third parties, we receive certain compensation from the local governments. Urban redevelopment business, which enjoys favorable policies, has brought us and we believe will continue to bring us further opportunities for land acquisitions and business growth. In 2018, 2019 and 2020, we derived income from urban redevelopment business in an amount of RMB2,775.6 million, RMB2,167.6 million and RMB5,453.3 million (US\$835.8 million), respectively. As of December 31, 2020, we had over 160 urban redevelopment projects.

Property leasing — We seek to sell the commercial properties within our residential developments as soon as practicable. In 2018, 2019 and 2020, we rented out a small portion of the commercial properties within our residential developments which had not yet been sold. In addition, we occupied certain premises in Times Property Center for our corporate headquarters, with the remaining premises being leased to third parties. Leveraging our experience in leasing and managing our properties, we also engage in the sub-leasing of commercial properties owned by third parties.

Leveraging our strong presence in Guangdong Province, we expanded into neighboring Hunan Province in 2011. We typically select sites located in Emerging Urban Areas. As of December 31, 2020, we had a total of 138 residential property projects at various stages of development, 128 of which were located in Guangdong Province (comprising 32 in Guangzhou, 15 in Zhuhai, 30 in Foshan, 14 in Qingyuan, 8 in Zhongshan, 4 in Huizhou, 11 in Dongguan, 7 in Jiangmen, 4 in Zhaoqing and 1 in each of Shantou, Shanwei and Heyuan), 5 of which were located in Changsha, Hunan Province, 2 of which were located in Chengdu, Sichuan Province, 1 of which was located in Wuhan, Hubei Province and 2 of which was located in Hangzhou area, Zhejiang Province. As of December 31, 2020, these 138 projects had an aggregate site area of approximately 11,333,473 sq.m. and an aggregate GFA of approximately 21,585,729 sq.m., of which approximately 3,179,369 sq.m. of the GFA was completed, approximately 12,414,031 sq.m. of the GFA was under development and approximately 5,992,329 sq.m. of the GFA was held for future development. Our business strategy is to focus on residential project development. Except for certain premises in Times Property Center that are leased to third parties, the property projects we develop are mainly for sale.

In order to maximize investment returns, improve cash flow and obtain sustainable growth, we strive to shorten our project development cycle. We believe this efficient project development practice is crucial to the success of our business operations. In support of this model, we develop our properties through standardized procedures and by creating standardized residential units for each development theme, while catering to the unique consumer preferences of each market.

COMPETITIVE STRENGTHS

We believe that the following strengths enable us to compete effectively in the property markets in China:

We are one of the leading property developers in Guangdong Province, one of the most economically prosperous regions in China, with our well-recognized “Times China” (時代中國) (previously known as “Times Property” (時代地產)) brand

We are one of the leading property developers in Guangdong Province, one of the most populous and economically prosperous regions in China and according to MOFCOM, Guangzhou was the fourth-largest city in China in terms of GDP in 2018.

We have strived to develop quality residential properties in Guangdong Province since 1999. Over the years, we have received a number of awards. Examples of our recent awards, include being selected as one of the “2015 Most Reputable Brands” (2015年度最佳美譽品牌) by NetEase House (網易房產) and the Guangdong Real Estate Chamber of Commerce (廣東省地產商會). In 2020, we were ranked 32th among the “2020 Top 100 China Real Estate Companies” (2020中國房地產百強企業) by PRC Real Estate TOP 10 Research Group (中國房地產TOP10研究組), and awarded “2020 Top 50 China Real Estate Developers” (2020中國房地產開發企業50強), “2020 Top 10 China Real Estate Development Enterprises in Comprehensive Development” (2020中國房地產開發企業綜合發展10強), 2020 Top 30 Listed Real Estate Companies (2020中國房地產上市企業30強) and Best 50 China Real Estate Listed Companies with Strongest Comprehensive Strengths (2020中國房地產上市公司綜合實力50強) by Shanghai E-House Real Estate Research Institute (上海易居房地產研究院) and China Real Estate Survey and Evaluation Center (中國房地產測評中心), and 2020 Top 100 Outstanding Real Estate Enterprises in China (2020中國房地產卓越100榜) by Guandian.cn. In 2019, we were awarded “2019 Top 100 China Real Estate Companies” (2019中國房地產百強企業) by PRC Real Estate TOP 10 Research Group (中國房地產TOP10研究組), “2019 Top 50 China Real Estate Developers” (2019中國房地產開發企業50強) and “2019 Top 10 China Real Estate Development Enterprises in Comprehensive Development” (2019中國房地產開發企業綜合發展10強) by Shanghai E-House Real Estate Research Institute (上海易居房地產研究院) and China Real Estate Survey and Evaluation Center (中國房地產測評中心) and 2019 Top 100 Outstanding Real Estate Enterprises in China (2019中國房地產卓越100榜) by Guandian.cn. In 2018, we were awarded “2018 China Top 100 Real Estate Enterprises” (2018中國房地產百強企業) by PRC Real Estate TOP 10 Research Group (中國房地產TOP10研究組), “2018 Best 50 of China Real Estate Developers” (2018中國房地產開發企業50強) and “2018 Best 10 of Development of China Real Estate Developers” (2018中國房地產開發企業綜合發展10強) by Shanghai E-House Real Estate Research Institute (上海易居房地產研究院) and China Real Estate Survey and Evaluation Center (中國房地產測評中心) and 2018 Best 100 of China Real Estate Enterprises (2018中國房地產卓越100榜) by Guandian.cn. In 2017, we were awarded “2017 Top 100 China Real Estate Enterprises” (2017中國房地產百強企業) by PRC Real Estate TOP 10 Research Group (中國房地產TOP10研究組), “2017 Top 50 China Real Estate Developers” (2017中國房地產開發企業50強) by Enterprises Development Research Center of the State Council (國務院發展研究中心), “Top 100 China Service Private Enterprises” (中國民營企業服務業100強) by All China Federation of Industry and Commerce (中華全國工商業聯合會) and “Top 500 China Private Enterprises” (中國民營企業500強) by All China Federation of Industry and Commerce (中華全國工商業聯合會). We believe our success is attributable to our market positioning, our well-recognized “Times China” (時代中國) (previously known as “Times Property” (時代地產)) brand image and our property developments with modern designs.

Leveraging our well-recognized brand and our knowledge and experience in the property development industry in Guangdong Province, we successfully expanded into Changsha in Hunan Province, Chengdu in Sichuan Province, Wuhan in Hubei Province and Hangzhou in Zhejiang Province. We believe our experience and success in the competitive real estate development industry in Guangdong Province will enable us to further penetrate regions where we currently operate and will provide a platform for us to replicate our success in other regions going forward, broadening the geographical scope of our business in regions where we choose to execute our expansion strategy.

We have a diversified product portfolio of quality developments that differentiates our projects from those of our competitors

We define ourselves as a “life stylist” (生活藝術家), with a vision of introducing contemporary and artistic lifestyles to the increasingly affluent middle- to high-income households that have relatively high disposable income and strong purchasing power. We have three series of property developments that are targeted at customers progressing through different stages of their professional careers and lives.

We strive to distinguish ourselves from our competitors by developing properties with modern and artistic themes and ancillary facilities based on the needs and preferences of our target customers. For example, we have created project themes, such as “Fashionable and Dynamic,” “Noble and Elegant” and “Luxurious and Extraordinary” that correspond to our “Growth Series” (成長型), “Blossom Series” (成熟型) and “Prosperity Series” (成功型) of property developments, respectively, to appeal to our target customers. All of the project themes were designed by reputable architecture and design firms, such as AECOM Technology Corporation, Guangzhou Hanhua Architects and Engineers Co., Ltd. (廣州瀚華建築設計有限公司), Shenzhen Huasen Architecture and Engineering Designing Consultants Company Ltd. (深圳華森建築與工程設計顧問有限公司), and SCDA Architects. Over the years, we have received a number of awards for our property projects. Examples of our recent awards include the “2016 APIDA 24th Asia Pacific Region Interior Design Award” (2012 APIDA第二十屆亞太室內設計大獎), which was awarded to the designer of one of our projects by the Hong Kong Interior Design Association (香港室內設計協會), the “2012 Guangzhou Real Estate Network Festival Most Artistic Mansion Award” (2012廣州地產網絡盛典最佳藝術豪宅大獎), which was awarded to Times Bund by Sohu Focus (搜狐焦點). Furthermore, we place a strong emphasis on the quality of our property developments and 2017 Well-Received Properties in Great Bay Area (2017年度消費者歡迎灣區樓盤) by First half of 2017 Changsha Model Property of Comprehensive Quality (2017上半年長沙綜合品質標杆樓盤) by Xiaoxiang Morning Post (瀟湘晨報).

To enhance our image as a “life stylist” (生活藝術家), we include extensive ancillary facilities in our property developments. For example, in Times Bund, we included a private theater and a multi-function clubhouse with a GFA of approximately 3,823 sq.m., both of which were decorated with fine paintings and sculptures. We also included a community art gallery within Times Deconstruction to enhance the artistic experience of our customers.

We believe the quality of our developments and their modern designs have been a key factor in enabling us to sell our properties at prices higher than the overall average selling price of residential properties in the same cities and/or districts in 2018, 2019 and 2020. We believe our quality developments have enabled us to build a strong customer base that has resulted in repeat purchases and referrals. For example, based on our internal records, over 30%, 28% and 26% of our sales recorded for Times City, Times King City (Zhongshan) and Times King City (Zengcheng), respectively, were from repeat purchases or referrals. We believe our quality developments have proven popular among our target customers over the

years and have helped us establish our reputation and enhanced recognition of our “Times Property” (時代地產) (previously known as “Times Property” (時代地產)) brand.

We have acquired land reserves sufficient to support our operation in the next three to five years

We have strategically selected and acquired our land reserves to strengthen our presence in Guangdong and Hunan Provinces, to sustain continued growth and to further expand into cities in Guangdong Province, Changsha, Hunan Province, Chengdu, Sichuan Province, Wuhan, Hubei Province and Hangzhou, Zhejiang Province. As of December 31, 2020, we had land reserves in major cities in Guangdong Province, Hunan Province, Hubei Province, Sichuan Province and Zhejiang Province with a total GFA attributable to us of approximately 21.6 million sq.m. We believe our land reserves are sufficient for our operational needs for the next three to five years. We acquire most of our land through government-organized auctions and the listing-for-sale process, or by acquiring equity interests in project companies that hold the land use rights and by participating in “Urban Redevelopment” (三舊改造) policies. See the section entitled “— Project Development Management — Times Property Standardized Operational and Management System — Land Acquisition” below for further details on land acquisition.

Based on our experience in the PRC real estate industry, we have strategically located most of our developments in Emerging Urban Areas. We believe such areas offer our customers more living space and convenient access to city centers at reasonable prices. Properties in Emerging Urban Areas are typically more affordable than properties in city centers but provide many of the benefits of urban life. In addition, we believe that Emerging Urban Areas are more likely to benefit from government investment in local infrastructure and public facilities, which may help increase property values in these areas.

Through our “Times Property Standardized Operational and Management System” (時代地產標準化運營管理體系), we are able to monitor land acquisition opportunities and to conduct data analysis and evaluations.

We have standardized operating procedures that enable us to develop strong execution capabilities and utilize resources efficiently

We have standardized operating procedures, including our “Times Property Standardized Operational and Management System” (時代地產標準化運營管理體系), which cover our development cycle from site selection and market evaluation, land acquisition, project planning and design, project construction and quality control to sales and marketing and after-sales services. With these standardized operating procedures, we are able to (i) efficiently manage our projects; (ii) efficiently oversee the progress of development; (iii) ensure the standard of quality is applied consistently in each of our development projects; and (iv) lower the cost of construction. This in turn generally allows us to effectively manage the construction of our property by starting the pre-sale of properties at the earliest possible time and by selling most of our projects during the pre-sale period. For instance, we commenced construction of phase 1 of Times Bund in July 2011 and pre-sold approximately 95% of the apartment units by December 2012. We commenced construction of phase 1 of Ocean Times in April 2010 and pre-sold approximately 90% of the apartment units by December 2010.

We have a specialized and experienced sales and marketing team with strong marketing capabilities

We have a specialized and experienced sales and marketing team which has, over the years, developed an in-depth knowledge of customer preferences and market trends in our target markets. Our senior executives and regional managers of the sales and marketing departments of our regional companies have an average of over seven years of experience in the sales and marketing industry. Our sales and marketing team is involved in marketing and brand management.

To enhance the recognition of our brand name and properties, our sales and marketing team actively promotes our distinctive property designs and “life stylist” (生活藝術家) corporate image through customer loyalty clubs, newspaper and television advertisements, billboards and multimedia applications, as well as other advertising campaigns such as community sports days, exhibitions and charity events.

We have a stable and committed management team with strong credentials and extensive experience in the PRC real estate industry

The quality and experience of our management team have been, and will continue to be, important factors in our success. We have a highly committed management team with strong credentials and extensive experience in the PRC real estate industry. Most of our executive Directors and other senior management team have over 13 years of experience in the PRC real estate industry and have extensive strategic planning and management experience, which helps us to make timely and appropriate judgments relating to business development, market trends and product positioning. Mr. Shum Chiu Hung, Mr. Guan Jianhui and Mr. Bai Xihong have led the growth of our business since its inception in 1999 and have formed a stable core team that has worked well together over the years.

Our executive Directors and senior management have strong credentials and hold bachelor’s degrees or higher. Almost all of our executive Directors and senior management have obtained an Executive Master of Business Administration degree (“EMBA”) from a reputable university such as Peking University (北京大學), Fudan University (復旦大學) or Sun Yat-Sen University (中山大學).

We believe our management team’s stability, extensive property development experience, in-depth industry knowledge and understanding of the real estate market in Guangdong Province will help us further expand into our target markets successfully.

BUSINESS STRATEGIES

We intend to implement the following principal strategies to grow our businesses and create value for our shareholders:

Strengthen our leadership position in cities in Guangdong Province and expand our presence in Hunan Province and expand into other cities in Guangdong Province with high growth potential

With our experience, local knowledge and market reputation, we intend to strengthen our leadership position in cities in Guangdong Province and expand our presence in Hunan Province by continuing to apply our standardized operating procedures to our existing and future residential project developments. In the next few years, we intend to focus on expanding into other cities in Guangdong Province with high growth potential. We believe

Guangdong Province's large population and growing urbanization, together with its proximity to Hong Kong, will help Guangdong remain a growing and attractive property market in China. Changsha, where we also currently operate, is the provincial capital of Hunan Province. Changsha's nominal GDP reached RMB1,157.4 billion in 2019. Nominal GDP growth in Changsha remained strong, growing at a CAGR of 11.8% from 2009 to 2019.

Continue to enhance our well-recognized “Times China” (時代中國) (previously known as “Times Property” (時代地產)) brand, innovate and improve our project designs, and increase the value of our quality developments

We believe that our brand name has been paramount to our success. We intend to continue to enhance our well-recognized “Times China” (時代中國) (previously known as “Times Property” (時代地產)) brand and promote our brand image as a “life stylist” (生活藝術家), with the objective of becoming one of the Fortune Global 500 companies. To do so, we will continue to (i) enhance the quality of our property developments, (ii) develop new project themes and designs, and innovate and improve the ancillary facilities within each new project development, and (iii) improve our customer experience through quality property management services.

In order to enhance the quality of our property developments, we intend to refine our existing project themes and replicate them in future project developments. For instance, we completed Times King City (Foshan) in March 2009, the first “King City” development in the “Blossom Series” developed with the “Noble and Elegant” theme. We then replicated it for other project developments, namely, Times King City (Zengcheng) in 2010, Times King City (Zhongshan) and Times King City (Changsha) in 2011, and Times King City (Qingyuan) in 2013.

In addition, we intend to develop new project themes and designs to meet our customers' changing preferences. Further to our internal research on product development, we plan to continue to collaborate with reputable architecture and design firms to ensure that the designs of our products are modern and artistic. We will continue to place a strong emphasis on quality control because we believe our brand name depends highly on the quality of our properties sold.

To further increase the value of our residential properties, we plan to continue to innovate and improve the ancillary facilities within each new project development. We actively conduct market research to explore if there is significant customer demand for certain ancillary facilities that have not been previously included in our project developments, and if there is, we will consider incorporating such facilities. We will also continue to improve our property management services by cooperating with Times Neighborhood so that (i) the services provided are in line with our customers' expectations and (ii) our property developments will continue to be well maintained. We believe these factors will help to increase the value of our properties.

Building on our strength in residential project development, we plan to explore opportunities to diversify our product portfolio, such as by developing low density office and residential mixed-use complex projects.

Increase our land reserves in areas with high growth potential at a competitive cost

To sustain healthy and continued growth, we will continue to increase our land reserves in areas with high growth potential, such as Emerging Urban Areas, at a competitive cost. We will conduct extensive market research on the anticipated needs of our target customers. Before we acquire a parcel of land, we will consider a variety of factors, such as future land availability, land cost, urban planning and development, favorable governmental policies, surrounding infrastructure and potential growth and investment value of an area.

Leveraging our experience and knowledge in the PRC real estate development, we will continue to strategically acquire land primarily through government-organized auctions and the listing-for-sale process, and by acquiring equity interests in project companies that hold land use rights and by participating in “Urban Redevelopment” (三舊改造) policies. To increase our land reserves at a competitive cost, we will continue to focus on obtaining land in Emerging Urban Areas, where land costs are lower than in city centers.

Capitalize on our standardized operating procedures to achieve healthy growth and operational expansion

Through our standardized operating procedures, including our “Times Property Standardized Operational and Management System” (時代地產標準化運營管理體系), we have been able to effectively manage the construction of our properties. In order to further improve our project management to sustain healthy growth and operational expansion, we plan to continue optimizing and refining our system. We plan to standardize and replicate certain project themes, such as “Times Sweet House” (時代糖果), “Times King City” (時代傾城) and “Ocean Times” (時代南灣), in future property developments in cities into which we expand. With our standardized operating procedures, we believe we will be able to increase the efficiency of the project planning, design and construction process, and to maintain and promote a consistent image and quality for our property developments.

Further, we believe that we will be able to achieve economies of scale through bulk purchasing and standardizing and replicating our project themes.

Attract, retain and develop a talented workforce through continual training and attractive remuneration packages

We are committed to building a highly qualified team of personnel with solid experience and strong execution capabilities. We aim to attract, retain and develop a talented workforce through continual training and attractive remuneration packages. We have established a comprehensive set of training materials and courses tailored to employees at different levels to meet different job requirements. These training materials and courses cover different aspects that we consider important to our corporate and business advancement. We will refine and update these training materials and courses to keep our employees abreast of relevant information.

We believe continual education of our staff is integral to our success. We encourage our senior executives to undertake further academic studies to develop their professional and management skills. Going forward, we will continue to fund further education, such as EMBA courses, for suitable employees.

Through our existing remuneration policies, we offer our employees performance-based incentives, on top of a competitive salary, based on their qualifications, experience and performance. In addition, we have conditionally adopted a share option scheme to further motivate our employees and to better align their interests with those of our Group.

Recent Developments

Land Acquisition

Subsequent to December 31, 2020, we entered into certain framework agreements or formal agreements in relation to the acquisition of three parcels of land. The following table sets forth certain information concerning such land parcels:

<u>Date of agreement/ Time of acquisition</u>	<u>Location</u>	<u>Attributable interest</u>	<u>Site area</u>	<u>Consideration</u>	<u>Type</u>
			(sq.m.)	(RMB in millions)	
January 2021	Changsha	51%	121,666	1,208	Residential and Commercial
February 2021	Nanjing	55%	32,844	1,640	Residential and Commercial
April 2021	Dongguan	30%	104,561	2,031	Residential and Commercial

The Recent Coronavirus Epidemic Outbreak

The COVID-19 pandemic which began at the end of 2019 has affected millions of individuals and adversely impacted national economies worldwide, including China. Several cities in China have been under a lockdown and have imposed travel restrictions in an effort to curb the spread of the highly infectious novel coronavirus. The coronavirus outbreak poses potential risks to our business operation and financial condition. See “Risk Factors — Risks Relating to the PRC — Natural disasters, acts of war, occurrence of epidemics, and other disasters could affect our business and the national and regional economies in the PRC.”

Issuance of January 2021 Notes

On January 14, 2021, we issued the January 2021 Notes. For details, see “Description of Other Material Indebtedness.”

Issuance of Additional September 2020 Notes

On March 17, 2021, we issued the Additional September 2020 Notes. For details, see “Description of Other Material Indebtedness.”

Issuance of April 2021 Notes

On April 22, 2021, we issued the April 2021 Notes. For details, see “Description of Other Material Indebtedness.”

OUR BUSINESS

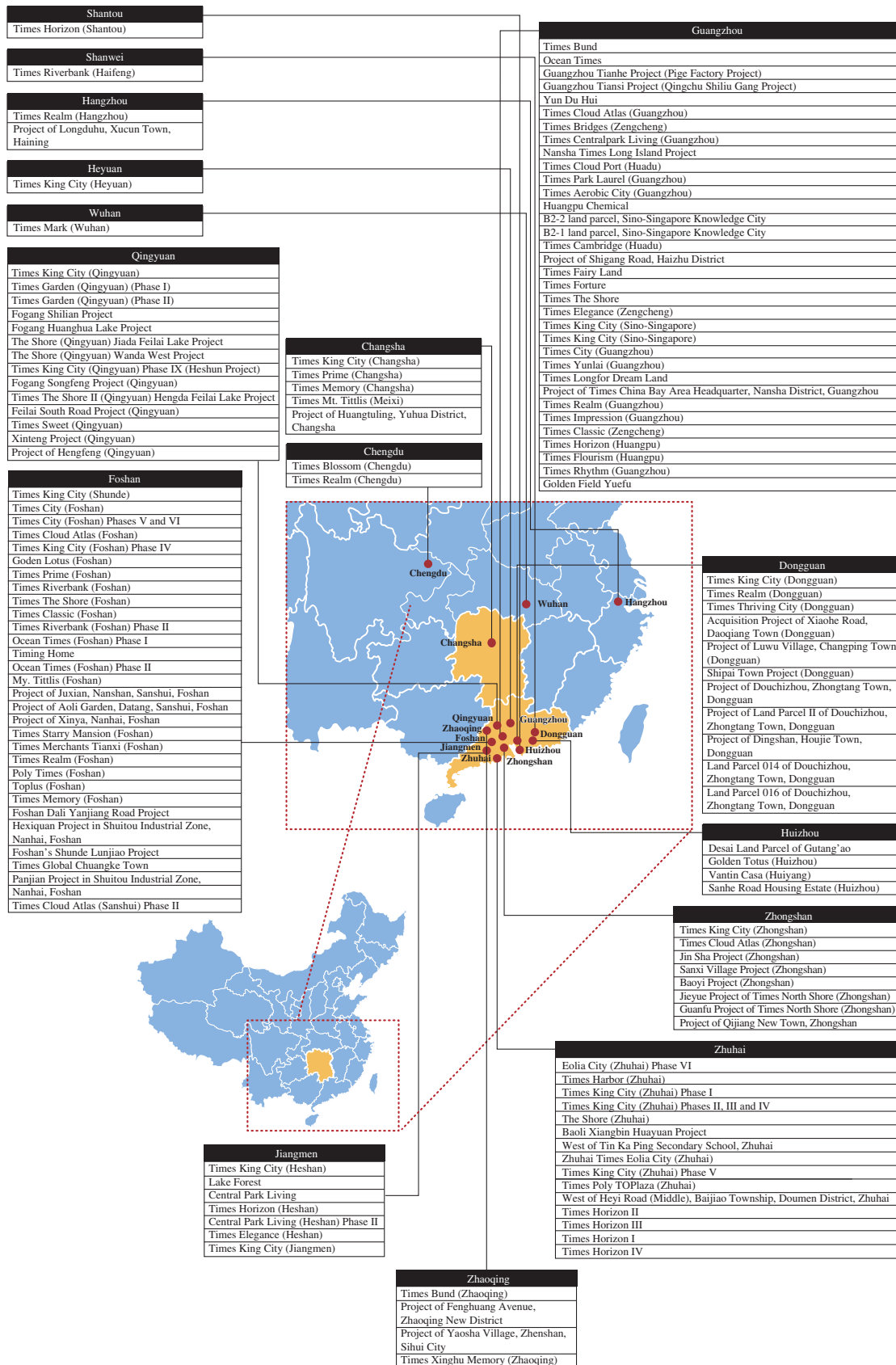
PROPERTY DEVELOPMENT

As of December 31, 2020, we had a total of 138 residential property projects at various stages of development, 128 of which were located in Guangdong Province (comprising 32 in Guangzhou, 15 in Zhuhai, 30 in Foshan, 14 in Qingyuan, 8 in Zhongshan, 4 in Huizhou, 11 in Dongguan, 7 in Jiangmen, 4 in Zhaoqing and 1 in each of Shantou, Shanwei and Heyuan), 5 of which were located in Changsha, Hunan Province, and 2 of which were located in Chengdu, Sichuan Province, 1 of which was located in Wuhan, Hubei province and 2 of which was located in Hangzhou area, Zhejiang province. As of December 31, 2020, these 138 projects had an aggregate site area of approximately 11,333,473 sq.m. and an aggregate GFA of approximately 21,585,729 sq.m., of which approximately 3,179,369 sq.m. of the GFA was completed, approximately 12,414,031 sq.m. of the GFA was under development and approximately 5,992,329 sq.m. of the GFA was held for future development. We develop and sell a variety of residential properties, primarily consisting of the following types:

- high-rise apartment buildings — which are typically buildings with more than 18 stories;
- mid-rise apartments — which are typically buildings with between ten and 18 stories;
- low-rise apartments — which are typically buildings with fewer than ten stories; and
- townhouses — which typically include connected townhouses, courtyard townhouses and split-level townhouses, some with private pools.

For the years ended December 31, 2018, 2019 and 2020, our revenue from the sales of properties amounted to RMB30,779.0 million, RMB38,630.1 million and RMB32,673.3 million (US\$5,007.4 million), respectively, accounting for 89.5%, 91.0% and 84.7%, respectively, of our total revenue.

The following map shows the geographical locations of and key information for our developments as of December 31, 2020:



We categorize our residential properties into three series to cater to the needs and preferences of our customers as they progress through different stages of their professional careers and life, and to expand our customer base. While our customers at different stages of life may choose to purchase the series of development that best suits their needs, we expect that many of our existing customers will want to upgrade their current properties for properties with a larger GFA when their incomes rise and families grow. The table below sets forth the details of our three series of residential developments and their corresponding themes:

	“Growth Series” (成長型)	“Blossom Series” (成熟型)	“Prosperity Series” (成功型)
Unit GFA (sq.m.)	60-85	85-140	140-280
Target customers	First-time buyers/First-time upgraders/ Middle-income households		High-income households
Themes	“Fashionable and Dynamic” (時尚動感)	“Noble and Elegant” (高尚優雅)	“Luxurious and Extraordinary” (華美非凡)

Classifications of Our Property Projects

We generally classify our property projects into three categories:

- completed properties — comprising property projects we have completed, for which the certificates of completion have been issued by the relevant government authorities;
- properties under development — comprising property projects with land use rights certificates issued by the relevant government authorities and the construction of which has commenced and/or been completed, but for which the relevant completion certificates have not been obtained; and
- properties held for future development — comprising property projects with respect to which (i) we have signed land grant contracts with the relevant PRC authorities but for which we have not yet been issued the land use rights certificates, or (ii) we have signed land grant contracts with the relevant PRC authorities and have obtained the land use rights certificates, but have not obtained the requisite construction permits or commenced construction.

As some of our projects comprise multi-phase developments, one project may include different phases that are at different stages of completion, are under development or are held for future development. Our classification of properties reflects the basis on which we operate our business and may differ from classifications employed by other developers. Each property project may be subject to multiple land use rights certificates, construction land planning permits, construction works planning permits, construction works commencement permits, pre-sale permits and other permits and certificates that are issued at different stages throughout their development.

Summary Information Regarding Our Property Projects

We have obtained all the relevant land use rights certificates for our completed properties and properties under development.

The following tables set out a summary of our property projects. Project names used in this offering memorandum are names that we have used, or intend to use, to market our properties. All of the project names require approval from the relevant authorities, and the relevant authorities may not accept the names we have used or those that we intend to use as the registered names of these projects. As a result, the actual names registered with the relevant authorities may differ from the names used in this offering memorandum and may be subject to change.

Property Portfolio Summary

As of December 31, 2020, we had completed projects with an aggregate GFA of approximately 3,179,369 sq.m., projects under development with an aggregate GFA of approximately 12,414,031 sq.m. and projects for future development with an aggregate GFA of approximately 5,992,329 sq.m.

Portfolio of Our Property Development Projects

The table below is a summary of our portfolio of property development projects as of December 31, 2020⁽¹⁾.

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed		Under development		Held for future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ^{(2)/(4)} (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	Total GFA (sq.m.)	Saleable GFA (sq.m.)	Total GFA ⁽⁶⁾ (sq.m.)		
Guangzhou										
Times Bund	Residential and commercial	2013-2016	92,123	-	30,520	-	-	-	-	99
Ocean Times	Residential and commercial	2011-2015	354,156	11,325	23,170	-	-	-	-	91
Guangzhou Tianhe Project (Pige Factory Project)	Industrial	Pending	-	-	-	-	-	-	-	70
Guangzhou Tiansi Project (Qingchu Shiliu Gang Project)	Industrial	Pending	-	-	-	-	-	-	-	42
Yun Du Hui	Apartment and commercial	2015	17,480	-	35	-	-	-	-	50
Times Cloud Atlas (Guangzhou)	Residential and commercial	2016	45,593	-	6,160	-	-	-	-	100
Times Bridges (Zengcheng)	Residential and commercial	2017	93,756	-	91,350	-	-	-	-	100
Times Centralpark Living (Guangzhou)	Residential and commercial	2017	70,648	-	74,199	-	-	-	-	100
Nansha Times Long Island Project	Residential and commercial	2016-2018	71,310	193	6,973	-	-	-	-	100
Times Cloud Port (Huaadu)	Residential and commercial	2020	29,959	707	9,600	-	-	-	-	100
Times Park Laurel (Guangzhou)	Residential and commercial	2018	45,537	8,660	39,290	-	-	-	-	100

Project	Project type	Actual/expected completion dates	Completed			Under development		Held for future development		Ownership interest ⁽⁵⁾
			Site area	GFA for sale ^{(2),(4)}	Other GFA ⁽³⁾	Total GFA	Saleable GFA	Total GFA ⁽⁶⁾	Ownership interest ⁽⁵⁾	
Times Aerobic City (Guangzhou)	Residential and commercial	2018	64,374	9,185	69,078	-	-	-	-	95
Huangpu Chemical	Commercial	2022	18,279	-	-	-	-	-	109,301	45
B2-2 land parcel, Sino-Singapore Knowledge City	Residential and commercial	2019	61,145	12,721	49,260	-	-	-	-	100
B2-1 land parcel, Sino-Singapore Knowledge City	Residential and commercial	2016-2019	103,890	4,392	987	-	-	-	-	100
Times Cambridge (Huadu)	Residential and commercial	2017-2018	31,665	6,367	1,286	-	-	-	-	100
Project of Shigang Road, Haizhu District	Residential and commercial	2021	20,211	-	-	84,868	71,038	-	-	60
Times Fairy Land	Residential and commercial	2019	20,076	4,729	17,483	-	-	-	-	45
Times Forture	Residential and commercial	2018	20,177	2,340	-	33,734	-	-	-	100
Times The Shore	Residential and commercial	2020	53,985	7,697	51,058	-	-	-	-	60
Times Elegance (Zengcheng)	Residential and commercial	2020	24,825	-	265	26,700	-	-	-	52
Times King City (Sino-Singapore)	Residential and commercial	2020	90,976	-	-	225,252	135,017	-	-	51
Times King City (Sino-Singapore)	Residential and commercial	2021	31,509	-	-	151,108	98,138	-	-	70
Times City (Guangzhou)	Residential and commercial	2021-2027	178,038	-	-	323,010	197,920	427,621	-	51

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed		Under development		Held for future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ^{(2),(4)} (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	Total GFA (sq.m.)	Saleable GFA (sq.m.)	Total GFA ⁽⁶⁾ (sq.m.)		
Times Yunlai (Guangzhou)	Residential and commercial	2021	67,695	-	258,994	193,842	-	-	70	
Times Longfor Dream Land	Residential and commercial	2021	81,178	-	239,310	186,780	-	-	49	
Project of Times China Bay Area Headquarter, Nansha District, Guangzhou	Commercial	2025	11,447	-	175,958	138,939	-	-	100	
Times Realm (Guangzhou)	Residential and commercial	2022	44,995	-	181,838	141,402	-	-	30	
Times Impression (Guangzhou)	Residential and commercial	2021	102,948	-	299,255	271,491	258,604	-	75	
Times Classic (Zengcheng)	Residential and commercial	2022	77,530	-	322,824	250,674	-	-	74	
Times Horizon (Huangpu)	Residential and commercial	2022-2024	100,321	-	397,853	270,413	166,089	-	70	
Times Flourism (Huangpu)	Residential and commercial	2022	23,467	-	97,315	73,855	-	-	60	
Times Rhythm (Guangzhou)	Residential and commercial	2022-2023	110,168	-	318,101	227,489	193,147	-	50	
Golden Field Yuefu	Residential and commercial	2021	33,321	-	213,588	161,762	-	-	30 ⁽⁶⁾	
Foshan										
Times King City (Shunde)	Residential and commercial	2016-2017	125,782	-	31,570	-	-	-	100	
Times City (Foshan)	Residential and commercial	2010-2017	505,776	-	92,817	-	-	-	100	

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed			Under development		Held for future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ^{(2),(4)} (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	Total GFA (sq.m.)	Total GFA (sq.m.)	Saleable GFA (sq.m.)	Total GFA ⁽⁶⁾ (sq.m.)		
				–	–	–	–	–	–		
Times City (Foshan) Phases V and VI	Residential and commercial	2016	12,860	3,084	–	–	–	–	–	100	
Times Cloud Atlas (Foshan)	Residential and commercial	2015-2016	58,149	23,870	–	–	–	–	–	100	
Times King City (Foshan) Phase IV	Residential and commercial	2015	34,308	355	–	–	–	–	–	91	
Goden Lotus (Foshan)	Residential and commercial	2017	20,464	2,310	–	–	–	–	–	100	
Times Prime (Foshan)	Residential and commercial	2016	17,148	910	–	–	–	–	–	100	
Times Riverbank (Foshan)	Residential and commercial	2017	64,697	15,805	–	–	–	–	–	100	
Times The Shore (Foshan)	Residential and commercial	2017	51,457	7,753	–	–	–	–	–	100	
Times Classic (Foshan)	Residential and commercial	2018	35,383	15,342	–	–	–	–	–	100	
Times Riverbank (Foshan) Phase II	Residential and commercial	2018-2019	111,658	36,789	566	–	–	–	–	75	
Ocean Times (Foshan) Phase I	Residential and commercial	2018	105,553	29,924	4,072	–	–	–	–	91	
Timing Home	Residential and commercial	2019	40,794	18,592	4,681	–	–	–	–	51	
Ocean Times (Foshan) Phase II	Residential and commercial	2019	89,927	30,908	892	–	–	–	–	100	
My. Tittlis (Foshan)	Residential and commercial	2019	117,893	34,860	282	–	–	–	–	90	

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed		Under development		Held for future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ^{(2),(4)} (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	Total GFA (sq.m.)	Saleable GFA (sq.m.)	Total GFA ⁽⁶⁾ (sq.m.)		
Project of Juxian, Nanshan, Sanshui, Foshan	Residential and commercial	2020	49,125	36,304	-	-	-	-	100	
Project of Aoli Garden, Datang, Sanshui, Foshan	Residential and commercial	2018-2019	91,760	64,543	-	-	-	-	80	
Project of Xinya, Nanhai, Foshan	Residential and commercial	2020	41,772	28,891	22,816	-	-	-	60	
Times Starry Mansion (Foshan)	Residential and commercial	2018-2019	37,835	35,132	-	-	-	-	75	
Times Merchants Tianxi (Foshan)	Residential and commercial	2021	43,518	-	173,924	140,174	-	-	50	
Times Realm (Foshan)	Residential and commercial	2021	67,579	-	287,265	232,995	-	-	70	
Poly Times (Foshan)	Residential and commercial	2021	48,498	-	176,730	142,950	-	-	49	
Toplus (Foshan)	Residential and commercial	2021	120,487	-	318,547	290,004	214,644	-	33	
Times Memory (Foshan)	Residential and commercial	2021-2022	62,063	-	318,547	260,916	-	-	51	
Foshan Dali Yanjiang Road Project	Residential and commercial	2021	36,313	-	127,395	105,615	-	-	51	
Hexiquan Project in Shuitou Industrial Zone, Nanhai, Foshan	Residential and commercial	2021	12,688	-	40,496	32,281	-	-	33	
Foshan's Shunde Lunjiao Project	Residential and commercial	2022	38,654	-	157,396	128,760	-	-	100	
Times Global Chuangke Town	Residential and commercial	2022-2023	223,952	-	128,330	127,071	683,596	-	75	

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed		Under development		Held for future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ^{(2),(4)} (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	Total GFA (sq.m.)	Saleable GFA (sq.m.)	Total GFA ⁽⁶⁾ (sq.m.)		
				–	–	–	–	–		
Panjian Project in Shuitou Industrial Zone, Nanhai, Foshan	Residential and commercial	2022	11,304	–	–	–	–	–	47,799	33 ⁽⁷⁾
Times Cloud Atlas (Sanshui) Phase II	Residential and commercial	2022	26,658	–	–	62,699	54,299	–	–	100
Jiangmen										
Times King City (Heshan)	Residential and commercial	2019-2020	120,804	49,967	43,292	–	–	–	–	70
Lake Forest	Residential and commercial	2020-2021	316,980	7,028	32,095	315,697	260,560	72,993	–	51
Central Park Living	Residential and commercial	2019	90,034	15,386	39,960	–	–	–	–	100
Times Horizon (Heshan)	Residential and commercial	2020-2021	49,735	1,507	1,787	38,533	9,720	–	–	90
Central Park Living (Heshan) Phase II	Residential and commercial	2020-2021	119,153	17,758	3,034	87,418	58,867	134,931	–	91
Times Elegance (Heshan)	Residential and commercial	2022-2024	187,782	–	–	108,561	104,633	506,631	–	51
Times King City (Jiangmen)	Residential and commercial	2020	34,674	–	–	127,012	100,670	–	–	51
Zhuhai										
Eolia City (Zhuhai) Phase VI	Residential and commercial	2013-2014	51,003	–	525	–	–	–	–	100
Times Harbor (Zhuhai)	Residential and commercial	2015	81,393	–	8,750	–	–	–	–	100

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed			Under development		Held for future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ^{(2),(4)} (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	Total GFA (sq.m.)	Total GFA (sq.m.)	Saleable GFA (sq.m.)	Total GFA ⁽⁶⁾ (sq.m.)		
Times King City (Zhuhai) Phase I	Residential and commercial	2015	52,950	6,615	-	-	-	-	-	100	
Times King City (Zhuhai) Phases II, III and IV	Residential and commercial	2016-2017	198,204	3,708	-	-	-	-	-	100	
The Shore (Zhuhai)	Residential and commercial	2016-2017	119,169	41,160	-	-	-	-	-	100	
Baoli Xiangbin Huayuan Project	Residential and commercial	2017	77,206	10,708	-	-	-	-	-	49	
West of Tin Ka Ping Secondary School, Zhuhai	Residential and commercial	2018	85,363	49,318	1,708	-	-	-	-	100	
Zhuhai Times Eolia City (Zhuhai)	Residential and commercial	2018	53,963	37,971	-	-	-	-	-	60	
Times King City (Zhuhai) Phase V	Residential and commercial	2018	17,791	13,112	-	-	-	-	-	80	
Times Poly TOPlaza (Zhuhai)	Residential and commercial	2019-2021	60,138	40,597	63,735	170,274	139,764	-	-	50	
West of Heyi Road (Middle), Bajijiao Township, Doumen District, Zhuhai	Residential and commercial	2020	20,000	-	-	50,706	-	-	-	51	
Times Horizon II	Residential and commercial	2020	11,393	8,553	17,159	-	-	-	-	50	
Times Horizon III	Residential and commercial	2021	23,712	-	-	79,967	-	-	-	50	
Times Horizon I	Residential	2020	9,540	-	-	30,747	-	-	-	38	
Times Horizon IV	Residential and commercial	2021	48,432	-	-	160,238	127,999	-	-	38	

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed			Under development		Held for future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ^{(2),(4)} (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	Total GFA (sq.m.)	Total GFA (sq.m.)	Saleable GFA (sq.m.)	Total GFA ⁽⁶⁾ (sq.m.)		
Zhongshan											
Times King City (Zhongshan)	Residential and commercial	2013-2015	101,821	-	33,775	-	-	-	-	-	100
Times Cloud Atlas (Zhongshan)	Residential and commercial	2015-2016	46,667	-	567	-	-	-	-	-	100
Jin Sha Project (Zhongshan)	Residential and commercial	2020-2021	132,290	207,394	76,997	229,456	212,806	-	-	-	71
Sanxi Village Project (Zhongshan)	Residential and commercial	2019	39,351	4,533	29,624	-	-	-	-	-	91
Baoyi Project (Zhongshan)	Residential and commercial	2020	26,256	1,478	21,234	-	-	-	-	-	100
Jieyue Project of Times North Shore (Zhongshan)	Residential and commercial	2019	25,672	47,650	19,103	-	-	-	-	-	73
Guanfu Project of Times North Shore (Zhongshan)	Residential and commercial	2020	24,328	45,306	18,806	-	-	-	-	-	73
Project of Qijiang New Town, Zhongshan	Residential and commercial	2023-2024	87,272	-	-	-	-	-	333,705	-	51 ⁽⁶⁾
Qingyuan											
Times King City (Qingyuan)	Residential and commercial	2014-2019	301,368	45,992	91,720	-	-	-	-	-	100
Times Garden (Qingyuan) (Phase I)	Residential and commercial	2016	70,650	-	33,086	-	-	-	-	-	100
Times Garden (Qingyuan) (Phase II)	Residential and commercial	2019-2020	84,440	7,889	15,331	43,558	-	-	-	-	100

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed		Under development		Held for future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ^{(2),(4)} (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	Total GFA (sq.m.)	Saleable GFA (sq.m.)	Total GFA ⁽⁶⁾ (sq.m.)		
				–	–	–	–	–		
Fogang Shilian Project	Residential and commercial	2026	551,087	–	–	–	–	1,134,642	100	
Fogang Huanghua Lake Project	Residential and commercial	2021-2023	477,020	–	139,021	104,611	329,065	–	58	
The Shore (Qingyuan) Jiada Feilai Lake Project	Residential and commercial	2021-2023	91,127	–	435,275	346,115	–	–	100	
The Shore (Qingyuan) Wanda West Project	Residential and commercial	2019	68,840	10,665	80,632	–	–	–	90	
Times King City (Qingyuan) Phase IX (Heshun Project)	Residential and commercial	2019	42,214	4,121	48,253	–	–	–	100	
Fogang Songfeng Project (Qingyuan)	Residential and commercial	2021-2022	118,164	–	230,791	205,854	239,226	–	70	
Times The Shore II (Qingyuan) Hengda Feilai Lake Project	Residential and commercial	2019-2021	133,102	59,383	520	393,196	330,867	–	100	
Feilai South Road Project (Qingyuan)	Residential and commercial	2022	23,137	–	102,330	80,670	–	–	100	
Times Sweet (Qingyuan)	Residential and commercial	2019-2020	28,620	62,781	34,384	–	–	–	100	
Xinteng Project (Qingyuan)	Residential and commercial	2021-2022	123,987	–	456,747	362,487	–	–	75	
Project of Hengfeng (Qingyuan)	Residential and commercial	2021	53,164	–	–	–	193,895	–	100	

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed		Under development		Held for future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ^{(2),(4)} (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	Total GFA (sq.m.)	Saleable GFA (sq.m.)	Total GFA ⁽⁶⁾ (sq.m.)		
Changsha										
Times King City (Changsha)	Residential and commercial	2013-2021	649,862	31,911	89,078	309,911	195,046	143,414	100	
Times Prime (Changsha)	Residential and commercial	2020	48,017	151,724	32,762	-	-	-	55	
Times Memory (Changsha)	Residential and commercial	2021	39,722	-	-	121,884	102,534	-	60	
Times Mt. Tittlis (Meixi)	Residential and commercial	2021	71,041	-	-	364,548	313,502	-	60	
Project of Huangtuling, Yuhua District, Changsha	Commercial	2022	8,848	-	-	66,870	57,213	-	80	
Dongguan										
Times King City (Dongguan)	Residential and commercial	2018	55,792	1,845	692	-	-	-	100	
Times Realm (Dongguan)	Residential and commercial	2018-2020	79,190	13,853	39,120	-	-	-	80	
Times Thrivinh City (Dongguan)	Residential and commercial	2018-2020	42,519	5,506	15,483	-	-	-	100	
Acquisition Project of Xiaohe Road, Daoqiang Town (Dongguan)	Residential and commercial	2019-2021	56,298	8,658	20,380	82,118	67,499	-	60	
Project of Luwu Village, Changping Town (Dongguan)	Residential and commercial	2019-2020	26,345	28,852	-	23,791	-	-	17	
Shipai Town Project (Dongguan)	Residential and commercial	2019-2021	95,977	45,917	-	123,981	123,981	55,809	13	
Project of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2021	22,451	-	-	87,276	-	-	51	

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed		Under development		Held for future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ^{(2),(4)} (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	Total GFA (sq.m.)	Saleable GFA (sq.m.)	Total GFA ⁽⁶⁾ (sq.m.)		
				–	–	–	–	–		
Project of Land Parcel II of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2021	38,096	–	–	127,698	–	–	–	49
Project of Dingshan, Houjie Town, Dongguan	Residential and commercial	2023	69,524	–	–	278,469	234,093	–	–	33
Land Parcel 014 of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2022	41,837	–	–	141,140	118,172	–	–	51
Land Parcel 016 of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2022	27,572	–	–	110,803	87,840	–	–	49
Huizhou										
Desai Land Parcel of Gutang'ao	Residential and commercial	2020-2021	284,414	30,799	16,966	508,341	405,287	171,699	–	49
Golden Totus (Huizhou)	Residential and commercial	2020	23,459	–	–	102,888	–	–	–	80
Vantin Casa (Huiyang)	Residential and commercial	2020	71,274	14,211	–	36,300	–	–	–	100
Sanhe Road Housing Estate (Huizhou)	Residential and commercial	2021-2022	62,000	–	–	–	–	167,172	–	80
Chengdu										
Times Blossom (Chengdu)	Residential and commercial	2020	30,429	9,698	–	21,960	–	–	–	100
Times Realm (Chengdu)	Residential and commercial	2021-2022	38,338	–	–	196,779	158,828	–	–	70

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed		Under development		Held for future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ^{(2),(4)} (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	Total GFA (sq.m.)	Saleable GFA (sq.m.)	Total GFA ⁽⁶⁾ (sq.m.)		
Zhaoqing										
Times Bund (Zhaoqing)	Residential and commercial	2020	59,677	18,841	-	39,780	-	-	-	50
Project of Fenghuang Avenue, Zhaoqing New District	Residential and commercial	2022	51,385	-	222,410	186,620	-	-	-	51
Project of Yaosha Village, Zhenshan, Sihui City	Residential and commercial	2022-2023	59,394	-	88,638	68,600	126,841	-	-	50
Times Xinghu Memory (Zhaoqing)	Residential and commercial	2022-2023	43,031	-	86,466	57,138	82,261	-	-	100
Shantou										
Times Horizon (Shantou)	Residential and commercial	2021	36,230	-	182,690	151,010	-	-	-	100
Shanwei										
Times Riverbank (Haifeng)	Residential and commercial	2021	27,612	-	163,491	128,075	-	-	-	100
Hangzhou Area										
Times Realm (Hangzhou)	Residential and commercial	2021	26,861	-	93,714	74,712	-	-	-	80
Project of Longduhu, Xucun Town, Haining	Residential and commercial	Pending	46,938	-	-	-	-	199,243	-	51

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed		Under development		Held for future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ^{(2),(4)} (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	Total GFA (sq.m.)	Saleable GFA (sq.m.)	Total GFA ⁽⁶⁾ (sq.m.)		
Heyuan										
Times King City (Heyuan)	Residential and commercial	2021	44,470	-	-	210,103	161,983	-	-	60
Wuhan										
Times Mark (Wuhan)	Residential and commercial	2021-2022	78,037	-	-	284,018	-	-	-	50
Total			11,333,473	1,168,289	2,011,080	12,414,032	9,108,463	5,992,328		

Notes:

- (1) The table above includes properties for which (i) the Group has obtained the relevant land use rights certificate(s), but has not obtained the requisite construction permits, or (ii) the Group has signed a land grant contract with the relevant government authority, but has not obtained the land use rights certificate(s). The figures for total and saleable GFA are based on figures provided in the relevant governmental documents, such as the property ownership certificates, the construction work planning permits, the pre-sale permits, the construction land planning permits or the land use rights certificate. The categories of information are based on our internal records.
- (2) Certain completed projects have no GFA available for sale by the Group as all saleable GFA have been sold, pre-sold or rented out.
- (3) “Other GFA” mainly comprises car parks and ancillary facilities.
- (4) “GFA for sale” and “GFA under development and GFA held for future development” are derived from the Group’s internal records and estimates.
- (5) “Ownership interest” is based on the Group’s effective ownership interest in the respective project companies.
- (6) As of December 31, 2020, the acquisition of Golden Field Yuefu and the Project of Qijiang New Town, Zhongshan has not been completed.
- (7) As of December 31, 2020, the change of business registration for ownership interests of Panjian Project in Shuitou Industrial Zone, Nanhai, Foshan has not been completed and the said project has not been delivered.

POTENTIAL DEVELOPMENT PROJECTS

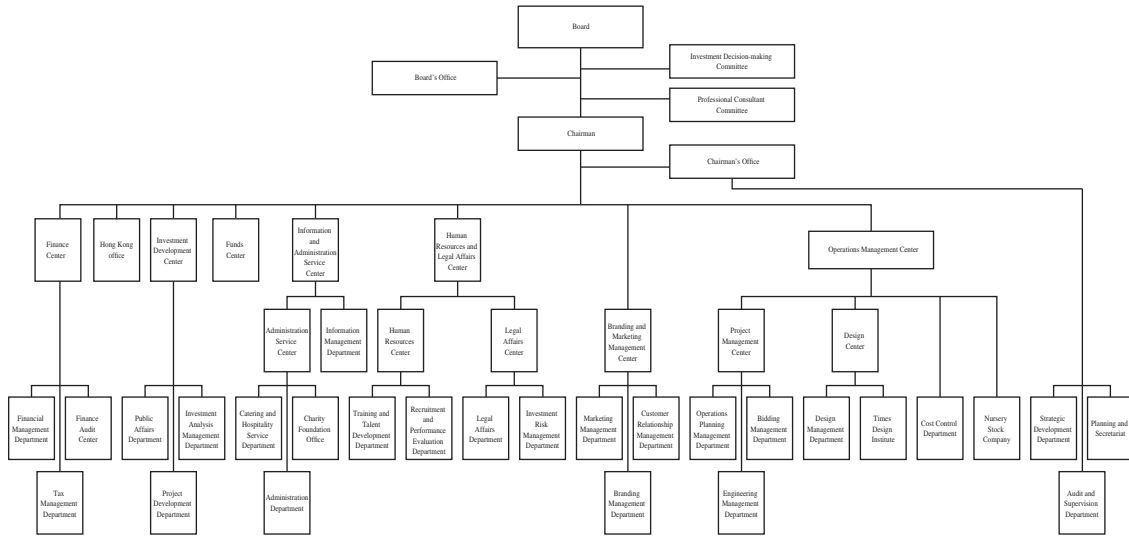
In addition to our existing development projects, we actively explore opportunities for potential development projects in areas where we currently operate. In accordance with our acquisition strategy, we have entered into certain letters of intent or co-operation agreements (collectively, the “Letters of Intent”) with (i) certain local governmental authorities to demonstrate our early commitment to develop these projects, or (ii) third parties to establish project companies to jointly develop these projects (collectively, the “Counterparties”). We are required to go through the public tender, auction, or listing-for-sale procedures (as the case may be) under the relevant PRC rules, or, to obtain approvals of relevant government authorities and existing residents before we can obtain land use rights with respect to the land parcels under these Letters of Intent. As such, we cannot assure you that these Letters of Intent will lead to our acquisition of any land use rights. For urban redevelopment of old villages, we usually enter into cooperation agreements with local economic cooperatives, and obtain the necessary collective approval on such cooperation agreements among local villagers. The relevant local economic cooperatives would make an application with the relevant government authority for urban renewal related to the land. Upon government approval, we would apply to deregister the existing rights to land title and new land use certificates will be issued. We will typically establish a project company with the local economic cooperatives within 90 days after entering into the cooperation agreement. Local economic cooperatives will typically hold not less than 51% of equity interest in the project company. Upon completion of the redevelopment work, the local economic cooperatives will typically transfer all equity interest in the project company to us.

As of December 31, 2020, we had over 160 potential development projects with an aggregate site area of approximately 53.37 million sq.m., all of which are under the “Urban Redevelopment” policies. If we are able to obtain land use rights through the public tender, auction, or listing-for-sale procedures, or, upon the receipt of approvals of relevant governmental authorities and existing residents, the deposits paid to the Counterparties will be regarded as payment of the land premium or capital contribution to a project company, as the case may be. If we fail to obtain land use rights, the deposits will be refunded to us. As of December 31, 2020, we had not entered into any land grant contract in relation to these 160 potential development projects and could not ensure whether we will enter into such land grant contracts and whether and when we will obtain the land use right certificates in relation to these potential development projects.

In addition to the 160 potential development projects above, in December 2010, we entered into a cooperation agreement and a supplemental agreement in June 2011 (the “Cooperation Agreement”) with Guangzhou Hongwei Economic Cooperatives for a term of six months for development of a parcel of land located at Hongwei Village, Guangzhou, which comprises four communities. Under this Cooperation Agreement, Guangzhou Hongwei Economic Cooperatives is responsible for, among other things, obtaining the relevant approvals from the government and existing residents and, in the name of the project company, demolishing existing properties and relocating existing residents in the village. We will be able to obtain the land use right once we acquire the project company, provided that it has fulfilled all its responsibilities under the Cooperation Agreement and has entered into a land grant contract with the relevant competent land bureau. On September 13, 2012, Guangzhou Luogang District Government issued an approval on the urban redevelopment plan in relation to a part of the land where two communities (Community I and Community II of Hongwei Village) are located, which involves a total site area of approximately 257,600 sq.m. As of December 31, 2020, we had completed the demolition work and resettled substantially all of the village citizens.

PROJECT DEVELOPMENT MANAGEMENT

The following chart sets forth our project development management structure:



We have established a chairman's office and seven departments at our headquarters to oversee and manage the development of projects, including project acquisition. These seven departments consist of:

- a finance center;
- a funds center;
- an investment development center;
- an operations management center;
- a human resources and legal affairs center;
- an information and administration service center; and
- a branding and marketing management center.

Our chairman, Mr. Shum Chiu Hung, works closely with our senior management team to provide management and technical guidance to our subsidiaries and regional offices. These centers in turn have different responsibilities and supervise various functional departments, as set out in the table below:

<u>Office/Centers</u>	<u>Functional departments</u>	<u>Responsibilities</u>
Chairman's Office	Strategic Development Department, Audit and Supervision Department and Planning and Secretariat	<ul style="list-style-type: none"> • business strategies of our Group • oversees planning and operations of projects • internal audit • public relations
Finance Center .	Finance Audit Center, Finance Management Department and Tax Management Department	<ul style="list-style-type: none"> • budgetary matters, financial forecast and analysis, capital management and taxation planning
Funds Center . . .	N/A	<ul style="list-style-type: none"> • funding management
Investment Development Center	Public Affairs Department, Investment Analysis Management Department and Project Development Department	<ul style="list-style-type: none"> • project positioning and planning • land reserves and acquisition of new projects • investment decision making
Operations Management Center	Design Center, Cost Control Department, Project Management Center and Nursery Stock Company	<ul style="list-style-type: none"> • products research and development • project planning and design • commercial real estate research • materials procurement • our overall business operations • cost control • nursery stock
Human Resources and Legal Affairs Center	Human Resources Center and Legal Affairs Center	<ul style="list-style-type: none"> • our corporate structuring • human resources management and training • legal and risk management

<u>Office/Centers</u>	<u>Functional departments</u>	<u>Responsibilities</u>
Information and Administration Service Center	Administration Service Center and Information Management Department	<ul style="list-style-type: none"> • back-office assistance • information management
Branding and Marketing Department	Marketing Management Department, Branding Management Department and Customer Relationship Management Department	<ul style="list-style-type: none"> • marketing and sales management • brand management • customer relationship

We also formed regional companies in cities where our project developments are located, such as Guangzhou, Foshan, Zhuhai, Zhongshan, Qingyuan, Dongguan, Changsha, Huizhou, Chengdu and Zhaoqing, in order to respond quickly to local customer needs and to manage the day-to-day operations of the projects in different regions. The regional companies have their own departments for overseeing project construction, development and management, marketing and sales, customer service, daily financial administration and human resources matters. If our new project developments expand outside areas where our regional companies are currently located, we expect to establish new regional companies in those areas.

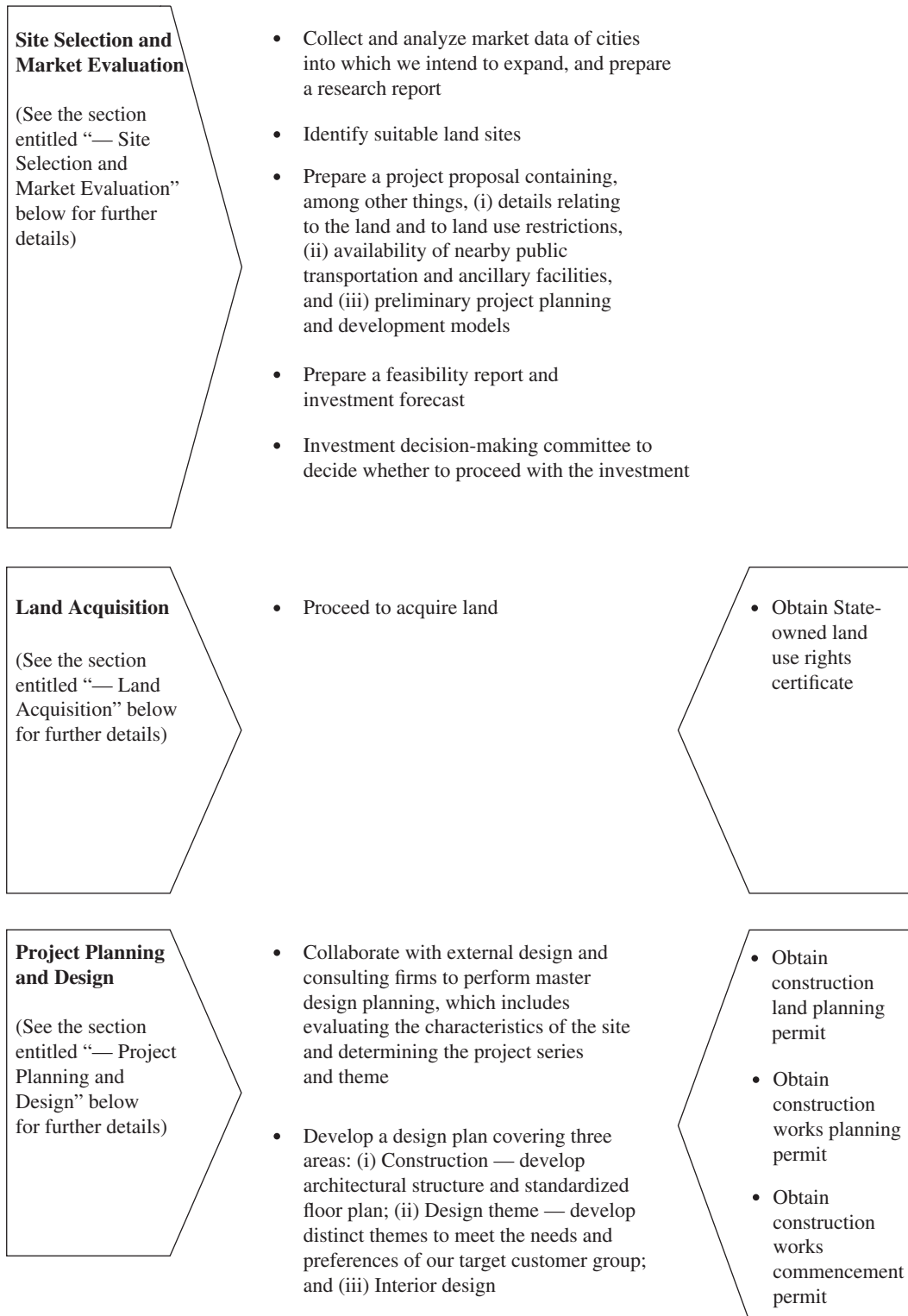
We strive to improve our product research capabilities and product quality, optimize our operational efficiency, strengthen our research capabilities in each of our business departments and achieve customer service excellence to support our business expansion.

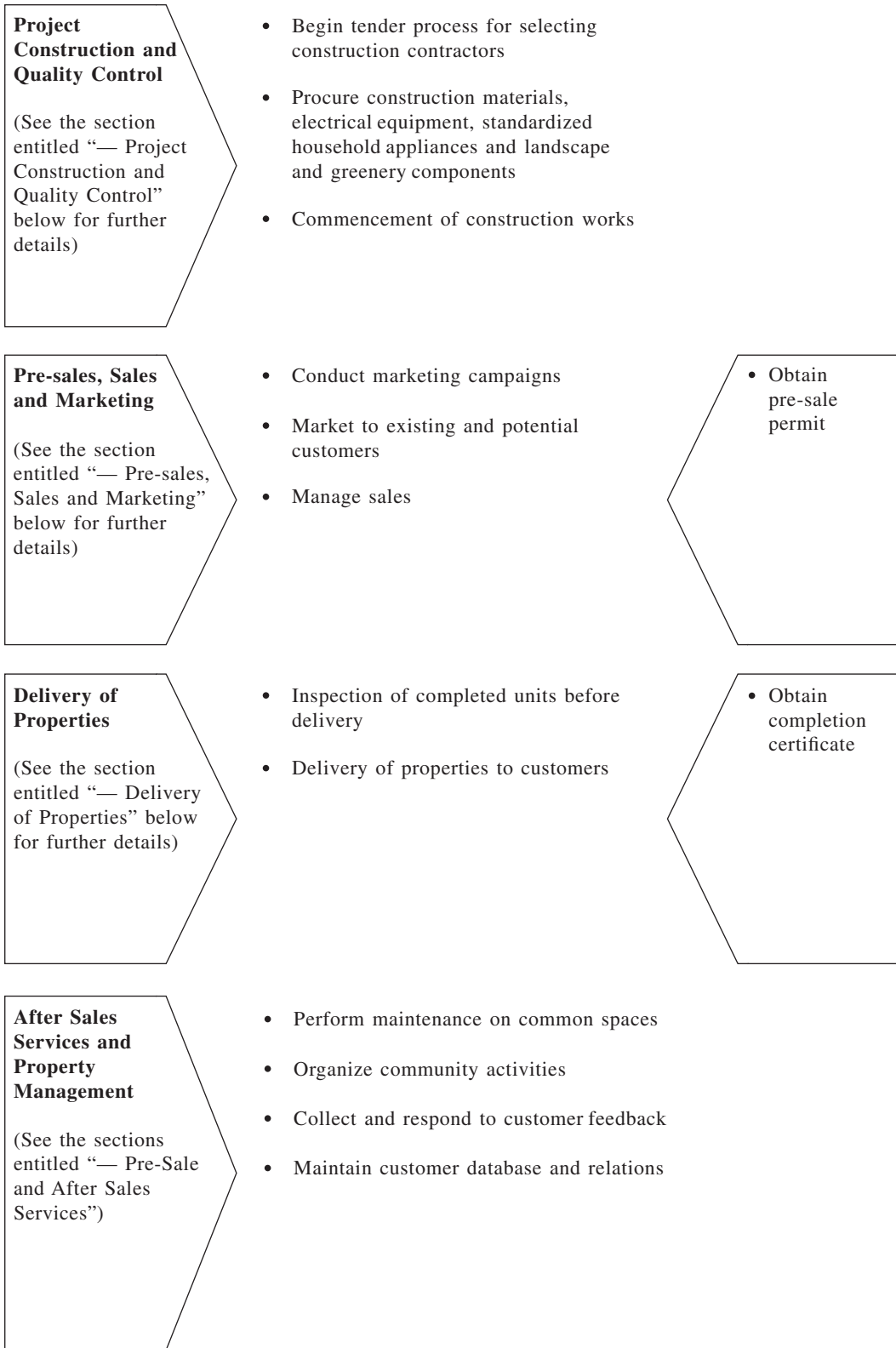
Times Property Standardized Operational and Management System

We have developed the “Times Property Standardized Operational and Management System” (時代地產標準化運營管理體系) to standardize each major stage of the development process to enable us to replicate development projects at a quicker pace and lower cost, helping us to effectively manage the construction of our properties. Nonetheless, as we continue to design and produce new themes and products to cater to changes in customers’ preferences, the amount of time it takes for us to complete a project development will vary depending in part on the size, complexity and product mix of a particular project.

Our system contains standard procedures relating to (i) project management, (ii) investment decision-making management, (iii) results management, (iv) materials procurement management, (v) cost control management, (vi) customer services management, and (vii) property management, each of which is directly managed by one of our functional departments. Design management, construction management and sales management are each managed collectively by our functional departments and by designated third-party architecture and design firms, construction contractors and real estate sales agents, respectively.

The diagram below summarizes our standardized property development process:





Site Selection and Market Evaluation

Our investment development center supervises and collaborates with the business development department of our regional companies to systematically select and acquire land. We have developed standardized investment decision-making procedures regarding site selection and market evaluation in order to locate and acquire suitable land for our property projects efficiently. Prior to purchasing a parcel of land, the business development department of one of our regional companies will conduct a site visit and market research and collect relevant information regarding the potential acquisition opportunity, such as potential demand for developed property in the area, composition of the target customer group, product design and potential competition from other property developers in the vicinity. We will also consider the encumbrances on and legal claims in relation to the land (if any) as part of the risk assessment when we conduct the preliminary feasibility study.

We consider the following factors in relation to site selection and product positioning:

- site area, characteristics of the site and suitability for residential community development;
- growth potential of the area near the site;
- level of competition from other property developers in the vicinity;
- local government's planning and policies for the site and the vicinity;
- local transportation network, existing and potential infrastructure support, and proximity to public facilities; and
- estimated overall cost structure, cash flow contribution and investment return of the potential development.

Based on the preliminary feasibility study, our design and research department will present a design proposal so that our investment development center may coordinate with our regional business development department to gather additional information, including (i) the planning and design conditions of the land set forth by the local government, (ii) the boundary line of the land, and (iii) the relevant State-owned land use rights. With such information, our regional development department will prepare a detailed feasibility analysis, including a financial forecast model with estimated net profit, internal rate of return and various financial indicators, for the investment decision-making committee's consideration and approval. For new areas into which we plan to expand, we will engage external property consultants to conduct further market research and feasibility studies.

Our standardized procedures help us acquire land prudently, minimize potential risks and maximize investment returns. We typically proceed with an acquisition if we conclude from our investment decision-making procedures that (i) a particular site has good development potential, (ii) the potential yield meets our standards, and (iii) the risk profile is acceptable. To date, our major developments are located in select cities in Guangdong Province, in Changsha, Hunan Province and in Chengdu, Sichuan Province.

Based on our business strategy and at an appropriate time, we will expand our operations into PRC cities outside Guangdong Province with fast-growing economies and real estate markets. In doing so, we will engage external property consultants to conduct market research and feasibility studies.

We will consider the following factors in relation to city selection:

- urban composition, including size and population density of the city;
- general economic development conditions, including the gross domestic product growth rate, gross domestic product per capita, purchasing patterns of the residents and the condition of the real estate development business;
- future development and planning strategy;
- central and municipal governments' economic development and expansion strategy and support for the city;
- the state of general economic development in the private sector;
- anticipated demand for residential properties;
- future land availability;
- the competitive landscape of the overall real estate development business;
- laws and regulations relevant to the supply and cost of land; and
- development of cities nearby.

After we have decided on the city we wish to enter, the business development department of our investment development center, with assistance from the marketing and sales teams from the regional company, will carry out a series of project feasibility studies, such as on-site research, market analysis, product studies, customer positioning and financial projections.

We also hire reputable architecture and design firms to perform master design planning of our selected sites based on market research data provided by our marketing team and our particular design requirements and specifications. Our marketing team and the design consulting firms provide additional data and support for feasibility studies. Once the feasibility studies have been completed, findings from the investment decision-making procedures will be submitted to the investment decision-making committee for review and approval.

Land Acquisition

In 2018, 2019 and 2020, we obtained our land reserves through the following methods:

- acquisition of equity interests in project companies that hold the land use rights;
- participation in government-organized tenders, auctions and listings-for-sale;
- cooperation with third-party property developers that hold land use rights to jointly develop a project;
- acquisition of projects from property developers with more limited property development capabilities;

- acquisition of industrial purpose lands and convert the land use rights to commercial and residential use for mixed-used projects, in line with the local government's town planning; and
- participation in the "Urban Redevelopment" policies in Guangdong Province.

The Rules Regarding the Grant of State-Owned Construction Land Use Rights by Way of Tender, Auction and Listing-for-sale (《招標拍賣掛牌出讓國有建設用地使用權規定》) issued by the PRC Ministry of Land and Resources provide that, State-owned construction land use rights for industrial uses (except mining), commercial uses, tourism, entertainment or commodity residential property development in the PRC must be granted by the government through public tender, auction or listings-for-sale. We believe these measures should result in a more transparent land grant process, which should enable developers to compete more effectively.

When land use rights are granted through a tender, an evaluation committee consisting of at least five members (including a representative of the grantor and other experts) will be established to evaluate and select the tenders that have been submitted. When deciding to whom to grant land use rights, the relevant authorities consider not only the tender price but the qualifications of the tenderer and its tender proposal.

When land use rights are granted through an auction, a public auction is held by the relevant local land bureau, and the land use rights are granted to the highest bidder.

When land use rights are granted through a listing-for-sale, the relevant local land bureau will announce the conditions for granting the land use rights at designated land transaction centers before bids are submitted. The land use rights are granted to the bidder submitting the highest bid by the end of the listing-for-sale period.

Under current regulations, original grantees of land use rights are typically allowed to sell, assign or transfer the land use rights granted to them on the secondary market, provided that (i) the assignment price has been fully paid in accordance with the assignment contract and a land use rights certificate has been obtained; and (ii) construction works have been carried out according to the assignment contract. If such land use rights are obtained through allocation, such assignment or transfer shall comply with the relevant PRC laws and regulations, including the payment of an assignment fee to the PRC government. Furthermore, government approval of such assignment or transfer must be obtained. In addition to acquiring land through government-organized tenders, auctions or listings-for-sale, we may also obtain land use rights through transfers from third parties or through cooperative arrangements with third parties on the secondary market.

Project Planning and Design

We engage external design consulting firms to perform master design planning of our selected sites before we acquire them. Once we have acquired a site and entered the project implementation stage, we engage reputable architecture and design firms, such as AECOM Technology Corporation, Guangzhou Hanhua Architects and Engineers Co., Ltd. (廣州瀚華建築設計有限公司), Shenzhen Huasen Architecture and Engineering Designing Consultants Company Ltd. (深圳華森建築與工程設計顧問有限公司), and SCDA Architects, to perform project design work, including master planning, architectural design, landscape design, interior design and ancillary facilities design.

As we believe that good project design significantly enhances the value and marketability of our properties, we carefully select the architecture and design firms with which we collaborate. Selection of the architecture and design firms is carried out by our design and research department. When selecting external design consulting firms, we take into consideration factors such as reputation, technical abilities, product innovation capabilities, track record in developing similar projects, service standards and past relationship with us. Our senior management is actively involved in the entire planning and design process, especially in the master planning, architectural design and interior design stages of our projects. Planning and design of our projects typically involve the following major steps:

- Concept design — evaluating the characteristics of the site and determining the theme to be applied to the project;
- Project design — analyzing and determining the ancillary facilities required to realize the project theme, the type of residential property, public facilities and landscaping, based on our contemporary lifestyle concept and brand image; and
- Construction blueprint design — determining the technicalities of the project, steps of overall construction and interior design, amount of construction materials and equipment required.

The architecture and design firms we engage are typically subject to strict confidentiality provisions. These architecture and design firms are typically entitled to a fixed fee for their services, which is payable in progressive installments upon the completion of each stage of the planning and design process.

We seek to distinguish our property developments through our distinctive and innovative design concepts and our focus on offering modern and artistic developments that evoke an appealing lifestyle. We also aim to design products that reflect our vision of offering tasteful residential communities to our customers with an emphasis on the art of living.

Our distinctive designs and innovative features can be seen in several of our property developments. We built a multi-function clubhouse decorated with modern paintings and sculptures and a private theater in Times Bund (時代外灘). We also integrated the “Guangdong Times Art Gallery” (廣東時代美術館), designed by reputable architects Rem Koolhaas and Alain Fouraux, into Times Deconstruction (時代玫瑰園). We have received a number of accolades for the unique designs of our projects, such as the “Hospitality Design Award — Open Category” in 2013, which was awarded to the designer of Times Bund by Hospitality Design Magazine.

We maintain close relationships with leading reputable design firms to help maintain our standard in project design and material selection. We believe that by keeping abreast of the latest trends and design concepts, we can design our property developments to better suit changing customer preferences.

Project Construction and Quality Control

Before beginning construction, we must obtain the right to develop the land, which includes obtaining the construction land planning permit, the construction works planning permit and the construction works commencement permit from the relevant PRC government authorities. See the section entitled “Regulation — Planning and Construction Permits” for further details of these permits.

Construction Contractors

Tendering process

We outsource all of our project construction work to third parties. A tender process is usually required to select contractors for construction projects pursuant to PRC national and local regulations. Certain local governments in Guangdong Province require that all construction projects go through a tender process. Our cost control and project management departments set up tender terms and are responsible for selecting our construction contractors. Typically, we invite at least three construction contractors to participate in the project tender process. We conduct detailed evaluations of the construction contractors. We consider various factors, including the contractors' reputation, track records in similar projects, credit-worthiness, technical capabilities and price.

In 2018, 2019 and 2020, we engaged a total of 30 construction contractors. We have, on average, a four-year working relationship with each of them. These construction contractors carry out various types of work, including foundation digging, main structure construction, equipment installation and engineering work. We will also, as agreed with or requested by our property purchasers, provide decoration service to the properties delivered to them.

Agreements and key terms

Term: Our construction contracts generally have a term that begins on the date the contract is signed and ends upon full payment of the contract price.

Payments: Our construction contracts generally provide for progressive payments according to milestones reached, until approximately 97% of the total contract price is paid.

Retention money: Our construction contracts typically contain provisions giving us the right to withhold approximately 3% of the total contract price until 30 days after the expiration of the quality assurance period, which is typically two years after construction is completed. These provisions provide additional assurance in relation to the quality of the workmanship and ensure that funding is available to repair any construction defects. The unused portion of such retention money is returned to the contractors after the expiration of the quality assurance period. We believe the amount of retention money we withhold is in line with industry practice, and our Directors believe that such retention money is sufficient to cover the construction warranties we give to our customers under the sale and purchase agreements. There has been no incident where the amount of retention money was insufficient for us to repair any defects in 2018, 2019 and 2020.

Warranties: Our construction contracts typically contain warranties made to us by construction contractors in relation to the quality of workmanship, timely completion, and compliance with relevant PRC laws and regulations, government construction standards and specifications, government safety standards, government insurance requirements, and our construction plans, drawings, designs and specifications as set out in the construction contracts.

Liability for non-compliance: In accordance with relevant PRC laws and the provisions of our construction contracts, the construction contractors we engage typically bear full liability for any non-compliance with relevant laws and regulations, including environmental protection, labor, social and safety regulations. In addition, we are not liable for any personal injuries or damage caused by such non-compliance by the construction contractors. In this

regard, we believe we do not bear any risk of non-compliance by the construction contractors with environmental protection, labor, social and safety laws and regulations. In addition, our construction contracts typically contain provisions allowing us to require the construction contractors to repair defects at their own expense or to compensate us in the event of delays in construction or unsatisfactory workmanship within the warranty period.

In 2018, 2019 and 2020, the total construction costs recognized under cost of sales for our properties delivered were RMB10,892.5 million, RMB13,072.3 million and RMB12,108.4 million (US\$1,855.7 million), respectively. In 2018, 2019 and 2020, no material personal injury or death had occurred to the construction contractors we engaged, and we did not experience any disputes with our construction contractors that had a material adverse effect on our businesses.

Quality control and construction supervision

We have various supervisory measures in place to ensure that the construction contractors we engage comply with relevant laws and regulations, including environmental protection, labor, social and safety regulations. As a matter of practice, we monitor construction projects through the appointment of on-site project representatives who oversee the progress, quality and safety of the construction, to pre-examine construction materials before they are used in the project, and to conduct on-site inspection.

The project management departments within our regional project companies monitor quality, cost and construction progress closely during construction. We also appoint an independent external construction supervisory company to manage and supervise project construction to further ensure the quality and integrity of our work. Such independent external construction supervisory companies are typically selected via a tender process. These construction supervisory companies are responsible for managing and supervising each stage of the construction projects to ensure that construction is being carried out in compliance with relevant government regulations and safety requirements. They are also responsible for compiling and submitting progress reports to us. Upon completion of construction, they are responsible for ensuring that all government requirements and building specifications have been complied with, and for compiling and submitting completion verification reports.

Management and supervisory contracts which we enter into with these construction supervisory companies usually contain payment provisions entitling these companies to payment of a fixed fee for managing and supervising each project. Such fees are usually payable in progressive installments upon completion of each stage of construction. Other than engaging such external construction supervisory companies, we also, when necessary, consult external legal counsel for advice to ensure our compliance with relevant PRC laws and regulations.

Procurement of Construction Materials

Suppliers

In 2018, 2019 and 2020, our major suppliers were mainly our construction contractors and construction material suppliers. Our single largest supplier accounted for 12.2%, 9.8% and 6.6%, respectively, of our total purchases in 2018, 2019 and 2020. Our five largest suppliers together accounted for 29.7%, 28.5% and 24.3%, respectively, of our total purchases in 2018, 2019 and 2020. We have, on average, a five-year working relationship with each of them. These suppliers are mainly engaged in the construction of property developments or interior decoration. See the section entitled “— Construction Contractors — Agreements and key terms” above for the principal terms of our agreements with the construction contractors.

In order to obtain better pricing terms and to avoid reliance on any single source of supply, we maintain good relationship with our major suppliers, and we typically chose from a pool of suppliers in 2018, 2019 and 2020. We have established and designated a team to maintain relationships with our major suppliers by having meetings with our major suppliers and inviting feedback from them from time to time. We also maintain communication with those major suppliers to understand the latest status of their service capabilities, credit profiles and financial conditions to ensure a sustainable source of supply to our satisfaction. We have, on average, a five-year working relationship with each of them, with the longest period of relationship being ten years. We also conduct research on any potential suppliers whom we believe can meet our requirements for our property development and develop strategic cooperation with them. By doing this, we believe, in the case there is any disruption in supply by one or more of our major suppliers, we will be able to find replacement suppliers.

In 2018, 2019 and 2020, we did not experience any difficulty in sourcing our materials or any major defaults or delay by our suppliers that had a material adverse impact on our operations. We do not anticipate any sourcing difficulties in the foreseeable future.

Procurement process

For a substantial portion of the key construction materials used in our projects, we typically procure such materials ourselves or from designated suppliers from whom our contractors must source their construction materials. We usually procure the construction materials or equipment ourselves when they contribute to a significant proportion of our construction materials costs. For example, we procure aluminum windows, doors, paint, electronic equipment in civil engineering works, lifts, electronic re-circulating equipment and other decorative features. For interior decoration and landscaping, we are typically responsible for tiles, light fixtures, kitchenware, faucets and related fittings, timber doors and floors. For standard construction materials that are government regulated, such as steel, cement and sand, our construction contractors are usually responsible for procuring them from designated providers under the construction contracts. We or our contractors mainly purchase these construction materials in China or from Germany. Our construction contractors are generally responsible for procuring a relatively small portion of construction materials. We believe this policy helps to ensure that the construction materials used in our projects meet our particular requirements and quality standards, which is especially important to us when the materials are likely to directly affect the overall appearance of the property or when the quality of the product may vary significantly depending on the brand and manufacturer.

The market prices of steel and copper used in the construction of our projects have fluctuated in the past. However, we are generally able to agree with the suppliers to lock down the prices of these materials on a yearly basis or based on the project development period to avoid incurring unexpected costs due to price fluctuations. This helps us to better formulate our project plan and keep the costs within our budget. Further, as we include the construction costs as an inherent component in pricing our properties, most of the risks associated with the additional costs incurred as a result of the price fluctuation, if any, is passed to our customers.

Quality Control

We place strong emphasis on quality control to ensure that our properties and services comply with the relevant rules and regulations relating to quality and safety, and meet market standards. Our project management department oversees the quality of each project development and conducts monthly evaluations. Most of our quality control team members has obtained a bachelor's degree or higher, typically in project management, construction engineering or civil engineering, and has relevant experience in construction works or quality control matters. Since our projects are located in different regions of Guangdong Province, in Changsha, Hunan Province and Chengdu, Sichuan Province, the project department of our regional companies is primarily responsible for the day-to-day quality control and construction supervision of the projects. We also engage independent construction supervisory companies to monitor construction, construction safety and day-to-day operations as an additional assurance.

We have formulated a construction quality and safety management system (施工質量和安全系統), which includes a construction technology management system (工程技術管理體系), a construction management manual (工程管理手冊) and a construction quality evaluation management inspection form (工程質量評估管理檢查表). This system sets forth the technical and management standards required for construction workers to comply with each stage of the construction process, including quality of workmanship, installation of engineering devices, site supervision, work safety, fire safety, storage and waste disposal.

We typically engage reputable design and construction companies and procure materials from highly regarded suppliers to ensure the quality of contracted work. To ensure consistency of quality, we have an extensive database to collect information, such as quality of service and pricing in relation to our contractors and suppliers. We believe the database will help us to better assess the performance of our contractors and suppliers, and that it provides a useful reference for future projects.

We have quality control procedures in place in our various functional departments. We have established stringent internal control guidelines which apply to the quality of materials used in our property projects. All materials entering the construction process must comply with our specifications and requirements, and go through the procedures of submission, sampling and testing before they are used. Prior to the commencement of any major individual construction work, including the construction of floors or roofs, installation of doors and windows, landscaping and street work, our construction contractors are required to build construction work samples and submit them for our inspection and approval. These samples may also be displayed on-site when we commence pre-sales of the properties to help our potential customers visualize the materials used in constructing the properties, and to provide assurance of the quality of the development. Full-scale construction may only begin once the submitted samples have been examined and approved. In addition, under the construction contracts with our contractors, we have the right to inspect raw materials before they are used in our projects. We believe that these measures allow us to better control the quality of key construction materials used in our projects and ensure timely completion of the projects.

During construction, every work phase must undergo self-inspection, inter-process inspection and professional inspection from third parties. The construction contractors are required to ensure that the construction work satisfies construction specifications and guidelines laid down by relevant authorities before they are submitted for inspection and examination by our project management teams. The independent external project construction supervisory companies engaged by us to manage and supervise our projects also conduct quality and safety control checks in the course of construction to ensure quality of

workmanship and compliance with safety measures. Upon completion of construction, these management and supervisory companies also conduct verification checks to ensure that all government requirements and building specifications have been complied with. We maintain strict and fully documented guidelines with respect to all procedures involved in the construction process, and external contractors are required to adhere to the guidelines and report any exceptions.

We provide our customers with a warranty for the quality of construction and for certain fittings and facilities in our property developments in accordance with relevant rules and regulations, typically for six months to five years. To date, we have not been involved in any material claims with respect to the quality of our building structures or other fittings and facilities.

Pre-Sales, Sales and Marketing

Pre-Sales

Like other property developers, we pre-sell properties prior to the completion of their construction. We normally launch pre-sales after a fully-furnished replica of each major floor plan in a development has been created and a majority of the green area and ancillary facilities are completed, which offers our potential customers an accurate and descriptive representation of the property we are selling. We use sales proceeds received from the pre-sale to finance other phases of the same project development. Under the Pre-sale Measures, we must comply with certain conditions prior to commencing pre-sales of any particular property development, including the following:

- the land premium must have been fully paid, the relevant land use rights certificates must have been obtained;
- the construction works planning permit and the construction project building permit must have been obtained;
- the funds contributed to the property developments where property units are pre-sold must be at least 25% of the total amount invested in a project, and the construction progress and the expected completion and delivery date of the construction works must have been confirmed; and
- pre-sale permits must have been obtained from the construction bureau at the local level.

In addition to PRC national laws and regulations, we are required to comply with local regulations promulgated by the respective provincial governments, including Guangdong Province, Hunan Province and Sichuan Province, and by the municipal governments, including that of Guangzhou, where our project developments are located. See the section entitled “Regulation — Sales/Pre-Sales of Commodity Buildings” for further details on pre-sale regulations.

Sales and marketing

Marketing

The marketing and sales department of our regional companies is responsible for managing our marketing activities and works closely with other departments during all major

stages of project development, from site selection to pre-sales. It provides valuable input throughout the development process to help ensure that our property developments are well positioned, meet customers' expectations and are appropriately and profitably priced. We also retain external real estate agents to assist in implementing our sales and marketing plans and strategies. As of December 31, 2020, there were 2,657 employees in our sales and marketing department. Set forth below are their primary roles and responsibilities:

- participate in conducting feasibility studies based on market analyzes;
- participate in developing the optimal positioning for and the conceptual design of our projects;
- formulate and execute overall marketing strategies, which may include advertising campaigns via newspapers, television, billboards, direct mail, text messages, project brochures and project models;
- conduct marketing campaigns and arrange promotional activities;
- participate in sales and pricing strategies;
- determine appropriate advertising and sales plans for a particular property development and for a particular phase of the sales cycle; and
- arrange promotional activities.

We tailor our marketing strategies to suit the preferences of our target customers, depending on project theme and the particular city or area in which we operate. For example, we positioned Times Bund (時代外灘) with a “neo-renaissance” style to appeal to middle-to high-income customers looking for an artistic lifestyle. In marketing Ocean Times (時代南灣), we emphasized the investment value of properties in Nansha District. According to China’s “five-year plan,” which began in 2011 and ended in 2015, and which forms part of a series of social and economic development initiatives, Nansha District will be developed into a commercial and service hub that serves both mainland China and Hong Kong. Nansha District is also a pilot development zone for cooperation between Guangdong and Hong Kong.

We promote our projects and brand name through customer events. These events provide good networking opportunities for existing owners of our properties and also allow potential owners to experience and learn from existing owners the benefits of owning a Times property. We also sponsor various sports events from time to time, such as soccer and table tennis competitions, and organize art events annually, such as Swan Lake, performed by the Russian National Ballet, and an Elton John concert in Guangzhou. We provide our existing customers with a quarterly publication, “Life Stylist” (生活藝術家), containing information on our various projects, including ongoing projects.

We dedicate substantial effort and resources to marketing and branding. The marketing departments of our regional companies work closely with our brand management department and third-party professional advertising firms to design branding and promotion strategies. Leveraging our extensive experience in marketing and in-depth knowledge of the preferences of our target customer group, we strive to conduct unique marketing campaigns to promote our properties and to reinforce our corporate image and brand name. For example, we strive to use creative slogans, eye-catching brochures and postcards to draw attention to our property projects. We believe our marketing efforts have proven successful in achieving effective sales and creating a distinctive corporate image and brand name to set us apart from our competitors.

For the years ended December 31, 2018, 2019 and 2020, our selling and marketing costs were RMB835.6 million, RMB1,212.4 million and RMB1,120.0 million (US\$171.6 million), respectively.

Pricing policies

We generally price our properties, both residential and commercial units, on a “cost-plus” basis. Such cost includes all costs incurred in relation to the construction of a property development, such as land costs, construction costs and capitalized finance costs. A premium will be added based on our target rate of return and the overall real estate competitive landscape.

Third-party real estate agents

We engage third-party real estate agents to provide professional advice on, and supervise the design and production of, our promotional and marketing materials and media advertisements. These real estate agents are stationed on-site to show potential customers our display units, answer any questions customers may have regarding our projects and assist with the logistics of signing the sale and purchase agreements.

In consideration of their services, we typically pay a monthly commission of approximately 0.8% of the sales they make. Our marketing and sales department works closely with the real estate agents to keep us abreast of customers’ needs and feedback and to help us adjust our sales strategy.

Customers

We sell our properties to a large customer base, and our principal customers are from middle- to high-income households. For the years ended December 31, 2018, 2019 and 2020, our five largest customers together accounted for less than 30% of our revenue for the relevant period. As of December 31, 2020, we did not experience any material level of defaults by our customers.

Delivery of Properties

We strive to deliver completed properties to our customers within the time frame prescribed in the respective pre-sale or sale and purchase contracts. It typically takes approximately nine to 22 months from the commencement of pre-sales to completion and delivery of properties, depending on the scale of the properties. Before delivery of properties to our customers, we must obtain the relevant “Record of Acceptance Examination Upon Project Completion” (竣工驗收備案表). As of December 31, 2020, we did not experience any significant delays in the completion of our projects or delivery of relevant title documents after sales.

To help ensure timely delivery of our properties, we closely monitor the progress of construction of our projects and conduct pre-delivery property inspections. Our customer service staff will notify our customers, about 25 days before the delivery date stipulated in the sale and purchase agreements, to arrange the delivery procedures. Our sales and construction staff, together with the staff of our property management company, inspect the properties prior to delivery to ensure that our quality standard has been met.

Pre-Sale and After-Sales Services

Our customer services department provides consultation and assistance to our customers throughout the whole purchase procedure. It also handles any complaints that customers may have. Before a sale, a potential customer may consult the staff of our customer services department for information regarding local housing policies. Once the customer has decided to purchase our property, our customer services department will arrange an appointment for the execution of the sale and purchase agreement and assist in arranging a bank mortgage, if needed. All relevant registrations of the sale and purchase agreement and mortgage application procedures will be handled by us as part of our quality customer service. After a sale, we assist customers in relation to the delivery of properties, including obtaining the property ownership certificate.

Historically, we have developed our property projects primarily through our wholly owned subsidiaries. However, we began to consider developing projects through joint venture arrangements with third parties, such as other property developers, and may enter into joint venture arrangements by forming new joint venture companies with third parties, selling equity interests in and introducing new shareholders to our existing subsidiaries, acquiring equity interests in third parties, or through other means. We may hold a majority or minority interest in these joint ventures.

PAYMENT ARRANGEMENTS

Upon executing a sale and purchase agreement, a purchaser is typically required to pay us at least 30% of the total purchase price of the property. A purchaser may choose to make a lump-sum payment or to pay in installments, and he or she may choose to fund the purchase using a mortgage loan provided by a bank.

Lump-sum payment: If a purchaser chooses to make a lump-sum payment, the balance of the purchase price is to be paid no later than the date specified in the sale and purchase agreement.

Payment by installment: If a purchaser chooses to pay in installments, we typically require a down payment of at least 20% of the total purchase price of the property, and the balance of the purchase price is typically required to be paid in accordance with the payment schedule set out in the sale and purchase agreements.

Purchasers who fail to make timely payments in accordance with the terms of the sale and purchase agreements will generally be liable for a penalty of (i) within 180 days of the payment date, 0.02% of the remaining purchase price of the property per day, for each day of delay in payment, or (ii) after 180 days of the payment date, (A) 20% of the remaining purchase price if we choose to terminate the agreement, or (B) 0.03% of the remaining purchase price if we consent to the continued performance of the agreement by the purchaser. The payment terms for sales and pre-sales of properties are substantially identical. We do not conduct any prior credit checks on the purchasers who choose to pay by installment. However, we believe that this does not increase our credit risk because we do not transfer the relevant certificates of the property to the purchaser until full payment of the purchase price has been made by the purchaser.

Mortgage loans: If a purchaser chooses to fund his or her purchase using a mortgage loan provided by a bank, under current PRC laws and regulations, the purchaser may obtain a mortgage loan of up to 70% of the purchase price with a repayment period of up to 30 years for the purchaser's first property. Such a purchaser is typically required to pay the portion of the purchase price not covered by the mortgage loan prior to the disbursement of the mortgage loan from the mortgagee bank. We typically receive mortgage payments from the mortgagee bank within approximately one to three months of the execution of the sale and purchase agreements.

Guarantees to banks: In accordance with industry practice, we provide guarantees to banks with respect to the mortgage loans offered to our purchasers. These guarantees are released upon the earlier of (i) the relevant certificates of registration of mortgage or the certificates of other interests with respect to the relevant properties being delivered to the mortgagee banks and (ii) the settlement of mortgage loans between the mortgagee banks and the purchasers of our projects. In line with industry practice, we do not conduct independent credit checks on our purchasers but rely on credit checks conducted by the mortgagee banks.

As of December 31, 2018, 2019 and 2020, our outstanding guarantees over the mortgage loans of our purchasers amounted to RMB18,017.4 million, RMB24,026.4 million and RMB29,867.7 million (US\$4,577.4 million), respectively. We did not experience any material default on mortgages for the years ended December 31, 2018, 2019 and 2020. See the section entitled “Risk Factors — Risks Relating to Our Businesses — We provide guarantees over mortgage loans given by banks to purchasers of our properties, which may negatively impact our financial position if we are required to honor the guarantees.”

PROPERTY LEASING

We seek to sell the commercial properties within our residential developments as soon as practicable. For the years ended 2018, 2019 and 2020, we rented out a small portion of the commercial properties developed within our residential property developments which had not yet been sold. Some of these commercial properties had been sold at a later time. For commercial properties which are currently under development or to be developed, we intend to offer them for sale once the relevant pre-sale permits have been obtained. In November 2009, through acquisition of Guangzhou Donghe from an Independent Third Party, we acquired Times Property Center. We completed the construction of Block No. 26 of Times King City (Zhongshan) in 2015 and have leased it to third parties since July 2016. For the years ended 2018, 2019 and 2020, we occupied certain premises in Times Property Center as our corporate headquarters, with the remaining premises being leased to third parties.

In December 2012, we acquired Guangzhou Zhide and conducted sub-leasing business through Guangzhou Zhide and its subsidiaries, including Zhide Technology and Guangzhou Guangdechang (collectively, “Zhide Companies”). We leased certain premises through Zhide Companies from third parties and then refurbished and sub-leased to external tenants.

For the years ended 2018, 2019 and 2020, our gross rental income from the lease of Times Property Center, Block No. 26 of Times King City (Zhongshan) and the sub-leasing business through Zhide Companies amounted to RMB328.0 million, RMB461.1 million and RMB450.2 million (US\$69.0 million), respectively, accounting for 1.0%, 1.1% and 1.2%, respectively, of our total revenue.

Leasing of Our Properties

In selecting our tenants, we generally consider factors such as their business, the attractiveness of such businesses to the residents or tenants of our properties and competing businesses in the surrounding areas.

Times Property Center (時代地產中心)

Times Property Center is located in Yuexiu District (越秀區), Guangzhou, Guangdong Province. It occupies a site area of approximately 3,607 sq.m. with a GFA of approximately 63,466 sq.m. Times Property Center comprises one property with a rentable GFA of approximately 30,979 sq.m. and 246 car parking spaces with a GFA of approximately 13,163 sq.m. As of December 31, 2020, we occupied a number of premises with a GFA of approximately 15,159 sq.m. as our corporate headquarters, with the remaining premises with a GFA of approximately 30,979 sq.m. being leased to third parties. In 2018, 2019 and 2020, our tenants at Times Property Center included reputable enterprises.

Our lease agreements generally have a term ranging from one to 16 years. We usually require our tenants to pay deposits of two months' rent for the premises, and rents are typically determined based on the prevailing market rates. Our tenants are responsible for utility charges and management fees. With our consent, our tenants may renew their leases by giving us three months' notice before expiration of the lease term.

This project was developed by Guangzhou Donghe. The land use right of this project was obtained by Guangzhou Donghe's former shareholder, Guangzhou Donghua Industrial Co., Ltd., in 1994. Guangzhou Donghua Industrial Co., Ltd. transferred the land use right to Guangzhou Donghe as the cooperation condition for the establishment of Guangzhou Donghe as a joint venture company in 1993. We acquired Guangzhou Donghe in 2009.

Sub-leasing

The premises we leased are mainly "urban villages" (城中村), which are located on the collectively owned land in the urban areas. Due to historical reasons, most of the buildings in the urban villages lack ownership certificates. As part of the "Urban Redevelopment" policies, Guangzhou government has been conducting the reform of these areas and solving the ownership issues in relation to the buildings and the land parcels to improve the living environment of the local residents, drive the local commercial development and facilitate the urbanization of the villages. As such, we expect the prices as well as the market rent of the properties in these villages will increase in the long run. Foreseeing the business potential in the urban villages and being confident that the title issues will be solved by the government in the long run, we leased these premises, refurbished them and then sub-leased them to external tenants. To maintain business relationships with our lessors and to ensure the profitability and long-term operation of the leased premises, we generally enter into long-term leases with our lessors ranging from 14 to 20 years. We believe that it is commercially favorable for us to enter into these long-term leases with pre-determined rental rate with our lessors. Meanwhile, we entered into leases with our tenants generally ranging from one to 15 years. These short-term leases provide us with flexibility on rental adjustment according to the prevailing market conditions upon expiry of the leases. As of December 31, 2020, we sub-let to a total of 637 tenants with an aggregate GFA of approximately 406,789 sq.m. We recognized rental income of RMB427.3 million (US\$65.5 million) from the sub-leasing business in 2020.

We sublet to third parties some properties of which the property ownership certificates have not been obtained by lessors, due to the historical reasons in relation to the urban villages. As of December 31, 2020, to our best knowledge, the relevant governmental authorities had not imposed any penalties on the lessors of those premises, or raised any objection when the tenants applied for commencement or extension of their operations on those leased premises. See "Risk Factors — Risks Relating to Our Businesses — We may not be able to use or sublet certain properties leased by us because of defects affecting our leasehold interests."

URBAN REDEVELOPMENT

We actively follow in the “Urban Redevelopment” (三舊改造) policies to redevelop and reform old towns, old factories and old villages. We enter into agreements with the local government or government-affiliated entities to provide demolition and resettlement services and secure the required financing in specified old urban areas, such as old industrial areas, old business districts, old residential areas and old villages, with an aim to eventually acquire land use rights to land that we redevelop. The local government or government-affiliated entities are mainly responsible for the required government filings and applications for the redevelopment project to ensure that such project is approved as an old urban area redevelopment project. Upon the completion of the urban redevelopment projects, the local governments typically organize auctions and public listing-for-sale process to sell the underlying land parcels. We may participate in the auctions and public listing-for-sale process and eventually obtain the underlying land parcels. If the underlying land parcels are sold to independent third parties, we receive certain compensation from the local governments which we recognize as revenue. For urban redevelopment of old villages, we usually enter into cooperation agreements with local economic cooperatives, and obtain the necessary collective approval on such cooperation agreements among local villagers. The relevant local economic cooperatives would make an application with the relevant government authority for urban renewal related to the land. Upon government approval, we would apply to deregister the existing rights to land title and new land use certificates will be issued. We will typically establish a project company with the local economic cooperatives within 90 days after entering into the cooperation agreement. Local economic cooperatives will typically hold not less than 51% of equity interest in the project company. Upon completion of the redevelopment work, the local economic cooperatives will typically transfer all equity interest in the project company to us.

Urban redevelopment business, which enjoys favorable policies, has brought us and will continue to bring us further opportunities for land acquisitions and business growth. We started to generate revenue from our urban redevelopment projects in 2018. In 2019, we made further breakthrough and successfully completed and transformed ten urban redevelopment projects, of which eight projects with a total GFA of approximately 3.49 million sq.m. were included in our land reserves and two projects were sold to independent third parties. For the years ended December 31, 2018, 2019 and 2020, our revenue generated from urban redevelopment business amounted to RMB2,775.7 million, RMB2,167.6 million and RMB5,453.3 million (US\$835.7 million), respectively, accounted for 8.1%, 5.1% and 14.1%, respectively, of our total revenue during the same period. As of December 31, 2020, there were over 160 urban redevelopment projects.

PROPERTY MANAGEMENT

We used to manage all of our properties through Times Neighborhood. On December 19, 2019, Times Neighborhood was listed on the main board of the Hong Kong Stock Exchange. For the years ended December 31, 2018, 2019 and 2020, our management fee income amounted to RMB492.3 million, RMB724.9 million and NIL, respectively, accounting for 1.4%, 1.7% and 0.0%, respectively, of our total revenue. Upon the completion of spin-off and separate listing of Times Neighborhood, Times Neighborhood and its subsidiaries are no longer our subsidiaries, and our business no longer comprises property management business involving the provision of property management services to the Company’s residential customers. We expect to continue to cooperate with them to provide property management services for residents of our property projects.

RESEARCH AND DEVELOPMENT

We consider strong research and development capabilities to be crucial to differentiating our products from those of our competitors and to satisfy the ever-evolving needs and expectations of our customers. Our research and development efforts are centered

in our design, research and development department and focus on designing new project series and themes, standardizing designs and modular components. Our design, research and development department also works closely with our branding and marketing department and the sales and marketing departments of our regional companies to enhance our design capabilities. Our head of design, research and development, Mr. Xiang Jie, has substantial experience in real estate design and development. As of December 31, 2020, our design, research and development team consisted of 517 employees.

COMPETITION

The property market in China is large and highly fragmented. Our existing and potential competitors include major domestic residential property developers and, to a lesser extent, leading overseas developers. Some of our competitors target different segments of the PRC real estate market, some engage in other activities in addition to real estate development, and some are focused on operating in particular regions of China or have a presence in most of China's major cities.

We compete with other real estate developers based on a number of factors, including product quality, service quality, price, financial resources, brand recognition and ability to acquire suitable land reserves. Our Directors believe that our competitive advantages and strengths, including what we believe to be our competitive edge over our competitors in quality, well-designed residential property developments and unique, human-centric and refined design concepts, enable us to compete effectively in the real estate market. Nonetheless, some of our competitors may have better track records, greater financial, human and other resources, larger sales networks and greater name recognition. See the section entitled "Risk Factors — Risks Relating to the Real Estate Industry in the PRC — Increasing competition in the PRC, particularly in Guangdong and Hunan Provinces, may materially and adversely affect our business, results of operations and financial position."

INTELLECTUAL PROPERTY RIGHTS

As of December 31, 2020, we had registered 10 trademarks in Hong Kong, and were licensed to use 25 trademarks in the PRC. The 25 trademarks are registered in the PRC and held by Times Development Group. On March 13, 2013, Times Group entered into a trademark license agreement with Times Development Group regarding the use of these trademarks. Pursuant to this trademark license agreement (which was amended and supplemented by a supplemental agreement dated July 1, 2013), Times Development Group granted an exclusive license to us to use these trademarks on a royalty free basis for a period commencing from March 13, 2013 and ending on March 12, 2033. In addition, we are the registered owner of the domain name "timesgroup.cn."

As of December 31, 2020, we were not aware of any infringement (i) by us of any intellectual property rights owned by third parties or (ii) by any third parties of any intellectual property rights owned by us.

INSURANCE

We maintain insurance for medical and hospital expenses that our employees may incur as a result of personal injuries suffered at our workplace or on the construction sites of our property developments. We do not, however, maintain any insurance with respect to our property developments or third-party liability insurance, because these types of insurance are not mandatory and any liability, according to our construction contracts, that may arise from tortious acts committed by construction contractors on work sites will be borne by the construction contractors.

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

In 2018, 2019 and 2020, we did not receive any civil claims with respect to personal injuries arising out of construction works on our construction sites. However, there is the risk that we do not have sufficient or any insurance coverage for loss, damage and liability that may arise in our business operations. See the section entitled “Risk Factors — Risks Relating to Our Businesses — We may not have maintained adequate insurance to cover our potential losses and claims.”

ENVIRONMENTAL MATTERS

We are subject to various PRC environmental laws and regulations, including the Environmental Protection Law (《中華人民共和國環境保護法》), the Prevention and Control of Noise Pollution Law (《中華人民共和國環境噪聲污染防治法》), the Environmental Impact Assessment Law (《中華人民共和國環境影響評價法》), the Ordinance of Environmental Management for Construction Projects (《建設項目環境保護管理條例》), the Regulations of Guangdong Province on Environmental Protection (《廣東省環境保護條例》).

Environmental assessment: As required by PRC laws and regulations, each project developed by a property developer is required to undergo an environmental assessment, and an environmental impact assessment report is required to be submitted to the relevant government authorities for approval before commencement of construction. When there is a material change with respect to the construction site, scale or nature of a given project, a property developer must submit a new environmental impact assessment report for approval. During the course of construction, the property developer and the construction companies must take measures to prevent air pollution, noise emissions and water and waste discharge. Prior to the delivery of completed properties, we engage an external consulting firm to conduct an additional environmental assessment and we deliver the completed properties to our customers only if the relevant standard is met.

Environmental protection: We endeavor to comply with relevant PRC laws and regulations relating to environmental protection and safety by engaging construction contractors with sound environmental protection and safety track records. When entering into construction contracts with these contractors, we request that they strictly comply with all current PRC environmental protection and safety laws and regulations by, among other things, using construction materials and construction methods that meet the requirements of such laws and regulations. Construction contractors are responsible for the final clean-up of the construction site and for taking steps to minimize any adverse environmental impact during construction, such as by erecting a fence around the construction site, limiting work hours for noisy construction activities and managing the quality of residual soil. In addition, we closely monitor the project at every stage to ensure the construction process is in compliance with environmental protection and safety laws and regulations, and require construction contractors to immediately resolve any defect or non-compliance. Our human resources and legal affairs center provides us with professional legal advice on compliance with relevant PRC environmental protection and safety laws and regulations.

Environmental amenities: In accordance with relevant PRC environmental laws and regulations, we are required to construct certain environmental amenities, such as septic tanks and adequate sewerage systems, as a part of our property developments. These amenities are integral to our project developments and we design and construct them as we design and construct the overall project. Once our property development is complete, we apply to the relevant environmental protection authorities for an inspection of the environmental amenities. We may deliver the completed properties to our customers only if the environmental amenities pass the inspection and are approved by the relevant environmental authorities. All of our completed properties have passed inspections by the environmental protection authorities, and we have obtained the relevant environmental assessment approvals with respect to our properties under development.

In 2018, 2019 and 2020, no fines or penalties for non-compliance with PRC environmental laws and regulations were imposed on us. As of December 31, 2020, we had not encountered any material issues in passing inspections conducted by the relevant environmental authorities upon completion of our properties. We are in compliance in all material respects with applicable environmental laws and regulations in China, and we have obtained all required approvals in relation to the environmental impact reports for our property development projects. We believe that our operations are in compliance with currently applicable national and local environmental protection and safety laws and regulations in all material respects. See the section entitled “Risk Factors — Risks Relating to the Real Estate Industry in the PRC — Potential liability for environmental problems could result in substantial costs.”

We cannot predict the impact of unforeseeable environmental contingencies, or of new or changed laws or regulations, on our existing projects or properties that we may develop in the future. We intend to minimize any potential future environmental risks by continuing to comply with relevant PRC environmental laws and regulations, engaging only construction contractors with good environmental protection and safety track records, and by requiring our construction contractors to strictly comply with relevant laws and regulations with respect to materials procurement and property construction. We will also continue to educate our employees on the importance of environmental protection and to keep abreast of developments in the PRC environmental protection laws and regulations through a regular dialog with relevant local PRC authorities. The personnel in our human resources and legal affairs center who are responsible for ensuring our compliance with relevant PRC environmental laws and regulations are generally experienced in the PRC legal matters, including laws and regulations regarding environmental protection. These personnel also have extensive experience in the PRC real estate industry. When necessary, we consult external environmental protection advisers and legal counsel for advice on complying with PRC environmental protection laws and regulations.

LABOR AND SAFETY

We enter into employment contracts with our employees pursuant to various PRC laws and regulations with respect to labor, health, safety, insurance and accidents, including the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), the Labor Law of the PRC (《中華人民共和國勞動法》) and the Opinions on Several Questions Concerning the Implementation of the Labor Law of the PRC (《關於貫徹執行《中華人民共和國勞動法》若干問題的意見》). Employees are entitled to have rest and annual leave in accordance with the law and the provisions stipulated in their employment contracts.

Despite the fact that all the construction works for our projects are outsourced to independent contractors, we have adopted and implemented occupational health and safety measures, and we work to ensure that all of our employees are aware of our safety procedures when they carry out on-site inspections. We, as a property developer, have limited potential liability to the workers on our construction sites, because most of this liability rests with the construction contractors. When entering into contracts with construction contractors, we require them to purchase accident insurance in compliance with applicable laws and regulations to cover their workers, and to adopt effective occupational injury control measures, such as providing workers with necessary protective gear. To help ensure the safety of our employees, we provide, and require our employees to wear, protective helmets when they visit projects that are under construction. In 2018, 2019 and 2020, there had been no reported cases of accidents causing the death of, or material bodily injury to, any of our employees.

Pursuant to the Decision of the State Council on Establishing the Basic Medical Insurance System for Urban Employees (《國務院關於建立城鎮職工基本醫療保險制度的決定》), the Decision of the State Council on Establishing a Uniform Basic Endowment Insurance System for Enterprise Employees (《國務院關於建立統一的企業職工基本養老保險制度的決定》), the Provisional Insurance Measures for Maternity of Enterprise Employees (《企業職工生育保險試行辦法》), the Regulations on the Management of Housing Provident Funds (《住房公積金管理條例》), the Regulations on Unemployment Insurance (《失業保險條例》) and the Regulations on Industrial Injury Insurance (《工傷保險條例》), an enterprise is required to purchase basic medical insurance, pension insurance, maternity insurance, unemployment insurance, and industrial injury insurance, and to provide a housing provident fund, for its staff and pay the relevant premiums.

We were in compliance with applicable PRC labor, social, and health and safety laws and regulations in all material respects in 2018, 2019 and 2020. We intend to fully comply with any new PRC labor laws and do not expect such compliance to affect our business operations in any material respect. When necessary, we consult external legal counsel for advice on complying with PRC labor, social, and health and safety laws and regulations. We believe that by protecting the interests of our employees we are able to enhance employee morale and assist in the long-term retention of quality personnel. In order to comply with relevant laws and regulations, we participate in various defined retirement contribution plans organized by the PRC provincial and municipal governments. We pay, on behalf of our employees, a monthly social insurance premium covering pension insurance, medical insurance, unemployment insurance, personal injury insurance and housing provident fund contributions. Our human resources personnel monitor our social and health and safety issues. They generally have sound knowledge of administration and human resources issues. They work together with our human resources and legal affairs center to remain aware of the latest legal developments in this area and to ensure that we are in compliance with any applicable requirements.

EMPLOYEES AND STAFF

As of December 31, 2020, we had a total of 6,698 employees. These employees are based in our headquarters in Guangzhou, Guangdong Province, and in our regional offices throughout Guangdong Province, in Changsha, Hunan Province, Chengdu in Sichuan Province, Wuhan in Hubei Province and Hangzhou in Zhejiang Province. In 2018, 2019 and 2020 and up to the date of this offering memorandum, there had been no complaints or claims from employees that materially affected our operations. A breakdown of our employees by function as of December 31, 2020 is set forth below:

Function	Employee
Finance and funding	410
Sales and marketing	2,657
Human resources and administration	927
Legal	27
Research and development	517
Project development, operation and management	1,175
Property management and customer service	207
Information technology	97
Investment and business development	681
Total	6,698

We believe that the successful implementation of our growth and business strategies depends on a team of experienced, motivated and well-trained managers and employees at all levels. Approximately 66% of our employees have obtained a bachelor's degree, associate degree or a master's degree. We have implemented training programs for our employees at different levels to meet different job requirements. In addition, we sponsor, on average, two senior executives, regional managers/deputy regional managers each year to earn MBAs. As of December 31, 2020, over 7% of our senior management had obtained the MBA qualification. We believe our workforce has sufficient experience to face the challenges that may arise in our day-to-day operations and that our initiatives, training programs and competitive remuneration packages have contributed to increased employee productivity.

We enter into individual employment contracts with our employees to cover matters such as wages, benefits and grounds for termination. We generally formulate our employees' remuneration packages to include a salary, bonus and various allowances. We determine employee salaries based on each employee's qualifications, position and seniority. We have designed an annual review system, which includes group discussions and tests, to assess the performance of our employees. Our employees do not negotiate their terms of employment through any labor union or by way of collective bargaining agreements. We do not engage any external employment agent for recruitment purposes. As of December 31, 2020, no labor dispute had occurred which materially and adversely affected, or was likely to have a material adverse effect on, our operations.

As required by PRC regulations, we make contributions to mandatory social security funds for the benefit of our PRC employees that provide for pension insurance, medical insurance, unemployment insurance and housing funds.

COMPLIANCE

As of December 31, 2020, we had obtained all material business licenses and relevant qualification certificates, such as real estate developer qualification certificates and property management enterprise certificates in accordance with relevant PRC legal regulations and requirements relating to the PRC property sector. Except as disclosed elsewhere in this offering memorandum, we have complied with the laws and regulations applicable to us in all material aspects as of the date of this offering memorandum.

LEGAL PROCEEDINGS

From time to time, we have been involved in legal proceedings or disputes in the ordinary course of business, including contract disputes with purchasers of our properties. As of December 31, 2020, we were not involved in any material legal or arbitration proceedings, claims or disputes, and no material litigation or arbitration proceedings, claims or disputes is known to us to be pending or threatened by or against us that may have a material adverse effect on our business, financial condition and operating results.

REGULATION

OVERVIEW

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

Although all land in the PRC is owned by the State or by collectives, individuals and entities may obtain land use rights for development purposes. Individuals and entities may acquire land use rights from land granted by local land authorities and land transferred by land users who have already obtained land use rights.

LAND GRANTS

National and Local Legislation

On April 12, 1988, the National People's Congress (the "NPC") passed an amendment to the Constitution of the PRC. The amendment allowed the transfer of land use rights for consideration in accordance with law. In December 1988 and on August 28, 2004 and August 26, 2019, the Standing Committee of the NPC also amended the Land Administration Law of the PRC (《中華人民共和國土地管理法》) to permit the transfer of land use rights for consideration.

On May 19, 1990, the State Council (國務院) enacted the Provisional Regulations of the PRC Concerning the Grant and Assignment of the Right to Use State-Owned Land in Urban Areas (《中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例》 which was amended on November 29, 2020). These regulations, generally referred to as the Urban Land Regulations, formalized the process of granting and transferring land use rights for consideration. Under this system, the State retains ultimate ownership of land in urban areas. However, the right to use certain land, referred to as land use rights, can be granted by the State and local governments at or above the county level for up to 70 years, depending on the specific uses, pursuant to a land grant contract and upon payment to the State of a premium for the grant of these land use rights.

The Urban Land Regulations prescribe different maximum durations of land use rights for different purposes as follows:

<u>Use of land</u>	<u>Maximum duration</u>
	(Years)
Commercial, tourism, entertainment	40
Residential.....	70
Industrial	50
Educational, scientific, cultural, public health and sports	50
Comprehensive utilization or others	50

Under the Urban Land Regulations, domestic and foreign enterprises are permitted to acquire land use rights unless the law provides otherwise. The State may not resume possession of lawfully granted land use rights before the grant term expires. Should the public interest require the resumption of possession by the State under special circumstances during the grant term, compensation shall be paid by the State, based on how long the land user has used the land, and on the extent to which the land has been developed and used. A holder of land use rights may, during the grant term, transfer, lease, mortgage or use the land for other economic activities.

Upon paying in full the land premium pursuant to the terms of the contract, grantee of the land may apply to the relevant land bureau for a land use rights certificate. In accordance with the PRC Civil Code (《中華人民共和國民法典》), which became effective on January 1, 2020, the term of land use rights for land used for residential purposes will automatically be renewed upon expiration. The renewal of the term of land use rights for other uses shall be dealt with according to the relevant laws then in force. In addition, if the public interest requires the resumption of possession of land by the State, owners of residential properties and other real estate on the land shall be compensated and the relevant land premium shall be refunded to them.

On May 24, 2006, the General Office of the State Council further issued the Notice on Forwarding Opinions of the MOHURD (formerly known as the Ministry of Construction) and Other Departments on Adjusting the Housing Supply Structure and Stabilizing Housing Prices (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). The notice provides, among other things, for the following broad directives: (i) to encourage mass-market residential developments and curb the development of low-density, large-sized residential properties; (ii) to enforce the collection of the 5% business tax on property sales (business taxes will be levied on the entire sale price of any house sold within five years, or on the profit arising from any property sold after five years subject to possible exemptions for ordinary residential properties) by individual; (iii) to restrict personal housing mortgage loans to less than 70% of the total property price (for houses purchased for self-residential purposes and with an area of less than 90 sq.m., the owners are still permitted to apply for a housing mortgage of up to 80% of the total property price); (iv) to stop supplying land for villa projects and restrict the land supply for large-sized, low-density residential projects; (v) to moderate the progress and scale of demolition of old properties for re-development; (vi) to require local governments to ensure that at least 70% of the total development and construction area consists of units not exceeding 90 sq.m. (with any exceptions requiring the approval of the Ministry of Construction); and (vii) to prevent banks from providing loans to any property developer whose total capital fund is less than 35% of the total investment amount in an intended development project. Pursuant to this notice, local governments were required to adopt plans, no later than September 2006, for developing low- to mid-priced and small- to medium-sized properties to meet demand from owner-occupiers. This notice stipulates that beginning June 1, 2006, there would be a minimum down payment of 30% of the total purchase price for residential units with a floor area exceeding 90 sq.m. on all existing units and those yet to be completed, and a minimum down payment of 20% on residential units for occupation by the owner with a floor area under 90 sq.m. The notice requires that at least 70% of the residential units in residential housing projects approved or commenced after June 1, 2006 be not exceeding 90 sq.m. The notice continues to prohibit land provision for houses and to restrict land provision for the development of low-density and large-sized residential properties.

On July 6, 2006, the MOHURD promulgated Certain Opinions Regarding the Implementation of Ratio Requirements for the Structure of Newly Constructed Residential Units (關於落實新建住房結構比例要求的若干意見) (the “New Opinions”). The New Opinions stipulate that residential units with a GFA of less than 90 sq.m. shall account for

over 70% of the total area of residential units that are newly approved and constructed in each city or county after June 1, 2006. The relevant local government will have the authority to determine the configuration of newly constructed property.

On July 13, 2006, the General Office of the State Council issued the Notice Regarding Relevant Matters on Establishing the State Land Supervision System (國務院辦公廳關於建立國家土地督察制度有關問題的通知). In accordance with this notice, the Ministry of Land and Resources established the State Land Supervision General Office (國家土地總督察辦公室) and sent its local counterpart, the State Land Supervision Bureau (國家土地督察局), to strengthen the supervision and management of land, and to manage the land as strictly as possible.

On August 31, 2006, the State Council issued the Notice Regarding Relevant Matters on Strengthening the Control of Land (國務院關於加強土地調控有關問題的通知) in order to mitigate the excessive increase in the aggregate amount of construction land, the excessive expansion of low-cost industrial land, the illegal use of land, and the abusive occupation of cultivated land. The notice implements the following major measures: (i) adjusting land approval measures for urban construction in accordance with the principle of sharing both rights and responsibilities; (ii) requiring that the social security fee for the land expropriated from farmers be guaranteed before the expropriation of land is approved; (iii) the total amount of money from the sale of State-owned land use rights shall be fully accounted for in the local budget and deposited into the local government treasury, and the “line of income and expenditure” shall be determined separately; (iv) raising the land use rights fee for newly added construction land, the urban land use tax, and the rural cultivated land use tax; (v) the State shall formulate and promulgate a unified minimum standard for granting industrial land across the country, and industrial land being granted by tender, auction or a bidding process; and (vi) prohibiting the conversion of agricultural land into construction land “in the name of leasing while actually expropriating”.

On November 7, 2006, the Ministry of Finance, the Ministry of Natural Resources, and the PBOC issued the Notice Regarding Relevant Matters on Adjusting the Land Use Fee Policy for Newly Created Construction Land (財政部、國土資源部、中國人民銀行關於調整新增建設用地土地有償使用費政策等問題的通知). The notice requires the land use fee on newly created construction land to be doubled beginning January 1, 2007.

On December 30, 2007, the General Office of the State Council issued the Notice on the Strict Implementation of the Laws and Policies Regarding Rural Collective Construction Land (國務院辦公廳關於嚴格執行有關農村集體建設用地法律和政策的規定). This notice states that residential land in rural areas shall be allocated only to residents of the relevant village residing in the area, and that no urban inhabitants shall be permitted to purchase any homesteads, peasants’ dwellings or “houses with limited property rights” in rural areas. No organization or individual shall be permitted to illegally rent or occupy any land collectively owned by peasants for the development of real estate.

The Land Investigation Regulations (Order No. 518 of the State Council of the PRC) (《土地調查條例(中華人民共和國國務院令第五18號)》) was issued on February 7, 2008 and amended on February 6, 2016 and March 19, 2018 by the State Council. This regulation provides that a nationwide land investigation shall be carried out every ten years and that a land status alteration investigation shall be carried out each year by a competent State land and resources department at the county level or above, and that these investigations shall be submitted to the competent State land and resources department at the next higher level of people’s government. The regulation also specifies the requirements that a government department must meet in order to conduct the investigations. The regulation specifies that the purpose of land investigations is to determine what land resources are available and their utilization status.

On January 7, 2010, the General Office of the State Council issued the Notice on Promoting the Steady and Healthy Development of the Real Estate Market (國務院辦公廳關於促進房地產市場平穩健康發展的通知), which, among other things, provides that land resource authorities shall increase their supervision and shall:

- effectively increase the supply of social welfare housing and ordinary commodity residential properties, particularly low- and medium-priced and small- and medium-sized ordinary commodity residential properties;
- direct consumers to make reasonable purchases of residential properties and discourage investment and speculation in the housing market;
- strengthen market supervision and credit risk management for real estate projects;
- speed up the construction of social welfare housing projects; and
- carry out the responsibilities of provincial and local governments.

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

- the land and resources bureau at the city and county levels shall ensure that the land supply for social welfare housing, shanty town renovation, and small- to medium-sized commodity housing units for self-housing shall not account for less than 70% of the total supply of residential land, and shall strictly control the land supply for large-sized apartments and restrict the land supply for villas;
- land resource authorities shall prohibit property developers who owe land grant premium payments, possess idle land, engage in land speculation and price manipulation, conduct project development exceeding its development capacity, or who fail to adhere to land use rights grant contracts from land bidding transactions for a set period of time; and
- the land grant contract must be executed within ten working days after a grant of land has been mutually agreed to, and a down payment of 50% of the land grant premium shall be paid within one month after the execution of the land grant contract, with the remaining amount to be paid no later than one year after the execution of the land grant contract.

On September 21, 2010, the Ministry of Land and Resources and the Ministry of Housing and Urban-Rural Development (住房和城鄉建設部, “MOHURD”) jointly promulgated the Notice on Further Strengthening the Control and Regulation of Land and Construction of Property Developments (關於進一步加強房地產用地和建設管理調控的通知), which stipulates, among other things, that (i) at least 70% of land designated for the construction of urban housing must be used for social welfare housing, housing for the resettlement of shanty towns, and small- to medium-sized ordinary commodity housing; in areas with high housing prices, the supply of land designated for small- to medium-sized, price-capped housing must be increased; (ii) developers and their controlling shareholders are prohibited from participating in bidding processes before the rectification of certain misconduct, including (1) the illegal transfer of land use rights; (2) the failure to commence

required construction within one year of the delivery of land under a land grant contract for reasons within the developer's own control; (3) non-compliance with land development requirements specified in land grant contracts; and (4) crimes such as obtaining land by forging official documents and illegally speculating on land; (iii) developers are required to commence construction within one year of the date of delivery of the land under the relevant land grant contract, and complete construction within three years of commencement; (iv) development and construction of projects of low-density and large-sized housing must be strictly limited, and the plot ratio of the planned GFA to the total site area of residential projects must be more than 1:1; and (v) the grant of two or more bundled parcels of land and undeveloped land is prohibited.

On December 19, 2010, the Ministry of Land and Resources promulgated the Notice on the Strict Implementation of Policies Regarding the Regulation and Control of Real Property and the Promotion of the Healthy Development of Land Markets (國土資源部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), which, among other things, provides that (i) cities and counties that have less than 70% of their land supply designated for social welfare housing, redevelopment housing for shanty towns, or small- to medium-sized ordinary commodity residential units shall not provide land for large-sized and high-end commodity housing before the end of 2010; (ii) local land and resources authorities shall file a transaction report with the Ministry of Land and Resources and with provincial land and resources authorities, in relation to land sold via competitive bidding, auction, and listing for a premium of 50% or more; and (iii) for land designated for social welfare housing but used for the development of commodity houses, any illegal income derived therefrom shall be confiscated and the relevant land use rights terminated. In addition, unapproved changes to the plot ratio are strictly prohibited.

On January 26, 2011, the General Office of the State Council issued the Notice on Relevant Issues Relating to the Further Improvement of Controls on 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). On February 12, 2011, Guangdong's Provincial Government forwarded the notice. This notice, among other things, provides that:

- individuals selling housing properties within five years of purchase will be charged business taxes on the full amount of the sale price;
- the minimum down payment for second-home purchases shall increase from 50% to 60%;
- the land use rights of the developer will be forfeited and the PRC government will impose an idle land fee if a developer fails to obtain a construction permit and commence development for more than two years after the commencement date stipulated in the land grant contract; and
- municipalities directly under the central government, municipalities with independent planning status, and provincial capitals and cities with high housing prices shall limit the number of homes that local residents that can buy within a specific period. In principle, local resident families that own one house and non-local resident families that can provide local tax clearance certificates or local social insurance payment certificates for a required period, are permitted to purchase only one additional house (including newly built houses and second-hand houses). Sales of properties to (i) local resident families that own two houses or more; (ii) non-local resident families that own one house or more; and (iii) non-local resident families that cannot provide local tax clearance

certificates or local social insurance payment certificates for a required period, shall be suspended in local administrative regions.

The General Office of the State Council of China released the Circular to Further Enhance the Regulation and Control of the Real Estate Market (國務院辦公廳關於繼續做好房地產市場調控工作的通知), which was adopted on February 26, 2013, and which orders subordinate governments to strictly implement the existing policies, which seek to rein in China's urban residential housing market, by introducing a policy, namely the PRC individual income tax at a rate of 20% to be imposed on home sellers on earnings from their sales.

The General Office of the People's Government of Guangdong Province forwarded the General Office of the State Council the Circular to Further Enhance the Regulation and Control of the Real Estate Market (廣東省人民政府辦公廳轉發國務院辦公廳關於繼續做好房地產市場調控工作的通知) on March 25, 2013, which dictates that areas with soaring house prices shall timely introduce specific measures to curb rising house prices and strictly enforce the individual income tax imposed on house purchases. Guangzhou and Shenzhen are required to make public their target house prices. Further, Guangzhou, Shenzhen, Zhuhai and Foshan are required to continue to strictly implement the restrictions on house purchases. Meanwhile, the circular calls for every city above the prefecture level (including Shunde District) to increase the supply of small- and medium-sized ordinary commodity houses not exceeding 90 sq.m. and to speed up the construction of affordable housing. Specifically, the construction of new affordable housing shall commence by the end of October 2013 and the construction of affordable housing commenced prior to 2012 shall be substantially completed by the end of 2013. Guangdong Province is set to complete construction of at least 116,000 affordable apartments in 2013, and the construction of another 78,400 is on schedule. The circular further demands the strengthening of the supervision of the real estate market.

The General Office of the People's Government of Guangzhou released the Implementation Opinions to Enforce the General Office of the State Council Circular to Further Enhance the Regulation and Control of the Real Estate Market forwarded by the General Office of the People's Government of Guangdong Province (廣州市人民政府辦公廳關於貫徹廣東省人民政府辦公廳轉發國務院辦公廳關於繼續做好房地產市場調控工作通知的實施意見), which was adopted on March 31, 2013. According to these opinions, Guangzhou is set to provide more land for residential use than the average for the past five years. Further, the land supply for the construction of small- to medium-sized ordinary commodity houses will account for at least 70% of the total supply of land for residential use and a plot ratio lower than 1 for residential land shall be prohibited.

On November 15, 2013, the General Office of the People's Government of Guangzhou issued the Opinions on Further Enhancing the Regulation and Control of the Real Estate Market (廣州市人民政府辦公廳關於進一步做好房地產市場調控工作的意見). The opinions stipulate that non-Guangzhou resident families are permitted to purchase one property (including newly-built commodity properties and second hand properties) provided that such family have continuously paid individual income tax or social security in Guangzhou for at least three years in the five-year period prior to the purchase. Pursuant to the opinions, the Guangzhou Branch of the PBOC issued the Notice on Adjusting Differential Housing-Credit Policies in Guangzhou (關於調整廣州市差別化住房信貸政策的通知) on November 18, 2013. According to this notice, for the families purchasing their second residential property, the down payment of the purchase shall be 70% or more of the total purchase price.

Measures relating to non-agricultural construction on supplementary cultivated land in Guangdong Province (《廣東省非農業建設補充耕地管理辦法》) became effective on September 1, 2010. The People's Government of Guangdong Province set forth detailed

provisions on managing non-agricultural construction on supplementary cultivated land to protect cultivated land and control the conversion of cultivated land to non-agricultural construction land.

The Department of Land and Resources of Guangdong Province issued the Notice on the Guangdong Province Land Requisition Compensation and Protection Standards, which was revised and adjusted in 2016 (《廣東省徵地補償保護標準(2016年修訂調整)》) and became effective on September 23, 2016. This notice sets new standards for land requisition compensation and protection for different regions in Guangdong Province.

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

Urban Redevelopment

To improve land efficiency, on August 25, 2009, the People’s Government of Guangdong Province issued the Opinions on Promoting the Urban Redevelopment to Advance the Conservation of Land (《關於推進「三舊」改造促進節約集約用地的若干意見》) (the “Urban Redevelopment Opinions”) to promote the reformation of the three “olds,” namely, “old towns” (舊城鎮), “old factories” (舊廠房) and “old villages” (舊村莊). The following types of land fall into the scope of the Urban Redevelopment:

- Land in urban areas under the policy of “leave the second industry for the third industry” (which refers to adjusting the structure of industry by diverting industrial land for use in the service industry);
- Land used for factories belonging to industries that have been “prohibited” or “eliminated” pursuant to national industrial policy;
- Land used for factories that does not comply with safety production and environmental protection requirements;
- Towns and villages that are poorly organized and fall behind the times, and that have been selected for urban renewal; and
- Villages listed as example projects of the “Ten-Thousand-Village Restoration.”

Within the scope of old-town reformation and in compliance with urban and rural planning, certain entities (for example, land developers) may purchase several adjacent parcels of land, and apply for collective reformation based on the Urban Redevelopment planning and annual implementation schedule. The land regulation departments at the city and county levels may assemble the scattered parcels of land in accordance with these applications and register the resultant alteration of land for the applicants. A reformation plan shall be made for such purchase reformations and be reported to the government at the city and county levels for implementation approval after they have been approved by the land regulation departments and the planning department. On September 14, 2016, the People’s Government of Guangdong Province issued the Notice on Promoting the Redevelopment Level of “Three Types of Old Urban Areas” and Economic Use of Land (《關於提升(三舊)改造水平促進節約集約用地的通知》). On April 4, 2018, the Department of Natural Resources of Guangdong

Province issued the Implementing Opinions on Deepening the Redevelopment Work of “Three Types of Old Urban Areas” (《關於深入推進“三舊”改造工作的實施意見》).

Environmental Protection

The laws and regulations governing the environmental requirements for real estate development in the PRC include the Environmental Protection Law (《中華人民共和國環境保護法》), promulgated by the Standing Committee of the NPC and effective on December 26, 1989, and amended on April 24, 2014; the Prevention and Control of Noise Pollution Law (《中華人民共和國環境噪聲污染防治法》), promulgated by the Standing Committee of the NPC on October 29, 1996 and effective on March 1, 1997, and amended on December 29, 2018; the Environmental Impact Assessment Law (《中華人民共和國環境影響評價法》), promulgated by the Standing Committee of the NPC on October 28, 2002 and effective on September 1, 2003, and amended on July 2, 2016 and December 29, 2018; the Administrative Regulations on Environmental Protection for Development Projects (《建設項目環境保護管理條例》), promulgated by the State Council and effective November 29, 1998, and amended on July 16, 2017. Pursuant to these laws and regulations, depending on the impact of the project on the environment, an environmental impact study report, an environmental impact analysis table, or an environmental impact registration form must be submitted by a developer before the relevant authorities will grant approval for the commencement of construction of the property development. In addition, upon completion of the property development, the relevant environmental authorities will also inspect the property to verify compliance with the applicable environmental standards and regulations before the property can be delivered to the purchasers.

Modes of Land Grant

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

As of July 1, 2002, the grant of land use rights through competitive processes has been governed by the Regulations on the Grant of Usage Rights of State-Owned Land by Invitation of Tender, Auction or Listing-for-Sale (《招標拍賣掛牌出讓國有土地使用權規定》), issued by the Ministry of Natural Resources of the PRC on May 9, 2002 (the “2002 Regulations”) and revised on September 28, 2007 with the name Regulations on Granting State-Owned Construction Land Use Rights Through Tenders, Auction and Putting Up for Bidding (《招標拍賣掛牌出讓國有建設用地使用權規定》) (the “2007 Regulations”) effective on November 1, 2007. Following the 2002 Regulations, the Ministry of Natural Resources and The National Supervisory Commission (formerly known as the Ministry of Supervision) issued the Notice on Continuing the Review of the Implementation of the Grant of Land Use Rights for Commercial Uses By Soliciting Auction Bids or Listing on a Land Exchange (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) on March 31, 2004, which requires all local land administration authorities to strictly enforce the 2002 Regulations. In addition, the Ministry of Land and Resources required that beginning from August 31, 2004, no land use rights for commercial uses granted by way of agreement shall be dealt with strictly. In the Urgent Notice of the General Office of the State Council on Intense Regulation and Rectification of the Land Market and Strict Administration of Land (國務院辦公廳關於深入開展土地市場治理整頓嚴格土地管理的緊急通知), issued by the State Council on April 29, 2004, the approval process for the change of use from agricultural land to non-agricultural land for development was suspended for a period of approximately six months so that the PRC

government could rectify irregularities in land development in China. The 2007 Regulations specifically provide that land to be used for industry, commerce, tourism, entertainment or commodity residential purposes, or where there are two or more intended users for a certain piece of land, must be granted through tender, auction or listing-for-sale processes. A number of measures in the 2007 Regulations ensure such grants of land use rights for commercial purposes are conducted openly and fairly. For instance, the local land bureau must take into account various social, economic and planning considerations when deciding on the use of a certain piece of land, and its decision regarding land use designation is subject to approval of the city or county government. The grantee shall apply for land registration and obtain the State-owned land use rights certificate upon full payment of the land premium for the granted land according to the land grant contract. In the event that the land premium for the granted land is not paid in full, the grantee will not receive the land use rights certificate. In addition, the announcement of tender, auction or listing-for-sale must be made 20 days prior to the date on which such competitive process begins. Further, the 2007 Regulations stipulate that for listings on a land exchange, the time period for accepting bids must be no less than ten days. On May 11, 2011, the Ministry of Natural Resources promulgated the Opinions on Upholding and Improving the System for the Transfer of Land by Tender, Auction and Listing-for-Sale (《國土資源部關於堅持和完善土地招標拍賣掛牌出讓制度的意見》), which provides, among other things (i) how to correctly implement the land transfer policy through tenders, auctions and listing-for-sale; (ii) an explanation of improvements in the transparency of the system of tenders, auctions and listings for housing land; (iii) an explanation of adjustments and improvements to the land transfer policy through tenders, auctions and listing-for-sale, including (a) limitations on house prices and land prices, and on the transfer of policy-related housing land by listing or auction; (b) limitations on the GFA of allocated security housing, and on transfers of commodity housing land by listing or auction; (c) procedures for carrying out comprehensive assessments of conditions of land development, utilization and land transfer prices, as well as procedures for determining who is entitled to land use rights by tender; (iv) promotion of online operation of the transfer of land use rights; (v) improvement in contracts for land transfers through tenders, auctions and listing-for-sale.

In the case of tenders, the local land bureau granting the land use rights should examine the qualifications of the intended bidders and encourage those who are qualified to participate in the bidding processes by sending out invitations to tender. Bidders are asked to submit sealed bids together with the payment of a security deposit. When land use rights are granted through tenders, a tender evaluation committee consisting of odd number of members of at least five (including a representative of the grantor and relevant expert) shall be formed by the land bureau which is responsible for opening the tenders and deciding on the successful bidder. The successful bidder will then sign the land grant contract with the land bureau and pay the balance of the land premium before obtaining a State land use rights certificate. See “— Documents of Title and Registration of Property Interests.”

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

Where land use rights are granted through a listing administered by the local government, a public notice will be issued by the local land bureau to specify the, among other things, location, the area, purpose of use of the land and the period for receiving bids. The land use rights are granted to the bidder with the highest bid who satisfies the terms and conditions. The successful bidder will enter into a land grant contract with the local land bureau and pay the relevant land premium within a prescribed period.

On June 11, 2003, the Ministry of Natural Resources promulgated the Regulations on the Grant of State-Owned Land Use Rights by Agreement (《協議出讓國有土地使用權規定》), or the 2003 Regulations, to regulate the grant of land use rights by agreement when there is only one party interested in the land, and where the designated uses of the land are for non-commercial purposes. According to the 2003 Regulations, the local land bureau, together with other relevant government departments, including the city planning authority, will formulate the plan concerning the grant, including the specific location, boundaries, purpose of use, area, term of grant, conditions of use, conditions for planning and design, and the proposed land premium, which shall not be lower than the minimum price determined by the State. This plan will then be submitted to the relevant government for approval. Afterward, the local land bureau and the relevant party will negotiate and enter into the land grant contract based on the above mentioned plan. If two or more parties are interested in the land use rights proposed to be granted, these land use rights shall be granted by way of tender, auction or listing at a land exchange in accordance with the 2007 Regulations.

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

On May 23, 2012, the Ministry of Natural Resources and the NDRC promulgated the Catalog of Restrictive Land Supply Items (2012 Version) and the Catalog of Forbidden Land Supply Items (2012 Version) (限制用地項目目錄(2012本)和禁止用地項目目錄(2012本)). These catalogs provide that new office buildings of the Chinese Communist Party and of government agencies, large-scale commercial establishments, motor-racing fields, motor vehicle training fields, burial grounds, and large-sized housing projects (referring to residential projects with a plot ratio of less than 1.0 and where the gross floor area for a single house exceeds 144 sq.m.) are listed in the restrictive land supply items, and that villas, golf courses, horse-racing courses, and new training centers of the Party and government agencies, State-owned enterprises and institutional agencies are classified as forbidden land supply items.

The Urban and Rural Planning Law of the People's Republic of China (《中華人民共和國城鄉規劃法》) was promulgated by the Standing Committee of the NPC on October 28, 2007, implemented on January 1, 2008 and amended on April 24, 2015 and April 23, 2019. This law provides, among other things, that if land use rights are obtained by way of allocation, the developer shall apply to the relevant urban and rural planning authorities for a site selection opinion before applying to other relevant authorities for approval or consent. This law also specifies that if the land use rights were obtained by way of allocation within the planning zones of cities or towns, the developer shall, before applying to land administration authorities at or above the county level for land use rights, apply for a construction land planning permit from the relevant urban and rural planning authorities of that city or town, after obtaining the approval or consent of other relevant authorities. Further, if land use rights were obtained by way of grant within the planning zones of cities or towns, relevant urban and rural planning authorities shall, before granting land use rights, specify planning requirements such as the location, nature of use and permitted density of the development, and integrate these requirements into the grant contract of the land use rights. Land without planning requirements cannot be granted. After a land grant contract is executed, the developer needs to apply to the relevant urban and rural planning authorities of the city or county for a construction land planning permit along with the other required documents. If a development is within the planning zones of a city or town, the developer needs to apply to the relevant urban and rural planning authorities or to the township government specified by the provincial

level government for a construction land planning permit. The development of projects must comply with the planning requirements and an application must be filed with the urban and rural planning authorities of the relevant city or county if any amendments to the planning requirements are necessary. Within six months of the project's completion, the developer needs to file documents with the urban and rural planning authorities describing the government's inspection and assessment of the completed project.

Model Land Grant Contract

To standardize land grant contracts, on April 29, 2008, the Ministry of Natural Resources and the SAMR (formerly known as the SAIC) re-issued the model land grant contract in the Notice on Publishing the Model Text of Land Grant Contracts (關於發佈《國有建設用地使用權出讓合同示範文本》的通知). The model land grant contract contains terms such as the location of land, the use of land, the land premium and its payment schedule, the condition of land upon delivery, the term of grant, land use conditions and restrictions (including GFA, plot ratio and height and density limitations), the construction of public facilities, submission of building plans for approval, the deadline for commencement of construction, payment of idle fees, the deadline for completion of construction, application for extension of the stipulated construction period, restrictions on subsequent transfers, delegation of responsibility for obtaining supply of utilities, restrictions against alienation before payment of the land premium and before the completion of the prescribed development, application of renewal, force majeure, breach of contract, and dispute resolution.

If a land user wishes to change the specified use of land after entering into a land grant contract, approvals must be obtained from the relevant land bureau and the relevant urban planning department, and a new land grant contract may have to be signed and the land premium may have to be adjusted to reflect the added value of the new use. Registration procedures shall be carried out for the change of designated use.

If a land user fails to develop and invest in the land within the period of time specified in the land grant contract, the land bureau has the right to impose various penalties ranging from fines to withdrawal of the grant without consideration (unless the failure to develop and invest in the land is due to a force majeure event).

According to the Urban and Rural Planning Law of the People's Republic of China (《中華人民共和國城鄉規劃法》), which was issued on October 28, 2007, and amended on April 24, 2015 and April 23, 2019, after execution of the land grant contract, the urban planning department cannot change the planning requirements under the land grant contract without authorization.

Transfer of Land Use Rights of Collectively Owned Construction Land

The PRC Land Administration Law (《中華人民共和國土地管理法》) provides that land use rights owned by peasants' collectives may not be granted, assigned or leased for non-agricultural construction, except for lawful transfers by enterprises due to circumstances such as bankruptcy, merger, etc., provided that the construction land is in compliance with the master land use plan and was lawfully obtained. The Decision on Deepening the Reform of Strict Land Management (國務院關於深化改革嚴格土地管理的決定), issued by the State Council on October 21, 2004, provides that the collective construction land use rights owned by peasants can be transferred according to the law. The Notice Regarding Strictly Implementing the Law and Regulations of the Collective Construction Land in Rural Areas (關於嚴格執行有關農村集體建設用地法律和政策的規定), issued by the General Office of

the State Council on December 30, 2007, provides that the transfer of the collective construction land use rights owned by peasants shall be strictly controlled. The rural collectively owned construction land is prohibited from being granted, transferred or leased for the development of commercial property and residential construction.

TERMINATION

Pursuant to the PRC Civil Code, when the term of the land use rights for the construction of residential buildings expires, it shall be renewed automatically.

The State generally will not withdraw a land use right before the expiration of its term of grant. Under special circumstances, such as when required for the public interest, the state shall pay proper compensation for the properties on such land, and the corresponding land premium shall be returned.

Upon expiration of land use rights, unless renewal of the term of land use rights has been approved, the land user must take steps to surrender the land use rights certificate and cancel the registration of the certificate in accordance with relevant regulations.

A land user may apply for a renewal of the land use rights and, if the application is granted, the land user is required to enter into a new land grant contract, pay the premium, and obtain the appropriate registration for the renewed land grant.

According to the Law of Administration of Urban Real Property (《中華人民共和國城市房地產管理法》) (the “Urban Real Property Law”), issued on July 5, 1994 by the Standing Committee of the NPC and amended on August 30, 2007, August 27, 2009 and August 26, 2019, when a real property development is carried out on land for which the land use rights were acquired by means of a grant, the land must be developed in line with the specified use for the land, and the deadline for commencement of the development must be set out in the land use rights grant contract. Where development does not commence within one year of the date specified in the land use rights grant contract, an idle land fee may be charged at a rate of not more than 20% of the relevant land premium. Where development does not commence within two years of the specified date, the relevant land use rights may be withdrawn without compensation, except where the commencement of construction was delayed due to force majeure, an act of the government or relevant government departments, or delays in the preliminary work necessary for the commencement of development.

According to the Measures on the Disposal of Idle Land (《閒置土地處置辦法》), promulgated by the Ministry of Natural Resources on April 28, 1999, amended on June 1, 2012 and effective on July 1, 2012, “idle land” refers to land granted for use but that is lying idle because the land user failed to commence development and construction before the specified commencement date without the consent of the government that approved the use of the land. The amended Measures on the Disposal of Idle Land, which became effective on July 1, 2012, expanded the definition of idle land to include land lying idle due to government action. See “— Idle Land” below. When certain land is deemed “idle land,” relevant municipal or county land administrative departments (“Land Administrative Authorities”) shall inform the land user and prepare a plan for disposing of the idle land. When the land is mortgaged, the mortgagee shall be invited to participate in the preparation of the disposal plan.

The methods of disposing of idle land include, among others:

- (i) extending the development and construction period by a maximum of one year;
- (ii) changing the use of the land, and continuing development and construction afterward; or
- (iii) arranging for the temporary use of the land and re-approving the development after the original project satisfies the construction requirements.

On January 3, 2008, the State Council issued the Notice on Promoting the Economisation and Intensive Use of Land (國務院關於促進節約集約用地的通知). This notice states, among other things, that (i) State policies relating to the forfeiture of land use rights of land that has remained idle for more than two years without compensation shall be strictly implemented; (ii) if any land remains idle for one year, an idle land fee of 20% of the relevant land premium shall be levied; (iii) before June 2008, local governments shall submit to the State Council reports on the status of the clearance and handling of idle land; (iv) the prohibition on supplying land for villa projects shall continue; (v) the authorities shall research and commence drafting implementation rules concerning the levy of land appreciation fees on idle land; (vi) in relation to the supply of residential land, planning requirements such as minimum plot ratio limits and the number and type of flats that can be constructed shall be taken into account in land grant contracts and allocation decisions to ensure that at least 70% of the total land grants for residential developments consists of low-cost rental housing, affordable housing, limited pricing housing and units less than 90 sq.m.; and (vii) financial institutions shall exercise caution when approving financing for any property developer who fails to commence construction for one year or more after the commencement date stipulated in the land grant contract, complete at least one-third of the development of the project, or inject at least 25% of the total investment in the project.

On November 18, 2009, the Ministry of Finance, the Ministry of Natural Resources, the PBOC, the National Supervisory Commission (formerly known as the Ministry of Supervision) and the National Audit Office issued the Circular on Further Tightening Control Over Income and Expenses from Land Transfers (關於進一步加強土地出讓收支管理的通知), which, among other things, limits to one year the period for full payment of the land premium prescribed under the land grant contract entered between a municipal- or county-level Ministry of Land and Resources and a land right transferee. There is an exception for special projects approved by all relevant local land transfer authorities, for which full payment of the land premium must be paid within two years with a first installment of at least 50% of the total land premium. The circular also provides that local governments should strictly enforce relevant regulations to impose penalties on property developers that have delayed payment of land premiums or construction for reasons other than force majeure, and restrict such property developers from acquiring new land before the land premiums have been paid.

LAND TRANSFERS FROM CURRENT LAND USERS

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

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

The assignment contract or the joint-development agreement is subject to terms and conditions specified in the land grant contract. For residential construction projects, Urban Real Estate Administration Law (《城市房地產管理法》) (the “Urban Real Estate Law”) requires that at least 25% of total construction costs, excluding land premiums, be expended before assignment can take place. All rights and obligations of the current holder under a land grant contract will be transferred contemporaneously to the assignee of the land use rights. The relevant local government has the right to acquire the land use rights to be assigned if the assignment price is significantly lower than the market price. Relevant local governments may also acquire the land use rights from a land user in the event of a change in town planning. The land user will then be compensated for the loss of his land use rights.

LAND RESERVE AND PRIMARY DEVELOPMENT

The Ministry of Finance, the Ministry of Natural Resources and the PBOC jointly promulgated the Measures for Land Reserve Administration (《土地儲備管理辦法》), which became effective on January 3, 2018. Pursuant to the measures, “land reserve institution” refers to the independent legal entity that is affiliated with the local land administration bureau. The scope of the land reserve includes, but is not limited to, the land use rights reappropriated by the State, the land obtained subject to the pre-emptive right, the rural land which has undergone reversion procedures, and the land purchased by the land reserve institution. The land reserve institutions are permitted to carry out primary development of the reserved lands before supplying them to the market. The land reserve capital shall be earmarked based on the government budget arrangement.

The Ministry of Finance and the Ministry of Natural Resources issued the Measures on the Administration of Funds and Finance Affairs Relating to Land Reserves (《土地儲備資金財務管理辦法》) on January 17, 2018 and effective on February 1, 2018, which regulates matters concerning the capital required for the early-stage development of reserved land, such as the source, scope of use and management of the such capital.

DOCUMENTS OF TITLE AND REGISTRATION OF PROPERTY INTERESTS

According to the Interim Regulations on Real Estate Registration (《不動產登記暫行條例》), promulgated by the State Council on November 24, 2014, effective on March 1, 2015, and amended on March 24, 2019, and the Implementing Rules of the Interim Regulations on Real Estate Registration (《不動產登記暫行條例實施細則》), promulgated by the Ministry of Natural Resources on January 1, 2016 and amended on July 24, 2019, all land use rights and building ownership rights which are duly registered are protected by the law. A land use rights certificate is the evidentiary legal document that establishes that the registered land user has the lawful right to use the land during the term stated in the certificate. Upon completion of the construction of a building (including passing the acceptance tests by various government departments), a property ownership certificate will be issued to the owner of the building. The holder of land use rights who is issued a property ownership certificate holds the land use rights, and owns the building erected thereon. All holders of land use rights, and other rights related to the land, such as the right to buildings erected on the land, must register their lawful State-owned land use rights, as well as their ownership rights to the buildings. To this end, real estate registries have been established in every city in China. In most cities, there are separate registries for land use rights and building ownership rights. In places where there are separate registries, the holder of land use rights will be issued a property ownership certificate for the building and a land use rights certificate for the underlying land. In the other places where registries are combined, the land use rights certificate and the property ownership certificate are combined into a single certificate.

Whether the registered land user can assign, mortgage or lease his land use rights is subject to conditions stipulated in the original land grant contract. In addition to the requirement that land use rights be registered, there is also a requirement that mortgages of land use rights be registered in local land registration departments. See “Mortgage and Guarantee” below.

MORTGAGE AND GUARANTEE

The mortgage of real estate in the PRC is governed by the PRC Civil Code, the Urban Real Estate Law, the Regulation on the Administration of Mortgages of Urban Real Estate (城市房地產抵押管理辦法), and other relevant real estate laws and regulations. When a mortgage is created over the ownership of a completed building, the same will be simultaneously created over the land use rights of the land where the building was erected. The mortgagee and the mortgagor shall enter into a mortgage contract in writing, which becomes effective on the date of the registration of such mortgage by the relevant real estate authority. Pursuant to the PRC Civil Code, a real estate mortgage agreement shall contain specific provisions including (i) the type and amount of the indebtedness secured; (ii) the period of the obligation of the debtor; and (iii) the name, quantity, conditions, location and ownership of the mortgaged property. Pursuant to the Urban Real Property Law, buildings newly erected on a piece of urban land after a mortgage contract has been entered into may not be considered a mortgaged property. If the mortgaged property is auctioned off, the new buildings added to the land may be auctioned together with the mortgaged property, but the mortgagee shall not be entitled to priority compensation from the proceeds of the auction of the new buildings.

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

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

IDLE LAND

According to the Measures on Disposing Idle Land (《閒置土地處置辦法》), enacted and enforced by the Ministry of Natural Resources on April 28, 1999, as revised on June 1, 2012 and effective on July 1, 2012, land can be defined as idle land under any of the following circumstances: (i) development and construction of the land has not commenced within the prescribed time limit after the land use rights were obtained, and the delay is without consent from the people’s government that approved the use of the land; (ii) where the “Contract on

Paid Use of the Right to Use State-Owned Land” or the “Approval Letter on Land Used for Construction” has not prescribed the commencement date for development and construction, development and construction of the land has not commenced one year after the “Contract on Paid Use of the Right to Use State-Owned Land” became effective, or one year after the Ministry of Natural Resources issued the “Approval Letter on Land Used for Construction”; (iii) the development and construction of the land has commenced, but the area of development and construction commenced is less than one-third of the total area to be developed and constructed, or the amount invested is less than 25% of the total amount of investment, and development and construction have ceased for one year or more without approval; or (iv) other circumstances prescribed by the laws and the administrative regulations.

On June 1, 2012, the Ministry of Natural Resources promulgated the Further Measures on the Disposal of Idle Land (《閒置土地處置辦法》) (the “Further Measures”), which became effective on July 1, 2012. The Ministry of Natural Resources extended and clarified the definition of idle land to include any land that has become idle as a result of government-related or non-government-related acts. Government actions may cause land to become idle when (i) the government fails to deliver land parcels to the grantee in accordance with the time limit specified under the relevant land grant contract or related documents; (ii) the grantee of the land use rights cannot develop the land in accordance with the contracted purposes due to recent land or urban planning adjustments; (iii) there are changes in the land or urban planning requirements due to changes in relevant national policies; and (iv) there are mass demonstrations, instances of military-imposed order, the protection of cultural relics, natural disasters, and other related issues, that delay the development schedule of the land parcels.

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

The Further Measures provide clear procedures for investigating idle land. When the municipal- or county-level land administrative department suspects a land to be an idle land, it shall, within 30 days, begin investigating the status of the land, and issue an “Idle Land Investigation Notification Memorandum” (閒置土地調查通知書) (the “Notification Memorandum”) to the grantee of the land use rights. The grantee of the land use rights shall, within 30 days of receiving the Notification Memorandum, provide materials outlining the status of the land development, the reason for the land being idle and other related explanatory materials to the above mentioned administrative department. The municipal or county land administrative department shall, after determining that certain land is idle land, notify the concerned land user and draft a proposal on methods of disposing of the idle land including, but not limited to, extending the time period for development and construction (provided that the extension not exceed one year), changing the use of the land, arranging for temporary use, or finding a new land user through competitive bidding or a public auction. The administrative department of land under the municipal or county government shall, after the proposal on disposal has been approved by the government that approved the use of the land, arrange for implementation of the proposal.

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

a manufacturing cost); if the work has not commenced two years after the prescribed date of commencement, the land can be confiscated without any compensation. However, the preceding stipulations shall not apply if the delay is caused by force majeure, acts of the government or acts of other relevant departments under the government, or by the indispensable preliminary work. The Further Measures provide that, with respect to any land parcel becoming “idle” as a result of government-related acts, the grantee of the relevant land use rights shall explain to the municipal or county land administrative department the reasons for the land becoming idle, consult the relevant government authority, and rectify the situation accordingly (the “Rectification Procedures”). The means of rectification include but are not limited to extending the period permitted for commencing development, adjusting the land use and planning requirements, or substituting the relevant land parcels with other land parcels. To better control land hoarding and land speculation, the Further Measures also require the Ministry of Land and Resources not to accept or process any application for a title transfer transaction, a lease transaction, a mortgage transaction or a land registration application for any idle land parcel before completing the required Rectification Procedures. To strengthen the regulation of idle land, the Further Measures require the Ministry of Land and Resources to copy the relevant finance authorities on all of its communications with the grantee of land use rights regarding idle government-owned land.

According to the Notice on Promoting the Steady and Healthy Development of the Real Estate Market (國務院辦公廳關於促進房地產市場平穩健康發展的通知), issued by the General Office of the State Council on January 7, 2010, the land resource authorities shall strengthen the investigation and handling of idle land.

PROPERTY DEVELOPMENT

Under the Regulations on the Administration of Development of Urban Real Estate (《城市房地產開發經營管理條例》) (the “Development Regulations”), promulgated on July 20, 1998 and amended on January 8, 2011, March 19, 2018, March 24, 2019, March 27, 2020 and November 29, 2020 by the State Council, an enterprise seeking to develop real estate shall satisfy certain requirements including: (i) its registered capital shall exceed RMB1 million; and (ii) it has four or more full-time professional real estate/construction technicians, and two or more full-time accounting officers, each of whom shall hold the relevant qualification certificate.

Pursuant to the Urban Land Regulations, foreign entities may acquire land use rights in the PRC unless the law provides otherwise. However, in order to develop the acquired land, the foreign entities need to establish in the PRC foreign investment enterprises known as project companies.

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

Establishment of a project company is subject to approval by the relevant departments of the PRC government in accordance with the following procedure. First, the PRC party to a joint venture project or, in the case of a wholly foreign-owned project, the foreign investor must submit a project application report to the State or local development and reform commission for verification and approval. If the development and reform commission considers the proposed property development project to be consistent with the prevailing

national and local economic plans, and with foreign investment regulations, it will approve the project. The NDRC and MOFCOM have been authorized to manage foreign investment by regularly promulgating guidelines.

Second, once the project application report has been verified and approved, the PRC party and the foreign investor may prepare a joint feasibility study report that assesses the overall economic viability of the proposed project company. At the same time, the parties may negotiate and execute the joint venture contract and articles of association to establish a project company. In the case of a wholly foreign-owned project, the foreign investor may then prepare and sign the articles of association. Third, the joint feasibility study report, the joint venture contract and the articles of association will then (depending, among other things, on the industry to which it belongs under the Catalog and the amount of total investment) be submitted to MOFCOM or its local counterpart for approval. If MOFCOM or its local counterpart finds the application documents to be in compliance with PRC law, it will issue an approval certificate for the establishment of the project company. With this approval certificate, the foreign investor and/or the PRC party can apply to the relevant branch of the Administration for Industry and Commerce for a foreign investment enterprise business license for the project company.

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

PLANNING AND CONSTRUCTION PERMITS

Under the Regulations on the Planning and Administration of the Granting and Transfer of State-Owned Land Use Rights in Urban Areas (《城市國有土地使用權出讓轉讓規劃管理辦法》), promulgated by the MOHURD on December 4, 1992 and amended on January 26, 2011, real estate developers shall apply for a construction land planning permit (建設用地規劃許可證) from the municipal planning authority. After obtaining a construction land planning permit, the real estate developer shall organize the necessary planning and design work in accordance with relevant planning and design requirements. A planning and design proposal for the real estate project shall be submitted to the municipal planning authority in accordance with the Urban and Rural Planning Law of the People's Republic of China (《中華人民共和國城鄉規劃法》), which was issued on October 28, 2007 and amended on April 24, 2015 and April 23, 2019, and a construction work planning permit (建設工程規劃許可證) must be obtained from the municipal planning authority.

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

- buildings can be expropriated under certain circumstances for the public interest, but only government authorities may conduct resettlement activities. Real estate developers are prohibited from engaging in relocation procedures;
- compensation shall be paid before resettlement;

- compensation to owners of properties to be demolished cannot be less than the market value of similar properties on the date of announcement of the expropriation. The market value of property shall be determined by qualified real estate appraisal institutions in accordance with the appraisal rules relating to the expropriation of property. If an owner disagrees with the appraised market value of his property, he may apply to the real estate appraisal institution for review; and
- neither violence nor coercion may be used to force homeowners to leave. In addition, certain measures such as illegally cutting water and power supplies may not be used.

The Measures Regarding the Expropriation and Evaluation of Properties on State-Owned Land (國有土地上房屋徵收評估辦法), promulgated by MOHURD and implemented on June 3, 2011, provides that, among other things:

- the value of the expropriated property is the sum that would have been reached in the case of regular trading of the land use right of the expropriated property by informed and willing parties in an arm's length transaction, excluding factors such as leases, pledges and seizures;
- except for the special requirement of the Government, the market value of the expropriated property shall be determined by evaluation. The benchmark date of evaluation of the expropriated property is the date when the property expropriation decision is announced;
- the evaluation of expropriated property shall consider location, property use, construction structure, condition, building area, floor area, land use rights and other factors that might affect the value of the property; and
- business shall be conducted through negotiations by the relevant parties; if the parties fail to reach an agreement, the value may be determined by a real estate evaluation institution appointed by the parties.

Upon obtaining a Permit for Housing Demolition and Resettlement, the real estate developer may appoint a qualified third party to carry out the demolition and removal within the land area and period specified in the Permit for Housing Demolition and Resettlement. Subject to a written agreement entered into by the real estate developer and the parties relevant to the demolition and resettlement, the real estate developer shall pay compensation and resettlement fees to the inhabitants of the housing to be demolished. Compensation may be effected by way of monetary compensation or exchange of property rights. In addition to paying the demolition and resettlement compensation, the real estate developer shall pay a resettlement allowance to the parties subject to demolition and resettlement. After (i) a real estate developer has carried out the above work; (ii) the site is ready for construction to commence; (iii) the progress of the demolition of existing buildings has been determined to comply with construction needs; (iv) funds required for the construction have been made available; (v) the contractor has been determined; and (vi) the design for construction has been examined and approved by the relevant government authorities, the real estate developer shall then apply for a construction works commencement permit (建築工程施工許可證) from the relevant construction authority in accordance with the Regulations on the Administration

of Permissions for the Commencement of Construction Works (《建築工程施工許可管理辦法》) promulgated by the Ministry of Construction on October 15, 1999, amended July 4, 2001 on June 25, 2014 and September 28, 2018.

ACCEPTANCE AND EXAMINATION UPON COMPLETION OF A REAL ESTATE PROJECT

Pursuant to the Regulations on the Administration of the Quality of Construction Works (《建設工程質量管理條例》), promulgated by the State Council on January 30, 2000 and amended on October 7, 2017 and April 23, 2019; the Measures for Reporting Details Regarding Acceptance Examination 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 MOHURD on October 19, 2009; and the Provisions for Reporting Details Regarding the Acceptance Examination 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 and implemented by the Ministry of Housing and Urban-Rural Development on December 2, 2013, upon completion of the real estate development project, the real estate developer shall submit an application, including the filing form for the Examination Upon Completion of Construction Projects (工程竣工驗收備案表), to the control department of real estate development of the local people's government at the county level or above, where the project is located, for examination upon completion of the building and for filing purposes. A real estate project may not be delivered unless it passes the acceptance examination and a completion certificate has been obtained.

SALES/PRE-SALES OF COMMODITY BUILDINGS

Commodity buildings may be sold before or after their completion. These sales are regulated by and conducted in accordance with the Regulations for the Administration of the Sale of Commodity Buildings (《商品房銷售管理辦法》) promulgated by the MOHURD on April 4, 2001; the Measures for the Administration of the Pre-sale of Commodity Buildings (《城市商品房預售管理辦法》) (the “Pre-sale Measures”) amended by the MOHURD on July 20, 2004; and the Development Regulations.

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

- the premium for the land use rights has been paid in full and the land use rights certificate has been obtained;
- the construction works planning permit and the construction work commencement permit have been obtained;
- at least 25% of the total amount of the project investment fund has been injected into the development of the project, and the progress of construction and the expected completion date of the project have been ascertained; and
- the pre-sale permit has been obtained.

Under the Regulations for the Administration of the Sale of Commodity Buildings (《商品房銷售管理辦法》), commodity buildings may be sold post completion only when the following preconditions have been satisfied: (i) the real estate development enterprise offering to sell the post-completion buildings shall have an enterprise legal person business

license and a real estate developer qualification certificate; (ii) the enterprise has obtained a land use rights certificate or other land use approval documents; (iii) the enterprise has the construction project planning permit and the construction permit; (iv) the commodity buildings have been completed and been inspected and accepted as qualified; (v) the relocation of the original residents has been completed; (vi) the supplementary essential facilities for supplying water, electricity, heating, gas, communication, etc. are ready for use, and other supplementary essential facilities and public facilities are ready for use, or the schedule of construction and the delivery date have been specified; and (vii) the property management plan has been completed. Before the post-completion sale of a commodity building, a real estate developer shall submit the real estate development project manual, and other documents showing that the preconditions for a post-completion sale have been fulfilled, to the real estate development authority for record keeping purposes.

Various local governments have enacted local regulations to supplement the national requirements.

According to the Administration of the Pre-sale of Commodity Premises Regulations of Guangdong Province (《廣東省商品房預售管理條例》) promulgated by the Standing Committee of the Guangdong Provincial People's Government on July 29, 1998, revised on October 14, 2000, July 23, 2010 and September 25, 2014, the following preconditions must be fulfilled for the pre-sale of commodity premises in Guangdong Province:

- the pre-seller has obtained a real property development qualification certificate and a business license;
- the land premium has been paid in accordance with the relevant provisions of the land administration department and land use rights certificate has been obtained;
- a construction planning license and construction works license have been obtained and the procedures for monitoring construction quality and safety have been carried out;
- the work schedule, time of completion and time of delivery for use have been set;
- the foundation and structure of commodity premises of less than three stories have been completed. In the case of commodity premises of four or more stories that have a basement, the foundation and the first story of the structure have been completed; if such premises do not have a basement, the foundation and structure of four stories have been completed;
- a special property pre-sale account has been opened with a commercial bank where the project is located;
- the commodity premises pre-sale project and its land use rights are free from third party rights; and
- any other conditions stipulated in laws and regulations have been met.

According to the Hunan Province Provisional Regulations on the Administration of the Pre-sale of Commodity Premises (《湖南省商品房預售管理暫行辦法》) promulgated by the Construction Committee of the Hunan Provincial People's Government on July 1, 1994, the following preconditions must be fulfilled for the pre-sale of commodity premises in Hunan Province:

- the pre-seller has obtained a real property development qualification certificate and a business license;
- a construction planning license and construction works license have been obtained;
- the foundations have been completed, or 20% or more of the total investment have been injected with valid documents have been provided as proof;
- an agreement of supervision on pre-sale revenue has been executed by the pre-seller and a commercial bank where the project is located;
- there is a commodity premises pre-sale plan; and
- the pre-seller owns the commodity premises for pre-sale, and such ownership is free from security.

Under the Regulations on the Administration of Dealings in Urban Real Estate in Changsha City (《長沙市城市房地產交易管理辦法》), enacted by the People's Government of Changsha City on January 19, 2004 and enforced on March 1, 2004, to acquire a permit for the pre-completion sale of commodity properties, a Changsha City real estate developer must fulfill the following requirements: (a) a land use right certificate has been obtained; (b) a construction works planning permit and a permit for constructing commodity properties have been obtained; (c) 50% or more of the civil engineering construction work has been completed, or the roofs of the multi-story buildings have been completed, or in the case of high-rise building, ten floors of the building have been completed, while the construction schedule and the date for completion and delivery have been determined (including the environmental and supporting facilities construction); (d) a plan on the pre-sale of commodity properties has been adopted; (e) a bank account for monitoring the pre-completion sale proceeds has been opened in Changsha and an agreement for monitoring the pre-completion sale proceeds with the bank has been signed; and (f) a plan of property management has been adopted.

According to the PRC Civil Code, parties can apply for a caveat by agreement to secure future property rights. After registration of such caveat, without permission of the persons who hold the caveat, any disposal of the relevant real estate shall have no effect on property rights.

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

On April 13, 2010, MOHURD issued the Notice on Further Strengthening the Supervision of the Real Estate Market and Improving the Pre-Sale System of Commercial Housing (住房和城鄉建設部關於進一步加強房地產市場監管完善商品住房預售制度有關問題的通知). It provides, among other things, that within ten days of obtaining a pre-sale

permit, real estate developers shall release to the public information regarding the number of properties authorized for pre-sale and the prices of these pre-sale units. They shall sell the properties to the public at the published price and in strict accordance with the pre-sale permit.

Local authorities are required to improve existing regulations or implement new regulations regarding the supervision of capital from pre-sales. All proceeds from pre-sales must be deposited into an account supervised by the relevant regulatory authorities and must be used for the construction of commodity housing.

On November 4, 2010, MOHURD and SAFE collectively promulgated the Notice on Further Regulating the Administration of House Purchases by Overseas Organizations and Individuals (關於進一步規範境外機構和個人購房管理的通知), which stipulates that, except as otherwise stated in laws and regulations, an overseas individual may purchase only one self-occupied residential house, and an overseas organization with a branch or representative office set up in the PRC may purchase only one non-residential house if it is necessary for business operations in the city where the organization is registered.

On March 16, 2011, the NDRC promulgated the Regulations on the Sales of Commodity Houses at Expressly Marked Prices (《商品房銷售明碼標價規定》) (“the Regulation”), effective on May 1, 2011, which provides that real estate development enterprises and intermediary agencies (collectively, the “Sellers and the Agencies”) shall, when selling new-built commodity houses, publish and mark the prices of the commodity houses and publish factors affecting the prices. The Regulation stipulates that the Sellers and the Agencies shall mark each commodity house with one price only (一套一標). For real estate development projects that have obtained pre-sale permits or that are registered as finished houses, the Sellers and the Agencies shall, within a specified time frame, publish the availability of all houses that are permitted to be sold and the price of each house. The Sellers and the Agencies shall not sell the house at a price higher than the marked price and shall not collect charges which are not specified, and intermediary agencies shall sell second-hand commodity houses in accordance with the Regulation. In the event that the Sellers and the Agencies do not expressly mark the price or publish their charges, or commit fraud when marking prices, local competent authorities at the county level or above shall have the right to penalize the Sellers and the Agencies accordingly.

According to the Notice on Conducting Special Inspections of the Sale of Commodity Houses with Marked Prices (關於開展商品房銷售明碼標價專項檢查的通知), promulgated by the General Office of the NDRC and implemented on May 11, 2011, real estate developers who fail to mark a price on each unit in accordance with the relevant regulations will incur a fine of RMB5,000 for each unit sold. If real estate developers are found to have committed price fraud or order of correction, illegal gains will be confiscated and fines will be imposed. In serious cases, real estate developers will be ordered to suspend business.

The Ministry of Finance and the State Administration of Taxation 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), which became effective on March 31, 2015, to discourage speculation in the secondary real estate market and to control soaring housing prices. The notice provides, among other things:

- Transfers of residential properties by individuals who have held them for less than two years are subject to business tax calculated on the transacted price.
- Transfers of (i) non-ordinary residential properties by individuals who have held them for two years or more or are subject to business tax calculated on the difference between the transacted price and original purchasing price.

- Transfers of ordinary residential properties by individuals who have held them for two years or more are exempted from business tax.

On April 12, 2013, Guangzhou Municipal Land Resources and Housing Administration Bureau issued Notice on Implementation of Guangzhou City Real Estate Market Regulation-and-Control Policy and Strengthening Supervision over Real Estate Market (《關於落實廣州市房地產市場調控政策加強房地產市場監管的通知》) (Sui Guo Fang Zi [2013] No. 411) (穗國房字[2013]411). According to this notice, from April 24, 2013, Guangzhou city (including ten districts directly under Guangzhou government, Conghua city and Zengcheng city) requires online filing of prices of pre-sale commodity houses. The real estate developers are required to file pre-sale prices online before selling pre-sale commodity houses, and must follow the pricing guidelines from the land resources and housing administration authorities. Issuance of pre-sale permits shall be suspended, if the real estate developers have not filed the prices online, or the prices filed are too high and the pricing guidelines from the land resources and housing administration authorities are not accepted. Online execution of commodity houses sale contracts shall be suspended if the commodity houses are sold at a price higher than the filed one.

On October 31, 2011, General Office of People's Government of Zhuhai City issued Notice on Thoroughly Conducting Real Estate Market Regulation and Control (《關於深入開展房地產市場調控工作的通知》) (Zhu Fu Ban [2011] No. 45) (珠府辦[2011]45號). According to this notice, from November 1, 2011, real estate developers should file pre-sale prices with price administration authorities pursuant to Guangdong Province Administration of Commodity Prices Regulation on Clearly Marking Price of Commodity Houses (《廣東省物價局關於商品房銷售明碼標價的規定》), and should present documents proving approval of filing to commodity houses pre-sale administration authorities when apply for pre-sale. If the average prices of pre-sale commodity houses project are higher than the target price of Zhuhai commodity houses price control in 2011 (RMB11,285 per square meter of construction area), the price administration authorities shall suspend filing and commodity houses pre-sale administration authorities shall suspend issuance of commodity house pre-sale permits.

INDIVIDUAL HOUSING LOANS

The Circular on the Determination of Second Residential Property in Individual Commercial Housing Loan Applications (關於規範商業性個人住房貸款中第二套住房認定標準的通知) was jointly promulgated by MOHURD, the PBOC and the CBRC on May 26, 2010. The circular provides the criteria for determining whether a property is an individual's second residential property or the purpose of individual commercial housing loan applications. The circular provides that the number of residential properties owned by an individual loan applicant shall be determined by taking into account the number of completed residential properties actually owned by members of the family (including the individual loan applicant, his spouse and minor children) of the individual who plans to purchase another residential property using an individual commercial housing loan. The application or authorization of any individual commercial housing loan by an individual borrower shall be subject to checks on the borrower's residential property registry records through the property registration information system, and the issuance of the written results of such checks by the urban real estate authorities. The lender should implement a different credit policy for the individual borrower's second (or above) residential property in accordance with the number of residential properties owned by such borrowers. The policy in this circular is also applicable to non-residents who can provide local tax clearance certificates or local social insurance payment certificates for one year or more.

The Circular on Regulations of Policies Concerning Individual Housing Provident Fund Loans (住房和城鄉建設部、財政部、中國人民銀行等關於規範住房公積金個人住房貸款政策有關問題的通知) was jointly promulgated by MOHURD, the Ministry of Finance, the PBOC and the CBRC on November 2, 2010 and regulates individual housing provident fund loans. The circular provides that individual housing provident fund loans can be used only to purchase, build, re-build and repair the ordinary and privately used residential properties of labors, with the aim of meeting their basic need for housing. Using individual housing provident fund loans to carry out the speculative purchase of properties is strictly prohibited. To purchase one's first residential property for private use with an individual housing provident fund loan, the down payment of the purchase shall be 20% or more of the total purchase price if the gross floor area of the property is not more than 90 sq.m. (inclusive). If the gross floor area of the property is more than 90 sq.m., the down payment shall be 30% or more of the total purchase price. To purchase one's second residential property, individual housing provident fund loans are available only to labors whose families' per-capita gross floor area is lower than the local average, and these loans can be used only to purchase ordinary and privately used residential properties that help to improve the living condition of the labors. The down payment for the purchase of one's second residential property shall be 50% or more of the total purchase price, and the interest rate of the loan shall be at least 1.1 times the interest rate of the individual housing provident fund loan for the first residential property during the same period. The individual housing provident fund loans are not available to labors and their families for purchasing their third or subsequent residential property.

On September 29, 2014, the PBOC and the CBRC jointly issued the Notice on Further Improvement of Housing Financial Services (關於進一步做好住房金融服務工作的通知). The notice has to some extent eased the previously announced tight monetary policy, which provides, 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% or more 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.
- For the family which has already owned two residential properties and paid up the relevant loans, should it apply for loan again for another residential property, the bank shall review its loan application prudently taking into account the solvency and credit of the applicant and determine the specific percentage of the down payment and interest rate of the loan.
- Banks may approve loan applications submitted by non-residents who satisfy the relevant policies and qualifications based on local urbanization development plans.

RESIDENTIAL PROPERTY QUALITY WARRANTY

On May 12, 1998, the MOHURD promulgated the Regulation for the Adoption of Residential Property Quality Warranties and the Residential Building User Guide for Commodity Residential Properties (《商品住宅實行住宅質量保證書和住宅使用說明書制度的規定》), which became effective on September 1, 1998. This regulation provides that the residential property quality warranty shall include the following: (1) quality grading as verified by a construction quality supervision authority; (2) guaranteed repair of the foundation and main structure within their reasonable use life; (3) the contents and term of guaranteed repairs of all parts and components under normal usage; and (4) units that the user reports to which for repair, and the time limit for reply and handling. The term of guaranteed repair of residential buildings shall commence at the date of delivery by the developers of the residential buildings that have passed the check and acceptance procedure.

LEASING

Both the Urban Land Regulations and the Urban Real Estate Law permit the leasing of granted land use rights and of buildings or homes. On December 1, 2010, MOHURD promulgated the Measures for the Administration of Leases of Commodity Buildings (《商品房屋租賃管理辦法》) (the “New Lease Measures”), which became effective on February 1, 2011 and replace the Measures for the Administration of Leases of Buildings in Urban Areas (《城市房屋租賃管理辦法》), which were promulgated by the MOHURD on May 9, 1995. Pursuant to the New Lease Measures, within 30 days after a lease contract is entered into, the parties thereto shall file with the local property administration authority. Any failure to comply with this filing requirement shall lead to a fine. According to the Urban Real Estate Law, rental income derived from any building situated on allocated land, or on land for which the landlord has acquired only allocated land use rights, must be turned over to the State.

INSURANCE

There are no mandatory provisions in the PRC laws, regulations or government rules that require real estate developers to take out insurance policies for real estate projects.

According to the Construction Law of the People’s Republic of China (《中華人民共和國建築法》) promulgated by the Standing Committee of the NPC on November 1, 1997 and became effective on March 1, 1998, and amended on April 22, 2011 and April 23, 2019, construction enterprises must take out accident and casualty insurance for workers engaged in occupationally hazardous operations and pay an insurance premium. In the Opinions of the Ministry of Construction on Strengthening the Insurance of Accidental Injury in Construction (建設部關於加強建築意外傷害保險工作的指導意見) promulgated by the Ministry of Construction on May 23, 2003, the MOHURD further emphasized the importance of insuring accidental injuries on construction sites and provided detailed guidance.

According to the Rules of Guangdong Province for Implementing the PRC Fire Control Law (廣東省實施《中華人民共和國消防法》辦法) revised on July 23, 2010 by the Standing Committee of the Guangdong Provincial People’s Government, public gathering places must carry public liability insurance for fire accidents.

REAL ESTATE LOANS

Commercial Bank Loans

On August 30, 2004, the CBRC issued the Guideline for Commercial Banks on Risks of Real Estate Loans (商業銀行房地產貸款風險管理指引). According to the guideline, no loans

may be granted for projects that have not obtained the requisite land use rights certificates, construction land planning permits, construction works planning permits and construction works commencement permits. The guideline also stipulates that at least 35% of the investment in a property development project must be funded using the real estate developer's own capital before banks may extend loans to the real estate developer. In addition, the guideline states that commercial banks should set up strict approval systems for loans.

On March 16, 2005, the PBOC promulgated the Notice on Adjusting the Housing Loan Policy and Deposit Rate of Excess Reserves for Commercial Banks (中國人民銀行關於調整商業銀行住房信貸政策和超額準備金存款利率的通知), which canceled the preferential mortgage lending interest rate for individuals and restricted the minimum mortgage loan rate to 0.9 times the benchmark rate. The PBOC also increased the public housing fund loan rate (住房公積金貸款利率) by 0.18% and permitted commercial banks to decrease the mortgage loan rate from 80% to 70% of the value of the property, provided it is located in a city where property prices are increasing too rapidly.

On May 31, 2006, the PBOC promulgated the Notice on Relevant Matters Regarding Adjusted Housing Credit Policies (中國人民銀行關於調整住房信貸政策有關事宜的通知). The notice provides that, beginning June 1, 2006, the first installment payment for an individual house purchased using a mortgage loan must be at least 30% of the purchase price. However, for houses purchased for self-residential purposes and with a gross floor area of not more than 90 sq.m., the 20% first installment payment regulation continues to apply.

On July 29, 2008, the PBOC and the CBRC issued the Notice on Financially Promoting the Economisation and Intensive Use of Land (中國人民銀行、中國銀行業監督管理委員會關於金融促進節約集約用地的通知), which among other things,

- prohibits PRC commercial banks from granting loans to property developers for the purpose of paying land premiums;
- regulates secured loans for land reserves in various respects including a requirement to obtain a land use certificate, a requirement to secure up to 70% value of security's appraised value, and limiting the length of maturity to no more than two years;
- prudently grants or extends loans to property developers who (i) delay the commencement of development date specified in the land transfer agreement for more than one year; (ii) has not finished one-third of the intended project; or (iii) has not invested one-fourth of the intended total project investment;
- prohibits granting loans to property development projects that have been idle for two years; and
- prohibits accepting land that has been idle for two years as security for loans.

On January 7, 2010, the General Office of the State Council issued the Notice on Promoting the Steady and Healthy Development of the Real Estate Market (國務院辦公廳關於促進房地產市場平穩健康發展的通知). The notice, among other things, provides that:

- For families (including debtors, their spouses and their minor children) who have bought a residential house using loans and are applying for loans to buy a second residential house or subsequent residential houses, the down payments of the loans must be at least 40%, and interest rates should be strictly commensurate with the credit risks.

- Banks are prohibited from offering loans for a property development project or to a property developer that is not in compliance with credit loan regulations or policies.

On April 17, 2010, the State Council issued the Notice on Strictly Restraining the Excessive Growth of the Property Prices in Some Cities (國務院關於堅決遏制部分城市房價過快上漲的通知), according to which a stricter differential housing credit policy shall be enforced. It provides, among other things, that (1) for first-time family buyers (including the borrower, his spouse and his minor children) of apartments larger than 90 sq.m., a down payment of at least 30% of the purchase price must be paid; (2) the down payment requirement on second-home mortgages was raised from 40% to at least 50% of the purchase price and the interest rate of the loan must be at least 1.1 times the benchmark rate; and (3) for home buyers who buy three or more houses, even higher requirements on both down payments and interest rates shall be levied. In addition, the banks can suspend housing loans to home buyers who are buying their third or subsequent homes in places where house prices have risen too rapidly and the housing supply is insufficient.

On September 29, 2010, the PBOC and the CBRC jointly issued the Notice on Relevant Issues Regarding the Improvement of Differential Mortgage Loan Policies (中國人民銀行、中國銀行業監督管理委員會關於完善差別化住房信貸政策有關問題通知), which (i) raised the minimum down payment to 30% of the purchase price for all first-home purchases using mortgage loans; (ii) required commercial banks in China to suspend mortgage loans (1) to customers buying their third or subsequent residence; and (2) to non-local residents who cannot provide documentation certifying payment of local tax or social security for more than one year; and (iii) prohibited the granting of new project bank loans or the extension of loans for all property companies with records of non-compliance regarding, among other things, holding idle land, changing the land use to a use beyond the scope of the designated purpose, postponing the commencement or completion of construction, or hoarding properties.

On September 24, 2015, the PBOC and the CBRC jointly issued the Notice on Relevant Issues Regarding the Further Improvement of Differential Mortgage Loan Policies (中國人民銀行、中國銀行業監督管理委員會關於進一步完善差別化住房信貸政策有關問題通知), which stipulated (i) in cities where no purchase limitations are imposed, for a commercial individual housing loan provided for the household of a resident to purchase his or her first ordinary housing unit, the minimum down payment ratio shall be adjusted to not less than 25%; (ii) all local offices of the People's Bank of China and the CBRC shall, under the principle of "providing guidance by category and implementing localized policies," enhance their communication with local governments and, in light of the different circumstances of cities in their respective jurisdictions and on the basis of the unified national credit policy, guide provincial self-regulatory pricing mechanisms for market interest rates in independently setting the minimum down payment ratios for commercial individual housing loans within their respective jurisdictions based on the actual local circumstances.

TRUST FINANCING

On October 1, 2001, The Trust Law of the People's Republic of China (《中華人民共和國信託法》) (the "Trust Law"), promulgated by the Standing Committee of the NPC on April 28, 2001, came into effect. The Trust Law regulates settlers, trustees and beneficiaries that engage in civil, business or public welfare trust activities within the PRC. For purposes of the Trust Law, a trust exists when a settler, based on his faith in the trustee, entrusts his property

rights to the trustee and allows the trustee to, according to the will of the settler and in the name of the trustee, administer or dispose of such property in the interest of a beneficiary or for any other intended purpose. The trust property shall be segregated from the property owned by the trustee. If the trustee dies or the trustee as a corporate body is dissolved, removed or is declared bankrupt according to applicable law, and the trusteeship is accordingly terminated, the trust property shall not form part of his estate or liquidation property.

A trust shall be created for lawful trust purposes and shall be in writing. To create a trust, there must be definite property in the trust, and such property including the lawful property right must be lawfully owned by the settler. If laws or administrative regulations stipulate that a registration shall be made for the creation of a type of trust, such registration shall be made accordingly, or the trust shall have no effect.

On March 1, 2007, The Management Measures for Trust Companies (《信託公司管理辦法》) promulgated by the CBRC on January 23, 2007 came into effect. For the purposes of these measures, “trust financing company” shall mean any financial institution established pursuant to the PRC Company Law and these Measures, and that primarily engages in trust activities; and the term “trust activities” shall mean any activities of a trust financing company through which it accepts a trust and handles trust affairs as a trustee and obtains remuneration. A trust financing company engaging in trust activities shall comply with the law, administrative regulations and with the trust document, and may not harm the interests of the State or the public, or the legal rights and interests of third parties. To become a trust financing company, a financial institution shall be approved by the CBRC and shall obtain a financial business license. A trust financing company may apply to engage in cash trusts, movable property trusts, real estate property trusts or any other business regulated by PRC laws and regulations or approved by the CBRC. When a trust financing company manages or disposes of trust property, it must be honest, prudent and efficient in carrying out its responsibilities. Meanwhile, trust property is not part of the trust financing company’s own property and does not constitute a liability of the trust financing company toward the beneficiary. When a trust financing company is terminated by way of liquidation or dissolution, trust property shall not be part of its property subject to liquidation.

On February 4, 2009, the amended Measures for the Administration of Trust Companies’ Trust Plans of Assembled Funds (《信託公司集合資金信託計劃管理辦法》) promulgated by the CBRC came into effect. This regulation is applicable to the establishment of trust plans of assembled funds (“Trust Plan”) in the PRC. Trust Plans must be established according to relevant industry policies, laws and regulations, and shall have an explicit investment target and strategy. For the purposes of this regulation, “Trust Plan” includes any trust activity in which the trust financing company acts as a trustee, according to the will of the settler, or administers or disposes of the settler’s property in the interest of a beneficiary. The property in a Trust Plan is segregated from property owned by the trust financing company. A trust financing company is prohibited from mixing the property in a Trust Plan with its own property. When a trust financing company is dissolved, deregistered or declared bankrupt according to the law, property in Trust Plans shall not form part of the liquidation property.

During the period of a Trust Plan, the trust financing company is required to select well-managed commercial bank as the custodian. The trust financing company is also required to establish specific departments and appoint specialized employees to manage the Trust Plan. Furthermore, the trust financing company may be required to disclose information about the Trust Plan in accordance with relevant laws and regulations.

From October 2008 to November 2010, the CBRC issued several regulatory notices in relation to real estate activities conducted by trust financing companies, including a Circular on Relevant Matters Regarding Strengthening the Supervision of the Real Estate and Securities Businesses of Trust Companies (關於加強信託公司房地產、證券業務監管有關問題的通知), promulgated by the CBRC on October 28, 2008 and effective beginning the same date, pursuant to which trust financing companies are restricted from providing trust loans, in form or in nature, to (i) property projects that have not obtained the requisite land use rights certificates, construction land planning permits, construction works planning permits and construction works commencement permits; (ii) property developers that have not been issued Class 2 (or higher class) qualification certificates by the relevant competent construction authorities; (iii) property projects of which less than 35% of the total investment is funded by the property developers' own capital (the 35% requirement was changed to 20% for affordable housing and ordinary commodity apartments, and to 30% for other property projects as provided by the Notice on Adjusting the Capital Ratio of Fixed Assets Investment Projects (國務院關於調整固定資產投資項目資本金比例的通知) issued by the State Council on May 25, 2009; and (iv) property developers for paying land premiums or for working capital purposes.

LOCAL LEGISLATION

While the Urban Land Regulations set out a general framework for transactions relating to land use rights, Guangdong and Hunan municipal legislation regulates specific transactions within specified areas relating to the grant and transfer of land use rights. These local regulations are numerous. Some of them are inconsistent with national legislation. The central authorities have taken the position that if inconsistencies arise, national legislation shall prevail.

ESTABLISHMENT OF REAL ESTATE ENTERPRISES

In accordance with the Urban Real Estate Law, which was revised on August 30, 2007, August 27, 2009, and August 26, 2019 “real estate development enterprise” is defined as any enterprise that engages in developing and operating real estate. In accordance with the Administrative Regulations on the Development and Operation of Urban Real Estate (《城市房地產開發經營管理條例》), which were promulgated and implemented on July 20, 1998 and amended on January 8, 2011, March 19, 2018, March 24, 2019 and March 27, 2020 by the State Council, the establishment of a real estate development enterprise shall, in addition to the conditions for the establishment of enterprises prescribed by the relevant laws and administrative regulations, fulfill the following conditions:

1. The registered capital shall exceed RMB1 million; and
2. The enterprise shall have more than four full-time technical personnel who hold certificates of qualification in real estate and construction engineering, and more than two full-time accountants who hold certificates of qualifications.

People's governments of the provinces, autonomous regions and municipalities directly under the central government may, in light of the conditions of their respective localities, establish requirements for registered capital and specialized technical personnel more stringent than those in the preceding paragraph.

Pursuant to the Regulations on Real Estate Development in Guangdong Province (《廣東省房地產開發經營條例》), which were revised by the Standing Committee of the Guangdong Provincial People's Congress and enforced on October 16, 1997, the self-owned current capital of a real estate development enterprise in Guangdong Province shall be at least

RMB3 million, and real estate development enterprises with different qualification classifications should adhere to the appropriate requirements regarding full-time professional technicians.

Pursuant to the Regulations on Real Estate Development in Hunan Province (《湖南省城市房地產開發經營管理辦法》), which were enacted by the People's Government of Hunan Province on April 12, 2006 and enforced on June 1, 2006, the registered capital of a real estate development enterprise in Hunan Province shall be at least RMB4 million, and real estate development enterprises with a different qualification classification should adhere to the appropriate requirements regarding full-time professional technicians.

In accordance with the Urban Real Estate Law, establishing a real estate development enterprise requires registering with the Administration for Industry and Commerce. The Administration for Industry and Commerce shall handle the registration procedures for, and issue licenses to, only those registrants who comply with this law. Those which establish a limited liability company or limited stock company to engage in real estate development and operations shall also comply with the relevant provisions of the Corporate Law. A real estate enterprise shall report its establishment to the department of real estate development designated by a people's government above the county level where the registration department is located within one month of obtaining its business license.

Qualifications of Real Estate Development Enterprises

Classification and Rating of Qualifications of Real estate Development Enterprises

In accordance with the relevant provisions of the Administrative Regulations on the Development and Operation of Urban Real Estate (《城市房地產開發經營管理條例》), a real estate development enterprise should, within 30 days of obtaining a business license, report its establishment to the competent department of real estate development of the locality where the registration authority is located. The competent department of real estate development should, on the basis of the real estate enterprise's assets, specialized technical personnel, and development and management achievements, assess the competency level of the real estate development enterprise. The real estate development enterprise should, in accordance with its assessed level of competency, undertake appropriate real estate development projects.

The Regulations on Administration of the Qualifications of Real Estate Development Enterprises (《房地產開發企業資質管理規定》) was promulgated by the Ministry of Construction on March 29, 2000 and was amended by the Ministry of Housing and Urban-Rural Development on May 4, 2015 and December 22, 2018. Pursuant to the regulations, enterprises engaged in real estate development should apply for an enterprise qualification level. Enterprises that fail to obtain certificates of real estate investments (hereinafter referred to as qualification certificates) shall not engage in the real estate development business.

Enterprises engaged in real estate development are classified into four qualification levels, Level I, Level II, Level III and Level IV, in accordance with the enterprise's characteristics. The preliminary examination of the Level I qualification should be performed by administrative departments at the provincial level and then reported to the construction administrative departments of the State Council for approval. The examination measures for enterprises in Level II or lower should be developed by the construction administrative department at the provincial, autonomous region or municipal level. Those enterprises passing the qualifying examination should be awarded the corresponding levels of qualification certificates by the qualifying examination departments. Newly-established real estate

enterprises should be recorded by a competent department of real estate development within 30 days of receiving a business license. The competent department of real estate development should verify and issue a provisional qualification certificate (《暫定資質證書》) to any enterprise that conforms to the conditions within 30 days of receiving its application. Provisional qualification certificates are valid for one year. A competent department of real estate development may extend the valid period of a provisional qualification certificate for up to two years, depending on actual conditions. An enterprise engaged in real estate development shall apply to the competent department of real estate development for verification of its qualification level one month before the expiration of its provisional qualification certificate.

According to the Regulations on Real Estate Developments in Guangdong Province, a developer who seeks to establish a real estate development enterprise shall apply for a qualification certificate in accordance with the rules. The qualifications of real estate development enterprises are classified into four classes: class 1, class 2, class 3 and class 4.

Under the Regulations on Real Estate Developments in Hunan Province, real estate development enterprises are classified into five classes: class 1, class 2, class 3, class 4 and provisional qualification. The class 1 qualification shall be subject to preliminary assessment by the real estate development authority under the people's government of the province and to final approval by the construction authority under the State Council; classes 2, 3 and 4 and the provisional qualification shall be assessed by the real estate development authority under the people's government of the province. For classes 3 and 4 and the provisional qualification, the real estate development authority under the people's government of the province can entrust the real estate development authority under the municipal people's governments in cities with district divisions and autonomous prefectures to assess the qualifications and report to the relevant people's governments of the province. The qualification certificate is valid for three years. The provisional qualification certificate is valid for one year. The authority can extend the validity period of provisional qualification certificates for up to two years after considering the actual business situation of an enterprise.

Business Scope of Real Estate Development Enterprises

Pursuant to the relevant provisions of the Regulations on the Administration of the Qualifications of Real Estate Development Enterprises (《房地產開發企業資質管理規定》), an enterprise shall develop and manage real estate only within its prescribed business scope, and shall not undertake tasks beyond those appropriate to its level. Level I real estate development enterprises are not subject to restrictions on the scale of their projects. Real estate development enterprises in Level II and below may construct projects with an area smaller than 250,000 sq.m. The specific range of business is determined by the competent construction administrative department at the provincial level.

The Regulations on Real Estate Developments in Guangdong Province have not set out any express provisions addressing the permitted scope of real estate projects.

Under the Regulations on Real Estate Developments in Hunan Province, the gross floor area of a project to be developed by a class 1 real estate developers are not subject to restrictions on the gross floor area of projects they may develop. The gross floor area of projects developed by class 2 real estate developers should be smaller than 250,000 sq.m. Class 3 real estate developers may undertake projects with a gross floor area of up to 150,000 sq.m. The gross floor area of project to be developed by class 4 real estate developers and developers with a provisional qualification should be less than 50,000 sq.m.

Annual Inspection of the Qualifications of Real Estate Development Enterprises

Pursuant to the relevant provisions of the Regulations on the Administration of Qualifications of Real Estate Development Enterprises (《房地產開發企業資質管理規定》), an annual inspection system has been implemented to inspect the qualifications of real estate development enterprises. For enterprises that do not conform to the original qualification conditions or that have engaged in objectionable acts, their qualification certificates should be downgraded or canceled by the original qualification approval department. The annual inspection of real estate development enterprises with Level 1 qualification is the responsibility of a competent construction administrative department of the State Council or its authorized authority. For the annual inspection of real estate development enterprises in level II or below, the competent construction administrative department of provinces, autonomous regions and municipalities directly under the central government shall develop the administrative measures.

Under the Regulations on Real Estate Developments in Guangdong Province, the qualifications of a real estate developer should be annually inspected.

Under Hunan Province's Detailed Rules for the Implementation of the Administration of the Qualifications of Real Estate Development Enterprises (湖南省房地產開發企業資質管理實施細則), the qualifications of real estate developers should also be annually inspected.

FOREIGN INVESTMENT IN PROPERTY DEVELOPMENT

The Urban Land Regulations state that foreign entities may acquire land use rights in China unless the law otherwise provides. However, in order to develop the land acquired, foreign investment enterprises in the form of equity or co-operative joint ventures or wholly foreign-owned enterprises must be established.

According to the Provisions on Approving and Registering Foreign Investment Projects (外商投資項目核准和備案管理辦法) promulgated by the NDRC on May 17, 2014 and amended on December 27, 2014, and the Catalogue of Investment Projects Subject to the Approval of Governments (政府核准的投資項目目錄 (2016年本) 的通知) promulgated by the State Council on December 12, 2016 (the Catalogue of Guidance), foreign investment (including capital increase) in the restricted category as provided by the Catalogue of Guidance in an aggregate amount of more than US\$300 million is subject to the NDRC's approval, among which, foreign investment (including capital increase) in an aggregate amount of US\$2 billion should be filed with the State Council. Foreign investment (including capital increase) in the restricted category as provided by the Catalogue of Guidance in aggregate amount of no more than US\$300 million is subject to the approval of provincial government.

On July 11, 2006, the MOHURD, MOFCOM, the NDRC, the PBOC, the SAMR and SAFE jointly issued the Opinions on Regulating the Entry and Administration of Foreign Investment into the Real Estate Market (關於規範房地產市場外資准入和管理的意見) (the "171 document"). The 171 document provides that: (i) foreign organizations and individuals who have established foreign invested enterprises are permitted to invest and purchase non-self-residential real estate in China; branches of foreign organizations established in China and foreign individuals who work or study in China for longer than one year are eligible to purchase, using their real names, commercial houses that match their actual needs for personal use or use as a home; (ii) the registered capital of foreign-invested real estate corporations with total investments of more than US\$10 million shall be at least 50% of its total investment; (iii) foreign-invested real estate corporations may apply for a foreign-invested enterprise approval certificate (外商投資企業批准證書) and business license (營業

執照) only after they have fully settled their land premiums and obtained the State-owned land use rights certificate; (iv) foreign investors shall pay off the entire transfer price as a lump sum with their own funds if they acquire Chinese domestic real estate corporations; (v) no offshore or Chinese domestic loans are permitted and the foreign exchange administration shall not approve the conversion of foreign loans into RMB if the foreign-invested real estate corporations have not contributed their registered capital in full, or have not obtained the State-owned land use rights certificate, or if their capital for a development project is less than 35% of the total investment; and (vi) Chinese or foreign investors are prohibited from guaranteeing, in any contract, a fixed return or fixed revenue in disguised form.

On August 14, 2006, the General Office of MOFCOM promulgated the Notification on Relevant Issues on Implementing the Opinions on Regulating Foreign Capital Admittance and Management in the Property Market (商務部辦公廳關於貫徹落實《關於規範房地產市場外資准入和管理的意見》有關問題的通知). According to this notification, foreign-invested property enterprises with a total investment exceeding US\$3 million but not more than US\$10 million shall have registered capital of at least 50% of its total investment and its registered capital shall be at least 70% when the total investment is less than or equal to US\$3 million. Foreign investors that merge domestic property enterprises through stock equity transfers and other means shall appropriately arrange their staff, deal with banking debts, and pay off all transfer payments in a lump sum with its own funds within three months of the issuing date of their foreign-invested enterprise business license. Foreign investors that acquire stock equity of the Chinese side with a foreign-invested property enterprise shall appropriately arrange its staff, deal with banking debts, and pay off all consideration for the transfer in a lump sum with its own funds within three months of the issuing date of their foreign-invested enterprise business license.

The Notice on Further Strengthening and Regulating the Approval and Administration Regarding Foreign Direct Investment in the Real Estate Industry (商務部、國家外匯管理局關於進一步加強、規範外商直接投資房地產業審批和監管的通知) (the “No. 50 Notice”) was issued by MOFCOM and SAFE jointly on May 23, 2007 and was amended by MOFCOM on October 28, 2015. Under the No. 50 Notice, local commercial authorities should reinforce the approval and supervision process applicable to foreign-invested real estate enterprises, and strictly control foreign funds from investing in high-end real estate development projects. Foreign-invested companies intending to engage in property development, should first obtain land use rights, or should at least have entered into a pre-contract purchase agreement for obtaining land use rights or property ownership with the relevant land administrative authorities, land developers, or the owners of the house or other buildings; otherwise, the proposed foreign-invested real estate company will not be approved by the authorities. An existing foreign-invested company that intends to expand its business operations or a company that intends to operate or develop a new real estate project should undertake the relevant procedures with the approval authorities.

On December 24, 2011, MOFCOM and the NDRC jointly issued a revised Catalog, which became effective on January 30, 2012 and provides, among other things, that the development and construction of high-end hotels, high-end office buildings and international convention centers by foreign invested enterprises shall be restricted. The construction and operation of villas by foreign invested enterprises shall be prohibited. Under the principle of treating domestic investments and foreign investments equally, the above mentioned measures have been removed from the Catalog since 2015. But we are still subject to such restrictive measures according to other regulations, such as the Decision of the State Council on Intensifying the Reform and Tightening of Land Management (國務院關於深化改革嚴格土地管理的決定). The real estate enterprises with foreign investment can be established as Sino-foreign joint ventures, sino-foreign cooperative ventures or as wholly foreign-owned enterprises.

On April 6, 2010, the State Council issued the Opinions on Further Enhancing the Utilization of Foreign Investment (國務院關於進一步做好利用外資工作的若干意見), which provides that projects with a total investment (including capital increase) of less than US\$300 million in an industry in which foreign investment is encouraged or permitted as listed in the Catalog, may be approved by local governments, except for those that need to be approved by relevant departments of the State Council, as specified in the Catalog of Investment Projects Approved by the Government.

Moreover, on November 22, 2010, MOFCOM promulgated the Notice on Strengthening the Administration of the Approval and Registration of Foreign Investment in the Real Estate Industry (商務部辦公廳關於加強外商投資房地產業審批備案管理的通知), which provides, among other things, that when a real estate enterprise is established within the PRC with overseas capital, it is prohibited from purchasing and/or selling real estate properties completed or under construction in the PRC for arbitrage purposes. The local MOFCOM authorities are not permitted to authorize investment companies to engage in real estate development business.

PROPERTY SERVICE ENTERPRISES

Foreign-Invested Property Service Enterprises

Pursuant to the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2020) (外商投資准入特別管理措施(負面清單)(2020年版)), (hereinafter referred to as the “Catalog”), property management services are not prohibited or restricted for foreign investment. Foreign-invested property service enterprises can be established in the form of Sino-foreign joint ventures, Sino-foreign cooperative ventures or wholly foreign-owned enterprises.

Qualifications for Property Service Enterprises

Enterprises that engage in property management shall implement a qualifications management system pursuant to relevant state regulations in the Property Management Regulations (《物業管理條例》), which were implemented on September 1, 2003 and revised on February 6, 2016 and March 19, 2018.

Pursuant to relevant regulations in the Property Management Regulations in Guangdong Province (《廣東省物業管理條例》), which were implemented on October 1, 1998 and revised on November 28, 2008, during the period of pre-phase property management, construction companies shall recruit property service enterprises that have relevant qualifications through bidding; when the number of bidders is fewer than three or the total construction area is less than 50,000 sq.m., property management enterprises with relevant qualifications may be recruited through agreement, subject to the approval of the property management department of the district or the People’s Government at the county level.

Recruitment of Property Service Enterprises

In accordance with the relevant regulations of the PRC Civil Code (《中華人民共和國民法典》) and the Property Management Regulations (《物業管理條例》), the selection and recruitment of property service enterprises should be agreed to by at least half of the total owners and such owners shall have a construction gross area of more than half of the construction gross area. Prior to recruiting property service enterprises by owner and owner conference, if the construction units select the property services enterprises, a written pre-phase property management contract should be signed.

Regulation on property service charges

The Guangdong Price Control Bureau and the Guangdong Provincial Department of Housing and Urban-Rural Development established management procedures and provisions for charging property management service fees, which became effective on April 1, 2010, to safeguard the legitimate rights and interests of owners and of property services companies.

LANDSCAPING ENTERPRISES

Foreign-Invested Landscaping Enterprises

Pursuant to the provisions of the Catalog, the landscaping industry is not prohibited or restricted for foreign investment. In accordance with the relevant laws and regulations, foreign-invested landscaping enterprises may be established in the form of Sino-foreign joint ventures, Sino-foreign cooperative ventures or wholly foreign-owned enterprises.

Qualifications of Landscaping Enterprises

Pursuant to the Regulations on Urban Landscaping (《城市綠化條例》), which were promulgated and implemented on January 8, 2011, and were amended on March 1, 2017, the design of urban landscaping project shall be entrusted to design organs with the appropriate qualification certificates.

The qualifications of landscaping enterprises can be categorized into level I, level II and level III. Newly established urban landscaping enterprises shall submit the required documents to the competent administrative department of urban landscaping to apply for the preliminary examination of qualification; a Qualifications Trial Implementation Certificate of Urban Landscaping Enterprises (城市園林綠化企業資質試行證書) will be issued after approval for the preliminary examination has been obtained. The competent administrative department of urban landscaping shall conduct an official qualification audit and investigation of the enterprise and issue a qualification certificate upon approval. Enterprises that have passed the audit and obtained the Qualifications Trial Implementation Certificate of Urban Landscaping Enterprises (城市園林綠化企業資質證書) shall be subject to annual inspections by the qualification inspection department.

EMPLOYMENT

The Employment Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) was promulgated by the Standing Committee of the NPC on June 29, 2007 and amended on December 28, 2012. This law sets out specific provisions relating to the execution, contents and terms of employment contracts, and the rights and obligations of employees and employers (including minimum wage requirements). This law provides, among others, that at the time of hiring, the employer shall truthfully inform the employee as the scope of work, working conditions, place of work, occupational hazards, production safety conditions, compensation and as to other matters at the employee's request. In addition, unless otherwise prohibited by the PRC Labor Contract Law or objected to by the employees, the employer is also required to enter into non-fixed-term employment contracts with employees who have already entered into fixed-term employment contracts for two consecutive terms. Further, when an employment contract is terminated in accordance with the specific situations mentioned in the PRC Employment Contract Law, the amount of compensation shall equal the monthly wage of the employee multiplied by the number of full years that the employee has worked for the employer. The employer is also required to issue to the employee proof of termination of the employment contract and shall carry out the procedures for transferring the

employee's file and social insurance account within 15 days. An employer needs to archive all terminated employment contracts for at least two years. The implementation of this law protects both employees and employers. Our Company shall comply with this law.

In addition, under the Regulations on Paid Annual Leave for Employees (《職工帶薪年休假條例》), which were promulgated by the State Council on December 14, 2007 and became effective on January 1, 2008, employees who have worked continuously for more than one year are entitled to paid vacation ranging from five to 15 days, depending on the duration of their employment. Employees who consent to waive such vacation at the request of employers shall be compensated in an amount equal to three times their normal daily salaries for each vacation day being waived.

The Employment Promotion Law of the PRC (《中華人民共和國就業促進法》), which was promulgated by the Standing Committee of the NPC on August 30, 2007 and amended on April 24, 2015, has been in force since January 1, 2008. This law mainly regulates the employment systems such as employment supporting services and human resource market. This law sets out specific provisions relating to the hiring practices of employers to ensure an equal opportunity environment for all candidates. This law provides that employers cannot apply different hiring criteria to men and women, or refuse employment solely on the basis of gender, background or disability. Further, an employer may not contractually restrict female employees from marrying or bearing children.

PRC TAXATION

PRC Deed Tax

Under the Provisional Regulations of the PRC on the Deed Tax (《中華人民共和國契稅暫行條例》) which took effect on October 1, 1997 and was amended on March 2, 2019, the deed tax applies to entities and individuals that accept the transfer of land use rights and the ownership of houses within the territory of the PRC.

The transfer of ownership of houses refers to the following acts:

- Assignment of the right to use state-owned land;
- Transfer of land use rights, including transfer by means of sale, gift and exchange, excluding the transfer of the right contract for the management of rural collective land;
- Purchase and sale of houses;
- Gift of houses; and
- Exchange of houses.

The transfer of land use rights and the ownership of houses by means of one of the following methods are also deemed to be governed by the above regulation, as stipulated by the Implementation Rule of Provisional Regulation on Deed Tax (《中華人民共和國契稅暫行條例細則》):

- Using land use rights and the ownership of a house as an investment;
- Repaying debt with land use rights and the ownership of a house;

- Obtaining land use rights and the ownership of a house as a prize; and
- Obtaining land use rights and the ownership of a house by way of purchasing in advance.

The rate of deed tax will, within the range of three to five percent, be determined by the PRC government agencies of provincial, autonomous region and municipal level in light of the actual conditions of the underlying properties respective areas and shall be reported to the Ministry of Finance and the State Administration of Taxation.

The deed tax will be reduced or exempted under the following circumstances:

- For the acceptance of land and houses by state agencies, institutions, social organizations and military units for office, teaching, medical service, scientific research and military facilities, the deed tax will be exempted;
- For the initial purchase of state-owned residential houses by urban and township workers and staff members according to the provisions of relevant laws and regulations, the deed tax will be exempted;
- For the purchase of residential houses in replacement of houses damaged or destroyed due to force majeure, the deed tax will, upon approval, be reduced or exempted according to the circumstances; and
- Any other types of reduction or exemption provided by the Ministry of Finance.

Reduction or exemption of deed tax will not be applicable if the relevant land or house and the change of use is no longer within the above mentioned scope, and an amount of tax equivalent to the tax reduction or exemption should be repaid.

Income Tax

According to the EIT Law, which was promulgated by the Standing Committee of the National People's Congress on March 16, 2007 and amended on February 24, 2017 and December 29, 2018 and relevant implementation rules enacted by the State Council on December 6, 2007, which was amended on April 23, 2019, a uniform income tax rate of 25% applies to PRC enterprises, foreign investment enterprises and foreign enterprises which have set up production and operation facilities in the PRC. The EIT Law also permits enterprises to continue to enjoy their existing tax incentives, adjusted by certain transitional phase-out rules, under which enterprises that were subject to a PRC enterprise income tax rate of 15% prior to January 1, 2008 may continue to enjoy the lower rate and gradually transition to the new enterprise income tax rate within five years of the effective date of the EIT Law (18% in 2008, 20% in 2009, 22% in 2010, 24% in 2011 and a new statutory enterprise income tax rate of 25% from 2012 onwards). In addition, under the phase-out rules, enterprises established before the promulgation date of the EIT Law and which were granted tax holidays (such as a two-year exemption and three years of reduction by 50% and a five-year exemption and five years of reduction by 50%) under the then effective tax laws or regulations may continue to enjoy their tax holidays until their expiration.

Under the EIT Law, in effect from January 1, 2008, a withholding tax of 10% will be applicable to dividends paid by foreign-invested enterprises to foreign investors, unless otherwise stipulated in tax treaties concluded between the PRC and other jurisdictions.

However, under the tax treaty between the PRC and Hong Kong on August 21, 2006, a company incorporated in Hong Kong is subject to a withholding tax rate of 5% on dividends it receives from a company incorporated in the PRC if it holds a 25% or more interest in the PRC company. In addition, the PRC State Administration of Taxation promulgated a tax notice on October 27, 2009, or Circular 601, which provides that tax treaty benefits will be denied to “conduit” or shell companies that lack business substance, and that a beneficial ownership analysis will be used based on a “substance-over-form” principle to determine whether or not to grant tax treaty benefits.

According to the EIT Law, if an enterprise incorporated outside the PRC has its “*de facto* management body” located within the PRC, such an enterprise may be deemed to be a PRC tax resident enterprise and subject to enterprise income tax at the rate of 25%. According to the EIT Law, dividends received by a qualified PRC tax resident from another qualified PRC tax resident are exempt from enterprise income tax. However, the PRC foreign exchange control authorities, which enforce the withholding tax, have not yet issued guidance with respect to the processing of outbound remittances to entities that are treated as resident enterprises for enterprise income tax purposes. Therefore, it is possible that future guidance issued with respect to the new “resident enterprise” classification could result in a situation in which a withholding tax of 20% for non-PRC enterprise shareholders or a potential withholding tax of 20% for non-PRC individual shareholders is imposed on dividends that a foreign enterprise pay to them.

Business Tax

Pursuant to the Detailed Implementation Rules on the Provisional Regulations of the PRC on Business Tax (《中華人民共和國營業稅暫行條例實施細則》) issued by the Ministry of Finance and State Administration of Tax on December 15, 2008 and amended on October 28, 2011, the tax rate applicable to the transfer of real properties, their superstructures and attachments is 5%. The aforesaid Detailed Implementation Rules on the Provisional Regulations of The PRC on Business Tax was abolished as of November 19, 2017.

On March 30, 2015, the Ministry of Finance and the State Administration of Taxation 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 property 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 a business tax calculated on a gross basis;
- transfers of non-ordinary residential properties by individuals who have held them for two years or more are subject to a business tax calculated on a net basis; and
- transfers of ordinary residential properties by individuals who have held them for two years or more are exempted from the business tax.

Value-added Tax

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

Pursuant to the Announcement of the SAT on Promulgating the Interim Administrative Measures for the Collection of Value-added Tax on the Sale of Self-developed Real Estate Projects by Real Estate Developers (《國家稅務總局關於發佈〈房地產開發企業銷售自行開發的房地產項目增值稅徵收管理暫行辦法〉的公告》) which was promulgated on March 31, 2016 and with effect from May 1, 2016 and amended on June 15, 2018, real estate developer shall pay value-added tax for the sales of its self-developed real estate project.

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 and revised on January 8, 2011 and its implementation rules, land appreciation tax or LAT, applies to both domestic and foreign investors, irrespective of whether they are corporate entities or individuals. LAT is payable on the appreciation in value representing the balance of the proceeds received on sales, after deducting various prescribed items. LAT is charged at progressive rates ranging from 30% to 60% (see table below). An exemption from payment of LAT may be available if the taxpayer constructs ordinary residential apartments and the appreciation amount does not exceed 20% of the sum of deductions allowed under PRC laws. If, however, the appreciation amount exceeds 20% of the sum of allowable deductions, such an exemption is not available and the taxpayer will be liable to pay LAT on the full appreciation amount, after taking account of the allowable deductions. The allowable deductions include the following items:

- Payment made to acquire land use rights;
- Costs and expenses related to land development and the construction of the properties;
- Construction costs and charges in the case of newly constructed buildings and facilities or assessed value in the case of old buildings and structures;
- Taxes in connection with the transfer of real estate; and
- Other items stipulated by the Ministry of Finance.

Appreciation value	LAT rates (%)
For the portion	
Not exceeding 50% of allowable deductions	30
Over 50% but not more than 100% of allowable deductions	40
Over 100% but not more than 200% of allowable deductions	50
Over 200% of allowable deductions	60

Urban Land-use Tax

Pursuant to the Provisional Regulations of the PRC Governing Land-Use Tax in Cities and Towns (《中華人民共和國城鎮土地使用稅暫行條例》) enacted by the State Council on September 27, 1988, effective as of November 1, 1988 and revised on December 7, 2013 and March 2, 2019, land-use taxes in respect of urban land is to be levied according to the area of relevant land. According to the Approval on Land-Use Tax Exemption of Foreign Investment Enterprises (關於外商投資企業徵免土地使用稅問題的批復) issued by the State Administration of Taxation on March 27, 1997, land-use fees instead of land-use taxes were to be collected from foreign-invested enterprises. However, the Provisional Regulations of the PRC Governing Land-Use Tax in Cities and Towns was revised by the State Council on

December 31, 2006. As of January 1, 2007, land-use taxes are to be collected from foreign-invested enterprises. The annual tax is between RMB0.6 and RMB30.0 per square meter of urban land. On June 1, 2007, the State Administration of Taxation promulgated the Approval on Levy of Urban Land-Use Tax of Foreign Investment Enterprises and Foreign Enterprise (關於外商投資企業和外國企業徵收城鎮土地使用稅問題的批復) and restated the above points.

Real Estate Tax

Pursuant to State Council Order 546 (中華人民共和國國務院令第546號) on December 31, 2008, starting from January 1, 2009, all enterprises, organizations and individuals that own or use real estate in China shall subject to real estate tax by using the calculation method as mentioned in the PRC Provisional Rules on Real Estate Tax (《中華人民共和國房產稅暫行條例》) promulgated by the State Council on September 15, 1986 and amended on January 8, 2011 according to which, real estate tax is calculated on the remaining original book value depending on where the real estate is located, at a rate of 1.2%, or on the rental income derived by the real estate at a rate of 12%.

FOREIGN CURRENCY EXCHANGE

On June 20, 1996, the PBOC promulgated the Regulations for the Administration of the Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), which set out detailed provisions regulating the trading of foreign exchange by enterprises, economic organizations and social organizations in the PRC.

The principal regulation governing foreign currency exchange in the PRC is the Regulations for the Control of Foreign Exchange or the Foreign Exchange Regulations (《中華人民共和國外匯管理條例》), promulgated by the State Council in January 1996, as amended in January 1997 and August 2008. Under these regulations, Renminbi are freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but are not freely convertible for capital expenditure such as direct investment, loans or investments in securities outside the PRC unless the approval of SAFE is obtained in advance.

Under the Foreign Exchange Regulations, foreign-invested enterprises in the PRC may purchase foreign currency for trade and service-related foreign exchange transactions without the approval of the State Administration of Foreign Exchange by providing commercial documents evidencing these transactions. They may also remit foreign currency to satisfy foreign exchange liabilities or to pay dividends. However, the relevant PRC government authorities, which have significant administrative discretion in implementing the laws, may restrict or eliminate the ability of foreign-invested enterprises to purchase and remit foreign currencies in the future. In addition, foreign exchange transactions involving direct investment, loans and investments in securities outside the PRC are subject to limitations and require approvals from SAFE.

Pursuant to the SAFE's Notice on Relevant Issues Concerning Foreign Exchange Administration for PRC Residents to Engage in Overseas Investment and Financing and Inbound Investment via Overseas Special Purpose Vehicles (國家外匯管理局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), or SAFE Circular No. 37, issued on July 4, 2014, (i) PRC residents (including PRC institutions and individuals) are required to register with the local branch of SAFE before they establish or control an overseas special purpose vehicle, or overseas SPV, for the purpose of overseas investment and equity financing; (ii) when a PRC resident transfers assets of or equity interests in a domestic

enterprise into an overseas SPV, or engages in overseas investment and financing after contributing assets or equity interests into an overseas SPV, such a PRC resident shall register its interest in the overseas SPV and the change thereof with the local branch of SAFE; and (iii) when the overseas SPV undergoes a material capital change event outside of China, such as a change in share capital or merger and acquisition, the PRC resident shall, in a timely manner, register such change with the local branch of SAFE, and only after completion of such change should the PRC resident proceed with subsequent business (including the repatriation of profits and dividends).

Under SAFE Circular No. 37, failure to comply with the registration procedures set forth above may result in restrictions on a PRC subsidiary's foreign exchange activities and impact its ability to distribute dividends to the overseas SPV. The failure may also result in such penalties as being ordered to remit the foreign exchange illegally paid out of China back into China, as well as the imposition of fines up to more than 30% but not more than such amount of foreign exchange illegally paid out.

On July 11, 2006, the MOHURD, MOFCOM, the NDRC, the PBOC, SAIC and SAFE jointly issued the Opinions on Regulating the Entry and Administration of Foreign Investment into the Real Estate Market (關於規範房地產市場外資准入和管理的意見) (the "171 document"). The 171 document provides that: (i) foreign organizations and individuals who have established FIEs are allowed to invest and purchase non-self-resided real estate in China; branches or representative offices of foreign organizations established in China and foreign individuals who work or study in China for over a year are eligible to purchase commodity properties which match their real needs for self-utilization or self-residence under their real names; (ii) the registered capital of foreign-invested real estate corporations with total investments of more than US\$10 million shall be no less than 50% of its total investment; (iii) foreign-invested real estate corporates can apply for the formal FIE approval certificate and business license only after they have paid back all the land premium and obtained the State-owned land use rights certificate; (iv) foreign investors shall pay off all the transfer price in a lump sum with their own funds if they acquire Chinese domestic real estate corporations; (v) no offshore or Chinese domestic loan is allowed and the foreign exchange administration shall not approve the conversion of foreign loans into RMB if the foreign-invested real estate corporations have not paid their registered capital in full, or have not obtained the State-owned land use rights certificate, or their internal fund for a development project is less than 35% of the total investment; and (vi) by no means can Chinese or foreign investors make any commitment in any documents to guarantee a fixed return or fixed revenue in disguised form for any party in the contract.

On August 19, 2015, the MOHURD, MOFCOM, the NDRC, the PBOC, SAIC and SAFE jointly issued the Notice on Adjusting the Policies on the Entry and Administration of Foreign Investment into the Real Estate Market (關於調整房地產市場外資准入和管理有關政策的通知), which adjusts some policies stipulated in the 171 document and provides that: (i) the proportion of the registered capital of a foreign-invested real estate corporation to its total investment shall be governed by the Interim Provisions of the SAIC on the Proportion of the Registered Capital of a Chinese-Foreign Equity Joint Venture to Its Total Investment (Gong Shang Qi Zi [1987] No. 38)(國家工商行政管理局關於中外合資經營企業註冊資本與投資總額比例的暫行規定(工商企字[1987]第38號)); (ii) the requirement that foreign-invested real estate corporations shall fully pay up their registered capital to apply for domestic loans, foreign loans, and settlement of foreign exchange loans is cancelled; (iii) branch or representative offices (except for enterprises approved to engage in the real estate business) of foreign organizations established in China and foreign individuals who work or study in China may purchase commodity properties which match their real needs for self-utilization or self-residence. For cities implementing house purchase quota policies, the purchase of commodity properties by foreign individuals shall comply with local policies; (iv) from the date of issuance of this Notice, foreign-invested real estate corporations may, in accordance

with the relevant provisions on foreign exchange administration, directly undergo the relevant foreign exchange registration under foreign direct investment with commercial banks. Except for the aforesaid policy adjustments, the 171 document shall remain effective.

In accordance with the 171 document, MOFCOM and SAFE jointly issued a Notice on Further Strengthening and Regulating the Approval and Administration regarding Foreign Direct Investment in the Real Estate Industry (商務部、國家外匯管理局關於進一步加強、規範外商直接投資房地產業審批和監管的通知) (“No. 50 Notice”) on May 23, 2007, and MOFCOM amended the Notice on October 28, 2015. Under the Notice, local commercial authorities should reinforce the approval and supervision process over foreign invested real estate enterprises, and strictly control foreign fund from investing in high-end real estate development projects. For foreign-invested company intending to engage in the property development business, the land use rights should be obtained, or at least has entered into pre-contract purchase agreement with the relevant land administrative authorities, land developers, or the owners of the house or other constructions, otherwise the proposed foreign-invested real estate company will not be approved by the authorities. For existing foreign-invested company who intends to expand its operations in its business operation or company who intends to engage in the operation or development of the new real estate project, they should undertake relevant procedures with the approval authority.

No. 50 Notice strictly controls the acquisition or merger of domestic real estate enterprises by means of return investment (includes the same effective controller). It also prohibits Chinese or foreign investors in real estate joint ventures to reach any terms that aim to achieve a fixed return for either party. Once the local authority has approved the establishment of a foreign-invested real estate enterprise, it should immediately file such approval with MOFCOM.

The local SAFE administrative authority and designated foreign exchange bank will not conduct foreign exchange purchase and settlement process for foreign-invested real estate company who fails to satisfy MOFCOM filing requirements or to pass the joint annual examination of foreign-invested enterprises.

MANAGEMENT

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 as of the date of this offering memorandum:

<u>Name</u>	<u>Age</u>	<u>Existing Position in our Company</u>
Shum Chiu Hung (岑釗雄) . . .	50	executive Director; chief executive officer; chairman of our Board; chairman of the Nomination Committee and member of the Remuneration Committee
Guan Jianhui (關建輝)	56	executive Director
Bai Xihong (白錫洪)	53	executive Director
Li Qiang (李強)	46	executive Director
Shum Siu Hung (岑兆雄)	47	executive Director
Niu Jimin (牛霽旻)	42	executive Director
Jin Qingjun (靳慶軍)	63	independent non-executive Director and member of the Audit Committee and the Nomination Committee
Sun Hui (孫惠)	59	independent non-executive Director; chairman of the Remuneration Committee, member of the Audit Committee and the Nomination Committee
Wong Wai Man (黃偉文)	52	independent non-executive Director; chairman of the Audit Committee, member of the Remuneration Committee and member of the Internal Control Team

Note: None of our Directors is personally related to any other Director, except that Mr. Shum Chiu Hung is the elder brother of Mr. Shum Siu Hung.

Directors

Executive Directors

Mr. SHUM Chiu Hung (岑釗雄), aged 50, is the founder of our Group. He has been the chairman of our Board, chief executive officer and Director since November 2007 and was redesignated as our executive Director in February 2008. Mr. Shum is also a director of other members of the Group as well as the chairman of the nomination committee and a member of the remuneration committee of the Company. Mr. Shum started his business career in real estate development in 1999, and has experience in trade, finance and real estate development. In 1999, he founded Guangzhou Sweetland Real Estate Development Company Limited (“Sweetland Real Estate”), a company engaged in residential property development project in Guangzhou. In 2001, he founded Guangzhou Times Holdings Group Co., Ltd. (“Times Group”), a subsidiary of the Company and served as the president, primarily responsible for

the strategic development and overall operations of Times Group's business. Mr. Shum has led our Group to become a leading property developer in the PRC. He has over 20 years of experience in the PRC real estate development industry. He graduated from Fudan University (復旦大學) with an Executive Master of Business Administration degree ("EMBA") in June 2006.

Mr. Shum was recognized as an "Innovative Individual in China's Real Estate Industry in 2005" (「2005年度中國房地產創新人物」), by a number of media outlets including Beijing Youth Daily Group (《北京青年報社》), Guangzhou Daily (《廣州日報》) and China Business News (《第一財經》), an "Outstanding Leader of Mainstream Chinese Real Estate Companies in 2005" (「2005年度中國主流地產傑出領軍人物」) by China Properties Economic Mainstream Summit (中國地產經濟主流峰會) and one of the "100 Most Influential Entrepreneurs in China's Real Estate Industry in 2004" (「2004年度影響中國房地產100位企業家」) by Media and Promotion Alliance for Real Estate in China (中國住交會主流媒體宣傳聯盟). Mr. Shum was recognized as an "Excellent Entrepreneur in China's Real Estate Industry" (「中國房地產優秀企業家」) and was awarded the "Golden Horse Award of Excellent Entrepreneur in China's Real Estate Industry in 2007" (「2007中國房地產優秀企業家金馬獎」) by the Urban Development and Environment Research Center of the Chinese Academy of Social Science (中國社會科學院城市發展與環境研究中心), China National Real Estate Enterprise Association (中華全國房地產企業聯合會) and China Real Estate Entrepreneur Association (中房企業家協會) in 2006 and 2007, respectively. He was also awarded the "Top 10 Figures with Outstanding Contributions in 30 Years of China's Real Estate Industry" (「中國房地產30年十大傑出貢獻人物」) in 2008 by Nanfang Media Group (南方報業傳媒集團) and 30 Years of China's Real Estate Industry Summit Organizing Committee (中國房地產30年高峰論壇組委會), "11th Guangzhou Outstanding Youth" (「第十一屆廣州傑出青年」) in 2010 by the People's Government of Guangzhou (廣州市人民政府), "Most Influential Figures in China's Real Estate Industry" (「中國房地產行業最具影響力人物」) in 2010 by the Ministry of Housing and Urban Policy Research Center (住房和城鄉建設部政策研究中心), National Federation of Real Estate Chamber of Commerce (全國工商聯房地產商會) and Guangdong Real Estate Chamber of Commerce (廣東省地產商會) and "The 1st Top 10 Outstanding Cantonese Youth" (「首屆世界廣府人十大傑出青年」) in 2013 by The 1st Global Conference of the Cantonese Organizing Committee (首屆世界廣府人大會組委會). "The Award of Outstanding Person of the Year" ("年度傑出人物大獎") in 2014 by The Annual Meeting of China Real Estate (中國地產年會), "Annual Top 10 Most Influential Leading Figures in China Real Estate" ("年度地產十大影響力領軍人物") in 2015 and "4th Guangdong Outstanding Chinese Socialism Enterprise Builders" ("廣東省第四屆優秀中國特色社會主義事業建設者") in 2016. Mr. Shum has been appointed as a standing member of the Guangzhou Committee of the 11th, 12th and 13th Chinese People's Political Consultative Conference (中國人民政治協商會議第十一屆、第十二屆、第十三屆廣州市委員會常務委員) from 2007 to 2018. He has been the executive chairman of Guangzhou Chamber of Commerce of Private Enterprises (廣州市民營企業商會) since 2007. Mr. Shum has been the vice chairman of the 14th and 15th executive committee of Guangzhou Federation of Industry and Commerce (廣州市工商業聯合會) and Guangzhou General Chamber of Commerce (廣州總商會) since September 2011. Mr. Shum has been appointed as a deputy of 12th and 13th People's Congress of Guangdong Province (廣東省人民代表大會第十二屆、第十三屆代表). Mr. Shum has been the president of Guangdong Young Entrepreneur Association (廣東省青年企業家協會) since 2016. Mr. Shum is the elder brother of Mr. Shum Siu Hung, who is an executive Director.

Mr. Guan Jianhui (關建輝) (“Mr. Guan”), aged 56, was appointed as our Director in January 2008 and was re-designated as our executive Director in February 2008. He has been a vice president of Times Group from January 2002 to January 2018. He has also been the chairman of standard and innovation management committee since 2018. Mr. Guan assisted Mr. Shum to found Sweetland Real Estate in 1999 and joined Times Group in May 2001. He was the head of capital operation centre in charge of finance, funding and cost management from 2002 to 2006; the head of operation management centre in charge of project management centre, design centre and materials centre from 2007 to 2013; and the head of corporate management centre in charge of human resources centre, information management centre and administration services centre from 2014 to 2017. He has over 20 years of experience in real estate corporate management. Mr. Guan graduated from South China Normal University (華南師範大學) with a bachelor’s degree in arts in December 1994, and obtained an EMBA from Peking University (北京大學) in July 2009. Mr. Guan was a member of the 14th Guangzhou Yuexiu District Committee of the Chinese People’s Political Consultative Conference (中國人民政治協商會議第十四屆廣州市越秀區委員會). Mr. Guan is currently a member of 15th People’s Congress of Guangzhou (廣州市第十五屆人民代表大會).

Mr. BAI Xihong (白錫洪), aged 53, was appointed as our Director in January 2008 and was designated as our executive Director in February 2008. He has been a vice president of Times Group since January 2002. He has also been the general manager of the Guangzhou regional office of Times Group since January 2002 whereby he is primarily responsible for project research and development, designing, procurement and project management in Guangzhou. He is currently the chairman of strategy and resources management committee. Mr. Bai joined Sweetland Real Estate in 1999 and joined Times Group in May 2001. Mr. Bai has over 20 years of experience in real estate corporate management. Mr. Bai also serves as non-executive director and chairman of Times Neighborhood Holdings Limited (a company listed on the Stock Exchange, stock code: 9928). He graduated from Guangdong Radio & Television University (廣東廣播電視大學) in industrial enterprise operation management in 1990 and obtained an EMBA from Sun Yat-Sen University (中山大學) in December 2009. In 2005, Mr. Bai was recognized as an “Outstanding Contributor to Guangzhou Real Estate in the Past 20 years” (「廣州地產二十年傑出貢獻名人」) by the “Guangzhou Real Estate in the Past 20 Years’ event organizing committee” (廣州地產二十年大型活動組委會), Guangzhou Real Estate Organization (廣州市房地產業協會) and Guangzhou Real Estate Guide Union (房地產導刊社). He was awarded the “2006 Outstanding CEO (Diamond Award) in Mainstream Real Estate in China” (「2006中國主流地產金鑽獎傑出貢獻CEO」) in 2006 by China Mainstream Real Estate Economy Summit (中國地產經濟主流峰會), “Innovative and Meritorious Individual in China’s Real Estate Industry in the 60 years since the Founding of the PRC” (「建國60年中國房地產營銷創新功勳名人」) in 2009 by the 7th China Real Estate Economy Summit (第七屆中國地產經濟主流峰會) and “Real Estate Pioneers Award” (「地產先鋒人物獎」) in 2010 by Xin Kuai News (新快報). Mr. Bai was a member of the Guangzhou Committee of the Chinese People’s Political Consultative Conference (中國人民政治協商會議廣州市委員會). Mr. Bai is currently the chairman of Guangzhou Nansha New District Association of Real Property (廣州市南沙新區房地產協會).

Mr. LI Qiang (李強), aged 46, was appointed as our Director in January 2008 and was designated as our executive Director in February 2008. He has been a vice president of Times Group since July 2009. He is currently also the senior vice president and the general manager of the Risk Management and Service Quality Management Center of Times Group and is primarily responsible for audit, supervision and legal, and service quality management matters. Mr. Li joined Times Group in July 2005 as an assistant to the president. Mr. Li has over 14 years of experience in the real estate corporate management. Mr. Li also serves as a non-executive director of Times Neighborhood Holdings Limited (a company listed on the Stock Exchange, stock code: 9928). Mr. Li obtained a master’s degree in law from Hunan

Normal University (湖南師範大學) in June 2000, and an EMBA degree from Sun Yat-Sen University (中山大學) in December 2007. He was admitted as a lawyer in the PRC in June 1998. Mr. Li is an arbitrator of China Guangzhou Arbitration Commission (中國廣州仲裁委員會) and was a member of the 15th People's Congress of Guangzhou Yuexiu District (廣州市越秀區第十五屆人民代表大會).

Mr. SHUM Siu Hung (岑兆雄), aged 47, was appointed as our executive Director in November 2013. He has been a director of the investment and development center of Times Group since May 2012, responsible for land development and project pre-planning work. Mr. Shum Siu Hung joined Sweetland Real Estate as a project assistant in 1999 and was promoted as a manager of the development department in May 2001 and a manager of the tender department of Times Group in September 2009. Mr. Shum Siu Hung was the general manager of the Qingyuan regional office of Times Group between December 2010 and May 2012. Mr. Shum Siu Hung is a younger brother of Mr. Shum Chiu Hung, who is an executive Director, the chairman of our Board and the chief executive officer of our company.

Mr. NIU Jimin (牛霽旻), aged 42, was appointed as our executive Director in November 2013 and is currently a vice president of Times Group and the head of the financial costing and funding department of Times Group, responsible for planning and management of financial accounting, funding operation and taxation matters. Prior to joining us in 2011, Mr. Niu worked in the finance management department of Guangzhou Vanke Real Estate Co., Ltd. (廣州市萬科房地產有限公司) ("Guangzhou Vanke") as regional finance manager from December 2005 to December 2007. He was head of operation analysis of the operation management department and a senior manager of the project development department of Guangzhou Vanke from December 2007 to April 2008 and from November 2010 to March 2011, respectively. He was head of finance department of Wuhan Vanke Real Estate Co., Ltd. (武漢市萬科房地產有限公司) from May 2008 to October 2010. Mr. Niu obtained a bachelor's degree in management from Sun Yat-Sen University (中山大學) in June 2001 and a master of business administration degree from Hong Kong Baptist University in November 2012. Mr. Niu graduated from the School of Finance of Renmin University of China (中國人民大學財政金融學院) with an EMBA degree in January 2015.

Independent Non-executive Directors

Mr. Jin Qingjun (靳慶軍) ("Mr. Jin"), aged 63, was appointed as the independent non-executive Director in October 2015. Mr. Jin is currently a senior partner of King & Wood Mallesons. His major areas of practice include securities, finance, investment, corporate, insolvency as well as foreign-related legal affairs. Mr. Jin has solid jurisprudence theory base and extensive legal practice experience. He has been adhering to work on major jobs in the past two decades, winning a higher reputation in the industry and among peers.

Mr. Jin is one of the first lawyers who are granted Security Qualification Certificate in the PRC, focusing on securities-related legal affairs for more than 20 years. Mr. Jin has previously worked as general counsel of Shenzhen Stock Exchange and a member of its Listing Supervisory Council, and he is currently a legal counsel for various financial institutions, securities companies, listed companies at home and abroad. In 2012, he was named as one of the Top 10 PRC Lawyers of the Year and PRC Securities Lawyer of the Year. Mr. Jin also serves as an independent non-executive director of Guotai Junan Securities Co., Ltd. (a company listed on the Stock Exchange, stock code: 2611; a company listed on the Shanghai Stock Exchange, stock code: 601211); Sino-Ocean Group Holding Limited (a company listed on the Stock Exchange, stock code: 3377), Bank of Tianjin Co., Ltd. (a company listed on the Stock Exchange, stock code: 1578), Central Development Holdings Limited (a company listed on the Stock Exchange, stock code: 475) and Goldstream

Investment Limited (a company listed on the Stock Exchange, stock code: 1328); an independent director of Shenzhen Cheng Chung Design Co., Ltd. (formerly known as Asiantime International Construction Co., Ltd., a company listed on the Shenzhen Stock Exchange, stock code: 002811); and a director of Shenzhen Kingkey Smart Agriculture Times Co. Ltd. (formerly known as Shenzhen Kondarl (Group) Co., Ltd., a company listed on the Shenzhen Stock Exchange, stock code: 000048). Mr. Jin had been an independent director of CSG Holding Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 000012, 200012); a director of Konka Group Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 000016, 200016); and an external supervisor of China Merchants Bank Co., Ltd. (a company listed on the Stock Exchange, stock code: 3968; a company listed on the Shanghai Stock Exchange, stock code: 600036).

Mr. Jin is the adjunct professor at China University of Political Science and Law and the School of Law, Renmin University of China; co-tutor for students of master's degree at the School of Law, Tsinghua University; arbitrator of Shenzhen Court of International Arbitration, mediator of Shenzhen Securities and Futures Dispute Resolution Centre; and the PRC legal counsel of US Court of Appeals for the Washington D.C Circuit. Mr. Jin obtained his B.A. in English from Anhui University in 1982. He received his master's degree in International Law from China University of Political Science and Law in 1987. Mr. Jin also received a graduate diploma from the John F. Kennedy School of Government, Harvard Kennedy School in 2009.

Ms. SUN Hui (孫惠), aged 59, was appointed as our independent non-executive Director in November 2013. She has been a partner of Shanghai Huanzhong Law Firm (上海市環中律師事務所) since July 1996 and a general manager of Guangzhou Shengshi Huixi Investment Management Co., Ltd. (廣州盛世匯禧投資管理有限公司) since 2016. Ms. Sun had been a chairman of Zengcheng Jianglong Electric Power Co., Ltd. (增城江龍電力有限公司). Ms. Sun graduated from the school of law of East China University of Political Science and Law (華東政法學院) in 1983. She obtained a degree in law from Georgetown University in 1992. She is a member of the Association of Registered Independent Directors, United Kingdom.

Mr. WONG Wai Man (黃偉文) ("Mr. Wong"), aged 52, was appointed as the independent non-executive Director in November 2013. From August 1991 to April 1996, Mr. Wong worked as an auditor with Ernst & Young. Mr. Wong had been an executive director of China Household Holdings Limited (a company listed on the Stock Exchange, stock code: 692) and a non-executive director and the company secretary of QPL International Holdings Limited (a company listed on the Stock Exchange, stock code: 243). Mr. Wong obtained a bachelor of arts degree in accountancy from The Hong Kong Polytechnic University in November 1991 and a master of science degree in financial economics from the University of London in December 1997. He is an associate member of the Hong Kong Institute of Certified Public Accountants.

Senior Management

The table below sets forth certain information concerning the member(s) of the senior management:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Huang Sining (黃嗣寧)	36	chief financial officer

Mr. HUANG Sining (黃嗣寧), aged 36, has been the chief financial officer of the Company since September 2020. He is responsible for the Group's financial reporting, corporate finance and investor relations related matters, and general management of the Hong Kong regional office. Mr. Huang has over 13 years of working experience in accounting, corporate finance and capital market sectors. From March 2010 to February 2020, he held various positions as senior tax officer, regional finance controller, group finance manager, and director of investor relations and corporate finance of the Group. Prior to joining the Group, Mr. Huang worked at PricewaterhouseCoopers Consultants (Shenzhen) Limited, Guangzhou Branch from August 2007 to February 2010 with his last position as senior tax consultant. Mr. Huang was appointed as the chief financial officer of Times Neighborhood Holdings Limited (a company listed on the Stock Exchange stock code: 9928) and was responsible for financial reporting and investor relations matters of Times Neighborhood Holdings Limited from February 15, 2020 to September 9, 2020. Mr. Huang holds a bachelor's degree of arts from Guangdong University of Foreign Studies and a master of business administration degree (MBA) from The University of Hong Kong.

Board Committees

Audit Committee

We established an audit committee on November 19, 2013 with written terms of reference in compliance with the Listing Rules. The audit committee consists of three independent non-executive Directors, Mr. Wong Wai Man (being the chairman of the audit committee who has a professional qualification in accountancy), Ms. Sun Hui and Mr. Jin Qingjun. The primary duties of the audit committee are to assist our board by providing an independent view of the effectiveness of our financial reporting process, internal control and risk management system, to oversee the audit process, to develop and review our policies and to perform other duties and responsibilities as assigned by our board.

Remuneration Committee

We established a remuneration committee on November 19, 2013 with written terms of reference in compliance with the Listing Rules. The remuneration committee consists of three members, being Ms. Sun Hui, Mr. Shum Chiu Hung and Mr. Wong Wai Man. Two of the members of the remuneration committee are our independent non-executive Directors. The remuneration committee is chaired by Ms. Sun Hui. The primary duties of the remuneration committee include (but without limitation): (i) making recommendations to the Directors regarding our policy and structure for the remuneration of all our Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policies; (ii) making recommendations to our board on the remuneration packages of our Directors and senior management; (iii) reviewing and approving the management's remuneration proposals with reference to our board's corporate goals and objectives; and (iv) considering and approving the grant of share options to eligible participants pursuant to the share option scheme.

Nomination Committee

We established a nomination committee on November 19, 2013 with written terms of reference. The nomination committee consists of three members, being Mr. Shum Chiu Hung, Ms. Sun Hui and Mr. Jin Qingjun. Two of the members of the nomination committee are our independent non-executive Directors. The nomination committee is chaired by Mr. Shum Chiu Hung. The primary function of the nomination committee is to make recommendations to our board on the appointment of members of our board.

PRINCIPAL SHAREHOLDERS

The following table sets forth certain information regarding ownership of our outstanding shares as of December 31, 2020 by those persons who beneficially own more than 5% of our outstanding shares, as recorded in the register maintained by us pursuant to Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”):

Name of Shareholder	Nature of Interest	Number of Shares ⁽¹⁾	Approximate percentage of interest in our Company
Shum Chiu Hung ⁽²⁾	Interest in a controlled corporation	1,195,072,000(L)	61.54%
Li Yiping ⁽³⁾	Interest in a controlled corporation	1,195,072,000(L)	61.54%
Asiaciti Enterprises Ltd. ⁽³⁾ . .	Beneficial owner	1,195,072,000(L)	61.54%
Renowned Brand Investments Limited ⁽⁴⁾ . . .	Interest in a controlled corporation	1,195,072,000(L)	61.54%
East Profit Management Limited ⁽⁴⁾	Interest in a controlled corporation	1,195,072,000(L)	61.54%

Notes:

1. The Letter “L” denotes long position in such securities.
2. Mr. Shum Chiu Hung is deemed to be interested in 1,195,072,000 shares, representing approximately 61.54% of our issued share capital. The 1,195,072,000 shares were held by Asiaciti Enterprises, which is 60% and 40% owned by Renowned Brand and East Profit, respectively. Renowned Brand is wholly owned by Mr. Shum Chiu Hung.
3. Ms. Li Yiping, the spouse of Mr. Shum Chiu Hung, is deemed to be interested in 1,195,072,000 shares, representing approximately 61.54% of our issued share capital. The 1,195,072,000 shares were held by Asiaciti Enterprises, which is 60% and 40% owned by Renowned Brand and East Profit, respectively. East Profit is wholly owned by Ms. Li Yiping.
4. Renowned Brand and East Profit held 60% and 40% equity interest in Asiaciti Enterprises respectively. As such, each of them is deemed to be interested in the 1,195,072,000 shares held by Asiaciti Enterprises.

As of the date of this offering memorandum, Mr. Shum Chiu Hung is deemed to be interested in 1,195,072,000 shares, representing 61.54% of our issued share capital.

RELATED PARTY TRANSACTIONS

The following discussion describes certain material related party transactions between our consolidated subsidiaries and our directors, executive officers and principal shareholders and, in each case, the companies with whom they are affiliated. Each of our related party transactions was entered into in the ordinary course of business, on fair and reasonable commercial terms, in our interests and the interests of our shareholders.

As a listed company on the Hong Kong Stock Exchange, we are subject to the requirements of Chapter 14A of the Listing Rules which require certain “connected transactions” with “connected persons” be approved by a company’s independent shareholders. Each of our related party transactions disclosed hereunder that constitutes a connected transaction within the meaning of the Listing Rules requiring shareholder approval has been so approved, or otherwise exempted from compliance under Chapter 14A of the Listing Rules.

Major Related Party Transactions

The following table sets forth certain material transactions between our related parties and us for the periods indicated:

	Year ended December 31,			
	2018	2019	2020	
	(RMB)	(RMB)	(RMB)	(US\$)
	(in thousands)			
	unaudited			
Major related party transactions:				
Interest income from joint ventures ⁽ⁱ⁾	58,037	82,333	90,500	13,870
Interest expense paid to a joint venture ⁽ⁱⁱ⁾	22,923	–	–	–
Sales of construction materials to joint ventures and an associate ^{(iii)(vii)}	109,694	883,592	504,874	77,375
Lease of office premises from Guangzhou Times Development Enterprise Group Company Limited and Ms. Li Yiping ^(iv)	1,295	1,295	1,295	198
Sales of properties to key management ^(v)	25,236	71,044	23,026	3,529
Property management and related service income from joint ventures and associates ^(vi)	23,359	52,986	–	–
Property management service fee from key managements ^(vi)	542	707	–	–
Loans to joint ventures and associates ⁽ⁱⁱ⁾	–	4,587,963	6,556,849	1,004,881
Repayment of loans from joint ventures and associates ⁽ⁱ⁾	–	2,957,841	7,540,289	1,155,600
Construction and decoration services to joint ventures and an associate ^{(iii) (vii)}	–	522,131	941,761	144,331
Property management and related services by Times Neighborhood ^{(iii)(vii)}	–	37,346	433,282	66,403
Consultation service fee from joint ventures ^{(iii)(vii)}	–	113,408	214,391	32,857
Rental income from Times Neighborhood ⁽ⁱⁱⁱ⁾	–	194	–	–

Notes:

- (i) Interest-bearing loans were provided to joint ventures and associates based on mutually agreed terms.
- (ii) An interest-bearing loan was provided by a joint venture based on mutually agreed terms.
- (iii) The income was derived from the sale of construction materials, construction and decoration services, property management and related services, consultation services provided to joint ventures and associates, and rental from Times Neighborhood at rates similar to the terms and conditions set out in the contracts entered into with third party customers of the Group.
- (iv) Guangzhou Times Development Enterprise Group Company Limited (“Times Development Group”) is a company controlled by Ms. Guan Wanji, mother of Mr. Shum, from mid May 2019. Ms. Li Yiping is the spouse of Mr. Shum. The rates and conditions of the lease are similar to those offered to independent third parties.
- (v) The properties sold to key management of the Group were made according to the published price and conditions offered to third-party customers of the Group.
- (vi) The rates and conditions of the services are similar to those offered to independent third parties.
- (vii) The amounts disclosed are before any eliminations.

In addition, we used certain trademarks registered by Times Development Group on a royalty free basis during the period.

As of December 31, 2020, interest-bearing bank and other borrowings of our associates and joint ventures amounting to RMB3,820,524,000 were secured by pledges over our equity interests in associates and joint ventures with an aggregate carrying amount of approximately RMB2,507,019,000.

As of December 31, 2020, an interest-bearing bank loan of our joint venture amounting to RMB237,000,000 was secured by pledge over the our bank deposit with an aggregate carrying amount of RMB250,000,000.

As of December 31, 2020, we had guaranteed banking facilities granted to associates and joint ventures. Guarantee of RMB14,766,571,000 was utilized. As of December 31, 2020, our outstanding balance of these interest-bearing bank and other borrowings guaranteed for the associates and joint ventures was in an aggregate amount of RMB8,217,298,000.

Outstanding Balances with Related Parties

The following tables set forth the details of our outstanding balances due from our associate and joint ventures:

	As of December 31,			
	2018	2019	2020	
	RMB	RMB	RMB	US\$ unaudited
	(in thousands)			
Due from associates – Non-trade:	1,094,766	1,850,548	971,343	148,865
Due from associates – Trade:	–	24,310	109,245	16,743
Due from joint ventures – Non-trade:	5,017,516	7,060,387	6,488,940	994,474
Due from joint ventures – Trade:	–	1,362,693	1,043,820	159,972
Due to associates – Non-trade	–	–	638,847	97,908
Due to joint ventures – Non-trade	3,417,681	4,950,359	10,853,290	1,663,339

DESCRIPTION OF OTHER MATERIAL INDEBTEDNESS

To fund our existing property projects and to finance our working capital requirements, we have entered into loan agreements with various financial institutions. As of December 31, 2020, our total outstanding borrowings amounted to RMB61,510.4 million (US\$9,426.9 million). 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 various PRC banks, mainly including Agricultural Bank of China, Bank of China, Bank of Communications, China Bohai Bank, China Construction Bank, Industrial and Commercial Bank of China, Shanghai Pudong Development Bank, Rural Commercial Bank, Minsheng Bank, Huaxia Bank, China Merchants Bank, Bank of East Asia, Ping An Bank Co., Ltd., China Mercantile Bank, China Everbright Bank Company Limited, Huishang Bank Co., Ltd. and Nanhai Rural Commercial Bank. These PRC bank loans include project loans to finance the construction of our projects and loans to finance our working capital requirements. They have terms ranging from 12 months to 15 years, which generally correspond to the construction periods of the particular projects. As of December 31, 2020, the aggregate outstanding amount under these PRC bank loans totaled RMB14,190.6 million (US\$2,174.8 million), of which RMB1,005.7 million (US\$154.1 million) was due within one year, RMB7,302.1 million (US\$1,119.1 million) was due between one and two years, RMB5,384.6 million (US\$825.2 million) was due between two and five years and RMB498.2 million (US\$76.4 million) was due over five years. Our PRC bank loans are typically secured by land use rights and properties as well as guaranteed by certain of our PRC subsidiaries.

Interest

The principal amounts outstanding under these PRC bank loans generally bear interest at floating rates calculated by reference to the relevant bank's benchmark interest rate *per annum*. Floating interest rates are generally subject to review by the banks annually. Interest payments are payable either monthly or quarterly and must be made on each payment date as provided in the particular loan agreement. As of December 31, 2020, the weighted average interest rate on the aggregate outstanding amount of these PRC bank loans was 6.93% *per annum*.

Covenants

Under these PRC bank loans, many of our subsidiary borrowers have agreed, among other things, not to take the following actions without first obtaining the lenders' prior consent:

- create encumbrances on any part of their property or assets or deal with their assets in a way that may adversely affect their ability to repay the loans;
- grant guarantees to any third parties that may adversely affect their ability to repay the loans;

- make any major changes to their corporate structures, such as entering into joint ventures, mergers and acquisitions and reorganizations;
- alter the nature or scope of their business operations in any material respect;
- incur additional debts that may adversely affect their ability to repay the loans;
- prepay the loans; and
- transfer part or all of their liabilities under the loans to a third party.

Events of Default

These PRC bank loans contain certain customary events of default, including insolvency, material adverse change in the collateral and breaches of the terms of the loan agreements. 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

Our Company and certain of our PRC subsidiaries have entered into guarantee agreements with the PRC banks in connection with some of these PRC bank loans pursuant to which these subsidiaries have guaranteed all liabilities of the subsidiary borrowers under these PRC bank loans or have secured all liabilities by the relevant PRC subsidiaries' shares (through share pledge or ownership of shares) under these PRC bank loans. Further, as of December 31, 2020, RMB11,758.0 million (US\$1,802.0 million) of these PRC bank loans were secured by land use rights and/or other assets and properties of the subsidiary borrowers and/or our other PRC subsidiaries.

PRC CORPORATE BONDS

On July 10, 2015, Times Group issued public domestic corporate bonds for a term of five years (the "July 2015 Corporate Bonds") in an aggregate principal amount of RMB2,000 million. The July 2015 Corporate Bonds bear interest at a rate of 6.75% per annum, payable annually in arrears. Upon the third anniversary of the issue date, Times Group shall be entitled to increase the coupon rate and the holders of the July 2015 Corporate Bonds shall have the right to require the issuer to repurchase all or part of their July 2015 Corporate Bonds at par. The July 2015 Corporate bonds are listed on the Shanghai Stock Exchange.

On October 26, 2015, Times Group issued non-public domestic corporate bonds for a term of three years (the "October 2015 Corporate Bonds") in an aggregate principal amount of RMB3,000 million. The October 2015 Corporate Bonds bear interest at a rate of 7.85% per annum and are listed on the Shanghai Stock Exchange.

On January 18, 2016, Times Group issued non-public domestic corporate bonds for a term of three years (the "2016 Corporate Bonds") in an aggregate principal amount of RMB3,000 million. The 2016 Corporate Bonds bear interest at a rate of 7.88% per annum. Upon the second anniversary of the issue date, Times Group has an option to redeem the 2016 Corporate Bonds at the price of the par value. The 2016 Corporate Bonds are listed on the Shenzhen Stock Exchange.

On September 8, 2017, Times Group issued non-public domestic corporate bonds for a term of three years in an aggregate principal amount of RMB1,600 million in two tranches (the “2017 Corporate Bonds”). The first tranche is in the principal amount of RMB500 million with the coupon rate of 7.75% per annum, for a term of three years subject to the option to adjust the coupon rate by us and the investors have the option to sell back the bonds at the end of the second year. The second tranche is in the principal amount of RMB1,100 million with the coupon rate of 8.2% per annum, for a term of five years subject to the option to adjust the coupon rate by us and the investors have the option to sell back the bonds at the end of the third year. The 2017 Corporate Bonds are listed on the Shanghai Stock Exchange.

On August 20, 2018, Times Group issued non-public domestic corporate bonds in an aggregate principal amount of RMB2,200 million at a coupon rate of 8.4% per annum for a term of three years (the “August 2018 Corporate Bonds”). The issuer has the option to adjust the coupon rate and the investors have the option to sell back at the end of the second year. On October 17, 2018, the second tranche of non-public domestic corporate bonds was issued in an aggregate principal amount of RMB1,700 million at a coupon rate of 8.4% per annum for a term of three year, with the option to adjust the coupon rate by the issuer and the option to sell back by the investors at the end of the second year (the “October 2018 Corporate Bonds”). The August 2018 Corporate Bonds and the October 2018 Corporate Bonds are listed on the Shanghai Stock Exchange.

On December 7, 2018, Times Group, a wholly owned subsidiary of the Company in the People’s Republic of China, issued two tranches of the domestic bonds in an aggregate principal amount of RMB3,000,000,000 (the “December 2018 Corporate Bonds”). The coupon rate of the first tranche was 7.5% per annum for a term of three years, with the option to adjust the coupon rate by Times Group and the investors have the option to sell back the domestic bonds at the end of the second year; while the coupon rate of the second tranche was 8.1% per annum for a term of five years, with the option to adjust the coupon rate by Times Group and the investors have the option to sell back the December 2018 Corporate Bonds at the end of the third year. The December 2018 Corporate Bonds are listed on the Shanghai Stock Exchange.

On January 24, 2019, Times Group issued the third tranche of the non-public domestic corporate bonds in an aggregate principal amount of RMB1,100 million (the “January 2019 Corporate Bonds”). The coupon rate was 7.5% per annum for a term of three years, with the option to adjust the coupon rate by Times Group and the investors have the option to sell back the January 2019 Corporate Bonds at the end of the second year. The (the “January 2019 Corporate Bonds”) are listed on the Shanghai Stock Exchange.

On June 6, 2019, Times Group issued the public domestic corporate bonds in an aggregate principal amount of RMB500 million (the “June 2019 Corporate Bonds”). The coupon rate was 6.8% per annum for a term of five years. The June 2019 Corporate Bonds are listed on the Shanghai Stock Exchange.

On February 21, 2020, Times Group issued two tranches of the public domestic corporate bonds in the aggregate principal amount of RMB1,315 million (the “February 2020 Corporate Bonds”). The coupon rate of the first tranche is 6.2% per annum for a term of seven years, with the option to adjust the coupon rate by the issuer and the investors have the option to sell back at the end of the fifth year. The coupon rate of the second tranche is 5.0% per annum for a term of five years, with the option to adjust the coupon rate by the issuer and the investors have the option to sell back at the end of the third year. The February 2020 Corporate Bonds are listed on the Shanghai Stock Exchange.

On March 26, 2020, Times Group issued two tranches of the public domestic corporate bonds in the aggregate principal amount of RMB2,500 million (the “March 2020 Corporate Bonds”). The coupon rate of the first tranche is 6.3% per annum for a term of seven years, with the option to adjust the coupon rate by the issuer and the investors have the option to sell back at the end of the fifth year. The coupon rate of the second tranche is 5.1% per annum for a term of five years, with the option to adjust the coupon rate by the issuer and the investors have the option to sell back at the end of the third year. The March 2020 Corporate Bonds are listed on the Shanghai Stock Exchange.

On May 29, 2020, Times Group issued the public domestic corporate bonds in an aggregate principal amount of RMB2,500 million (the “May 2020 Corporate Bonds”). The coupon rate was 5.24% per annum for a term of five years, with the option to adjust the coupon rate by the issuer and the investors have the option to sell back at the end of the third year. The May 2020 Corporate Bonds are listed on the Shanghai Stock Exchange.

On July 16, 2020, Times Group issued public domestic corporate bonds at a par value of RMB1,600,000,000 in the PRC with a term of five years at the coupon rate of 5.94% per annum (the “July 2020 Corporate Bonds”), with the option to adjust the coupon rate by Times Group and the investors have the option to sell back the bonds at the end of the third year. The July 2020 Corporate Bonds are listed on the Shanghai Stock Exchange.

On August 3, 2020, Times Group issued non-public domestic corporate bonds at a par value of RMB500,000,000 in the PRC with a term of four years at the coupon rate of 5.68% per annum (the “August 2020 Corporate Bonds”), with the option to adjust the coupon rate by Times Group and the investors have the option to sell back the bonds at the end of the second year. The August 2020 Corporate Bonds are listed on the Shanghai Stock Exchange.

On August 21, 2020, Times Group issued non-public domestic corporate bonds at a par value of RMB1,100,000,000 in the PRC with a term of four years at the coupon rate of 5.94% per annum (the “August 2020 Corporate Bonds II”), with the option to adjust the coupon rate by Times Group and the investors have the option to sell back the bonds at the end of the second year. The August 2020 Corporate Bonds II are listed on the Shanghai Stock Exchange.

The July 2015 Corporate Bonds, the 2017 Corporate Bonds, the August 2018 Corporate Bonds, the December 2018 Corporate Bonds, the January 2019 Corporate Bonds and the June 2019 Corporate Bonds are all not guaranteed. As of the date of this offering memorandum, except for the July 2015 Corporate Bonds, the October 2015 Corporate Bonds, the 2016 Corporate Bonds, the August 2018 Corporate Bonds, the October 2018 Corporate Bonds, the January 2019 Corporate Bonds, the December 2018 Corporate Bonds of which RMB1,900 million (US\$268.9 million) remains outstanding and the 2017 Corporate Bonds of which RMB1,100 million (US\$155.7 million) remains outstanding, the entire principal amount of these corporate bonds remain outstanding.

TRUST AND OTHER FINANCING

From time to time, our PRC subsidiaries enter into financing arrangements with local trust institutions, security companies and asset management companies. These local trust institutions, security companies and asset management companies provide loans for purposes of our project development in return for interest payments, and have terms ranging from one year to five years. Some of our trust loans and other financing arrangements are guaranteed by our Company or secured by the relevant PRC subsidiaries’ shares (through share pledge or ownership of shares) or land use rights in favor of the trust financing provider, or a combination of these. The trust loans and other financing arrangements contain customary

events of default, including non-payment of principal or interest and breaches of the terms of the arrangements. If an event of default has occurred, the trust financing provider may exercise its rights to realize the security held under the share pledge agreement and loan mortgage agreement, and demand payments from us as the guarantor. As of December 31, 2020, the aggregate outstanding amount of trust and other borrowings amounted to RMB9,282.4 million (US\$1,422.6 million).

OFFSHORE FINANCING

Intercreditor Agreement

In order to secure the obligations under the March 2014 Notes, the Company and the subsidiary guarantors under the indenture entered on March 21, 2014 (the “March 2014 Indenture”) among the Company, Citicorp International Limited as trustee for the March 2014 Notes and the subsidiary guarantors named therein (the “March 2014 Subsidiary Guarantors”) pledged the capital stock of all such March 2014 Subsidiary Guarantors for the benefit of the holders of the March 2014 Notes (the “Shared Collateral”). The Shared Collateral may be released or reduced in the event of certain asset sales and certain other circumstances.

On July 16, 2014, the Company, the Company, the subsidiary guarantor pledgors under the July 2014 Indenture, the collateral agent, the trustee for the July 2014 Notes for the benefit of holders of the July 2014 Notes and the trustee for the March 2014 Notes for the benefit of holders of the March 2014 Notes entered into an intercreditor agreement (as amended from time to time, the “Intercreditor Agreement”). The Intercreditor Agreement provides that the security interests created on the March 2014 Collateral and the July 2014 Collateral will be shared on a *pari passu* basis among (i) the holders of the March 2014 Notes, (ii) the holders of the July 2014 Notes and (iii) any holder of permitted *pari passu* secured indebtedness or their representatives who become parties to the Intercreditor Agreement. The March 2014 Notes, the July 2014 Notes and the March 2015 Notes were fully redeemed on March 21, 2017, July 16, 2017 and March 5, 2018, respectively, and the Convertible Bonds were converted to ordinary shares of the Company on August 24, 2017, and as a result, the trustee for the March 2014 Notes, the trustee for the July 2014 Notes, the trustee for the March 2015 Notes and the trustee for the Convertible Bonds has been removed as a secured party under the Intercreditor Agreement.

April 2017 Notes

On April 26, 2017, we entered into an indenture (as amended and supplemented from time to time, the “April 2017 Indenture”) pursuant to which we issued US\$225 million in principal amount of the 5.75% Senior Notes due 2022. As of the date of this offering memorandum, the entire principal amount of the April 2017 Notes is outstanding.

Guarantee

The obligations pursuant to the April 2017 Notes are guaranteed by our existing subsidiaries (the “April 2017 Subsidiary Guarantors”) other than those organized under the laws of the PRC and certain other subsidiaries specified in the April 2017 Indenture. Under certain circumstances and subject to certain conditions, a guarantee by a April 2017 Subsidiary Guarantor may be replaced by a limited-recourse guarantee, referred to as a JV Subsidiary Guarantee in the April 2017 Indenture.

Each of the April 2017 Subsidiary Guarantors, jointly and severally, guarantees the due and punctual payment of the principal, any premium, and interest on, and all other amounts payable under, the April 2017 Notes.

Collateral

The trustee for the April 2017 Notes acceded to the Intercreditor Agreement in April 2017, which provided that the obligations under the April 2017 Notes Facility are secured by the Shared Collateral.

Interest

The April 2017 Notes bear an interest rate of 5.75% per annum. Interest is payable semi-annually in arrears.

Covenants

Subject to certain conditions and exceptions, the April 2017 Indenture contains certain covenants, restricting us and each of the related restricted subsidiaries from, among other things:

- incurring or guaranteeing additional indebtedness and issuing disqualified or preferred stock;
- declaring dividends on its capital stock or purchasing or redeeming capital stock;
- making investments or other specified restricted payments;
- 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 2017 Indenture contains certain customary events of default, including default in the payment of principal, or of any premium, on the April 2017 Notes, when such payments become due, default in payment of interest which continues for 30 days, breaches of covenants, insolvency and other events of default specified in the April 2017 Indenture. If an event of default occurs and is continuing, the trustee under the April 2017 Indenture or the holders of at least 25% of the outstanding April 2017 Notes may declare the principal of the April 2017 Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

Change of Control

Upon the occurrence of certain events of change of control and a rating decline, we will make an offer to repurchase all outstanding April 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 April 2017 Notes is April 26, 2022.

At any time prior to April 26, 2020, we may at our option redeem the April 2017 Notes in whole but not in part, at a redemption price equal to 100% of the principal amount of the April 2017 Notes redeemed 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 April 26, 2020, we may redeem up to 35% of the aggregate principal amount of the April 2017 Notes with the proceeds from sale of certain kinds of our common stock of the Company at a redemption price of 105.75% of the principal amount of the April 2017 Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date, subject to certain conditions.

On or after April 26, 2020, we may on any one or more occasions redeem all or any part of the April 2017 Notes, at a redemption price set forth below, plus accrued and unpaid interest, if any, on the April 2017 Notes redeemed, to (but not including) the redemption date.

Year	Redemption Price
2020	102%
2021 and thereafter	101%

Additionally, if we or a subsidiary guarantor pledger under the April 2017 Indenture would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws, we may redeem the April 2017 Notes at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, subject to certain exceptions.

November 2017 Notes

On November 30, 2017, we entered into an indenture (as amended and supplemented from time to time, the “November 2017 Indenture”) pursuant to which we issued US\$300 million in principal amount of the 6.6% Senior Notes due 2023. As of the date of this offering memorandum, the entire principal amount of the November 2017 Notes is outstanding.

Guarantee

The obligations pursuant to the November 2017 Notes are guaranteed by our existing subsidiaries (the “November 2017 Subsidiary Guarantors”) other than those organized under the laws of the PRC and certain other subsidiaries specified in the November 2017 Indenture. Under certain circumstances and subject to certain conditions, a guarantee by a November 2017 Subsidiary Guarantor may be replaced by a limited-recourse guarantee, referred to as a JV Subsidiary Guarantee in the November 2017 Indenture.

Each of the November 2017 Subsidiary Guarantors, jointly and severally, guarantees the due and punctual payment of the principal, any premium, and interest on, and all other amounts payable under, the November 2017 Notes.

Collateral

The trustee for the November 2017 Notes acceded to the Intercreditor Agreement in November 2017, which provided that the obligations under the November 2017 Notes Facility are secured by the Shared Collateral.

Interest

The November 2017 Notes bear an interest rate of 6.6% per annum. Interest is payable semi-annually in arrears on May 30 and November 30 of each year, beginning May 30, 2018, except that the last payment of interest, to be made on March 2, 2023, will be in respect of the period from and including November 30, 2022 to but excluding March 2, 2023.

Covenants

Subject to certain conditions and exceptions, the November 2017 Indenture contains certain covenants, restricting us and each of the related restricted subsidiaries from, among other things:

- incurring or guaranteeing additional indebtedness and issuing disqualified or preferred stock;
- declaring dividends on its capital stock or purchasing or redeeming capital stock;
- making investments or other specified restricted payments;
- 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 November 2017 Indenture contains certain customary events of default, including default in the payment of principal, or of any premium, on the November 2017 Notes, when such payments become due, default in payment of interest which continues for 30 days, breaches of covenants, insolvency and other events of default specified in the November 2017 Indenture. If an event of default occurs and is continuing, the trustee under the November 2017 Indenture or the holders of at least 25% of the outstanding November 2017 Notes may declare the principal of the November 2017 Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

Change of Control

Upon the occurrence of certain events of change of control and a rating decline, we will make an offer to repurchase all outstanding November 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 November 2017 Notes is March 2, 2023.

At any time prior to November 30, 2020, we may at our option redeem the November 2017 Notes in whole but not in part, at a redemption price equal to 100% of the principal amount of the November 2017 Notes redeemed 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 November 30, 2020, we may redeem up to 35% of the aggregate principal amount of the November 2017 Notes with the proceeds from sale of certain kinds of our common stock of the Company at a redemption price of 106.6% of the principal amount of the November 2017 Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date, subject to certain conditions.

On or after November 30, 2020, we may on any one or more occasions redeem all or any part of the November 2017 Notes, at a redemption price set forth below, plus accrued and unpaid interest, if any, on the November 2017 Notes redeemed, to (but not including) the redemption date.

Year	Redemption Price
2020	102%
2021 and thereafter	101%

Additionally, if we or a subsidiary guarantor pledger under the November 2017 Indenture would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws, we may redeem the November 2017 Notes at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, subject to certain exceptions.

June 2018 Notes

On June 4, 2018, we entered into an indenture (as amended and supplemented from time to time, the “June 2018 Indenture”) pursuant to which we issued US\$450 million in principal amount of the 7.85% Senior Notes due 2021. As of the date of this offering memorandum, the aggregate principal amount of the June 2018 Notes of US\$100 million is outstanding.

Guarantee

The obligations pursuant to the June 2018 Notes are guaranteed by our existing subsidiaries (the “June 2018 Subsidiary Guarantors”) other than those organized under the laws of the PRC and certain other subsidiaries specified in the June 2018 Indenture. Under certain circumstances and subject to certain conditions, a guarantee by a June 2018 Subsidiary Guarantor may be replaced by a limited-recourse guarantee, referred to as a JV Subsidiary Guarantee in the June 2018 Indenture.

Each of the June 2018 Subsidiary Guarantors, jointly and severally, guarantees the due and punctual payment of the principal, any premium, and interest on, and all other amounts payable under, the June 2018 Notes.

Collateral

The trustee for the June 2018 Notes acceded to the Intercreditor Agreement in June 2018, which provided that the obligations under the June 2018 Notes Facility are secured by the Shared Collateral.

Interest

The June 2018 Notes bear an interest rate of 7.85% per annum. Interest is payable semi-annually in arrears.

Covenants

Subject to certain conditions and exceptions, the June 2018 Indenture contains certain covenants, restricting us and each of the related restricted subsidiaries from, among other things:

- incurring or guaranteeing additional indebtedness and issuing disqualified or preferred stock;
- 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 June 2018 Indenture contains certain customary events of default, including default in the payment of principal, or of any premium, on the June 2018 Notes, when such payments become due, default in payment of interest which continues for 30 days, breaches of covenants, insolvency and other events of default specified in the June 2018 Indenture. If an event of default occurs and is continuing, the trustee under the June 2018 Indenture or the holders of at least 25% of the outstanding June 2018 Notes may declare the principal of the June 2018 Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

Change of Control

Upon the occurrence of certain events of change of control and a rating decline, we will make an offer to repurchase all outstanding June 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 June 2018 Notes is June 4, 2021. At any time prior to June 4, 2020, we may at our option redeem the June 2018 Notes in whole but not in part, at a redemption price equal to 100% of the principal amount of the June 2018 Notes redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time and from time to time prior to June 4, 2021, we may redeem up to 65% of the aggregate principal amount of the June 2018 Notes with the proceeds from sale of certain kinds of our common stock of the Company at a redemption price of 107.85% of the principal amount of the June 2018 Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date, subject to certain conditions.

On or after June 4, 2020, we may on any one or more occasions redeem all or any part of the June 2018 Notes, at a redemption price of 102.0% plus accrued and unpaid interest, if any, on the June 2018 Notes redeemed, to (but not including) the redemption date.

Additionally, if we or a subsidiary guarantor pledger under the June 2018 Indenture would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws, we may redeem the June 2018 Notes at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, subject to certain exceptions.

February 2019 Notes

On February 13, 2019, we entered into an indenture (as amended and supplemented from time to time, the “February 2019 Indenture”) pursuant to which we issued US\$500 million in principal amount of the 7.625% Senior Notes due 2022. As of the date of this offering memorandum, the entire principal amount is outstanding.

Guarantee

The obligations pursuant to the February 2019 Notes are guaranteed by our existing subsidiary (the “February 2019 Subsidiary Guarantors”) other than those organized under the laws of the PRC and certain other subsidiaries specified in the February 2019 Indenture. Under certain circumstances and subject to certain conditions, a guarantee by a February 2019 Subsidiary Guarantor may be replaced by a limited-recourse guarantee, referred to as a JV Subsidiary Guarantee in the February 2019 Indenture. Each of February 2019 Subsidiary Guarantors, jointly and severally, guarantees the due and punctual payment of the principal, any premium, and interest on, and all amounts payable under, the February 2019 Notes.

Collateral

The trustee for the February 2019 Notes acceded to the Intercreditor Agreement in February 2019, which provided that the obligations under the February 2019 Notes Facility are secured by the Shared Collateral.

Interest

The February 2019 Notes bear an interest rate of 7.625% per annum. Interest is payable semi-annually in arrears.

Covenants

Subject to certain conditions and exceptions, the November 2018 Indenture contains certain covenants, restricting us and each of the related restricted subsidiaries from, among other things:

- incurring or guaranteeing additional indebtedness and issue disqualified or preferred stock;
- making investments or other specified restricted payments;
- issuing or selling capital stock of the related restricted subsidiaries;
- guaranteeing indebtedness of 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, or of any premium, on the February 2019 Notes, when such payments become due, default in payment of interest which continues for 30 days, breaches of covenants, insolvency and other events of default specified in the February 2019 Indenture. If an event of default occurs and is continuing, the trustee under the February 2019 Indenture or the holders of at least 25% of the outstanding the February 2019 Notes may declare the principal of the February 2019 Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

Change of Control

Upon the occurrence of certain events of change of control and a rating decline, we will 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 21, 2022. At any time and from time to time prior to February 21, 2022, we may redeem up to 35% of the aggregate 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 107.625% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

In addition, we may at our option redeem the Notes, in whole but not in part, at any time prior to February 21, 2022, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus a premium.

On or after February 21, 2021, we may on any one or more occasions redeem all or any part of the February 2019 Notes, at a redemption price of 101% plus accrued and unpaid interest, if any, on the February 2019 Notes redeemed, to (but not including) the redemption date.

Additionally, if we or a subsidiary guarantor pledger under the February 2019 Indenture would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws, we may redeem the February 2019 Notes at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, subject to certain exceptions.

July 2019 Notes

On July 16, 2019, we entered into an indenture (as amended and supplemented from time to time, the “July 2019 Indenture”) pursuant to which we issued US\$500 million in principal amount of the 6.75% Senior Notes due 2023. As of the date of this offering memorandum, the entire principal amount is outstanding.

Guarantee

The obligations pursuant to the July 2019 Notes are guaranteed by our existing subsidiary (the “July 2019 Subsidiary Guarantors”) other than those organized under the laws of the PRC and certain other subsidiaries specified in the July 2019 Indenture. Under certain circumstances and subject to certain conditions, a guarantee by a July 2019 Subsidiary Guarantor may be replaced by a limited-recourse guarantee, referred to as a JV Subsidiary Guarantee in the July 2019 Indenture. Each of July 2019 Subsidiary Guarantors, jointly and severally, guarantees the due and punctual payment of the principal, any premium, and interest on, and all amounts payable under, the July 2019 Notes. Collateral The trustee for the July 2019 Notes acceded to the Intercreditor Agreement in July 2019, which provided that the obligations under the July 2019 Notes Facility are secured by the Shared Collateral.

Interest

The July 2019 Notes bear an interest rate of 6.75% per annum. Interest is payable semi-annually in arrears.

Covenants

Subject to certain conditions and exceptions, the July 2019 Indenture contains certain covenants, restricting us and each of the related restricted subsidiaries from, among other things:

- incurring or guaranteeing additional indebtedness and issue disqualified or preferred stock;
- making investments or other specified restricted payments;
- issuing or selling capital stock of the related restricted subsidiaries;
- guaranteeing indebtedness of 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 July 2019 Indenture contains certain customary events of default, including default in the payment of principal, or of any premium, on the July 2019 Notes, when such payments become due, default in payment of interest which continues for 30 days, breaches of covenants, insolvency and other events of default specified in the July 2019 Indenture. If an event of default occurs and is continuing, the trustee under the July 2019 Indenture or the holders of at least 25% of the outstanding the July 2019 Notes may declare the principal of the July 2019 Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

Change of Control

Upon the occurrence of certain events of change of control and a rating decline, we will make an offer to repurchase all outstanding July 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 July 2019 Notes is July 16, 2023. At any time and from time to time prior to July 16, 2022, we may redeem up to 35% of the aggregate amount of the July 2019 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 106.75% of the principal amount of the July 2019 Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

In addition, we may at our option redeem the July 2019 Notes, in whole but not in part, at any time prior to July 16, 2022, at a redemption price equal to 100% of the principal amount of the July 2019 Notes redeemed plus a premium.

On or after July 16, 2022, we may on any one or more occasions redeem all or any part of the July 2019 Notes, at a redemption price of 101% plus accrued and unpaid interest, if any, on the July 2019 Notes redeemed, to (but not including) the redemption date.

Additionally, if we or a subsidiary guarantor pledger under the July 2019 Indenture would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws, we may redeem the July 2019 Notes at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, subject to certain exceptions.

July 2020 Notes

On July 8, 2020 and October 30, 2020, we entered into an indenture (as amended and supplemented from time to time, the “July 2020 Indenture”) pursuant to which we issued US\$550 million in principal amount of the 6.75% Senior Notes due 2025. As of the date of this offering memorandum, the entire principal amount is outstanding.

Guarantee

The obligations pursuant to the July 2020 Notes are guaranteed by our existing subsidiary (the “July 2020 Subsidiary Guarantors”) other than those organized under the laws of the PRC and certain other subsidiaries specified in the July 2020 Indenture. Under certain circumstances and subject to certain conditions, a guarantee by a July 2020 Subsidiary Guarantor may be replaced by a limited-recourse guarantee, referred to as a JV Subsidiary Guarantee in the July 2020 Indenture. Each of July 2020 Subsidiary Guarantors, jointly and severally, guarantees the due and punctual payment of the principal, any premium, and interest on, and all amounts payable under, the July 2020 Notes.

Collateral

The trustee for the July 2020 Notes acceded to the Intercreditor Agreement in July 2020, which provided that the obligations under the July 2020 Notes Facility are secured by the Shared Collateral.

Interest

The July 2020 Notes bear an interest rate of 6.75% per annum. Interest is payable semi-annually in arrears on January 8 and July 8 of each year, commencing January 8, 2021.

Covenants

Subject to certain conditions and exceptions, the July 2020 Indenture contains certain covenants, restricting us and each of the related restricted subsidiaries from, among other things:

- incurring or guaranteeing additional indebtedness and issue disqualified or preferred stock;
- making investments or other specified restricted payments;
- issuing or selling capital stock of the related restricted subsidiaries;
- guaranteeing indebtedness of 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 July 2020 Indenture contains certain customary events of default, including default in the payment of principal, or of any premium, on the July 2020 Notes, when such payments become due, default in payment of interest which continues for 30 days, breaches of covenants, insolvency and other events of default specified in the July 2020 Indenture. If an event of default occurs and is continuing, the trustee under the July 2020 Indenture or the holders of at least 25% of the outstanding the July 2020 Notes may declare the principal of the July 2020 Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

Change of Control

Upon the occurrence of certain events of change of control and a rating decline, we will make an offer to repurchase all outstanding July 2020 Notes at a purchase price equal to 101% of their principal amount plus any accrued and unpaid interest.

Maturity and Redemption

The maturity date of the July 2020 Notes is July 8, 2025. At any time and from time to time prior to July 8, 2023, we may redeem up to 35% of the aggregate amount of the July 2020 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 106.75% of the principal amount of the July 2020 Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

In addition, we may at our option redeem the July 2020 Notes, in whole but not in part, at any time prior to July 8, 2023, at a redemption price equal to 100% of the principal amount of the July 2020 Notes redeemed plus a premium. Additionally, if we or a subsidiary guarantor pledger under the July 2020 Indenture would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws, we may redeem the July 2020 Notes at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, subject to certain exceptions.

September 2020 Notes

On September 22, 2020, we entered into an indenture (as amended and supplemented from time to time, the “September 2020 Indenture”) pursuant to which we issued US\$450 million in principal amount of the 6.2% Senior Notes due 2026. As of the date of this offering memorandum, the entire principal amount is outstanding.

Guarantee

The obligations pursuant to the September 2020 Notes are guaranteed by our existing subsidiary (the “September 2020 Subsidiary Guarantors”) other than those organized under the laws of the PRC and certain other subsidiaries specified in the September 2020 Indenture. Under certain circumstances and subject to certain conditions, a guarantee by a September 2020 Subsidiary Guarantor may be replaced by a limited-recourse guarantee, referred to as a JV Subsidiary Guarantee in the September 2020 Indenture. Each of September 2020

Subsidiary Guarantors, jointly and severally, guarantees the due and punctual payment of the principal, any premium, and interest on, and all amounts payable under, the September 2020 Notes.

Collateral

The trustee for the September 2020 Notes acceded to the Intercreditor Agreement in September 2020, which provided that the obligations under the September 2020 Notes Facility are secured by the Shared Collateral.

Interest

The September 2020 Notes bear an interest rate of 6.2% per annum. Interest is payable semi-annually in arrears on March 22 and September 22 of each year, commencing March 22, 2021.

Covenants

Subject to certain conditions and exceptions, the September 2020 Indenture contains certain covenants, restricting us and each of the related restricted subsidiaries from, among other things:

- incurring or guaranteeing additional indebtedness and issue disqualified or preferred stock;
- making investments or other specified restricted payments;
- issuing or selling capital stock of the related restricted subsidiaries;
- guaranteeing indebtedness of 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 2020 Indenture contains certain customary events of default, including default in the payment of principal, or of any premium, on the September 2020 Notes, when such payments become due, default in payment of interest which continues for 30 days, breaches of covenants, insolvency and other events of default specified in the September 2020 Indenture. If an event of default occurs and is continuing, the trustee under the September 2020 Indenture or the holders of at least 25% of the outstanding the September 2020 Notes may declare the principal of the September 2020 Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

Change of Control

Upon the occurrence of certain events of change of control and a rating decline, we will make an offer to repurchase all outstanding September 2020 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 2020 Notes is March 22, 2026.

At any time and from time to time on after September 22, 2023, we may at our option redeem the September 2020 Notes, in whole or in part, at a redemption price equal to 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 twelve-month period beginning on September 22 of the years indicated below:

Period	Redemption Price
2023.....	102%
2024.....	101%

At any time and from time to time prior to September 22, 2023, we may redeem up to 35% of the aggregate amount of the September 2020 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 106.2% of the principal amount of the September 2020 Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

In addition, we may at our option redeem the September 2020 Notes, in whole but not in part, at any time prior to September 22, 2023, at a redemption price equal to 100% of the principal amount of the September 2020 Notes redeemed plus a premium. Additionally, if we or a subsidiary guarantor pledger under the September 2020 Indenture would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws, we may redeem the September 2020 Notes at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, subject to certain exceptions.

January 2021 Notes

On January 14, 2021, we entered into an indenture (as amended and supplemented from time to time, the “January 2021 Indenture”) pursuant to which we issued US\$350 million in principal amount of the 5.75% Senior Notes due 2027. As of the date of this offering memorandum, the entire principal amount is outstanding.

Guarantee

The obligations pursuant to the January 2021 Notes are guaranteed by our existing subsidiary (the January 2021 Subsidiary Guarantors”) other than those organized under the laws of the PRC and certain other subsidiaries specified in the January 2021 Indenture. Under certain circumstances and subject to certain conditions, a guarantee by a January 2021 Subsidiary Guarantor may be replaced by a limited-recourse guarantee, referred to as a JV Subsidiary Guarantee in the January 2021 Indenture. Each of January 2021 Subsidiary Guarantors, jointly and severally, guarantees the due and punctual payment of the principal, any premium, and interest on, and all amounts payable under, the January 2021 Notes.

Collateral

The trustee for the January 2021 Notes acceded to the Intercreditor Agreement in January 2021, which provided that the obligations under the January 2021 Notes Facility are secured by the Shared Collateral.

Interest

The January 2021 Notes bear an interest rate of 5.75% per annum. Interest is payable semi-annually in arrears on January 14 and July 14 of each year, commencing January 14, 2027.

Covenants

Subject to certain conditions and exceptions, the January 2021 Indenture contains certain covenants, restricting us and each of the related restricted subsidiaries from, among other things:

- incurring or guaranteeing additional indebtedness and issue disqualified or preferred stock;
- making investments or other specified restricted payments;
- issuing or selling capital stock of the related restricted subsidiaries;
- guaranteeing indebtedness of 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 2021 Indenture contains certain customary events of default, including default in the payment of principal, or of any premium, on the January 2021 Notes, when such payments become due, default in payment of interest which continues for 30 days, breaches of covenants, insolvency and other events of default specified in the January 2021 Indenture. If an event of default occurs and is continuing, the trustee under the January 2021 Indenture or the holders of at least 25% of the outstanding the January 2021 Notes may declare the principal of the January 2021 Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

Change of Control

Upon the occurrence of certain events of change of control and a rating decline, we will make an offer to repurchase all outstanding January 2021 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 2021 Notes is January 14, 2027.

At any time and from time to time on after January 14, 2025, we may at our option redeem the January 2021 Notes, in whole or in part, at a redemption price equal to 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 twelve-month period beginning on January 14 of the years indicated below:

Period	Redemption Price
2025.....	102%
2026.....	101%

At any time and from time to time prior to January 14, 2025, we may redeem up to 35% of the aggregate amount of the January 2021 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 105.75% of the principal amount of the January 2021 Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

In addition, we may at our option redeem the January 2021 Notes, in whole but not in part, at any time prior to January 14, 2025, at a redemption price equal to 100% of the principal amount of the January 2021 Notes redeemed plus a premium. Additionally, if we or a subsidiary guarantor pledger under the January 2021 Indenture would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws, we may redeem the January 2021 Notes at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, subject to certain exceptions.

April 2021 Notes

On April 22, 2021, we entered into an indenture (as amended and supplemented from time to time, the “April 2021 Indenture”) pursuant to which we issued US\$200 million in principal amount of the 5.3% Senior Notes due 2022. As of the date of this offering memorandum, the entire principal amount is outstanding.

Guarantee

The obligations pursuant to the April 2021 Notes are guaranteed by our existing subsidiary (the April 2021 Subsidiary Guarantors”) other than those organized under the laws of the PRC and certain other subsidiaries specified in the April 2021 Indenture. Under certain circumstances and subject to certain conditions, a guarantee by a April 2021 Subsidiary Guarantor may be replaced by a limited-recourse guarantee, referred to as a JV Subsidiary Guarantee in the April 2021 Indenture. Each of April 2021 Subsidiary Guarantors, jointly and severally, guarantees the due and punctual payment of the principal, any premium, and interest on, and all amounts payable under, the April 2021 Notes.

Collateral

The trustee for the April 2021 Notes acceded to the Intercreditor Agreement in April 2021, which provided that the obligations under the April 2021 Indenture are secured by the Shared Collateral.

Interest

The April 2021 Notes bear an interest rate of 5.3% per annum. Interest is payable in arrears on October 22, 2021 and April 20, 2022.

Covenants

Subject to certain conditions and exceptions, the April 2021 Indenture contains certain covenants, restricting us and each of the related restricted subsidiaries from, among other things:

- incurring or guaranteeing additional indebtedness and issue disqualified or preferred stock;
- making investments or other specified restricted payments;
- issuing or selling capital stock of the related restricted subsidiaries;
- guaranteeing indebtedness of 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 2021 Indenture contains certain customary events of default, including default in the payment of principal, or of any premium, on the April 2021 Notes, when such payments become due, default in payment of interest which continues for 30 days, breaches of covenants, insolvency and other events of default specified in the April 2021 Indenture. If an event of default occurs and is continuing, the trustee under the April 2021 Indenture or the holders of at least 25% of the outstanding the April 2021 Notes may declare the principal of the April 2021 Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

Change of Control

Upon the occurrence of certain events of change of control and a rating decline, we will make an offer to repurchase all outstanding April 2021 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 2021 Notes is April 20, 2022.

At any time and from time to time prior to April 20, 2022, we may redeem up to 35% of the aggregate amount of the April 2021 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 105.3% of the principal amount of the April 2021 Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

In addition, we may at our option redeem the April 2021 Notes, in whole but not in part, at any time prior to April 20, 2022, at a redemption price equal to 100% of the principal amount of the April 2021 Notes redeemed plus a premium. Additionally, if we or a subsidiary guarantor pledger under the April 2021 Indenture would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws, we may redeem the April 2021 Notes at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, subject to certain exceptions.

2019 Hang Seng Facility

On November 8, 2019, we entered into a facility agreement with, among others, various financial institutions as lenders and Hang Seng Bank Limited as facility agent for US\$ and HK\$ dual-currency transferable term loan facility in an aggregate amount of US\$128.0 million and HK\$312.0 million (US\$44.2 million) for a term of 48 months commencing from November 8, 2019, as supplemented by an incremental facility notice dated as of January 31, 2020 and an incremental facility notice dated as of February 26, 2020 an incremental facility notice dated as of February 13, 2020 (the “2019 Hang Seng Facility”). As of the date of this offering memorandum, we have drawn down the facility in full.

Guarantee and security

The obligations pursuant to the 2019 Hang Seng Facility are guaranteed by the same subsidiaries acting as subsidiary guarantors for the Notes (the “Loan Subsidiary Guarantors”). Each of the Loan Subsidiary Guarantors, jointly and severally, guarantee the due and punctual payment of the principal, any premium, and interest on, and all other amounts payable under the 2019 Hang Seng Facility. The 2019 Hang Seng Facility and the subsidiary guarantees provided by the Loan Subsidiary Guarantors are secured by the Shared Collateral.

Interest

The principal amounts outstanding under the 2019 Hang Seng Facility generally bear interest at floating rates calculated with reference to the London Interbank Offered Rate or Hong Kong Interbank Offered Rate.

Covenants

The 2019 Hang Seng Facility contains customary covenants and restrictions, including, amongst others, negative pledge on assets (with certain exemptions), financial covenants including consolidated tangible net worth, consolidated net borrowings and fixed charge coverage ratios.

DESCRIPTION OF THE NOTES

For purposes of this “Description of the Notes,” the term “Company” refers only to Times China Holdings Limited (previously known as Times Property Holdings Limited), 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 Guarantee 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 June 4, 2021, among the Company, the Subsidiary Guarantors, as guarantors, and Citicorp International Limited, as trustee (the “Trustee”).

The following is a summary of material provisions of the Indenture, the Notes, the Intercreditor Agreement, the Security Documents, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any). 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 Intercreditor Agreement, the Security Documents, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any). 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 on or after the Original Issue Date at the corporate trust office of the Trustee at 20/F, Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, 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 Existing *Pari Passu* Secured Indebtedness 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, the JV Subsidiary Guarantees and the Collateral”;
- effectively subordinated to the secured obligations (if any, other than Permitted *Pari Passu* Secured Indebtedness) of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor (other than the Collateral); and
- effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries (as defined below).

In addition, on the Original Issue Date, subject to the limitations described in “Risk Factors — Risks Relating to the Subsidiary Guarantees, the JV Subsidiary Guarantees and the Collateral,” the Notes will be secured by a pledge of the Collateral as described below under the caption “— Security” and will:

- be entitled to a first ranking security interest on the Collateral (subject to any Permitted Liens) shared on a *pari passu* basis pursuant to the Intercreditor Agreement with holders of the Existing Pari Passu Secured Indebtedness and holders of Permitted Pari Passu Secured Indebtedness; and
- rank effectively senior in right of payment to unsecured obligations of the Company and the Subsidiary Guarantor Pledgors with respect to the value of the Collateral pledged by the Company and the Subsidiary Guarantor Pledgors securing the Notes (subject to any priority rights of such unsecured obligations pursuant to applicable law).

The Notes will mature on June 4, 2024, unless earlier redeemed pursuant to the terms thereof and the Indenture.

The Notes will bear interest at 5.55% per annum from the Original Issue Date or from the most recent interest payment date to which interest has been paid or duly provided for, payable semiannually in arrears on June 4 and December 4 of each year, commencing December 4, 2021 (each an “Interest Payment Date”). Interest on the Notes will be paid to Holders of record at the close of business on May 20 or November 19 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. 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 close of business (of the relevant clearing system) one 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. Interest on the Notes will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Except as described under “Optional Redemption,” “Redemption for Taxation Reasons” or 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, then payment of such principal, premium or interest need not be made on such date but may be made on the next succeeding Business Day. Any payment made on such Business Day shall have the same force and effect as if made on the date on which such payment is due, and no interest on the Notes shall accrue for the period after such date.

The Indenture allows additional Notes to be issued from time to time (the “Additional Notes”), subject to certain limitations described under “— Further Issues.” Unless the context requires otherwise, references to the “Notes” for all purposes of the Indenture and this “Description of the Notes” include any Additional Notes that are actually issued.

The Notes will be issued only in fully registered form, without coupons, in denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof. No service charge will be made for any registration of transfer or exchange of Notes, but the Company may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

All payments on the Notes will be made by wire transfer in U.S. dollars by the Company at the office or agency of the Company maintained for that purpose (which initially will be the specified office of the Paying Agent currently located at Citibank, N.A., London Branch, c/o Citibank, N.A., Dublin Branch, One North Wall Quay, Dublin 1, Ireland), and the Notes may be presented for registration of transfer or exchange at such office or agency; *provided* that, if the Notes are in certificated form and the Company acts as its own paying agent, at the option of the Company, payment of interest may be made by check mailed to the address of the Holders as such address appears in the Note register maintained by the Note Registrar or by wire transfer. 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 consist of all of the Company's Restricted Subsidiaries other than those Restricted Subsidiaries organized under the laws of the PRC (the "PRC Restricted Subsidiaries") and the Initial Other Non-Guarantor Subsidiaries, being Wah Tai (H.K.) Development Limited, Million Sensor Management Limited, Super Best Global Limited, Clear Strength Holdings Limited, August Skill Limited, Times Billion Limited, Precision Time Limited, Times Property Holdings Limited, Time Ego Limited, Skill Key Limited, Times Industry Group Limited, Treasure Tide Investments Limited, Bright Lead Incorporation Limited, Silver Boat Development Limited, Morning Sun Offset Printing Limited, Embrace Fortune Limited, Expect Trade Limited, Direct Hero Limited, Major Prospect Limited, Victory Vision Investments Limited, Asia Fortune Management Limited, City Flourish Limited, Lucky Soar Limited, Profit Planet Limited, Copious Treasure Limited, Prestige Esteem Limited, Sunshine Sincere Limited and Noble Treasures Limited.

As of the date of this offering memorandum, the Subsidiary Guarantors and the Initial Other Non-Guarantor Subsidiaries 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. Although the Indenture contains limitations on the amount of additional Indebtedness that Non-Guarantor Subsidiaries 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, such Non-Guarantor Subsidiary will pay the holders of its debt and its trade creditors before it will be able to distribute any of its assets to the Company.

(x) In the case of a Restricted Subsidiary that is, or is proposed by the Company or any of its Restricted Subsidiaries to be, established after the Original Issue Date in any jurisdiction other than the PRC in respect of which the Company or any of its Restricted Subsidiaries, is proposing to sell, whether through the sale of existing Capital Stock or the issuance of new Capital Stock, no less than 20% of the Capital Stock of such Restricted Subsidiary or (y) in the case of any other entity, in respect which the Company or any of its Restricted Subsidiaries is proposing to purchase Capital Stock of, and designate such entity as a Restricted Subsidiary, the Company may, in the case of (x) or (y), concurrently with or as soon as practicable after the consummation of such sale, issuance or purchase, provide a JV Subsidiary Guarantee (as defined below) instead of a Subsidiary Guarantee for (a) such

Restricted Subsidiary and (b) the Restricted Subsidiaries of such Restricted Subsidiary that are organized in any jurisdiction other than the PRC, 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 any of the Restricted Subsidiaries that would have the effect of (a) prohibiting the Company or any of the Restricted Subsidiaries from providing such JV Subsidiary Guarantee or (b) requiring the Company or any of the Restricted Subsidiaries 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 is made to, or such purchase of Capital Stock is purchased from, an Independent Third Party at a consideration that is not less than (in the case of a sale or issuance) or no more than (in the case of a purchase) the Fair Market Value of such Capital Stock;
- 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 of such JV Subsidiary Guarantor that is not organized under the laws of the PRC (other than the Exempted Subsidiaries or the Listed Subsidiaries), 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 Holders and 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) an Opinion of Counsel 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).

As of December 31, 2020, the Company and its consolidated subsidiaries had total outstanding bank loans and other borrowings (excluding the April 2017 Notes, the November 2017 Notes, the January 2018 Notes, the June 2018 Notes, the February 2019 Notes, the July 2019 Notes, the May 2020 Notes, the July 2020 Notes, the September 2020 Notes, the April 2021 Notes and Corporate Bonds) of RMB25,809.2 million (US\$3,955.4 million), of which RMB22,954.3 million (US\$3,517.9 million) was secured.

As of December 31, 2020, the Non-Guarantor Subsidiaries had total outstanding bank loans and other borrowings (excluding the April 2017 Notes, the November 2017 Notes, the January 2018 Notes, the June 2018 Notes, the February 2019 Notes, the July 2019 Notes, the May 2020 Notes, the July 2020 Notes, the September 2020 Notes, the April 2021 Notes and Corporate Bonds) of RMB23,493.9 million (US\$3,600.6 million) and the Non-Guarantor Subsidiaries had capital commitments of RMB19,667.7 million (US\$3,014.2 million) and contingent liabilities of RMB29,867.7 million (US\$4,577.4 million).

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 (other than the Collateral) 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;
- ranks at least *pari passu* with the subsidiary guarantee of such Subsidiary Guarantor for the Existing Pari Passu Secured Indebtedness 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); and
- is effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

If any is provided, the JV Subsidiary Guarantee of each JV Subsidiary Guarantor:

- will be a general obligation of such JV Subsidiary Guarantor;
- will, together with all the JV Subsidiary Guarantees provided by the Subsidiaries and shareholders of such JV Subsidiary Guarantor, in the aggregate, 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, together with all the JV Subsidiary Guarantees provided by the Subsidiaries and shareholders of such JV Subsidiary Guarantor, in the aggregate, 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, together with all the JV Subsidiary Guarantees provided by the Subsidiaries and shareholders of such JV Subsidiary Guarantor, in the aggregate, 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 Restricted Subsidiary organized under laws outside the PRC

not provide a Subsidiary Guarantee or a JV Subsidiary Guarantee (Restricted Subsidiaries other than those organized under the laws of the PRC that do not provide Subsidiary Guarantee or JV Subsidiary Guarantee in accordance with the Indenture, the “New Non-Guarantor Subsidiaries”) at the time such entity becomes a Restricted Subsidiary; *provided* that, after taking into account the consolidated assets of such Restricted Subsidiary, the Consolidated Assets of all Restricted Subsidiaries organized under laws outside the PRC (other than Exempted Subsidiaries and Listed Subsidiaries) that are neither Subsidiary Guarantors nor JV Subsidiary Guarantors do not account for more than 25.0% 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.”

Although the Indenture contains limitations on the amount of additional Indebtedness that 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.

In addition, subject to the limitations described in “Risk Factors — Risks Relating to the Subsidiary Guarantees, the JV Subsidiary Guarantees and the Collateral,” the Subsidiary Guarantee of each Subsidiary Guarantor Pledgor:

- will be entitled to a first ranking security interest in the Collateral (subject to any Permitted Liens) pledged by such Subsidiary Guarantor Pledgor shared on a *pari passu* basis pursuant to the Intercreditor Agreement with holders of the Existing Pari Passu Secured Indebtedness and holders of Permitted Pari Passu Secured Indebtedness, as described below under the caption “— Security”; and
- will rank effectively senior in right of payment to the unsecured obligations of such Subsidiary Guarantor Pledgor with respect to the value of the Collateral securing such Subsidiary Guarantee (subject to any priority rights of such unsecured obligations pursuant to applicable law).

The JV Subsidiary Guarantee of each JV Subsidiary Guarantor will not be secured.

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 Guarantee, together with all the JV Subsidiary Guarantees provided by the Subsidiaries and shareholders of such JV Subsidiary Guarantor, in the aggregate, will be limited to the JV Entitlement Amount. The Subsidiary Guarantors and JV Subsidiary Guarantors will (1) agree that their respective obligations under the Subsidiary Guarantees and 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 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, together with all the JV Subsidiary Guarantees provided by the Subsidiaries and shareholders of such JV Subsidiary Guarantor, in the aggregate, 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 and the enforceability of the Collateral granted in respect of the Subsidiary Guarantees of the Subsidiary Guarantor Pledgors 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, the JV Subsidiary Guarantees and the Collateral — 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."

Release of the Subsidiary Guarantees and the 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 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 of its Restricted Subsidiaries is proposing to sell or has sold, whether through the sale of existing Capital Stock or the issuance of new Capital Stock, no less than 20% of the Capital Stock of such Subsidiary Guarantor, the Company may concurrently with or after the consummation of such sale or issuance of Capital Stock, (a) request the Trustee to release the Subsidiary Guarantee provided by such Subsidiary Guarantor and the Subsidiary Guarantee provided by each of its Restricted Subsidiaries organized under laws outside the PRC, and upon such release such Subsidiary Guarantor and its Restricted Subsidiaries organized under laws outside the PRC will become New Non-Guarantor Subsidiaries (such that each New Non-Guarantor Subsidiary will no longer Guarantee the Notes) and (b) request the Collateral Agent to (i) discharge the pledge of the Capital Stock granted by each such New Non-Guarantor Subsidiary and (ii) discharge the pledge of Capital Stock made by the Company or any Subsidiary Guarantor over the Capital Stock it owns in each such New Non-Guarantor Subsidiary (in each case under (a) and (b), without any requirement to seek the consent or approval of the Holders of the Notes), *provided* that after the release of such Subsidiary Guarantees, the Consolidated Assets of all Restricted Subsidiaries organized under laws outside the PRC (other than the Exempted Subsidiaries and Listed Subsidiaries) that are neither Subsidiary Guarantors nor JV Subsidiary Guarantors (including the New Non-Guarantor Subsidiaries) do not account for more than 25.0% 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 Subsidiaries that would have the effect of (x) prohibiting the Company or any of the Restricted Subsidiaries from releasing such Subsidiary Guarantee or (y) 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.

Each of the Trustee and the Collateral Agent shall comply with a request referred to in (a) or (b) above if the conditions precedent to such release set forth in the Indenture have been complied with, as evidenced by an Officers’ Certificate from the Company, and the Trustee and the Collateral Agent shall take all actions necessary to effect and evidence such release in accordance with the terms of the Indenture.

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 of its Restricted Subsidiaries 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% 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 Subsidiaries that would have the effect of (a) prohibiting the Company or any of the Restricted Subsidiaries from releasing such Subsidiary Guarantee, (b) prohibiting the Company or any of the Restricted Subsidiaries from providing a JV Subsidiary Guarantee, or (c) requiring the Company or any of the Restricted Subsidiaries 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 has been made to an Independent Third Party at a consideration that is not less than the Fair Market Value of such Capital Stock;
- 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 of such JV Subsidiary Guarantor that is not organized under the laws of the PRC (other than the Exempted Subsidiaries or the Listed Subsidiaries) 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 Holders and 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) an Opinion of Counsel 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 "Limitation on Asset Sales" and "Limitation on Restricted Payments" covenants.

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 “Limitation on Asset Sales” covenant.

As of the date of the Indenture, all of the Company’s Subsidiaries other than the Existing Unrestricted 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 certain of its 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 Guarantee the Notes.

SECURITY

The Company and the initial Subsidiary Guarantor Pledgors have pledged in favor of the Collateral Agent the capital stock of all of the initial Subsidiary Guarantors held directly by the Company or the initial Subsidiary Guarantor Pledgors (the “Collateral”) (subject to Permitted Liens and the Intercreditor Agreement) in order to secure the obligations of the Company under the Existing Pari Passu Secured Indebtedness and the debt agreements for the Existing Pari Passu Secured Indebtedness and of such Subsidiary Guarantor Pledgors under their respective subsidiary guarantees of the Existing Pari Passu Secured Indebtedness.

The Company has agreed to extend, or cause the initial Subsidiary Guarantor Pledgors to extend, as the case may be, the benefit of the security interests created over the Collateral to the Holders on the Original Issue Date in order to secure the obligations of the Company under the Notes and the Indenture and of such initial Subsidiary Guarantor Pledgor under its Subsidiary Guarantee. Upon the execution of a supplement to the Intercreditor Agreement in the manner as described under “— Intercreditor Agreement”, such security interests will be so extended.

The initial Subsidiary Guarantor Pledgors are Wisdom Sharp Investments Limited, Venus Tower Limited, Grand Highway International Ltd. and Hong Kong Times Investments Limited.

None of the Capital Stock of the Non-Guarantor Subsidiaries will be pledged on the Original Issue Date or at any time in the future, *provided* that if the Company designates any of the Non-Guarantor Subsidiaries as a Subsidiary Guarantor or a JV Subsidiary Guarantor after the Original Issue Date, the Capital Stock of such Subsidiary Guarantor or the Capital Stock (owned by the Company or any Subsidiary Guarantor) of such JV Subsidiary Guarantor, as the case may be, will be pledged, as soon as reasonably practicable (but in any event within 30 days) after such designation, to secure the obligations of the Company under the Notes and the Indenture, and of the Subsidiary Guarantors under the Subsidiary Guarantees, in the manner described above. In addition, none of the Capital Stock of any future Restricted Subsidiary that may be organized under the laws of the PRC will be pledged at any time in the future. None of the JV Subsidiary Guarantors will provide a Security Document pledging the Capital Stock of its direct or indirect Subsidiaries as security in favor of the Collateral Agent.

The Company has also agreed, for the benefit of the Holders, to pledge, or cause each Subsidiary Guarantor to pledge, the Capital Stock owned directly by the Company or such Subsidiary Guarantor of (i) any Person that becomes a Restricted Subsidiary (other than any Non-Guarantor Subsidiary and its Subsidiaries) or (ii) any Non-Guarantor Subsidiary that is designated by the Company as a Subsidiary Guarantor or a JV Subsidiary Guarantor, as soon as reasonably practicable (but in any event within 30 days) after such Person has become a

Restricted Subsidiary or is designated as a Subsidiary Guarantor or a JV Subsidiary Guarantor or (in the case of an Exempted Subsidiary or a Listed Subsidiary) has ceased to be an Exempted Subsidiary or a Listed Subsidiary, to secure (subject to Permitted Liens and the Intercreditor Agreement) the obligations of the Company under the Notes and the Indenture, and of such Subsidiary Guarantor under its Subsidiary Guarantee, in the manner described above.

Each Subsidiary Guarantor that pledges Capital Stock of a Restricted Subsidiary after the Original Issue Date is referred to as a “Future Subsidiary Guarantor Pledgor” and, upon giving such pledge, will be a “Subsidiary Guarantor Pledgor.”

The Collateral will be shared on a *pari passu* basis by the holders of the Notes, the holders of the Existing *Pari Passu* Secured Indebtedness and the holders of Permitted *Pari Passu* Secured Indebtedness. Accordingly, in the event a default on the Notes or the other *pari passu* secured indebtedness and a foreclosure on the Collateral, any foreclosure proceeds would be shared by the holders of *pari passu* secured indebtedness in proportion to the outstanding amounts of each class of *pari passu* secured indebtedness.

The value of the Collateral securing the Notes and the Subsidiary Guarantees of the Subsidiary Guarantor Pledgors (as reduced by the obligations owed to other secured creditors under the Intercreditor Agreement) is unlikely to be sufficient to satisfy the Company’s and each of the Subsidiary Guarantor Pledgors’ obligations under the Notes and the Subsidiary Guarantees of the Subsidiary Guarantor Pledgors (as reduced by the obligations owed to other secured creditors under the Intercreditor Agreement), and the Collateral securing the Notes and such Subsidiary Guarantee (as reduced by the obligations owed to other secured creditors under the Intercreditor Agreement) may be reduced or diluted under certain circumstances, including the issuance of Additional Notes and other Permitted *Pari Passu* Secured Indebtedness and the disposition of assets comprising the Collateral, subject to the terms of the Indenture and the Intercreditor Agreement. See “— Release of Security” and “Risk Factors — Risks Relating to the Subsidiary Guarantees and the Collateral — The value of the Collateral will likely not to be sufficient to satisfy our obligations under the Notes and other *pari passu* secured indebtedness.”

No appraisals of the Collateral have been prepared in connection with this offering of the Notes. There can be no assurance that the proceeds of any sale of the Collateral, in whole or in part, pursuant to the Indenture, the Intercreditor Agreement, and the Security Documents following an Event of Default, would be sufficient to satisfy amounts due on the Notes or the Subsidiary Guarantees of the Subsidiary Guarantor Pledgors (as reduced by the obligations owed to other secured creditors under the Intercreditor Agreement). By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral would be sold in a timely manner or at all.

So long as no Payment Default has occurred and is continuing, and subject to the terms of the Security Documents and the Indenture, the Company and the Subsidiary Guarantor Pledgors, as the case may be, will be entitled to exercise any and all voting rights and to receive, retain and use any and all cash dividends, stock dividends, liquidating dividends, non-cash dividends, shares or stock resulting from stock splits or reclassifications, rights issues, warrants, options and other distributions (whether similar or dissimilar to the foregoing) in respect of Capital Stock constituting Collateral.

Permitted Pari Passu Secured Indebtedness

On or after the Original Issue Date, the Company and any Subsidiary Guarantor Pledgor may create Liens on the Collateral *pari passu* with the Lien for the benefit of the Holders to secure Indebtedness of the Company (including Additional Notes) or any Subsidiary Guarantor and any Pari Passu Guarantee with respect to such Indebtedness (such Indebtedness of the Company or any Subsidiary Guarantor and any such Pari Passu Guarantee, “Permitted Pari Passu Secured Indebtedness”); *provided* that (1) the Company or such Subsidiary Guarantor was permitted to Incur such Indebtedness under the covenant described under “— Limitation on Indebtedness”; (2) the holders of such Indebtedness (or their trustee, representative or agent), other than with respect to Additional Notes, become party to the Intercreditor Agreement referred to below; and (3) the Company and such Subsidiary Guarantor Pledgor deliver to the Trustee and the Collateral Agent (as defined below) an Opinion of Counsel and an Officers’ Certificate with respect to corporate and collateral matters in connection with the Security Documents, stating that either (x) all necessary actions have been taken with respect to the recording, registering and filing of the Security Documents, financing statements or other instruments necessary to make effective the Liens intended to be created by the Security Documents or (y) no such action is necessary to make such Lien effective. The Trustee and/or the Collateral Agent, as the case may be, will be permitted and authorized, without the consent of any Holder, to enter into any amendments to the Security Documents, the Intercreditor Agreement or the Indenture and take any other action necessary to permit the creation and registration of Liens on the Collateral to secure Permitted Pari Passu Secured Indebtedness in accordance with this paragraph and the terms of the Indenture (including, without limitation, the appointment of any collateral agent under the Intercreditor Agreement referred to below to hold the Collateral on behalf of the Holders, the holders of the Existing Pari Passu Secured Indebtedness and the holders of Permitted Pari Passu Secured Indebtedness).

Except for certain Permitted Liens and the Permitted Pari Passu Secured Indebtedness (if any), the Company and its Restricted Subsidiaries will not be permitted to Incur any other Indebtedness secured by all or any portion of the Collateral without the consent of each Holder of the Notes then outstanding.

Intercreditor Agreement

(i) The Company, (ii) the initial Subsidiary Guarantor Pledgors, (iii) the Collateral Agent, (iv) Citicorp International Limited, as trustee with respect to the March 2014 Notes and (v) Citicorp International Limited, as trustee with respect to the July 2014 Notes, entered into an intercreditor agreement dated as of July 16, 2014 (as may be amended, supplemented or modified from time to time, the “Intercreditor Agreement”) to which the Trustee will accede on the Original Issue Date, pursuant to which the parties thereto agreed that (1) the secured parties thereto and the holders of any future Permitted Pari Passu Secured Indebtedness (or their trustee, representative or agent) will share equal priority and pro rata entitlement in and to the Collateral; and (2) the conditions under which the Collateral Agent shall enforce the rights of the secured parties thereto. Citicorp International Limited, as trustee with respect to the April 2017 Notes, the November 2017 Notes, the June 2018 Notes, the February 2019 Notes, the July 2019 Notes, the July 2020 Notes, the September 2020 Notes, the January 2021 Notes and April 2021 Notes and Hang Seng Bank Limited as the facility agent for the 2019 Hang Seng Facility acceded to the Intercreditor Agreement prior to the Original Issue Date.

Prior to the first Incurrence of any Permitted Pari Passu Secured Indebtedness (other than Additional Notes), the holders of such Permitted Pari Passu Secured Indebtedness (or their representative, trustee or agent) will accede to the Intercreditor Agreement to include the holders (or their representatives, trustees or agents) of such Permitted Pari Passu Secured Indebtedness as parties to the Intercreditor Agreement.

By accepting the Notes, each Holder shall be deemed to have consented to the execution of a supplement to the Intercreditor Agreement and any amendments or modifications thereto required under the Indenture.

Enforcement of Security

Citicorp International Limited acts as the initial Collateral Agent under the Security Documents. The Collateral Agent, subject to the Intercreditor Agreement, holds such Liens over the Collateral granted pursuant to the Security Documents and the Intercreditor Agreement with sole authority as directed by the written instruction of the Creditor Representatives (as defined herein) to exercise remedies under the Security Documents. The Trustee has agreed to act as secured party on behalf of the Holders under the applicable Security Documents, to follow the written instructions provided to it by the Holders under the Indenture and to carry out certain other duties.

The Indenture, the Intercreditor Agreement and/or the Security Documents principally provide that, at any time while the Notes are outstanding, the Collateral Agent has the right to manage, perform and enforce the terms of the Security Documents relating to the Collateral and to exercise and enforce privileges, rights and remedies thereunder according to its direction, including to take or retake control or possession of such Collateral and to hold, prepare for sale, process, lease, dispose of or liquidate such Collateral, including, without limitation, following the occurrence of an Event of Default under the Indenture.

The Intercreditor Agreement provides that the Collateral Agent will enforce the Collateral in accordance with a written instruction by any Creditor Representative to do so if it does not receive any conflicting instruction, and in the case of conflicting instructions delivered by two or more Creditor Representatives, the Collateral Agent will only enforce the Collateral upon receiving written instructions from the Creditor Representatives representing a majority of the outstanding principal amount of the Indebtedness under the Debt Documents. See “Risk Factors — Risks Relating to the Subsidiary Guarantees, the JV Subsidiary Guarantees and the Collateral — The Intercreditor Agreement may impact the ability of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) to pay amounts due under the Notes, the Subsidiary Guarantees, the JV Subsidiary Guarantees (if any) and the Intercreditor Agreement may limit the rights of holders of the Notes to enforce the Collateral.”

All payments received and all amounts held by the Collateral Agent in respect of the Collateral under the Security Documents will be, subject to the Intercreditor Agreement, applied as follows:

first, to the Collateral Agent to the extent necessary to reimburse the Collateral Agent for any unpaid fees, costs and expenses (including reasonable expenses of its counsel) properly incurred in connection with the collection or distribution of such amounts held or realized or in connection with expenses properly incurred in enforcing all available remedies under the Intercreditor Agreement and the Security Documents and preserving the Collateral and all amounts for which the Collateral Agent is entitled to indemnification under the Intercreditor Agreement and the Security Documents;

second, to the extent not reimbursed under the above paragraph, ratably to the Trustee, the trustee for each Existing Pari Passu Secured Indebtedness and other Creditor Representatives, to the extent necessary to reimburse the foregoing persons for any unpaid fees, costs and expenses (including expenses of any paying agents, transfer agents, registrars or other agents in connection therewith appointed in connection with the foregoing and reasonable expenses of counsel) reasonably incurred under the Security Documents and the agreements governing any Permitted Pari Passu Secured Indebtedness (or any other document in connection with the foregoing that such paying agents, transfer agents, registrars or other agents are party to) in connection with the collection or distribution of such amounts held or realized or in connection with expenses reasonably incurred in enforcing all available remedies under the Debt Documents, the Intercreditor Agreement and the Security Documents and preserving the Collateral and all indemnification payments for which the foregoing persons are entitled to under the Debt Documents, the Intercreditor Agreement and the Security Documents;

third, ratably to each of the Trustee for the benefit of the Holders, the trustee for each series of the Existing Pari Passu Secured Indebtedness for the benefit of the holders of such Existing Pari Passu Secured Indebtedness and, to the extent applicable, to other Creditor Representatives for the benefit of the holders of any Permitted Pari Passu Secured Indebtedness (to the extent not paid pursuant to the paragraphs above), inclusive of any reasonable fees and expenses of the foregoing persons and the principal, interest and premium thereon and for the benefit of the holders thereof in accordance with the terms of the relevant Debt Documents; and

fourth, any surplus remaining after such payments will be paid to the Company, the Subsidiary Guarantor Pledgors or to whomever may be lawfully entitled thereto.

The Collateral Agent may decline to expend its own funds, foreclose on the Collateral or exercise remedies available if it does not receive indemnification and/or security to its satisfaction. In addition, the Collateral Agent's ability to foreclose on the Collateral may be subject to lack of perfection, the consent of third parties, prior Liens and practical problems associated with the realization of the Collateral Agent's Liens on the Collateral. Neither the Trustee, the Collateral Agent nor any of their respective officers, directors, employees, attorneys or agents will be responsible or liable for the existence, genuineness, value or protection of any Collateral securing the Notes, for the legality, enforceability, effectiveness or sufficiency of the Security Documents or the Intercreditor Agreement, for the creation, perfection, continuation, priority, sufficiency or protection of any of the Liens, or for any defect or deficiency as to any such matters, or for any failure to demand, collect, foreclose or realize upon or otherwise enforce any of the Liens or Security Documents or any delay in doing so.

The Security Documents provide that the Company and the Subsidiary Guarantor Pledgors will indemnify the Collateral Agent for all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind imposed against the Collateral Agent arising out of the Intercreditor Agreement or the Security Documents except to the extent that any of the foregoing are finally judicially determined to have resulted from the gross negligence, fraud or willful misconduct of the Collateral Agent.

This section, “— Enforcement of Security”, shall be subject to any amendments to the Security Documents, the Intercreditor Agreement or the Indenture to permit the creation of Liens on the Collateral to secure Permitted Pari Passu Secured Indebtedness in accordance with “— Permitted Pari Passu Secured Indebtedness” above.

Release of Security

The security created in respect of the Collateral granted under the Security Documents may be released in certain circumstances, including:

- upon repayment in full of the Notes;
- upon defeasance and discharge of the Notes as provided below under the caption “— Defeasance — Defeasance and Discharge”;
- upon dispositions of any of the Collateral in compliance with the covenants under the captions “— Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries” or “— Limitation on Asset Sales” or in accordance with the provision under the caption “— Consolidation, Merger and Sale of Assets”;
- with respect to security granted by a Subsidiary Guarantor Pledgor, upon the release of the Subsidiary Guarantee of such Subsidiary Guarantor Pledgor in accordance with the terms of the Indenture;
- in connection with and upon execution of a JV Subsidiary Guarantee to replace a Subsidiary Guarantee, with respect to all pledges of Capital Stock granted by such JV Subsidiary Guarantor in its direct and indirect Subsidiaries, and in accordance with the terms of the Indenture;
- with respect to a Subsidiary Guarantor that becomes a New Non-Guarantor Subsidiary, the release of pledge of Capital Stock granted by such New Non-Guarantor Subsidiary and the release of the pledge of Capital Stock made by the Company or any Subsidiary Guarantor over the Capital Stock it owns in such New Non-Guarantor Subsidiary;
- with respect to any pledge over any Capital Stock of any Subsidiary Guarantor or JV Subsidiary Guarantor, upon the release of the Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be, of such Subsidiary Guarantor or JV Subsidiary Guarantor, and in accordance with the terms of the Indenture; or
- with respect to any pledge over any Capital Stock of any Subsidiary Guarantor or JV Subsidiary Guarantor, upon the designation by the Company of such Subsidiary Guarantor or JV Subsidiary Guarantor as an Unrestricted Subsidiary, and in accordance with the terms of the Indenture.

FURTHER ISSUES

Subject to the covenants described below and in accordance with the terms of the Indenture, the Company may, from time to time, without notice to or the consent of the Holders, create and issue Additional Notes having the same terms and conditions as the Notes (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 interest period and interest payment thereon and, to the extent necessary, certain temporary securities law transfer restrictions) (a “Further Issue”) so that such Additional Notes may be consolidated and form a single class with the previously outstanding Notes and vote together as one class on all matters with respect to the Notes; *provided* that the issuance of any such Additional Notes shall then be permitted under the “Limitation on Indebtedness and Preferred Stock” covenant described below.

Optional Redemption

At any time and from time to time on after June 4, 2023, the Company may at its option redeem the Notes, in whole or in part, at a redemption price equal to 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 twelve-month period beginning on June 4 of the years indicated below:

<u>Period</u>	<u>Redemption Price</u>
2023	101%

At any time prior to June 4, 2023, 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 redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date. Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying the Applicable Premium.

At any time and from time to time prior to June 4, 2023, 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 105.55% 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 and/or are held through a clearing system, in compliance with the requirements of the principal national securities exchange on which the Notes are listed (if any) and/or the requirements of the clearing system; or
- (2) if the Notes are not listed on any national securities exchange, or are not held through the clearing systems, on a pro rata basis, by lot or by such other method as the Trustee in its sole and absolute discretion shall deem to be fair and appropriate, unless otherwise required by law.

No Note of US\$200,000 in principal amount or less shall 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.

The Company has agreed in the Indenture that it will in a timely manner 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."

The phrase "all or substantially all", as used with respect to the assets of the Company in the definition of "Change of Control," will likely be interpreted under applicable law of the relevant jurisdictions and will be dependent upon particular facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or transfer of "all or substantially all" the assets of the Company has occurred.

Notwithstanding the above, the Company will not be required to make a Change of Control Offer following a Change of Control Triggering Event if a third party makes the Change of Control Offer in the same manner at the same time and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

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 Event has occurred and shall not be liable to any person for 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, and premium (if any) and interest on the Notes or under the Subsidiary Guarantees and JV Subsidiary Guarantees (if any) 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) (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 law, regulation or other official guidance enacted in any jurisdiction implementing FATCA, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, or any agreement with the U.S. Internal Revenue Service under FATCA; or
 - (d) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (a), (b) and (c); or
- (2) to a Holder that is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be required to be included in the income under the laws of a 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 (which notice shall be irrevocable) and the Trustee, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Company or the Surviving Person, as the case may be, for redemption (the "Tax Redemption Date") if, as a result of:

- (1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Taxing 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, 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 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 giving 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 the 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 Taxing 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 Officers' Certificate and Opinion of Counsel as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it shall be conclusive and binding on the Holders.

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, any Subsidiary Guarantor or any JV Subsidiary Guarantor may Incur Indebtedness (including Acquired Indebtedness) and any Non-Guarantor Subsidiary may Incur Permitted Subsidiary Indebtedness if, after giving effect to the Incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, (x) no Default has occurred and is continuing and (y) the Fixed Charge Coverage Ratio would be not less than 2.0 to 1.0. Notwithstanding the foregoing, the Company will not permit any Non-Guarantor Subsidiary to Incur any Disqualified Stock (other than Disqualified Stock held by the Company, a Subsidiary Guarantor or a JV 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 any Permitted Pari Passu Secured Indebtedness of the Company) and each Subsidiary Guarantee and JV Subsidiary Guarantee;
 - (b) Any Pari Passu Guarantees;
 - (c) Indebtedness of the Company or any Restricted Subsidiary outstanding on the Original Issue Date excluding Indebtedness permitted under clause (d); *provided* that such Indebtedness of Non-Guarantor 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 or Preferred Stock (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 or a JV 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, as the case may be;

- (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), (u) or (v) 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 neither a Subsidiary Guarantor nor 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 (*provided* that this sub-clause (iv) shall not prohibit the replacement of a Subsidiary Guarantee by a JV Subsidiary Guarantee if otherwise permitted by the Indenture);

- (f) Indebtedness Incurred by the Company or any Restricted Subsidiary pursuant to Hedging Obligations entered into in the ordinary course of business and designed solely to protect the Company or any of its Restricted Subsidiaries from fluctuations in interest rates, currencies or the price of commodities and not for speculation;
- (g) Pre-Registration Mortgage Guarantees by the Company or any Restricted Subsidiary;
- (h) Indebtedness Incurred by the Company or any Restricted Subsidiary for the purpose of financing (x) all or any part of the purchase price of assets, real or personal property (including the lease purchase price of land use rights) or equipment to be used in the ordinary course of business by the Company or a Restricted Subsidiary in the Permitted Business, including any such purchase through the acquisition of Capital Stock of any Person that owns such 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 in the Permitted Business; *provided* that in the case of clauses (x) and (y), (A) the aggregate principal amount of such Indebtedness shall not exceed such purchase price or cost, (B) such Indebtedness shall be Incurred no later than 180 days after the acquisition of such 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 Incurred under clauses (p), (q), (s), (t), (u) and (v) 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 30.0% 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 or similar instruments issued in the ordinary course of business to the extent that such letters of credit, trade guarantees or similar instruments are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than 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 “Limitation on Issuances of Guarantees by Restricted Subsidiaries” covenant;
- (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\$20.0 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 Person enters into such Staged Acquisition Agreement; *provided* that such Person is either a Restricted Subsidiary or would become a Restricted Subsidiary upon completion of the transactions under such Staged Acquisition Agreement;
- (p) Indebtedness Incurred or Preferred Stock or Disqualified Stock issued by any PRC Restricted Subsidiary in connection with, 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 Financial Company Investor with respect to the obligation to pay a guaranteed or preferred return to such Financial Company Investor on, Capital Stock of a PRC Restricted Subsidiary held by such Financial 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), (u) and (v) 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 30.0% 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), (u) and (v) 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 30.0% 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\$40.0 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 a Restricted Subsidiary) by the Company or such Restricted Subsidiary, if the aggregate of all Indebtedness Incurred under this clause (s) (together with refinancing thereof and the aggregate principal amount outstanding of Indebtedness that was Incurred under clauses (h), (p) and (q) above and clauses (t), (u) and (v) 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 30.0% of Total Assets;
- (t) (x) Indebtedness Incurred by any Restricted Subsidiary which is secured by Investment Properties, and Guarantees thereof by the Company or any such Restricted Subsidiary or (y) Capitalized Lease Obligations, or Attributable Indebtedness with respect to a Sale and Leaseback Transaction that would otherwise be permitted under the section entitled “Limitation on Sale and Leaseback Transactions”, Incurred by 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 (t) (together with refinancings thereof and the aggregate principal amount outstanding of Indebtedness that was Incurred under clauses (h), (p), (q) and (s) above and clauses (u) and (v) 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 30.0% of Total Assets;

- (u) 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 (u) (together with refinancing thereof and the aggregate principal amount outstanding of Indebtedness that was Incurred under clauses (h), (p), (q), (s) and (t) above and clause (v) below 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 30.0% of Total Assets; and
 - (v) 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 Minority Interest Staged Acquisition Agreement, to the extent that such deferred purchase price is paid within 12 months after the date the Company or such Restricted Subsidiary enters into such Minority Interest Staged Acquisition Agreement; *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 (v) (together with refinancings thereof and the aggregate principal amount outstanding of Indebtedness that was Incurred under clauses (h), (p), (q), (s), (t) and (u) above and the refinancings thereof, but excluding any Contractor Guarantee or Guarantee Incurred under such clauses and this clause (v) 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 30.0% of Total Assets.
- (3) For purposes of determining compliance with this “Limitation on Indebtedness and Preferred Stock” covenant, in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, including under the proviso in the first paragraph of part (1), 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, *provided* that such Indebtedness was permitted to be Incurred at the time of such Incurrence.

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 of its Restricted Subsidiaries’ Capital Stock (other than dividends or distributions payable or paid in shares of the Company’s Capital Stock (other than Disqualified Stock or Preferred Stock) or in options, warrants or other rights to acquire such shares) 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 Financial 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:
 - (1) a Default has occurred and is continuing or would occur as a result of such Restricted Payment;
 - (2) the Company could not Incur at least US\$1.00 of Indebtedness under the proviso in the first paragraph of the covenant under the caption “— Limitation on Indebtedness and Preferred Stock”; or
 - (3) 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 the first day of the fiscal semi-annual period 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 reasonable 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 of its Restricted Subsidiaries 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 of its Restricted Subsidiaries 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\$20.0 million (or the Dollar Equivalent thereof).

The foregoing provision shall not be violated by reason of:

- (1) the payment of any dividend or redemption of any Capital Stock within 60 days after the related date of declaration or call for redemption if, at said date of declaration or call for redemption, such payment or redemption would comply with the preceding paragraph;
- (2) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company 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, 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) any dividend or distribution 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 a 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 PRC Restricted Subsidiary held by, any Financial 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 “Limitation on Indebtedness and Preferred Stock” covenant;

- (7) (A) the repurchase, redemption or other acquisition or retirement for value of the Capital Stock of the Company or any Restricted Subsidiary (directly or indirectly, including through any trustee, agent or nominee) in connection with an employee benefit plan, and any corresponding Investment by the Company or any Restricted Subsidiary in any trust or similar arrangements to the extent of such repurchased, redeemed, acquired or retired Capital Stock, or (B) the repurchase, redemption or other acquisition or retirement for value of any Capital Stock of the Company or any Restricted Subsidiary held by an employee benefit plan of the Company or any Restricted Subsidiary, any current or former officer, director, consultant, or employee of the Company or any Restricted Subsidiary (or permitted transferees, estates or heirs of any of the foregoing); *provided* that the aggregate consideration paid for all such repurchased, redeemed, acquired or retired Capital Stock shall not exceed US\$15.0 million (or the Dollar Equivalent thereof using the Original Issue Date as the date of determination);
- (8) cash payment 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 payment shall not be for the purpose of evading the limitation of this “— Limitation on Restricted Payments” covenant (as determined in good faith by the Board of Directors of the Company);
- (9) the declaration and payment of any dividends on the Common Stock of, and repurchase of the Capital Stock of, the Company by the Company up to an aggregate amount not to exceed 20% of the profit for the year of the Company in any fiscal year; *provided* that the conditions described under clauses (a) and (c) of the preceding paragraph would not be violated as a consequence of such declaration and payment of dividends; and
- (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 this 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 “— Limitation on Restricted Payments” 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 "— Limitation on Restricted Payments" covenant were computed, together with a copy of any fairness opinion or appraisal required by the Indenture.

For purposes of determining compliance with this "— Limitation on Restricted Payments" covenant, in the event that an item of Investment meets the criteria of both the first paragraph of this "— Limitation on Restricted Payments" covenant and paragraph (18) 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 them.

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, the Security Documents, or under any Permitted Pari Passu Secured Indebtedness of the Company or any Subsidiary Guarantor Pledgor or Pari Passu 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 “— Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries,” “— Limitation on Indebtedness and Preferred Stock” and “— Limitation on Asset Sales” covenants;
- (f) with respect to any Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the Incurrence of Indebtedness or issuance of Preferred Stock of the type described under clause (2)(h), (2)(o), (2)(p), (2)(q), (2)(s), (2)(t), (2)(u) or (2)(v), or permitted under clause (2)(n) of the “— Limitation on Indebtedness and Preferred Stock” covenant if the encumbrances or restrictions are
- (g) customary for such types of agreements and (ii) would not, at the time agreed to, be expected to materially and adversely affect the ability of the Company to make required payment on the Notes and any extensions, refinancings, renewals or replacements of any of the foregoing agreements; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more

restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced; *provided* further that, the Board of Directors is empowered to determine as to whether of the conditions set forth in clauses (i) and (ii) are met, which determination shall be conclusive if evidenced by a Board Resolution;

- (h) existing in customary provisions in 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 (i) the encumbrances or restrictions are customary for a joint venture or similar agreement of that type and (ii) the encumbrances or restrictions would not, at the time agreed to, be expected to materially and adversely affect (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, *provided* further that, the Board of Directors is empowered to determine as to whether of the conditions set forth in clauses (i) and (ii) are met, which determination shall be conclusive if evidenced by a Board Resolution; or
- (i) existing with respect to any Unrestricted Subsidiary or the property or assets of such Unrestricted Subsidiary that is designated as a Restricted Subsidiary in accordance with the terms of the Indenture at the time of such designation and not incurred in contemplation of such designation, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Subsidiary or its subsidiaries or the property or assets of such Subsidiary or its subsidiaries, and any extensions, refinancing, renewals or replacements thereof; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced.

Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries

The Company will not sell, and 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 "Limitation on Restricted

Payments” covenant if made on the date of such sale or issuance and *provided* that the Company complies with the “— Limitation on Asset Sales” covenant; or

- (4) the 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 “— Limitation on Asset Sales” covenant.

Limitation on Issuances of Guarantees by Restricted Subsidiaries

The Company will not permit any Restricted Subsidiary which is neither a Subsidiary Guarantor nor 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 clauses (2)(c), (d), (m) or (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 one or more bank accounts, deposits or other assets to secure (or the use of any Guarantee or letter of credit or similar instruments to Guarantee) 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 clauses (1) or (2) of the first paragraph of the covenant described above 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 Hong Kong Stock Exchange, which as of the Original Issue Date require a majority shareholder approval of any such scheme;
- (6) any purchase of Capital Stock of a Restricted Subsidiary pursuant to a Staged Acquisition Agreement or a Minority Staged Acquisition Agreement, and any payment of dividends on or purchase of Capital Stock of a Restricted Subsidiary held by a Financial Company Investor;
- (7) any repurchase, redemption or other acquisition or retirement for value of any Capital Stock of the Company or any Restricted Subsidiary pursuant to clause (7) of the second paragraph of the covenant entitled “— Limitation on Restricted Payments”;
- (8) any transaction between (A) the Company or any Restricted Subsidiary and (B) any entity in the Restructuring Group entered into in connection with the proposed Restructuring, including but not limited to transactions entered into for purposes of any reorganization in connection with the proposed Restructuring

and the entry into, and the performance thereof, of any underwriting agreement or other transaction documents in connection with the proposed Restructuring; and

- (9) any transaction between (A) the Company or any Restricted Subsidiary and (B) any entity in the Restructuring Group entered into in the ordinary course of business, on fair and reasonable terms and disclosed in the offering document issued in connection with the proposed Restructuring, or any amendment or modification or extension 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 transaction described in the offering document issued in connection with the proposed Restructuring 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 (18) of the definition of "Permitted Investments" but otherwise excluding any other Permitted Investments) not prohibited by the "— Limitation on Restricted Payments" covenant, (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 between or among any of the Company, any Wholly Owned Restricted Subsidiary and any Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary or between or among the Company or a Restricted Subsidiary on the one part and a Minority Joint Venture or an Unrestricted Subsidiary on the other part, and (iv) any Affiliate Transaction that is conducted in accordance with the connected transaction rules of The Stock Exchange of Hong Kong Limited, for as long as the Capital Stock of the Company remains listed on The Stock Exchange of Hong Kong Limited; *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 transaction with a Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary, none of the minority shareholders or minority partners of or in such Restricted Subsidiary is a Person described in clause (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 being a Subsidiary of the Company), or (c) in the case of a transaction with a Minority Joint Venture or an Unrestricted Subsidiary, none of the shareholders or partners (other than the Company or a Restricted Subsidiary) of such Minority Joint Venture 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 Minority Joint Venture or Unrestricted Subsidiary or by reason of such shareholder or partner being the Company or a Subsidiary, Minority Joint Venture 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 on the Collateral (other than Permitted 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 (other than the Collateral), 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 any Restricted Subsidiary could have (a) Incurred Indebtedness in an amount equal to the Attributable Indebtedness relating to such Sale and Leaseback Transaction under the covenant described 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\$20.0 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 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\$10.0 million (or the Dollar Equivalent thereof) will be carried forward and accumulated. When accumulated Excess Proceeds exceed US\$10.0 million (or the Dollar Equivalent thereof), within 10 days thereof, the Company must make an Offer to Purchase Notes having a principal amount equal to:

- (1) accumulated Excess Proceeds, multiplied by
- (2) a fraction (x) the numerator of which is equal to the outstanding principal amount of the Notes and (y) the denominator of which is equal to the outstanding principal amount of the Notes and all *pari passu* Indebtedness similarly required to be repaid, redeemed or tendered for in connection with the related 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 in accordance with the procedures set out under “— Selection and Notice.” Upon completion of each Offer to Purchase, the amount of Excess Proceeds will be reset at zero.

Limitation on the Company’s Business Activities

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, engage in any business other than Permitted Businesses; provided, however, that the Company or any Restricted Subsidiary may own Capital Stock of an Unrestricted

Subsidiary or joint venture or other entity that is engaged in a business other than Permitted Businesses as long as any Investment therein was not prohibited when made by the covenant under the caption “— Limitation on Restricted Payments.”

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) as specified under the caption “Use of Proceeds” in this offering memorandum (or in the use of Additional Notes, the offering document relating to the sale of such Additional Notes) 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

On the Original Issue Date, each of the Existing Unrestricted Subsidiaries shall be an Unrestricted Subsidiary. Any future Subsidiary of any Existing Unrestricted Subsidiary shall also be an Unrestricted Subsidiary.

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) below) 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” (other than any Investment deemed to have been made by the Company or any Restricted Subsidiary in the Restructuring Group upon the designation of the Restructuring Group as Unrestricted Subsidiaries in connection with the proposed Restructuring pursuant to clause (19) of the definition of “Permitted Investment”).

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); (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;” and (6) if such Restricted Subsidiary is not organized under the laws of the PRC, all Capital Stock of such Restricted Subsidiary owned directly by the Company or any other Restricted Subsidiary shall be pledged to the extent required under “— Security”.

Government Approvals and Licenses; Compliance with Law

The Company will, and will cause each Restricted Subsidiary to, (1) obtain and maintain in full force and effect all governmental approvals, authorizations, consents, permits, concessions and licenses as are necessary to engage in the Permitted Businesses; (2) preserve and maintain good and valid title to its properties and assets (including land-use rights) free and clear of any Liens other than Permitted Liens; and (3) comply with all laws, regulations, orders, judgments and decrees of any governmental body, except to the extent that failure so to obtain, maintain, preserve and comply with 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 or any Subsidiary Guarantor to perform its obligations under the Notes, the relevant 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 at least two of the three 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 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 in the English language:
 - (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) 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) 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 quarters of the Company, copies of its unaudited financial statements (on a consolidated basis), 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 remains outstanding, the Company will provide to the Trustee (a) within 120 days after the close of each fiscal year

ending after the Original Issue Date, an Officers' Certificate stating the Fixed Charge Coverage Ratio with respect to the four most recent fiscal quarter periods and showing in reasonable detail the calculation of the Fixed Charge Coverage Ratio, including the arithmetic computations of each component of the Fixed Charge Coverage Ratio, with a certificate from the Company's external auditors verifying the accuracy of the calculation and arithmetic computation, *provided* that the Company shall not be required to provide such auditor certificate if its external auditors refuse to provide such 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 or an Event of Default, an Officers' Certificate setting forth the details of the Default or the Event of Default, and the action which the Company proposes to take with respect thereto.

EVENTS OF DEFAULT

The following events will be defined as "Events of Default" in the Indenture:

- (1) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;
- (2) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days;
- (3) default in the performance or breach of the provisions of the covenants described under "— 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 "— Limitation on Asset Sales," or the failure by the Company to create, or cause its Restricted Subsidiaries to create, a first priority Lien on the Collateral (subject to any Permitted Liens and the Intercreditor Agreement) in accordance with the covenant described under the caption "— Security";
- (4) the Company or any Restricted Subsidiary defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the Notes (other than a default specified in clause (1), (2) or (3) above) and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee or the Holders of 25% or more in aggregate principal amount of the Notes;
- (5) there occurs with respect to any Indebtedness of the Company or any Restricted Subsidiary having an outstanding principal amount of US\$20.0 million (or the Dollar Equivalent thereof) or more in the aggregate for all such Indebtedness of all such Persons, whether such Indebtedness now exists or shall hereafter be created, (a) an event of default that has caused the holder thereof to declare such Indebtedness to be due and payable prior to its Stated Maturity and/or (b) the failure to make a principal payment when due;
- (6) one or more final judgments or orders for the payment of money are rendered against the Company or any 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\$20.0 million (or the Dollar Equivalent thereof) (in excess of amounts which the Company's insurance carriers have agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;

- (7) an involuntary case or other proceeding is commenced against the Company or any Significant 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 (other than, in each case under (b), any of the foregoing that arises from any solvent liquidation or restructuring of a Significant Subsidiary (or any group of Restricted Subsidiaries that together would constitute a Significant Subsidiary) in the ordinary course of business that shall result in the net assets of such Significant Subsidiary (or any group of Restricted Subsidiaries that together would constitute a Significant Subsidiary) being transferred to or otherwise vested in the Company or any Restricted Subsidiary on a pro rata basis or on a basis more favorable to the Company);
- (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;
- (10) any default by the Company or any Subsidiary Guarantor Pledgor in the performance of any of its obligations under the Indenture, the Intercreditor Agreement and the Security Documents, which adversely affects the enforceability, validity, perfection or priority of the applicable Lien on the Collateral or which adversely affects the condition or value of the Collateral, taken as a whole, in any material respect; or
- (11) the Company or any Subsidiary Guarantor Pledgor denies or disaffirms its obligations under the Intercreditor Agreement or any Security Document or, other than in accordance with the Indenture, the Intercreditor Agreement and the Security Documents, any Security Document ceases to be or is not in full force and effect or the Collateral Agent ceases to have a first priority security interest in the Collateral (subject to any Permitted Liens and the Intercreditor Agreement).

If an Event of Default (other than an Event of Default specified in clause (7) or (8) above) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the request of such Holders shall (subject to being indemnified and/or secured 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 aggregate principal amount of the outstanding Notes by written notice to the Company and to the Trustee may on behalf of the Holders of Notes waive all past defaults and rescind and annul a declaration of acceleration and its consequences if:

- (1) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived, and
- (2) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Upon such waiver, the Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, but no such waiver will extend to any subsequent or other Default or impair any right consequent thereon.

If an Event of Default occurs and is continuing, the Trustee may, or the Trustee may, in accordance with and subject to the Intercreditor Agreement, instruct the Collateral Agent to, 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. In addition, if an Event of Default occurs and is continuing, subject to the Intercreditor Agreement, the Trustee may, and shall (subject to being indemnified and/or secured to its satisfaction) upon request of Holders of at least 25% in aggregate principal amount of outstanding Notes, instruct the Collateral Agent to foreclose on the Collateral in accordance with the terms of the Intercreditor Agreement and the Security Documents and take such further action on behalf of the Holders of the Notes with respect to the Collateral as the Trustee deems appropriate. See the section entitled “— Security.”

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 may be unduly prejudicial to the rights of Holders not joining in the giving of such direction and may take any other action it deems proper that is not inconsistent with any such direction received from Holders. In addition, the Trustee will not be required to expend its own funds in following such direction if it does not believe that reimbursement or satisfactory indemnification 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 request;
- (4) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity and/or security satisfactory to the Trustee; and
- (5) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a written direction that is inconsistent with the request.

However, such limitations do not apply to the right of any Holder to receive payment of the principal of, premium, if any, or interest on, such Note, or to bring suit for the enforcement of any such payment, on or after the due date expressed in the Notes, which right shall not be impaired or affected without the consent of the Holder.

Officers of the Company must certify to the Trustee in writing, on or before a date not more than 120 days after the end of each fiscal year ending after the Original Issue Date, that a review has been conducted of the activities of the Company and its Restricted Subsidiaries and the Company's and the Subsidiary Guarantors' 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 of any Default or defaults in the performance of any covenants or agreements under the Indenture. See "— Provision of Financial Statements and Reports."

None of the Trustee or any Agent is obligated to do anything to ascertain whether any Event of Default or Default has occurred or is continuing and will not be responsible to Holders or any other person for any loss arising from any failure by it to do so, and each of the Trustee and the Agents may assume that no such event has occurred and that the Company and the Subsidiary Guarantors are performing all of their obligations under the Indenture unless the Trustee or the Agent, as the case may be, has received written notice of the occurrence of such event or facts establishing that a Default or an Event of Default has occurred or that the Company and the Subsidiary Guarantors are not performing all of their obligations under the Indenture and/or the Notes.

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 with or into which the Company consolidated or merged, 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, the Notes, the Intercreditor Agreement and the Security Documents, 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, the Notes, the Intercreditor Agreement and the Security Documents, 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 under the caption "— Limitation on Indebtedness and Preferred Stock";
- (5) the Company delivers to the Trustee (x) an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (3) and (4)) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision and that all conditions precedent *provided* for in the Indenture relating to such transaction have been complied with;
- (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 the caption "— Consolidation, Merger and Sale of Assets," 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 with or into which the Company consolidated or merged, 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, the Notes and the Security Documents, 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, the Notes and the Security Documents, 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 under the caption “— Limitation on Indebtedness and Preferred Stock;”
- (5) the Company delivers to the Trustee (x) an Officers’ Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (3) and (4)) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with; and
- (6) no Rating Decline shall have occurred;

provided that this paragraph shall not apply to any sale or other disposition that complies with the “— Limitation on Asset Sales” covenant 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 — 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 or the Notes unless such consideration is offered to be paid or is paid to all Holders that consent, waive or agree to amend such term or provision within the time period set forth in the solicitation documents relating to such consent, waiver or amendment.

Notwithstanding the foregoing, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes in connection with an exchange or tender offer, the Company and any its Subsidiaries may exclude (i) Holders or beneficial owners of the Notes that are not institutional “accredited investors” as defined in Rule 501 under the Securities Act, (ii) Holders or beneficial owners of the Notes that are located in the U.S. or are “U.S. Persons” as defined in Regulation S under the Securities Act, and (iii) Holders or beneficial owners of the Notes in any jurisdiction where the inclusion of such Holders or beneficial owners would require the Company or any Subsidiary to comply with the registration requirements or other similar requirements under any securities laws of such jurisdiction, or the solicitation of such consent, waiver or amendment from, or the granting of such consent or waiver, or the approval of such amendment by, Holders or beneficial owners in such jurisdiction would be unlawful, in each case as determined by the Company in its sole discretion.

DEFEASANCE

Defeasance and Discharge

The Indenture will provide that the Company will be deemed to have paid and will be discharged from any and all obligations in respect of the Notes on the 183rd day after the deposit referred to below, and the provisions of the Indenture and the Security Documents will no longer be in effect with respect to the Notes (except for, among other matters, certain obligations to register the transfer or exchange of the Notes, to replace stolen, lost or mutilated Notes, to maintain paying agencies, to pay Additional Amounts and to hold monies for payment in trust) if, among other things:

- (1) the Company (a) has deposited with the Trustee (or its agent), in trust, money and/or U.S. Government Obligations that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity for such payments in accordance with the terms of the Indenture and the Notes and (b) 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 of its Restricted Subsidiaries is a party or by which the Company or any of its Restricted Subsidiaries is bound.

In the case of either discharge or defeasance of the Notes the Subsidiary Guarantees and JV Subsidiary Guarantees (if any) will terminate.

Defeasance of Certain Covenants

The Indenture will further provide that (i) the provisions of the Indenture 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 the section entitled “— Consolidation, Merger and Sale of Assets” and all the covenants described herein under the section entitled “— Certain Covenants,” other than as described under the sections entitled “— 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 such clauses (3), (4), (5)(x) and (7) under the first paragraph and such clauses (3), (4), (5)(x) and (6) under the second paragraph under “— Consolidation, Merger and Sale of Assets” and with respect to such other events set forth in clause (i) above, clause (4) under “— Events of Default” with respect to such other covenants set forth 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, and the satisfaction of the provisions described in clause (2) of the preceding paragraph.

Defeasance and Certain Other Events of Default

In the event that the Company exercises its option to omit compliance with certain covenants and provisions of the Indenture as described in the immediately preceding paragraph and the Notes are declared due and payable because of the occurrence of an Event of Default that remains applicable, the amount of money and/or U.S. Government Obligations on deposit with the Trustee (or its agent) will be sufficient to pay amounts due on the Notes at the time of their Stated Maturity but may not be sufficient to pay amounts due on the Notes at the time of the acceleration resulting from such Event of Default. However, the Company will remain liable for such payments.

AMENDMENTS AND WAIVER

Amendments Without Consent of Holders

The Indenture, the Notes, the Subsidiary Guarantees, the JV Subsidiary Guarantees (if any), the Intercreditor Agreement or any Security Document may be amended, without the consent of any Holder, by the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any), the Trustee and the Collateral Agent (to the extent that the Collateral Agent is a party to such agreement), to:

- (1) cure any ambiguity, defect, omission or inconsistency in the Indenture, the Notes, the Intercreditor Agreement or any Security Document;
- (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 any 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 Subsidiary Guarantor Pledgor or release any Subsidiary Guarantor Pledgor or any Collateral as provided or permitted by the terms of the Indenture;
- (7) add additional Collateral to secure the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee (if any);
- (8) 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;
- (9) effect any changes to the Indenture in a manner necessary to comply with the procedures of the relevant clearing system;
- (10) permit Permitted Pari Passu Secured Indebtedness (including, without limitation, permitting the Trustee or the Collateral Agent to supplement or amend the Intercreditor Agreement, the Security Documents or the Indenture and take any other action necessary to permit the creation and registration of Liens on the Collateral to secure Permitted Pari Passu Secured Indebtedness, in accordance with the Indenture);
- (11) make any other change that does not materially and adversely affect the rights of any Holder; or
- (12) 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, the JV Subsidiary Guarantees (if any), the Intercreditor Agreement or any Security Document 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 principal amount of the outstanding Notes may amend or waive future compliance by the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors, the Subsidiary Guarantor Pledgors 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 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) release any Collateral, except as provided in the Intercreditor Agreement, the Indenture and the Security Documents;
- (9) 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;
- (10) amend, change or modify any Subsidiary Guarantee or JV Subsidiary Guarantee in a manner that adversely affects the Holders;
- (11) amend, change or modify any provision of the Intercreditor Agreement, any Security Document or the Indenture relating to the Collateral, in a manner that adversely affects the Holders, except in accordance with the other provisions of the Indenture;

- (12) reduce the amount payable upon a Change of Control Offer or an Offer to Purchase with the Excess Proceeds from any Asset Sale or, change the time or manner by which a Change of Control Offer or an Offer to Purchase with the Excess Proceeds or other proceeds from any Asset Sale may be made or by which the Notes must be repurchased pursuant to a Change of Control Offer or an Offer to Purchase with the Excess Proceeds or other proceeds from any Asset Sale, whether through an amendment or waiver of provisions in the covenants, definitions or otherwise, unless such amendment, waiver or modification shall be in effect prior to the occurrence of a Change of Control Triggering Event or the event giving rise to the repurchase of the Notes under “— Limitation on Asset Sales”;
- (13) change the redemption date or the redemption price of the Notes from that stated under the caption “— Optional Redemption” or “— Redemption for Taxation Reasons”;
- (14) amend, change or modify the obligation of the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor to pay Additional Amounts; or
- (15) 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, THE COLLATERAL AGENT AND THE AGENTS

Citicorp International Limited has been appointed as Trustee under the Indenture and as Collateral Agent with respect to the Collateral under the Intercreditor Agreement and other Security Documents. Citibank, N.A., London Branch, a banking corporation organized and existing under the laws of the State of New York with limited liability has been appointed as note registrar (the “Note Registrar”), paying agent (the “Paying Agent”) and transfer agent

(the “Transfer Agent” and together with the Note Registrar and the Paying Agent, the “Agents”) with regard to the Notes. Except during the continuance of an Event of Default, the Trustee will not be liable, except for the performance of such duties as are specifically set forth in the Indenture. 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 Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Holder, unless such Holder shall have offered to the Trustee indemnity and/or security satisfactory to it against any loss, liability or expense.

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.

None of the Trustee, the Collateral Agent nor any of their respective officers, directors, employees, attorneys or agents will be responsible or liable for the existence, genuineness, value or protection of any Collateral securing the Notes, for the legality, enforceability, effectiveness or sufficiency of the Intercreditor Agreement or other Security Documents, for the creation, perfection, priority, sufficiency or protection of any of the Liens, or for any defect or deficiency as to any such matters, or for any failure to demand, collect, foreclose or realize upon or otherwise enforce any of the Liens or Security Documents or any delay in doing so, except as a result of the Trustee’s or, as the case may be, the Collateral Agent’s own fraud, gross negligence or willful misconduct.

Citicorp International Limited acts as the Collateral Agent under the Security Documents in respect of the security over the Collateral. The Collateral Agent, acting in its capacity as such, shall have such duties with respect to the Collateral pledged, assigned or granted pursuant to the Security Documents as are set forth in the Intercreditor Agreement and the Security Documents. Under certain circumstances, the Collateral Agent may have obligations under the Security Documents or the Intercreditor Agreement that are in conflict with the interests of the Trustee, the Holders and the holders (or their representatives) of Permitted Pari Passu Secured Indebtedness (if any). Neither the Trustee nor the Collateral Agent will be under any obligation to exercise any rights or powers conferred under the Indenture (if applicable), the Intercreditor Agreement or any other Security Document for the benefit of the Holders or the holders (or their representatives) of Permitted Pari Passu Secured Indebtedness (if any), unless such Holders and/or the holders (or their representatives) of Permitted Pari Passu Secured Indebtedness (if any) have instructed the Trustee in writing and have offered to the Trustee and/or the Collateral Agent indemnity and/or security satisfactory to it against any loss, liability or expense. Furthermore, each Holder, by accepting the Notes will agree, for the benefit of the Trustee and the Collateral Agent, that it is solely responsible for its own independent appraisal of and investigation into all risks arising under or in connection with the Notes, the Indenture, the Intercreditor Agreement or the Security Documents and has not relied on and will not at any time rely on the Trustee or the Collateral Agent 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 “Global Note”). On the Original Issue Date, the Global Note will be deposited with a common depository and registered in the name of the common depository 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 NOTE

Ownership of beneficial interests in the Global Note (the “book-entry interests”) will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that may hold interests through such participants. Book-entry interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream and their participants.

Except as set forth below under “— Individual Definitive Notes,” the book-entry interests will not be held in definitive form. Instead, Euroclear and/or Clearstream will credit on their respective book-entry registration and transfer systems a participant’s account with the interest beneficially owned by such participant. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair the ability to own, transfer or pledge book-entry interests.

So long as the Notes are held in global form, the common depository for Euroclear and/or Clearstream (or its nominee) will be considered the sole holder of the Global Note for all purposes under the Indenture and “holders” of book-entry interests will not be considered the owners or “Holders” of Notes for any purpose. As such, participants must rely on the procedures of Euroclear and Clearstream and indirect participants must rely on the procedures of the participants through which they own book-entry interests in order to transfer their interests in the Notes or to exercise any rights of Holders under the Indenture.

None of the Company, the 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 NOTE

Payments of any amounts owing in respect of the Global Note (including principal, premium, interest and Additional Amounts) will be made to the Paying Agent in U.S. dollars. The Paying Agent will, in turn, make such payments to the common depository 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 Agents and the Trustee will treat the registered holder of the Global Notes (i.e., the common depository 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
- any action or failure to take action by Euroclear, Clearstream or any participant or indirect participant.

Payments by participants to owners of book-entry interests held through participants are the responsibility of such participants.

Redemption of Global Note

In the event 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 the Global Note are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Note.

TRANSFERS

Transfers between participants in Euroclear and Clearstream will be effected in accordance with Euroclear and Clearstream's rules and will be settled in immediately available funds. If a Holder requires physical delivery of individual definitive notes for any reason, including to sell the Notes to persons in jurisdictions which require physical delivery of such securities or to pledge such securities, such Holder must transfer its interest in the Global Note in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the provisions of the Indenture.

Book-entry interests in the Global Note will be subject to the restrictions on transfer discussed under "Transfer Restrictions."

Any book-entry interest in a Global Note that is transferred to a person who takes delivery in the form of a book-entry interest in another Global Note will, upon transfer, cease to be a book-entry interest in the first-mentioned Global Note and become a book-entry interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to book-entry interests in such other Global Note for as long as it retains such a book-entry interest.

GLOBAL CLEARANCE AND SETTLEMENT UNDER THE BOOK-ENTRY SYSTEM

Book-entry interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable. Book-entry interests will be credited to the securities custody accounts of Euroclear and Clearstream participants on the business day following 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, the Agents or any of their respective agents will have responsibility for the performance of Euroclear or Clearstream or their respective participants of their respective obligations under the rules and procedures governing their operations, including, without limitation, rules and procedures relating to book-entry interests.

INDIVIDUAL DEFINITIVE NOTES

If (1) the common depositary or any successor to the common depositary is at any time unwilling or unable to continue as a depositary for the reasons described in the Indenture and a successor depositary is not appointed within 90 days, (2) either Euroclear or Clearstream, or

a successor clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so, or (3) any of the Notes has become immediately due and payable in accordance with “— Events of Default” and the Company has received a written request from a Holder, the Company will issue individual definitive notes in registered form in exchange for the Global Note. Upon receipt of such notice from the common depositary or the Trustee, as the case may be, the Company will use its best efforts to make arrangements with the common depositary for the exchange of interests in the Global Note for individual definitive notes and cause the requested individual definitive notes to be executed and delivered to Note Registrar in sufficient quantities and authenticated by the Trustee or the Note Registrar for delivery to Holders. Persons exchanging interests in a Global Note for individual definitive notes will be required to provide Note Registrar, through the relevant clearing system, with written instruction and other information required by the Company and Note 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 and in accordance with the requirement of the clearing systems, if any.

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 at the registered/principal office of the Company located at 36/F, Times Property Centre, 410-412 Dongfeng Road, Guangzhou, Guangdong, China; (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 the relevant clearing system. Any such notice shall be deemed to have been delivered on the day such notice is delivered to the relevant clearing system, 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, 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 and the Indenture provides that such instrument will be governed by, and construed in accordance with, the laws of the State of New York. The relevant pledge documents pursuant to “— Security” are expected to be governed under the laws of the jurisdiction in which the relevant Subsidiary Guarantor is incorporated.

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.

“2019 Hang Seng Facility Agreement” means a facility agreement dated November 8, 2019 entered into by the Company as borrower, certain of its offshore subsidiaries as original guarantors, Hang Seng Bank Limited as facility agent and other finance parties thereto, as may be amended and supplemented from time to time.

“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 months before or after June 4, 2023, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date, in each case calculated on the third Business Day immediately preceding the redemption date.

“Affiliate” means, with respect to any Person, any other Person (1) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person; (2) who is a director or officer of such Person or any Subsidiary of such Person or of any Person referred to in clause (1) of this definition; or (3) who is a spouse or any person cohabiting as a spouse, child, parent, brother, sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew or 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 Notes at June 4, 2023 (such redemption price being set forth in the third paragraph of the “— Optional Redemption” section exclusive of any accrued interest), plus (y) all required remaining scheduled interest payments due on such Note through June 4, 2023 (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 2017 Notes” means the 5.75% Senior Notes due 2022 issued by the Company.

“April 2021 Notes” means the 5.30% Senior Notes due 2022 issued by the Company.

“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 “— Limitation on Restricted Payments” covenant;
- (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 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 cash deposits, bank accounts 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 U.S. dollars, Hong Kong dollars or other 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 stockholders of the Company to manage the business of the Company or any committee of such board duly authorized to take the action purported to be taken by such committee.

“Board Resolution” means any resolution of the Board of Directors taking an action which it is authorized to take and adopted at a meeting duly called and held at which a quorum of disinterested members (if so required) was present and acting throughout or adopted by written resolution executed by every member of the Board of Directors.

“Business Day” means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the City of New York, London or Hong Kong (or in any other place in which payments on the Notes are to be made) are authorized by law or governmental regulation to close.

“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, *provided* that Capitalized Lease shall not include any lease liability which would have been classified as “operating lease” before the adoption of IFRS 16.

“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 (other than one or more Permitted Holders);
- (2) the Permitted Holders are the beneficial owners of less than 50.1% 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.

“Collateral” means all collateral securing, or purported to be securing, directly or indirectly, the Notes or any Subsidiary Guarantee pursuant to the Security Documents, and shall initially consist of the Capital Stock of the initial Subsidiary Guarantors held by the Company or the initial Subsidiary Guarantor Pledgors.

“Collateral Agent” means Citicorp International Limited, initially, acting under the Security Documents and the Intercreditor Agreement, for itself and the benefit of the Holders, the Trustee and any other Secured Parties thereunder.

“Commodity Hedging Agreement” means any spot, forward or option commodity price protection agreements or other similar agreements or arrangements designed to protect against fluctuations in commodity prices.

“Common Stock” means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person’s common stock or ordinary shares, whether or not outstanding 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 June 4, 2023 that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to June 4, 2023.

“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 available 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 reasonable best efforts to compile on a timely manner) are available (which may be internal consolidated financial statements), *provided* that Consolidated Assets shall not include any asset arising from right-of-use asset which would have been classified as “operating lease” before the adoption of IFRS 16.

“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, including for the avoidance of doubt, capitalized interest included in cost of sale, but excluding for the avoidance of doubt, (x) interest expense arising from lease liability which would have been classified as “operating lease” before the adoption of IFRS 16 and (y) interest expense arising from pre-sale receipts in advance from customers,
- (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 (a) any depreciation expenses or amortization expenses arising from right-of-use asset which would have been classified as “operating lease” before the adoption of IFRS 16 and (b) non-cash items in a period which reflect cash expenses paid or to be paid in another period and other than losses on Investment Properties arising from fair value adjustments made in conformity of GAAP), less all non-cash items increasing Consolidated Net Income (other than gains on Investment Properties arising from fair value adjustments made in conformity of GAAP),

all as determined on a consolidated basis for the Company and its Restricted Subsidiaries in conformity with GAAP; *provided* that in the case of any PRC CJV (consolidated in accordance with GAAP), Consolidated EBITDA shall be reduced (to the extent not already reduced in accordance with GAAP) by any payments, distributions or amounts (including the Fair Market Value of any non-cash payments, distributions or amounts) required to be made or paid by such PRC CJV to the PRC CJV Partner, or to which the PRC CJV Partner otherwise has a right or is entitled, pursuant to the joint venture agreement governing such PRC CJV.

“Consolidated Fixed Charges” means, for any period, the sum (without duplication) of (1) Consolidated Interest Expense for such period and (2) all cash and non-cash dividends paid, declared, accrued or accumulated during such period on any Disqualified Stock or Preferred Stock of the Company or any Restricted Subsidiary held by Persons other than the Company or any Wholly Owned Restricted Subsidiary, except for dividends payable in the Company’s Capital Stock (other than Disqualified Stock) or paid to the Company or to a Wholly Owned Restricted Subsidiary.

“Consolidated Interest Expense” means, for any period, the amount that would be included in net interest expense (interest expense net of interest income) 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 net 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 other Restricted Subsidiaries) 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) *provided* that, in the case of Indebtedness secured by a Lien on assets, the amount of accrued interest of such Indebtedness will be the lesser of (a) the book value of such assets at such date of determination, and (b) the actual amount of such accrued interest, *provided further* that, in each case of indebtedness so Guaranteed or secured, interest accruing shall be included only to the extent that such interest has become payable by the Company or any Restricted Subsidiary and (7) any capitalized interest, *provided* that Consolidated Interest Expense shall not include (x) interest expense arising from lease liability which would have been classified as “operating lease” before the adoption of IFRS 16 and (y) interest expense arising from pre-sale receipts in advance from customers; and *provided further* 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 an Unrestricted Subsidiary except that 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 Unrestricted Subsidiary 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 the Company or to a Restricted Subsidiary, to the limitations contained in clause (3) below);
- (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; and
- (7) any net after-tax extraordinary or non-recurring gains;

provided that (A) solely for purposes of calculating Consolidated EBITDA and the Fixed Charge Coverage Ratio, any net after tax gains derived from direct or indirect sale by the Company or any Restricted Subsidiary of (i) Capital Stock of a Restricted Subsidiary primarily engaged in the holding of Investment Property or (ii) an interest in any Investment Property arising from the difference between the current book value and the cash sale price shall be added to Consolidated Net Income; (B) for purposes of this Consolidated Net Income calculation (but not for purposes of calculating Consolidated EBITDA and the Fixed Charge Coverage Ratio) any net after tax gains derived from direct or indirect sale by the Company or any Restricted Subsidiary of (i) Capital Stock of a Restricted Subsidiary primarily engaged in the holding of Investment Property or (ii) an interest in any Investment Property arising from the difference between the original cost basis and the cash sale price shall be added to Consolidated Net Income to the extent not already included in the net income for such period as determined in conformity with GAAP and Consolidated Net Income; (C) solely for the purposes of calculating Consolidated EBITDA and the Fixed Charge Coverage Ratio, any net after tax gains on Investment Properties arising from fair value adjustments made in conformity with GAAP shall be added to Consolidated Net Income; and (D) notwithstanding anything to the contrary in this definition of “Consolidated Net Income,” Remeasurement Gain shall be included in calculating Consolidated Net Income.

“Consolidated Net Worth” means, at any date of determination, stockholders’ equity as set forth on the most recently available fiscal quarter, 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 in a Permitted Business by the Company or any Restricted Subsidiary in the ordinary course of business, which Indebtedness was Incurred by such contractor, builder or other similar Person to finance the cost of such development, construction or improvement.

“Convertible Bonds” means HK\$388 million 8.00% convertible bonds due 2019 issued by the Company on July 25, 2014, with part of the Convertible Bonds in the principal amount of HK\$65 million converted to ordinary shares of the Company on May 19, 2017 and the remaining Convertible Bonds in the principal amount of HK\$323 million converted to ordinary shares of the Company on August 24, 2017.

“Creditor Representatives” means, collectively, the Trustee, each trustee for each series of the Existing Pari Passu Secured Indebtedness and the holders (or their trustees, representatives or agents) of any Permitted Pari Passu Secured Indebtedness that have become a party to the Intercreditor Agreement.

“Currency Agreement” means any foreign exchange forward contract, currency swap agreement or other similar agreement or arrangement designed to protect against fluctuations in foreign exchange rates.

“Debt Documents” means, collectively, the Indenture, debt agreements for the Existing Pari Passu Secured Indebtedness and the documents evidencing any Permitted Pari Passu Secured Indebtedness.

“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 date that is 183 days after 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 date that is 183 days after the Stated Maturity of the Notes shall not constitute Disqualified Stock if the “asset sale” or “change of control” provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in the “— Limitation on Asset Sales” and “— Repurchase of Notes upon a Change of Control Triggering Event” covenants and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Company’s repurchase of such Notes as are required to be repurchased pursuant to the covenants described under “— 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).

“Existing Unrestricted Subsidiaries” means Pavilion Creation Limited (創軒有限公司), Eminent Will Limited (志卓有限公司), Best Adventure Limited (縉峰有限公司) and 佛岡時代永盛企業管理有限公司, and each of their respective Subsidiaries (whether now or in the future).

“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, a JV Subsidiary Guarantee or create any Lien over its Capital Stock to secure any of the secured obligations subject to the Intercreditor Agreement; *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, JV Subsidiary Guarantee or Lien over its Capital Stock, 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.

“Existing Pari Passu Secured Indebtedness” means the April 2017 Notes, the November 2017 Notes, the June 2018 Notes, the February 2019 Notes, the July 2019 Notes, the July 2020 Notes, the September 2020 Notes, the January 2021 Notes, the April 2021 Notes and the 2019 Hang Seng Facility.

“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 2022 issued by the Company.

“Financial Company Investor” means a bank, financial institution, trust company, fund management company, asset management company, financial management company or insurance company, or an Affiliate thereof, that Invests in any Capital Stock of a Restricted Subsidiary.

“Fitch” means Fitch Ratings, Inc. and its affiliates.

“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 the International Financial Reporting Standards, or if the Company ceases to adopt the International Financial Reporting Standards, the generally accepted accounting principles in Hong Kong, in either case 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.

“IFRS” means the International Financial Reporting Standards.

“Incur” means, with respect to any Indebtedness or Capital Stock, to incur, create, issue, assume, Guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness or Capital Stock; *provided* that (1) any Indebtedness and Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (or fails to meet the qualifications necessary to remain an Unrestricted Subsidiary) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and (2) the accretion of original issue discount shall not be considered an Incurrence of Indebtedness. The terms “Incurrence,” “Incurred” and “Incurring” have meanings correlative with the foregoing.

“Indebtedness” means, with respect to any Person at any date of determination (without duplication):

- (1) all indebtedness of such Person for borrowed money;
- (2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments;
- (4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, except Trade Payables;
- (5) all Capitalized Lease Obligations and Attributable Indebtedness;
- (6) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided* that the amount of such Indebtedness shall be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness;
- (7) all Indebtedness of other Persons Guaranteed by such Person to the extent such Indebtedness is Guaranteed by such Person;
- (8) to the extent not otherwise included in this definition, Hedging Obligations;

- (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; and
- (10) any Preferred Stock issued by such Person if such Person is a Restricted Subsidiary, valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price plus accrued dividends.

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) to be used in a Permitted Business or any Entrusted Loan; *provided* that such Indebtedness is not reflected as borrowings on the consolidated balance sheet of the Company (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 paragraph (2)(f) under the “Limitation on Indebtedness and Preferred Stock” covenant, 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 Wah Tai (H.K.) Development Limited, Million Sensor Management Limited, Super Best Global Limited, Clear Strength Holdings Limited, August Skill Limited, Times Billion Limited, Precision Time Limited, Times Property Holdings Limited, Time Ego Limited, Skill Key Limited, Times Industry Group Limited, Treasure Tide Investments Limited, Bright Lead Incorporation Limited, Silver Boat Development Limited, Morning Sun Offset Printing Limited, Embrace Fortune Limited, Expect Trade Limited, Direct Hero Limited, Major Prospect Limited, Victory Vision Investments Limited, Asia Fortune Management Limited, City Flourish Limited, Lucky Soar Limited, Profit Planet Limited, Copious Treasure Limited, Prestige Esteem Limited, Sunshine

Sincere Limited and Noble Treasures Limited, unless such Person has become a Subsidiary Guarantor or a JV Subsidiary Guarantor in accordance with the terms of the Indenture.

“Intercreditor Agreement” has the meaning set forth under “— Security.”

“Interest Rate Agreement” means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement designed to protect against fluctuations in interest rates.

“Investment” means:

- (1) any direct or indirect advance, loan or other extension of credit to another Person;
- (2) any capital contribution to another Person (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others);
- (3) any purchase or acquisition of Capital Stock, Indebtedness, bonds, notes, debentures or other similar instruments or securities issued by another Person; or
- (4) any Guarantee of any obligation of another Person.

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 or 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,” “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 of three of them, as the case may be.

“Investment Property” means any property that is owned and held by any Restricted Subsidiary incorporated under the laws of the PRC primarily for rental yields or for capital appreciation or both, or any hotel owned by the Company or any Restricted Subsidiary from which the Company or any Restricted Subsidiary derives or expects to derive operating income.

“January 2017 Notes” means the 6.25% Senior Notes due 2020 issued by the Company, which have been redeemed in full upon maturity.

“January 2021 Notes” means the 5.75% Senior Notes due 2027 issued by the Company.

“July 2014 Notes” means the 10.375% Senior Notes due 2017 issued by the Company, which have been redeemed in full upon maturity.

“July 2019 Notes” means the 6.75% Senior Notes due 2023 issued by the Company.

“July 2020 Notes” means the 6.75% Senior Notes due 2025 issued by the Company.

“June 2018 Notes” means the 7.85% Senior Notes due 2021 issued by the Company.

“JV Entitlement Amount” means, with respect to any JV Subsidiary Guarantor which is not a Subsidiary of another JV Subsidiary Guarantor, together with 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.”

“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 Subsidiaries” 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.

“March 2014 Notes” means the 12.625% Senior Notes due 2019 issued by the Company, which have been fully redeemed.

“March 2015 Notes” means the 11.450% Senior Notes due 2020 issued by the Company, which have been fully redeemed.

“Measurement Date” means March 21, 2014.

“Minority Interest 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 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.

“Minority Joint Venture” means any corporation, association or other business entity that is accounted for by the equity method of accounting in accordance with GAAP by the Company or a Restricted Subsidiary and primarily engaged in the Permitted Businesses, and such Minority Joint Venture’s Subsidiaries.

“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-Guarantor Subsidiaries” means the Exempted Subsidiaries, the Listed Subsidiaries, the New Non-Guarantor Subsidiaries, the Initial Other Non-Guarantor Subsidiaries and the PRC Restricted Subsidiaries.

“November 2017 Notes” means the 6.60% Senior Notes due 2023 issued by the Company.

“November 2018 Notes” means the 10.95% Senior Notes due 2020 issued by the Company, which have been redeemed in full upon maturity.

“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 Paying Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Offer to Purchase Payment Date;
- (6) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date, a 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.

On one Business Day prior to the Offer to Purchase Payment Date, the Company will deposit with the Paying Agent money sufficient to pay the purchase price of all Notes or portions thereof accepted for payment. On the Offer to Purchase Payment Date, the Company shall (a) accept for payment on a pro rata basis Notes or portions thereof tendered pursuant to an Offer to Purchase; and (b) deliver, or cause to be delivered, to the Trustee all Notes or portions thereof so accepted together with an Officers’ Certificate specifying the Notes or portions thereof accepted for payment by the Company. The Paying Agent shall as soon as reasonably practicable mail to the Holders of Notes so accepted payment in an amount equal to the purchase price, and the Trustee shall as soon as reasonably practicable 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 U.S. 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 the 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 June 4, 2021, the date on which the Notes are originally issued under the Indenture.

“Pari Passu Guarantee” means a guarantee by the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor of Indebtedness of the Company (including Additional Notes) or any 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 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 “— Limitation on Asset Sales” or (4) any Event of Default specified in clause (5) of the definition of Events of Default.

“Permitted Businesses” means any business which is the same as or related, ancillary or complementary to any of the businesses of the Company and its Restricted Subsidiaries on the Original Issue Date.

“Permitted Holders” means any or all of the following:

- (1) Mr. Shum Chiu Hung, his spouse and his children;
- (2) any Affiliate (other than an Affiliate as defined in clause (2) or (3) of the definition of Affiliate) of any Person 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% or more by one or more Persons specified in clauses (1) and (2).

“Permitted Investment” means:

- (1) any Investment in the Company or a Restricted Subsidiary that is primarily engaged in a Permitted Business or a Person which will, upon the making of such Investment, become a Restricted Subsidiary that is primarily engaged in a Permitted Business or be merged or consolidated with or into or transfer or convey all or substantially all its assets to, the Company or a Restricted Subsidiary that is primarily engaged in a Permitted Business;
- (2) Temporary Cash Investments;
- (3) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with GAAP;
- (4) stock, obligations or securities received in satisfaction of judgments;
- (5) an Investment in an Unrestricted Subsidiary consisting solely of an Investment in another Unrestricted Subsidiary;
- (6) any Investment pursuant to a Hedging Obligation not entered into for speculation and designed solely to protect the Company or any Restricted Subsidiary against fluctuations in commodity prices, interest rates or foreign currency exchange rates;
- (7) receivables owing to the Company or any Restricted Subsidiary, (x) if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms, or (y) subject to clause (18) of this definition, if created or acquired in the ordinary course of business in connection with any sale or disposal of any asset of the Company or any Restricted Subsidiary, which receivable shall be paid within 24 months after the creation or acquisition thereof;
- (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 “— 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 entitled “— 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, welfare and social benefits, property maintenance 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) advances or prepayments to government authorities or government-affiliated entities, collective economic organizations, existing land or building owners, holders, occupants or lessees, or related agents in the PRC in connection with the financing of primary land development or urban redevelopment plans in the ordinary course of business that are recorded as assets in the Company's balance sheet;
- (17) Guarantees permitted under clause (2)(p) or (2)(s) of the covenant under "— Limitation on Indebtedness and Preferred Stock";
- (18) any Investment (including without limitation any deemed Investment upon the redesignation of a Restricted Subsidiary as an Unrestricted Subsidiary or upon the issuance or sale of Capital Stock of a Restricted Subsidiary) by the Company or any Restricted Subsidiary in any Person; provided that:
 - (i) the aggregate of all Investments made under this clause (18) since the Original Issue Date shall not exceed in aggregate an amount equal to 20.0% of Total Assets.

Such aggregate amount of Investments shall be calculated after deducting an amount equal to the net reduction in all Investments made under this clause (18) (and net reductions in all receivables created or acquired under clause (7)(y)) since the Original Issue Date resulting from:

- (A) payments of interest on Indebtedness, dividends or repayments of loans or advances made under this clause (18) (or payment or satisfaction of any receivable created or acquired under clause (7)(y)), in each case to the Company or any Restricted Subsidiary

(except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income),

- (B) the unconditional release of a Guarantee provided by the Company or a Restricted Subsidiary after the Original Issue Date under this clause of an obligation of any such Person,
- (C) to the extent that an Investment made after the Original Issue Date under this clause (18) (or a receivable created or acquired after the Original Issue Date under clause (7)(y)) is sold or otherwise liquidated or repaid for cash, the lesser of (x) cash return of capital with respect to such Investment, or receivable, as the case may be (less the cost of disposition, if any) and (y) the initial amount of such Investment, or receivable, as the case may be,
- (D) redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, or
- (E) any such Person becoming a Restricted Subsidiary (whereupon all Investments made by the Company or any Restricted Subsidiary in such Person (or receivables owing by such Person to the extent created or acquired under clause (7)(y)) since the Original Issue Date shall be deemed to have been made pursuant to clause (1) of the definition of “Permitted Investment”),

not to exceed, in each case, the amount of Investments made by the Company or a Restricted Subsidiary after the Original Issue Date in any such Person pursuant to this clause (18) or the amount of receivables created or acquired after the Original Issue Date permitted under clause (7)(y), as the case may be;

- (ii) if the Person into which such Investment is made is primarily engaged in a Permitted Business;
- (iii) none of the other shareholders or partners in such Person in which such Investment was made pursuant to this clause (18) is, or in the case of clause (7)(y), none of the other shareholders or partners in a Person by which such receivable is owing is, a Person described in clause (x) or (y) of the first paragraph of the covenant under the caption “— 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 such shareholder or partner being the Company or a Subsidiary, or Minority Joint Venture of the Company);
- (iv) no Default has occurred and is continuing or would occur as a result of such Investment (or in the case of clause (7)(y), as a result of creating or acquiring such receivable); and
- (v) in the case of any Investment by the Company or any Restricted Subsidiary in a Person or in the case of clause (7)(y), any receivable is owing by 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, at the time of such Investment, the Company could

Incur at least US\$1.00 of Indebtedness under the proviso in the first paragraph of part (1) of the covenant under the caption “— Limitation of Indebtedness and Preferred Stock,” *provided* however that this paragraph (v) shall not apply if such Investment would otherwise have been permitted under this clause (18) and such Investment, together with the aggregate amount of all other Investments made in reliance on this proviso since the Original Issue Date, shall not exceed in aggregate an amount equal to 5% of Total Assets (such aggregate amount of Investments shall be calculated after deducting an amount equal to the net reduction in all Investments made in reliance on this proviso since the Original Issue Date resulting from the events set forth in paragraphs (i)(A) through (i)(E) above, where references in such paragraphs to “under this clause (18)” shall be substituted with “in reliance on the proviso in paragraph (v)”);

For the avoidance of doubt, (x) the value of each Investment made pursuant to this clause (18) shall be valued at the time such Investment is made and (y) the limitations set forth in paragraph (ii) of this clause (18) shall not apply to the receivables created or acquired under clause (7)(y).

- (19) any Investment deemed to have been made by the Company or any Restricted Subsidiary in the Restructuring Group in connection with the proposed Restructuring upon designation of the Subsidiaries in the Restructuring Group as Unrestricted Subsidiaries, *provided* that (A) (i) the Board of Directors of the Company has determined in good faith that the designation of the Subsidiaries in the Restructuring Group as Unrestricted Subsidiaries is necessary to obtain approval from a Qualified Exchange for the proposed Restructuring, (ii) at the time of such designation, the members of the Restructuring Group remain Subsidiaries of the Company, and (iii) at the time of such designation, the members of the Restructuring Group remain primarily engaged in the Permitted Businesses; and (B) the aggregate of all Investments made under this clause (19) since the Original Issue Date shall not exceed an amount equal to 5% of Total Assets (for the avoidance of doubt, any portion of such Investments exceeding 5% of Total Assets shall not constitute a Permitted Investment pursuant to this item but may be made, characterized and accounted for in accordance with the other provisions of the Indenture); and *provided* further that, at the time when (x) the Company ceases to hold, directly or indirectly, at least 30% of the Voting Stock of any entity so designated as an Unrestricted Subsidiary or (y) any Person or group of Persons other than the Company and its Subsidiaries acquires a higher percentage of the Voting Stock of such entity than the percentage held directly or indirectly by the Company, the Company will be deemed to make an Investment in such entity equal to the Fair Market Value of any Investment that the Company retains, directly or indirectly, in such entity immediately following such event.

“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 and incurred in the ordinary course of business, in each case, securing Indebtedness under Hedging Obligations permitted by clause (f) of the second paragraph of the covenant under the caption "— Limitation on Indebtedness and Preferred Stock";
- (11) Liens existing on the Original Issue Date;
- (12) Liens securing Indebtedness which is Incurred to refinance secured Indebtedness which is permitted to be Incurred under clause (e) of the second paragraph of the covenant described under the caption entitled "— 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) Liens under the Security Documents;

- (14) Liens securing any Permitted Pari Passu Secured Indebtedness that complies with each of the requirements set forth under “— Security-Permitted Pari Passu Secured Indebtedness”;
- (15) Any interest or title of a lessor in the property subject to any operating lease or Capitalized Leases;
- (16) Liens securing Indebtedness of the Company or any Restricted Subsidiary under any Pre-Registration Mortgage Guarantee which is permitted to be Incurred under clause (g) of the second paragraph of the covenant under the caption “— Limitation on Indebtedness and Preferred Stock”;
- (17) 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;
- (18) 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 under the caption entitled “— 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 (other than, in each case, deposits of loan proceeds securing performance of obligations in relation to the use of such loan proceeds under a loan agreement to which such loan proceeds relate to, entered into by the Company or any Restricted Subsidiary, if the Indebtedness Incurred under such loan agreement is otherwise permitted under the other terms of the Indenture) subject to Liens incurred pursuant to this clause (18) does not exceed 130% of the aggregate principal amount of Indebtedness secured by such Liens;
- (19) 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;
- (20) Liens on deposits made in order to comply with statutory obligations to maintain deposits for workers compensation claims, welfare and social benefits, property

maintenance and other purposes specified by statute made in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary;

- (21) 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 (including, without limitation, by way of acquisition of Capital Stock of a Person) in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary;
- (22) Liens granted by the Company or a Restricted Subsidiary in favor of a Financial Company Investor in respect of, and to secure, the Indebtedness or Preferred Stock permitted under clause (2)(p) of the “— Certain Covenants — Limitation on Indebtedness and Preferred Stock” covenant;
- (23) Liens incurred on one or more bank accounts, deposits or other assets to secure Bank Deposit Secured Indebtedness;
- (24) Liens on Investment Properties securing Indebtedness of the Company or Restricted Subsidiary permitted under clause (2)(t) of the covenant described under the caption entitled “— Certain Covenants — Limitation on Indebtedness and Preferred Stock”;
- (25) Liens Incurred on deposits made to secure Entrusted Loans;
- (26) Liens on the Capital Stock of the Person that is to be acquired under the relevant Staged Acquisition Agreement or Minority Staged Acquisition Agreement securing Indebtedness permitted to be Incurred under clauses (2)(o) or (2)(v) of the covenant described under “— Certain Covenants — Limitation on Indebtedness and Preferred Stock”;
- (27) Liens securing Indebtedness permitted to be Incurred under clause (2)(s) of the covenant described under “— Certain Covenants — Limitation on Indebtedness and Preferred Stock”;
- (28) Liens securing Indebtedness permitted to be Incurred under clause (2)(n) of the covenant entitled “— Certain Covenants — Limitation on Indebtedness and Preferred Stock;” and
- (29) Liens securing Indebtedness permitted to be Incurred under clause (2)(r) of the covenant described under the caption entitled “— Certain Covenants — Limitation on Indebtedness and Preferred Stock”,

provided that, with respect to the Collateral, “Permitted Liens” shall only refer to the Liens described in clauses (1), (6), (13) and (14) of this definition.

“Permitted Pari Passu Secured Indebtedness” has the meaning set forth under “— Security — Permitted Pari Passu Secured Indebtedness.”

“Permitted Subsidiary Indebtedness” means Indebtedness of, and all Preferred Stock issued by, the Restricted Subsidiaries (other than the Subsidiary Guarantors), taken as a whole

(excluding Public Indebtedness); *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.

“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.

“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 amended on October 31, 2000) 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 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.

“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 or The Shenzhen 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 an initial public offering, and a listing, 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.

“Rating Agencies” means (1) S&P, (2) Moody’s and (3) Fitch; provided that if S&P, Moody’s or Fitch, two of the three or all three of them shall not make a rating of the Notes publicly available, one or more 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 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 “B-” 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 below Investment Grade by all three of the 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).

“Remeasurement Gain” means any net income arising from the remeasurement of the pre-existing interests in the Redevelopment Company as associate or joint venture when the

Company starts to account the Redevelopment Company as a subsidiary on its consolidated financial statements in connection with a Staged Redevelopment Project, which is determined in conformity with GAAP.

“Reference Treasury Dealer” means each of any three investment banks of recognized standing that is a primary U.S. Government securities dealer in the City of New York, selected by the Company in good faith.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date, the average as determined by the Company in good faith, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing by such Reference Treasury Dealer at 5:00 p.m. on the third Business Day preceding such redemption date.

“Replacement Assets” means, on any date, property or assets (other than current assets that are not land use rights, prepaid land lease payments, properties under development or completed properties held for sale) of a nature or type or that are used in a Permitted Business.

“Restricted Subsidiary” means any Subsidiary of the Company other than an Unrestricted Subsidiary.

“Restructuring” means the restructuring and Qualified IPO of the ordinary shares of a Subsidiary of the Company in the Restructuring Group.

“Restructuring Group” means the group of Subsidiaries of the Company which are engaged in Permitted Business that the Company may spin off and separately listed on a Qualified Exchange.

“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.

“Security Documents” means, collectively, the pledge agreements and any other agreements or instruments that may evidence or create any security interest in favor of the Collateral Agent or the Trustee for the benefit of themselves and of the secured parties that shall include the Holders, in any or all of the Collateral securing, with respect to the Notes, the obligations of the Company under the Notes and the Indenture and of the Subsidiary Guarantor Pledgors under their respective Subsidiary Guarantees.

“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 2020 Notes” means the 6.2% Senior Notes due 2026 issued by the Company.

“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.

“Staged Redevelopment Project” means a project involving the redevelopment of properties (including but not limited to villages, towns and factories), where the Company or any Restricted Subsidiary enters into an agreement to acquire, directly or indirectly, not less than a majority of the Capital Stock of the Person(s) (the “Redevelopment Company”) directly or indirectly holding, owning or otherwise having the rights to handle, dispose of, or taking actions binding on such properties in stages. Pursuant to such agreement, the Company will initially account for such a Person as an associate or joint venture and subsequently upon satisfaction of certain conditions set forth in the agreement, as a subsidiary on its consolidated financial statements.

“Stated Maturity” means, (1) with respect to any Indebtedness, the date specified in such debt security as the fixed date on which the final installment of principal of such Indebtedness is due and payable as set forth in the documentation governing such Indebtedness and (2) with respect to any scheduled installment of principal of or interest on any Indebtedness, the date specified as the fixed date on which such installment is due and payable as set forth in the documentation governing such Indebtedness.

“Subordinated Indebtedness” means any Indebtedness of the Company, 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.

“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.

“Subsidiary Guarantor Pledgor” means any initial Subsidiary Guarantor Pledgor named herein and any other Subsidiary Guarantor which pledges Collateral to secure the obligations

of the Company under the Notes and the Indenture and of such Subsidiary Guarantor under its Subsidiary Guarantee; *provided* that a Subsidiary Guarantor Pledgor will not include any Person whose pledge under the Security Documents has been released in accordance with the Security Documents, the Indenture and the Notes.

“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 U.S. 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) (i) demand or time deposit accounts, certificates of deposit, overnight or call deposits and money market deposits with any banks or financial institutions organized under the laws of the PRC, Hong Kong or anywhere the Company or any Restricted Subsidiary conducts business operations or (ii) structured deposit products with a term not exceeding six months that are principal protected with any banks organized under the laws of the PRC, Hong Kong or anywhere the Company or any Restricted Subsidiary conducts business operations.

“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), which shall not include any asset arising from right-of-use asset which would have been classified as “operating lease” before the adoption of IFRS 16; *provided that*:

- (1) only with respect to clause (2)(h) of “— Certain Covenants — Limitation on Indebtedness and Preferred Stock” covenant and the definition of “Permitted Subsidiary Indebtedness,” Total Assets shall be calculated after giving pro forma effect to include the cumulative value of all of the real or personal property or equipment the acquisition, development, construction or improvement of which requires or required the Incurrence of Indebtedness and calculation of Total Assets thereunder, as measured by the purchase price or cost therefor or budgeted cost provided in good faith by the Company or any 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 “— 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.

“Unrestricted Subsidiary” means (1) subject to any redesignation under the caption “— Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries,” each of the Existing Unrestricted Subsidiaries and their respective Subsidiaries; (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, BVI, Hong Kong and PRC tax consequences relating to the Notes is based upon applicable laws, regulations, rulings and decisions as of the date of this offering memorandum, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or 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

Pursuant to section 6 of the Tax Concessions Act (2011 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Cabinet:

- (i) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciations shall apply to the Company or its operations; and
- (ii) in addition, that no tax be levied on profits, income gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by the Company:
 - (aa) on or in respect of the shares, debentures or other obligations of the Company; or
 - (bb) by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Act (2011 Revision).

The undertaking for the Company is for a period of twenty years from 27 November 2007. The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments.

BVI

It is not required by any laws of the British Virgin Islands to make any withholding from any payment to be made to or by the Subsidiary Guarantors pursuant to the Subsidiary Guarantees.

Hong Kong

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal (including any premium payable on redemption of the Notes) or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Cap. 122) of Hong Kong, interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person (such as a partnership), carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (iv) Interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the Inland Revenue Ordinance (Cap.112) of Hong Kong).

Sums derived from the sale, disposal or redemption of the Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a corporation, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Notes will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the Inland Revenue Ordinance (Cap.112) of Hong Kong) from the sale, disposal or other redemption of Notes will be subject to Hong Kong profits tax.

Stamp Duty

No Hong Kong stamp duty will be chargeable upon the issue or transfer of the Notes.

PRC

The following summary of certain the PRC tax consequences of the purchase, ownership and disposition of Notes is based upon applicable laws, rules and regulations 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.

Taxation on Interest

The EIT Law, which was promulgated by the Standing Committee of the National People's Congress on March 16, 2007 and amended on February 24, 2017 and December 29, 2018, effective January 1, 2008, imposes a withholding tax at the rate of 10% on interest from PRC sources paid to holders of notes that are "non-resident enterprises" so long as any such "non-resident enterprise" holder does not have an establishment or place of business in China or if, despite the existence of establishment or place of business in China, the relevant income is not effectively connected with such establishment or place of business in China. We may be considered a PRC tax resident enterprise, as described in "Risk Factors — Risk Relating to Our Businesses — We may be treated as a PRC resident enterprise for PRC tax purposes, which may subject us to PRC income taxes on our worldwide income and PRC withholding taxes on interest we pay on the Notes and require holders of the Notes to pay taxes on gains realized from the sale of the Notes." Although the issue is not entirely clear, if we are considered a PRC resident enterprise, interest payable to non-resident holders on the Notes may be treated as income derived from sources within China and be subject to PRC withholding tax at the rate of 10% in the case of non-resident enterprise holders of the Notes pursuant to the EIT Law, or PRC individual withholding tax at the rate of 20% in the case of non-resident individual holders of the Notes pursuant to PRC individual income tax laws. We currently do not intend to withhold taxes from interest payments, but there can be no assurance that the PRC income tax authorities will accept our position on this issue. To the extent that China has entered into arrangements relating to the avoidance of double taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of tax, such lower rate may apply to qualified investors in the Notes.

Taxation on Capital Gains

The EIT Law together with EIT Law's implementing rules impose a tax at the rate of 10% on capital gains from PRC sources realized by holders of notes that are "non-resident enterprises" if any such "non-resident enterprise" holder does not have an establishment or place of business in China or if, despite the existence of an establishment or place of business in China, the relevant gain is not effectively connected with such establishment or place of business in China. We may be considered a PRC tax resident enterprise, as described in "Risk Factors — Risk Relating to Our Businesses — We may be treated as a PRC resident enterprise for PRC tax purposes, which may subject us to PRC income taxes on our worldwide income and PRC withholding taxes on interest we pay on the Notes and require holders of the Notes to pay taxes on gains realized from the sale of the Notes." Although the issue is not entirely clear, if we are considered a PRC resident enterprise, the capital gains realized by non-resident holders of the Notes may be treated as income derived from sources within China and be subject to PRC tax at the rate of 10% in the case of non-resident enterprise holders of the Notes pursuant to the EIT Law, or PRC individual income tax at the rate of 20% in the case of non-resident individual holders of the Notes pursuant to PRC individual income tax laws. To the extent that China has entered into arrangements relating to the avoidance of double taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of tax, such lower rate may apply to qualified investors in 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 China).

PLAN OF DISTRIBUTION

Under the terms and subject to the conditions contained in a purchase agreement dated May 27, 2021 (the “Purchase Agreement”), each Initial Purchaser has severally and not jointly agreed to purchase from us, and we have agreed to sell to such Initial Purchaser, the following aggregate principal amount of the Notes set forth opposite the Initial Purchaser’s name:

Name	<u>Principal Amount of the Notes</u>
UBS AG Hong Kong Branch	US\$35,000,000
Deutsche Bank AG, Singapore Branch.....	US\$35,000,000
Credit Suisse (Hong Kong) Limited	US\$30,000,000
CLSA Limited	US\$30,000,000
China CITIC Bank International Limited	US\$30,000,000
Guotai Junan Securities (Hong Kong) Limited	US\$30,000,000
Haitong International Securities Company Limited	US\$30,000,000
Barclays Bank PLC.....	US\$30,000,000
BOCOM International Securities Limited.....	US\$30,000,000
China International Capital Corporation Hong Kong Securities Limited.....	US\$30,000,000
DBS Bank Ltd.....	US\$30,000,000
Goldman Sachs (Asia) L.L.C.	US\$30,000,000
HeungKong Securities Limited	US\$30,000,000
Total	<u>US\$400,000,000</u>

The Purchase Agreement provides that the obligations of the Initial Purchasers to purchase the Notes are subject to the approval of certain legal matters by counsel and certain other conditions.

The Initial Purchasers initially proposes to offer part of the Notes directly to investors at the issue price set forth on the cover page of this offering memorandum. The price at which the Notes are offered may be changed at any time without notice. In addition, we have agreed with the Initial Purchasers that certain private banks will be paid a commission in connection with the purchase of the Notes by their private bank clients.

We and the Subsidiary Guarantors have agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, and to contribute to payments which the Initial Purchasers may be required to make in respect thereof.

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 except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See the section entitled “Transfer Restrictions.”

In connection with the offering of the Notes, any of the Initial Purchasers or their respective affiliates may engage in over-allotment, stabilizing transactions and syndicate covering transactions and penalty bids to the extent permitted by applicable laws and regulations. Over-allotment involves sales in excess of the offering size, which creates a short position. Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Syndicate 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, any of the Initial Purchasers appointed and acting in its capacity, as stabilizing manager, 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 we nor the Initial Purchasers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, neither we nor the Initial Purchasers make any representation that any of the Initial Purchasers appointed and acting in its capacity, as stabilizing manager, will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

The Notes will constitute a new issue of securities with no established trading market. 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 as described in this offering memorandum. 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. We have been advised that the Initial Purchasers presently intend to make, or continue to make, a market in the Notes, as permitted by applicable laws and regulations. The Initial Purchasers are not obligated, however, to make a market in the Notes, and any such market-making may be discontinued at any time without prior notice at the sole discretion of the Initial Purchasers. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes.

The Initial Purchasers or their respective 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 one or more of the Initial Purchasers, which may include transactions relating to our obligations under the Notes. Our obligations under these transactions may be secured by cash or other collateral. As of the date of this offering memorandum, certain initial purchasers and their affiliates hold positions of the notes previously issued by the Issuer, which may be further distributed or held for their principal investment.

In connection with this offering of the Notes, each Initial Purchaser and/or its affiliate(s) may act as an investor for its own account and may take up the 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. In addition, some of the Initial Purchasers may be active in trading the Notes. Accordingly, references herein to the Notes being offered should be read as including any offering of the Notes to the Initial Purchasers and/or their 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.

Selling Restrictions

General

No action has been taken or will be taken by us or the Initial Purchasers that would permit a public offering of the Notes or possession or distribution of this offering memorandum or any amendment thereof, any supplement thereto or any other offering material relating to the Notes in any jurisdiction where, or in any other circumstance in which, action for those purposes is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this offering memorandum nor such other material may be

distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction.

United States

The Notes and the Subsidiary Guarantees have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exception from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes and the Subsidiary Guarantees are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

Furthermore, until 40 days after the commencement of the offering of the Notes, 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.

Prohibition of Sales to EEA Retail Investors

The Notes may not be offered, sold or otherwise made available to any retail investor in the EEA. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

The Notes may not be offered, sold or otherwise made available to any retail investor in the UK. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA;
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
- (c) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of 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 with in respect to anything done by any person in relation to any Notes in, from or otherwise involving the United Kingdom.

Singapore

This offering memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (the “MAS”). Accordingly, the Notes may not be offered or sold and will not be offered or sold or caused to be made the subject of an invitation for subscription or purchase, and this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes may not be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) 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 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 or securities-based derivative contracts securities (each term as defined in Section 2(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:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA;
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

In connection with Section 309B of the SFA and the CMP Regulations 2018, we have determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) 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).

Hong Kong

The Notes have not been and will not be offered or sold in Hong Kong, by means of any document, other than (i) to “professional investors” as defined in the Securities and Futures Ordinance Cap. 571 of Hong Kong (the “SFO”) and any rules made thereunder; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O. No advertisement, invitation or document relating to the Notes has been or will be issued or held in possession of any person for the purposes of issue, 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 securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO 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 (Act No. 25 of 1948, as amended) (the “Financial Instruments and Exchange Law”), and disclosure under the Financial Instruments and Exchange Law has not been made with respect to the Notes. Accordingly, the Notes have not and will not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), 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 an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and other applicable laws, regulations and ministerial guidelines of Japan.

Cayman Islands

No offer or invitation may be made to the public in the Cayman Islands to subscribe for the Notes. The Notes have not been and will not be offered or sold in the Cayman Islands.

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.

PRC

The Initial Purchasers have acknowledged that this offering memorandum does not constitute a public offer of the Notes, whether by way of sale or subscription, in the PRC. Each of the Initial Purchasers 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.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult their legal counsel prior to making any offer, sale, resale, charge or other transfer of the Notes.

The Notes are subject to restrictions on transfer as summarized below. By purchasing the Notes, including the Subsidiary Guarantees (together, the “Securities”), you will be deemed to have made the following acknowledgments, representations to, and agreements with, us and the Initial Purchasers:

1. You understand and acknowledge that:
 - the Securities have not been registered under the Securities Act or any other applicable securities laws;
 - the Securities are being offered for resale in transactions that do not require registration under the Securities Act or any other securities laws;
 - the Securities are being offered and sold only outside of the United States in offshore transactions in reliance on Rule 903 of Regulation S under the Securities Act; and
 - unless so registered, the Securities 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 purchasing the Securities in an offshore transaction in accordance with Regulation S.
3. You acknowledge that neither we nor the Initial Purchasers nor any person representing us or the Initial Purchasers has made any representation to you with respect to us or the offering of the Securities, 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 Securities. You agree that you have had access to such financial and other information concerning us and the Securities as you have deemed necessary in connection with your decision to purchase the Securities including an opportunity to ask questions of and request information from us.
4. You represent that you are purchasing the Securities 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 Securities in violation of the Securities Act.

5. You acknowledge that each Note will contain a legend substantially to the following effect: 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 (AS 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 SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION.
6. You acknowledge that we, the Initial Purchasers, the Trustee, the Agents 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 Securities is no longer accurate, you will promptly notify us, the Trustee, the Agents and the Initial Purchasers. If you are purchasing any Securities 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.
7. You also acknowledge that this offering memorandum has not been registered as a prospectus with the MAS. Accordingly, you have represented, warranted and agreed that you have not offered or sold, and will not offer or sold, any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and have not circulated or distributed, nor will you circulate or distribute, this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) 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.

RATINGS

The Notes are expected to be rated “B1” by Moody’s Investors Service, “B+” by Standard and Poor’s Rating Services and “BB-” by Fitch Ratings. The rating reflects the rating agency’s assessment of the likelihood of timely payment of the principal of and interest on the Notes. The rating does not address the payment of any Additional Amounts and does not constitute recommendations to purchase, hold or sell the Notes inasmuch as such rating does not comment as to market price or suitability for a particular investor. The rating should be evaluated independently of any other rating on other securities of ours, or on us. Additionally, we have been rated “Ba3” with a stable outlook by Moody’s Investors Service, “BB-” with a stable outlook by Standard & Poor’s Ratings Services and “BB-” with a stable outlook by Fitch Ratings. We cannot assure you that the ratings on the Notes or our corporate credit rating will remain in effect for any given period or that the ratings will not be lowered, put on negative outlook or CreditWatch negative, or otherwise revised or withdrawn entirely 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 Hong Kong, United States federal and New York law, Appleby as to matters of Cayman Islands law and BVI law and Commerce & Finance Law Offices as to matters of PRC Law. Certain legal matters will be passed upon for the Initial Purchasers by Milbank LLP as to matters of United States federal and New York law and King & Wood Mallesons as to matters of PRC law.

INDEPENDENT ACCOUNTANTS

The accountants’ reports on the consolidated financial statements as of and for the years ended December 31, 2019 and 2020 included in this offering memorandum have been issued and audited by Ernst & Young, certified public accountants, as stated in their reports appearing herein.

The consolidated financial statements as of and for the year ended December 31, 2018 are included as comparative information within the consolidated financial statements as of and for the year ended December 31, 2019.

GENERAL INFORMATION

Consents

We have obtained all necessary consents, approvals and authorizations in the Cayman Islands, the BVI and Hong Kong in connection with the issue and performance of the Notes and the Subsidiary Guarantees. The issue of the Notes have been authorized by a resolution of our board of directors dated May 26, 2021. The giving of the Subsidiary Guarantees have been authorized by resolutions of the board of directors of each Subsidiary Guarantor dated May 26, 2021.

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 or the Subsidiary Guarantees.

No Material Adverse Change

Except as otherwise disclosed in this offering memorandum, there has been no adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise) of our general affairs since December 31, 2020 that is material in the context of the issue of the Notes.

Documents Available

For so long as any of the Notes are outstanding, copies of the Indenture may be inspected by holders of the Notes upon satisfactory proof of holding free of charge during normal business hours on any weekday (except public holidays) at the corporate trust office of the Trustee.

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 Financial Statements" in this offering memorandum, may be obtained during normal business hours on any weekday (except public holidays) at the principal/registered office of the Company.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream. Certain trading information with respect to the Notes is set forth below:

	<u>ISIN</u>	<u>Common Code</u>
Regulation S Notes	XS2348280962	234828096

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 as described in this offering memorandum. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the correctness of any statements made on opinions or reports contained in 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. Admission of the Notes to the official list of the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Notes or us.

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Page references included in the audited consolidated financial statements as of and for each of the years ended December 31, 2018, 2019 and 2020 set forth above refer to pages in such audited consolidated financial statements as appeared in our annual reports for the years ended December 31, 2019 and 2020, as the case may be. These annual reports are not incorporated by reference herein and do not form part of this offering memorandum.

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT



致：時代中國控股有限公司全體股東
(於開曼群島註冊成立的有限公司)

意見

我們已審核時代中國控股有限公司(「貴公司」)及其附屬公司(「貴集團」)載於第186至395頁的綜合財務報表，其中包括於二零二零年十二月三十一日的綜合財務狀況表，及截至該日止年度的綜合損益表、綜合全面收入表、綜合權益變動表及綜合現金流量表，以及包括主要會計政策概要的綜合財務報表附註。

我們認為，綜合財務報表均已根據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」)真實及中肯地反映 貴集團於二零二零年十二月三十一日的綜合財務狀況以及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露要求妥為擬備。

意見基準

我們已根據香港會計師公會(「香港會計師公會」)頒佈的香港審計準則(「香港審計準則」)進行審核。我們於該等準則下的責任於本報告內核數師對審核綜合財務報表的責任一節進一步闡述。根據香港會計師公會的專業會計師道德守則(「守則」)，我們獨立於 貴集團，並已根據守則履行其他道德責任。我們相信，我們所獲得的審核憑證能充足及適當地為我們的意見提供基礎。

To the shareholders of Times China Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Times China Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 186 to 395, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the 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 2020, 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 (“**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

致：時代中國控股有限公司全體股東
(於開曼群島註冊成立的有限公司)

關鍵審核事項

關鍵審核事項是根據我們的專業判斷，認為對本期綜合財務報表的審核最為重要的事項。該等事項是在對綜合財務報表整體進行審核並就此形成意見的背景下進行處理的。我們不對該等事項提供單獨的意見。我們對下述每一事項在審核中是如何處理的描述也以此為背景。

我們已履行本報告內核數師對審核綜合財務報表的責任一節所描述的責任，包括與該等事項有關的責任。因此，我們的審核工作包括執行為應對評估綜合財務報表中重大錯誤陳述的風險而設計的程式。我們審核程式的結果(包括就處理下文事項執行的程式)為我們就隨附的綜合財務報表的審核意見提供基礎。

To the shareholders of Times China Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

關鍵審核事項 Key audit matter

中華人民共和國土地增值稅(「土地增值稅」)
PRC land appreciation tax ("LAT")

貴集團須繳納中國內地的土地增值稅(「土地增值稅」)，該稅項按管理層就貴集團物業開發項目各項可課稅金額根據對中國相關稅務法律及法規當前規定的瞭解作出最佳估算後計算。實際土地增值稅負債須於完成物業開發項目後由稅務機關釐定。最終金額可能與初步記錄的金額有所不同，而任何差額將會影響差額產生期內土地增值稅開支及相關撥備。

有關披露載入綜合財務報表附註3、10及25。

於審核中我們處理關鍵審核事項的方式 How our audit addressed the key audit matter

我們已讓我們的內部稅務專家測試管理層編製的土地增值稅計算，分析及評估管理層所用的估計數據及假設，如各物業開發項目的增值金額，並評估土地增值稅撥備是否充足。我們亦將管理層計算土地增值稅所用的數據與歷史信息進行比較，並評估所用的稅率的合理性。我們亦考慮於綜合財務報表作出的相關披露是否合適。

致：時代中國控股有限公司全體股東
(於開曼群島註冊成立的有限公司)

To the shareholders of Times China Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

關鍵審核事項(續)

KEY AUDIT MATTERS (CONT'D)

關鍵審核事項

Key audit matter

The Group is subject to land appreciation tax ("LAT") in Mainland China which is calculated based on management's best estimates of the taxable amount of each of the Group's property development projects according to their understanding of the prevailing requirements of the relevant tax laws and regulations of the PRC. The actual land appreciation tax liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The final outcome could be different from the amounts that were initially recorded, and any differences will impact the land appreciation tax expenses and the related provision in the period in which the differences realise.

The related disclosures are included in notes 3, 10 and 25 to the consolidated financial statements.

投資物業的估值

Valuation of investment properties

貴集團在中國內地擁有多項按公允價值計量的投資物業，該等物業於二零二零年十二月三十一日的賬面總值約為人民幣7,007,400,000元，分別佔貴集團總資產及淨資產的3.7%及19.5%。貴集團已聘請外部估值師於二零二零年十二月三十一日對該等物業進行估值。在釐定投資物業的公允價值時需要作出重大判斷，該等公允價值反映報告期末的市況。採用不同的估值技術及假設可能導致公允價值估計出現重大差異。因此，投資物業的估值被確定為關鍵審核事項。

有關披露載入綜合財務報表附註3及15。

The Group owns investment properties in Mainland China which were measured at fair value and their aggregate carrying amount was approximately RMB7,007,400,000 as at 31 December 2020, which represented 3.7% and 19.5% of the Group's total assets and net assets, respectively. The Group engaged external valuers to perform the valuation of these properties as at 31 December 2020. Significant judgement was required to determine the fair values of the investment properties, which reflected market conditions as at the end of the reporting period. The use of different valuation techniques and assumptions would result in significant different estimates of fair values. Accordingly, the valuation of investment properties was identified as a key audit matter.

The related disclosures are included in notes 3 and 15 to the consolidated financial statements.

於審核中我們處理關鍵審核事項的方式

How our audit addressed the key audit matter

We involved our internal tax specialists to test the LAT calculation prepared by management, analysed and evaluated the estimates and assumptions used by management, such as the appreciation amount of each property development project, and assessed the adequacy of the LAT provision. We also compared the data used by management for the calculation of the LAT with the historical information, and assessed the appropriateness of the tax rate being used. We also considered the appropriateness of the relevant disclosures made in the consolidated financial statements.

我們已評估外部估值師的能力、獨立性及客觀性。我們了解外部估值師所使用的估值方法及主要假設。透過諮詢管理層及參考歷史資料及公開市場資料，我們要求我們的估值專家參與評價就選定樣本所使用的估值技巧及測試相關主要估計及假設。我們亦考慮綜合財務報表所作相關披露是否充分。

We evaluated the competency, independence and objectivity of the external valuers. We understood the valuation approach and key assumptions used by the external valuers. We involved our valuation specialists to evaluate the valuation techniques used and tested the underlying key estimations and assumptions for selected samples through enquiry with management and by reference to the historical information and open market information. We also considered the adequacy of the relevant disclosures in the consolidated financial statements.

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

致：時代中國控股有限公司全體股東
(於開曼群島註冊成立的有限公司)

載於年報的其他信息

貴公司董事須對其他信息負責。其他信息包括載於年報的信息，但不包括綜合財務報表及我們就綜合財務報表作出的核數師報告。

我們對綜合財務報表作出的意見並不涵蓋其他信息，我們亦不就此發表任何形式的鑒證結論。

就我們對綜合財務報表的審核而言，我們的責任為閱讀其他信息，從而考慮其他信息是否與綜合財務報表或我們於審核時所獲悉的資料存在重大不符或似乎存在重大錯誤陳述。基於我們已執行的工作，倘我們認為此其他資料存在重大錯誤陳述，我們須報告有關事實。就此，我們並無任何可報告事項。

董事對綜合財務報表的責任

貴公司董事負責根據國際會計準則理事會頒佈的國際財務報告準則及香港公司條例的披露規定，編製表達真實中肯意見的綜合財務報表，以及維持董事認為必要的有關內部控制，以確保編製綜合財務報表時不存在由於欺詐或錯誤而導致的重大錯誤陳述。

於編製綜合財務報表時，貴公司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宜，以及使用持續經營會計基礎，惟貴公司董事擬清算貴集團或終止經營或別無其他實際的替代方案惟有如此行事則除外。

貴公司董事於履行其監督貴集團財務報告過程的責任時獲審核委員會協助。

To the shareholders of Times China Holdings Limited
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OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than 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 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 issued by the International Accounting Standards Board 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

致：時代中國控股有限公司全體股東
(於開曼群島註冊成立的有限公司)

核數師對審核綜合財務報表的責任

我們的目標為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合理保證，並出具載有我們意見的核數師報告。我們的報告僅向全體股東作出，不可用作其他用途。我們概不就本報告的內容，對任何其他人士負上或承擔任何責任。

合理保證乃高水準的保證，但無法保證根據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。錯誤陳述可由欺詐或錯誤引起，倘合理預期該等陳述單獨或匯總起來可能影響使用者根據該等綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

作為根據香港審計準則進行審核的一部分，我們於審核期間運用專業判斷及保持專業懷疑態度。我們亦：

- 識別及評估綜合財務報表中由於欺詐或錯誤而導致的重大錯誤陳述風險，因應該等風險設計及執行審核程式，獲得充足及適當的審核憑證為我們的意見提供基礎。由於欺詐可能涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部監控，因此未能發現由此造成的重大錯誤陳述風險比未能發現由於錯誤而導致的重大錯誤陳述風險更高。
- 瞭解與審核有關的內部監控，以於有關情況下設計恰當的審核程式，但並非旨在對貴集團內部監控的有效性發表意見。
- 評估所用會計政策的適當性及董事所作出的會計估計及相關披露的合理性。

To the shareholders of Times China Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

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. Our report is made solely to you, as a body, 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 HKSA's 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 HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

致：時代中國控股有限公司全體股東
(於開曼群島註冊成立的有限公司)

核數師對審核綜合財務報表的責任 (續)

- 對董事採用持續經營會計基礎的適當性作出結論，根據所取得的審核憑證，確定是否存在與事件或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，則須於核數師報告中提請注意綜合財務報表中的相關披露，或倘有關披露不足，則須修改我們的意見。我們的結論是基於直至核數師報告日期所取得的審核憑證。然而，未來事件或情況可能導致貴集團終止持續經營。
- 評估綜合財務報表(包括披露)的整體呈報、架構及內容，以及綜合財務報表是否以達致中肯呈報的方式呈報相關交易及事件。
- 就貴集團中實體或業務活動的財務資料取得充分及適當的審核憑證，以對綜合財務報表發表意見。我們負責指導、監督及執行集團審核。我們對審核意見承擔全部負責。

除其他事項外，我們與審核委員會就計劃的審核範圍及時間安排以及重大審核發現(包括我們於審核中識別出內部監控的任何重大缺陷)等進行溝通。

我們亦向審核委員會提交聲明，說明我們已符合有關獨立性的相關道德要求，並與其溝通有可能合理地被認為會影響我們獨立性的所有關係及其他事項，以及用以消除威脅的行動或採取的防範措施(如適用)。

To the shareholders of Times China Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 the Audit Committee 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 the Audit Committee 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, actions taken to eliminate threats or safeguards applied.

致：時代中國控股有限公司全體股東
(於開曼群島註冊成立的有限公司)

To the shareholders of Times China Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

核數師對審核綜合財務報表的責任 (續)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

從與審核委員會的溝通事項中，我們決定該等對審核本期綜合財務報表至關重要並因此成為關鍵審核事項的事項。我們於核數師報告中描述該等事項，惟於法律或法規不允許對有關事項進行公開披露或於極端罕見的情況下，倘合理預期於我們報告中溝通某事項造成的不利後果超過該溝通產生的公眾利益，我們決定不應於報告中溝通該事項。

From the matters communicated with the Audit Committee, 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.

本獨立核數師報告的審計項目合夥人為許建輝。

The engagement partner on the audit resulting in this independent auditor's report is Hui Kin Fai, Stephen.

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

二零二一年三月二十三日

23 March 2021

綜合損益表

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

截至二零二零年十二月三十一日止年度 Year ended 31 December 2020

		附註 Notes	二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
收入	REVENUE	5	38,576,694	42,433,383
銷售成本	Cost of sales		(27,474,248)	(29,997,746)
毛利	Gross profit		11,102,446	12,435,637
其他收入及收益	Other income and gains	5	1,935,114	1,033,777
銷售及市場推廣成本	Selling and marketing costs		(1,119,973)	(1,212,434)
行政開支	Administrative expenses		(1,574,063)	(1,554,296)
其他開支	Other expenses		(484,936)	(561,624)
融資成本	Finance costs	7	(1,181,169)	(1,010,850)
應佔合營企業及 聯營公司損益	Share of profits and losses of joint ventures and associates		445,059	1,208,769
除稅前利潤	PROFIT BEFORE TAX	6	9,122,478	10,338,979
所得稅開支	Income tax expense	10	(3,756,468)	(4,778,518)
年度利潤	PROFIT FOR THE YEAR		5,366,010	5,560,461
下列各項應佔：	Attributable to:			
本公司擁有人	Owners of the Company		4,941,190	5,212,623
非控股權益	Non-controlling interests		424,820	347,838
			5,366,010	5,560,461
本公司普通權益 持有人應佔 每股盈利	EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	12		
基本及攤薄	Basic and diluted		人民幣 254分 RMB254 cents	人民幣273分 RMB273 cents

綜合全面收入表

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

截至二零二零年十二月三十一日止年度 Year ended 31 December 2020

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
年度利潤	PROFIT FOR THE YEAR	5,366,010	5,560,461
其他全面收入／(虧損)	OTHER COMPREHENSIVE INCOME/ (LOSS)		
於後續期間可重新分類至 損益的其他全面收入／(虧損)：	Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
現金流對沖： 年內產生的衍生金融工具 公允價值變動有效部分	Cash flow hedges: Effective portion of changes in fair value of derivative financial instruments arising during the year	(53,409)	—
應佔一家合營企業其他全面 收入／(虧損)	Share of other comprehensive income/(loss) of a joint venture	49,081	(13,060)
換算海外業務的匯兌差額	Exchange differences on translation of foreign operations	1,267,404	(237,400)
		1,263,076	(250,460)
於後續期間不會 重新分類至損益的 其他全面收入：	Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
指定以公允價值計量且 其變動計入其他全面收入的 權益投資收益淨額	Net gain on equity investments designated at fair value through other comprehensive income	380	4,103
年度其他全面收入／(虧損)	OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR	1,263,456	(246,357)
年度全面收入總額	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	6,629,466	5,314,104
下列各項應佔：	Attributable to:		
本公司擁有人	Owners of the Company	6,204,646	4,966,266
非控股權益	Non-controlling interests	424,820	347,838
		6,629,466	5,314,104

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

二零二零年十二月三十一日 31 December 2020

			二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
	附註 Notes			
非流動資產		NON-CURRENT ASSETS		
物業、廠房及設備	13	Property, plant and equipment	1,177,999	1,096,102
物業存貨	20	Inventories of properties	1,354,246	1,518,010
使用權資產	14(a)	Right-of-use assets	85,523	138,186
投資物業	15	Investment properties	7,007,400	3,489,209
商譽		Goodwill	78,318	88,526
其他無形資產		Other intangible assets	165,949	142,927
於合營企業的權益	16	Interests in joint ventures	9,383,838	7,587,048
於聯營公司的權益	17	Interests in associates	2,782,440	2,520,090
指定以公允價值計量且 其變動計入其他 全面收入的權益投資	18	Equity investments designated at fair value through other comprehensive income	410,952	434,207
遞延稅項資產	19	Deferred tax assets	1,924,839	1,678,601
預付款項、按金及 其他應收款項	22	Prepayments, deposits and other receivables	1,067,739	1,148,838
非流動資產總額		Total non-current assets	25,439,243	19,841,744
流動資產		CURRENT ASSETS		
物業存貨	20	Inventories of properties	79,079,315	61,460,980
應收貿易款項	21	Trade receivables	6,371,029	6,101,701
合同資產		Contract assets	457,090	210,434
合同成本		Contract costs	724,086	619,341
預付款項、按金及 其他應收款項	22	Prepayments, deposits and other receivables	30,733,096	31,830,195
應收合營企業的款項	23	Amounts due from joint ventures	7,532,760	8,423,080
應收聯營公司的款項	23	Amounts due from associates	1,080,588	1,874,858
預繳稅款	25	Tax prepayments	2,125,583	1,456,341
受限制銀行存款	26	Restricted bank deposits	4,427,850	3,404,545
現金及現金等價物	26	Cash and cash equivalents	33,531,747	25,874,865
流動資產總額		Total current assets	166,063,144	141,256,340
流動負債		CURRENT LIABILITIES		
應付貿易款項及票據	27	Trade and bills payables	20,608,415	14,470,947
其他應付款項及應計款項	28	Other payables and accruals	23,300,554	20,481,285
合同負債	29	Contract liabilities	24,203,207	21,579,362
應付合營企業的款項	24	Amounts due to joint ventures	10,853,290	4,950,359
應付聯營公司的款項	24	Amounts due to associates	638,847	–
計息銀行及其他借款及 應付利息	30	Interest-bearing bank and other borrowings and interest payable	19,030,214	19,454,013
租賃負債	14(b)	Lease liabilities	115,881	51,959
應付稅款	25	Tax payable	9,358,981	7,014,368
流動負債總額		Total current liabilities	108,109,389	88,002,293
流動資產淨值		NET CURRENT ASSETS	57,953,755	53,254,047
資產總額減流動 負債		TOTAL ASSETS LESS CURRENT LIABILITIES	83,392,998	73,095,791

綜合財務狀況表
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

二零二零年十二月三十一日 31 December 2020

		附註 Notes	二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
資產總額減流動負債	TOTAL ASSETS LESS CURRENT LIABILITIES		83,392,998	73,095,791
非流動負債	NON-CURRENT LIABILITIES			
計息銀行及其他借款及應付利息	Interest-bearing bank and other borrowings and interest payable	30	43,439,917	34,663,066
衍生金融工具	Derivative financial instruments		57,405	-
其他長期應付款項	Other long-term payables	28	58,581	134,934
租賃負債	Lease liabilities	14(b)	2,210,090	1,174,471
遞延稅項負債	Deferred tax liabilities	19	1,743,591	1,418,965
非流動負債總額	Total non-current liabilities		47,509,584	37,391,436
資產淨值	Net assets		35,883,414	35,704,355
權益	EQUITY			
本公司擁有人應佔權益	Equity attributable to owners of the Company			
股本	Share capital	31	154,528	154,528
儲備	Reserves	33	18,623,208	18,932,706
			18,777,736	19,087,234
非控股權益	Non-controlling interests		17,105,678	16,617,121
權益總額	Total equity		35,883,414	35,704,355

岑釗雄
Shum Chiu Hung
董事
Director

牛霽旻
Niu Jimin
董事
Director

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二零二零年十二月三十一日止年度 Year ended 31 December 2020

		本公司擁有人應佔 Attributable to owners of the Company										
						以公允價值 計量且其變動 計入其他全面 收入的金融 資產的公允 價值儲備 Fair value reserve of financial assets			法定盈餘 公積金 匯兌儲備		非控股 權益	
		股本 溢價賬 Share premium capital account	股份 溢價賬 Share premium account	繳入盈餘 Contributed surplus	資本儲備 reserve Capital comprehensive income	through other income	法定盈餘 公積金 Statutory surplus funds	匯兌儲備 Exchange translation reserve	留存利潤 Retained profits	總計 Total	非控股 權益 Non- controlling interests	權益總額 Total equity
		人民幣千元 RMB'000 (附註31) (note 31)	人民幣千元 RMB'000	人民幣千元 RMB'000 (附註33(b)) (note 33(b))	人民幣千元 RMB'000 (附註33(c)) (note 33(c))	人民幣千元 RMB'000	人民幣千元 RMB'000 (附註33(d)) (note 33(d))	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
於二零一九年一月一日	At 1 January 2019	145,260	-	8,113	4,233,342	203	1,275,560	(831,547)	12,139,496	16,970,427	15,344,089	32,314,516
年度利潤	Profit for the year	-	-	-	-	-	-	-	5,212,623	5,212,623	347,838	5,560,461
年度其他全面收入/(虧損)	Other comprehensive income/(loss) for the year	-	-	-	-	4,103	-	(250,460)	-	(246,357)	-	(246,357)
年度全面收入/(虧損)總額	Total comprehensive income/(loss) for the year	-	-	-	-	4,103	-	(250,460)	5,212,623	4,966,266	347,838	5,314,104
發行股份	Issue of shares	9,268	1,323,301	-	-	-	-	-	-	1,332,569	-	1,332,569
轉撥至儲備公積金	Transfer to reserve funds	-	-	-	-	-	405,429	-	(405,429)	-	-	-
非控股股東注資	Capital injection by non-controlling shareholders	-	-	-	-	-	-	-	-	-	4,872,410	4,872,410
視作出售附屬公司	Deemed disposals of subsidiaries	-	-	-	-	-	(56,133)	-	56,133	-	(35,574)	(35,574)
部分出售附屬公司權益 (並無失去控制權)	Partial disposal of interests in subsidiaries without loss of control	-	-	-	(148,880)	-	-	-	(19,536)	(168,416)	1,747,361	1,578,945
出售指定以公允價值計量且其變動 計入其他全面收入的權益工具時 轉讓公允價值儲備	Transfer of fair value reserve upon the disposal of equity instruments designated at fair value through other comprehensive income	-	-	-	-	(2,509)	-	-	2,509	-	-	-
收購附屬公司	Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	31,702	31,702
收購非控股權益	Acquisition of non-controlling interests	-	-	-	(1,944,579)	-	-	-	(594,306)	(2,538,885)	(5,312,359)	(7,851,244)
已向非控股股東宣派的股息	Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(447,703)	(447,703)
宣派二零一八年末期股息	Final 2018 dividend declared	-	(1,323,301)	-	-	-	-	-	(12,087)	(1,335,388)	-	(1,335,388)
實物分派	Distribution in specie	-	-	-	-	-	-	-	(139,339)	(139,339)	69,357	(69,982)
於二零一九年十二月三十一日	At 31 December 2019	154,528	-*	8,113*	2,139,883*	1,797*	1,624,856*	(1,082,007)*	16,240,064*	19,087,234	16,617,121	35,704,355

* 該等儲備賬包括綜合財務狀況表中的綜合儲備。

* These reserve accounts comprise the consolidated reserves in the consolidated statement of financial position.

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二零二零年十二月三十一日止年度 Year ended 31 December 2020

		本公司擁有人應佔 Attributable to owners of the Company															
		以公允價值 計量且其變動 計入其他全面 收入的金融 資產的公允 價值儲備 Fair value reserve of financial assets at fair value								法定盈餘 公積金		匯兌儲備		留存利潤		非控股 權益	
		股本	繳入盈餘	資本儲備	through other	對沖儲備	Statutory	Exchange	Retained	總計	Non-	權益總額					
		Share	Contributed	Capital	comprehensive	Hedging	surplus	translation	profits	Total	controlling	Total					
		capital	surplus	reserve	income	reserve	funds	reserve			interests	equity					
		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	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	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000				
		(附註31)	(附註33(b))	(附註33(c))			(附註33(d))										
		(note 31)	(note 33(b))	(note 33(c))			(note 33(d))										
於二零二零年一月一日	At 1 January 2020	154,528	8,113	2,139,883	1,797	-	1,624,856	(1,082,007)	16,240,064	19,087,234	16,617,121	35,704,355					
年度利潤	Profit for the year	-	-	-	-	-	-	-	4,941,190	4,941,190	424,820	5,366,010					
年度其他全面收入	Other comprehensive income for the year	-	-	-	380	(53,409)	-	1,316,485	-	1,263,456	-	1,263,456					
年度全面收入/(虧損)總額	Total comprehensive income/(loss) for the year	-	-	-	380	(53,409)	-	1,316,485	4,941,190	6,204,646	424,820	6,629,466					
轉撥至儲備公積金(附註33(d))	Transfer to reserve funds (note 33 (d))	-	-	-	-	-	306,479	-	(306,479)	-	-	-					
非控股股東注資	Capital injection by non-controlling shareholders	-	-	-	-	-	-	-	-	-	3,189,967	3,189,967					
部分出售附屬公司權益 (並無失去控制權)	Partial disposal of interests in subsidiaries without loss of control	-	-	-	-	-	-	-	-	-	8,146,292	8,146,292					
出售指定以公允價值計量且其變動 計入其他全面收入的權益工具時 轉讓公允價值儲備	Transfer of fair value reserve upon the disposal of equity instruments designated at fair value through other comprehensive income	-	-	-	1,246	-	-	-	(1,246)	-	-	-					
出售一間附屬公司(附註37)	Disposal of a subsidiary (note 37)	-	-	-	-	-	-	-	-	-	(575,897)	(575,897)					
收購附屬公司(附註36)	Acquisition of subsidiaries (note 36)	-	-	-	-	-	-	-	-	-	636,589	636,589					
收購非控股權益(附註35)	Acquisition of non-controlling interests (note 35)	-	-	(1,808,426)	-	-	-	-	(3,065,853)	(4,874,279)	(11,262,622)	(16,136,901)					
已向非控股股東宣派的股息	Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(70,592)	(70,592)					
宣派二零一九年末期股息(附註11)	Final 2019 dividend declared (note 11)	-	-	-	-	-	-	-	(1,639,865)	(1,639,865)	-	(1,639,865)					
於二零二零年十二月三十一日	At 31 December 2020	154,528	8,113*	331,457*	3,423*	(53,409)*	1,931,335*	234,478*	16,167,811*	18,777,736	17,105,678	35,883,414					

* 該等儲備賬包括綜合財務狀況表中的綜合儲備。

* These reserve accounts comprise the consolidated reserves in the consolidated statement of financial position.

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

截至二零二零年十二月三十一日止年度 Year ended 31 December 2020

	附註 Notes	二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
經營活動所得的現金流量	CASH FLOWS FROM OPERATING ACTIVITIES		
除稅前利潤	Profit before tax	9,122,478	10,338,979
調整：	Adjustments for:		
融資成本	Finance costs	1,181,169	1,010,850
應佔合營企業及 聯營公司損益	Share of profits and losses of joint ventures and associates	(445,059)	(1,208,769)
銀行利息收入	Bank interest income	(330,027)	(284,827)
物業、廠房及 設備折舊	Depreciation of property, plant and equipment	112,978	98,714
使用權資產折舊	Depreciation of right-of-use assets	78,212	45,016
其他無形資產攤銷	Amortisation of other intangible assets	15,244	12,719
自有投資物業公允價值的 變動	Changes in fair value of self-owned investment properties	(2,136)	(18,013)
轉租投資物業公允價值的變動	Changes in fair value of sub-leased investment properties	(16,681)	2,301
衍生金融工具公允價值的變動	Changes in fair value of derivative financial instruments	103	-
出售物業、廠房及設備 項目的虧損	Loss on disposal of items of property, plant and equipment	156	827
商譽減值	Impairment of goodwill	10,208	306,094
視作出售附屬公司的收益	Gain on deemed disposal of subsidiaries	-	(15,573)
出售一間附屬公司的收益	Gain on disposal of a subsidiary	(99,418)	-
議價收購一間附屬公司的收益	Gain on bargain purchase of a subsidiary	(500,060)	-
出售以公允價值計量 且其變動計入損益 的金融資產的收益	Gain on disposal of financial assets at fair value through profit or loss	(82)	(3,643)
議價收購一間合營企業的收益	Gain on bargain purchase of a joint venture	-	(8,156)
重新計量於一間聯營公司的 既有權益	Remeasurement of the pre-existing interest in an associate	(311,900)	-
重新計量於一間合營企業的 既有權益	Remeasurement of the pre-existing interest in a joint venture	-	(15,764)
貿易應付款項撥回收益	Gain on write-back of trade payables	-	(49,816)
提前贖回優先票據所付 的溢價	Premium paid on early redemption of senior notes	12,669	-
金融資產減值虧損	Impairment losses on financial assets	40,531	52,826
沖銷其他應收款項的虧損	Loss on write-off of other receivables	133,491	-
出售金融資產的虧損	Loss on disposal of financial assets	-	41,914
撇減物業存貨至可變現淨值	Write-down of inventories of properties to net realisable value	86,997	-
		9,088,873	10,305,679

綜合現金流量表
CONSOLIDATED STATEMENT OF CASH FLOWS

截至二零二零年十二月三十一日止年度 Year ended 31 December 2020

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
物業存貨增加	Increase in inventories of properties	(4,790,288)	(6,034,578)
應收貿易款項增加	Increase in trade receivables	(409,516)	(1,883,710)
合同資產增加	Increase in contract assets	(246,656)	(210,434)
合同成本增加	Increase in contract costs	(104,745)	(402,774)
預付款項、按金及 其他應收款項增加	Increase in prepayments, deposits and other receivables	(1,753,581)	(15,304,013)
應收合營企業的款項增加	Increase in amounts due from joint ventures	(3,777,652)	(1,656,772)
應收聯營公司的款項 減少/(增加)	Decrease/(increase) in amounts due from associates	1,051,107	(780,824)
應付貿易款項及票據增加	Increase in trade and bills payables	3,760,151	6,932,805
合同負債(減少)/增加	(Decrease)/increase in contract liabilities	(281,535)	2,888,373
應付合營企業款項 增加	Increase in amounts due to joint ventures	5,904,764	1,532,678
應付聯營公司款項增加	Increase in amounts due to associates	638,847	-
其他應付款項及應計款項增加	Increase in other payables and accruals	379,203	11,672,459
受限制銀行存款(增加)/減少	(Increase)/decrease in restricted bank deposits	(1,023,305)	646,010
經營所得的現金	Cash generated from operations	8,435,667	7,704,899
已收利息	Interest received	330,027	365,328
已付利息	Interest paid	(4,875,226)	(4,012,037)
已付企業所得稅	Corporate income tax paid	(1,421,935)	(1,973,157)
已付土地增值稅	Land appreciation tax paid	(1,160,729)	(1,295,962)
經營活動所得現金流量淨額	Net cash flows generated from operating activities	1,307,804	789,071

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

截至二零二零年十二月三十一日止年度 Year ended 31 December 2020

	附註 Notes	二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
投資活動所得的 現金流量	CASH FLOWS FROM INVESTING ACTIVITIES		
購買物業、廠房及設備項目	Purchases of items of property, plant and equipment	(130,037)	(117,112)
投資物業增加	Addition in investment properties	(741,420)	(205,099)
購買無形資產	Purchases of intangible assets	(38,265)	(22,179)
購買以公允價值計量且其變動計入損益的金融資產	Purchase of financial assets at fair value through profit or loss	(70,000)	–
出售以公允價值計量且其變動計入損益的金融資產	Disposal of financial assets at fair value through profit or loss	70,082	–
購買指定以公允價值計量且其變動計入其他全面收入的權益投資	Purchase of equity investments designated at fair value through other comprehensive income	(20,000)	(15,000)
出售物業、廠房及設備項目的所得款項	Proceeds from disposal of items of property, plant and equipment	1,544	1,176
收購附屬公司	Acquisition of subsidiaries	–	(31,640)
收購附屬公司(不作為業務)	Acquisition of subsidiaries that are not businesses	36(a) (521,632)	(566,760)
由合營企業轉為附屬公司	Change from joint ventures to subsidiaries	36(b) 974,630	(286,407)
由聯營公司轉為附屬公司	Change from an associate to a subsidiary	36(c) 183,455	–
收購合營企業	Acquisition of joint ventures	(37,591)	(84,102)
收購非控股權益	Acquisition of non-controlling interests	35(a) (7,423,514)	(7,659,706)
視作出售附屬公司	Deemed disposal of subsidiaries	(4)	(787,262)
出售附屬公司	Disposal of subsidiaries	37 325,289	(2,268)
權益投資預付款項	Prepayment of equity investments	(522,952)	–
向業務夥伴墊款	Advance to business partners	(833,763)	(313,967)
業務夥伴還款	Repayment from business partners	413,471	–
向合營企業及聯營公司提供的貸款	Loans to joint ventures and associates	(6,556,849)	(4,587,963)
償還合營企業及聯營公司貸款	Repayment of loans from joint ventures and associates	7,540,289	2,957,841
向合營企業注資	Capital injection to joint ventures	(54,900)	(486,550)
向聯營公司注資	Capital injection to associates	(302,861)	(2,035,222)
投資活動所用現金流量淨額	Net cash flows used in investing activities	(7,745,028)	(14,242,220)

綜合現金流量表
CONSOLIDATED STATEMENT OF CASH FLOWS

截至二零二零年十二月三十一日止年度 Year ended 31 December 2020

	附註 Notes	二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
融資活動所用現金流量			
		CASH FLOWS FROM FINANCING ACTIVITIES	
非控股股東注資		1,757,967	4,005,610
發行股份所得款項		-	1,332,569
新增計息銀行及其他借款		31,359,700	23,836,928
計息銀行及其他借款的還款		(26,218,058)	(16,455,924)
股息分派	11	(1,639,865)	(1,335,388)
向非控股股東支付股息		(33,455)	-
就實物分派所分派的現金淨額		-	(163,287)
部分出售附屬公司權益(並無失去控制權)的所得款項		6,527,880	1,578,945
非控股股東墊款		2,716,108	3,467,217
租賃款項的本金部分		(162,180)	(46,581)
償還已收購附屬公司前股東款項		-	(441,497)
提前贖回優先票據所付的溢價		(12,669)	-
融資活動產生的現金流量淨額		14,295,428	15,778,592
現金及現金等價物增加淨額			
		NET INCREASE IN CASH AND CASH EQUIVALENTS	
年初現金及現金等價物		7,858,204	2,325,443
匯率變動的影響，淨額		25,874,865	23,374,181
		(201,322)	175,241
年末現金及現金等價物			
		CASH AND CASH EQUIVALENTS AT END OF THE YEAR	
		33,531,747	25,874,865
現金及現金等價物結餘分析			
		ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	
現金及銀行結餘	26	37,959,597	29,279,410
減：受限制銀行存款	26	(4,427,850)	(3,404,545)
現金及現金等價物	26	33,531,747	25,874,865

財務報表附註

NOTES TO FINANCIAL STATEMENTS

二零二零年十二月三十一日 31 December 2020

1. 公司及集團資料

本公司於二零零七年十一月十四日根據開曼群島第22章公司法於開曼群島註冊成立為一間獲豁免有限責任公司，名稱為Times Property (Holdings) Co., Limited。根據於二零零八年一月二十四日通過的一項特別決議案，本公司的名稱由Times Property (Holdings) Co., Limited變更為時代地產控股有限公司。根據於二零一八年一月十五日通過的一項特別決議案，本公司的名稱由時代地產控股有限公司變更為時代中國控股有限公司。註冊辦事處地址為Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands。

本公司為一間投資控股公司。於本年度內，本公司的附屬公司在中華人民共和國（「中國」）主要從事物業開發、城市更新業務及物業租賃。

董事認為，本公司的直接控股公司乃於英屬維爾京群島（「英屬維爾京群島」）註冊成立的豐亞企業有限公司（「豐亞」），以及最終控股公司乃於英屬維爾京群島註冊成立的佳名投資有限公司（「佳名投資」）。佳名投資由本公司及本集團創辦人岑釗雄先生（「岑先生」）全資擁有。

本公司股份於二零一三年十二月十一日在香港聯合交易所有限公司（「聯交所」）主板上市。

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the Cayman Islands on 14 November 2007 under the name of Times Property (Holdings) Co., Limited as an exempted company with limited liability under the Companies Act, Cap. 22 of the Cayman Islands. Pursuant to a special resolution passed on 24 January 2008, the Company's name was changed from Times Property (Holdings) Co., Limited to Times Property Holdings Limited. Pursuant to a special resolution passed on 15 January 2018, the Company's name was changed from Times Property Holdings Limited to Times China Holdings Limited. The registered office address is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company. During the year, the Company's subsidiaries were mainly involved in property development, urban redevelopment business and property leasing in the People's Republic of China (the "PRC").

In the opinion of the Directors, the immediate holding company of the Company is Asiaciti Enterprises Ltd. ("Asiaciti"), which was incorporated in the British Virgin Islands ("BVI"), and the ultimate holding company is Renowned Brand Investments Limited ("Renowned Brand"), which was incorporated in the BVI. Renowned Brand is wholly owned by Mr. Shum Chiu Hung ("Mr. Shum"), the founder of the Company and the Group.

The Company's shares became listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "SEHK") on 11 December 2013.

1. 公司及集團資料(續)

有關附屬公司的資料

本公司主要附屬公司的詳情如下：

名稱 Name	註冊成立／設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通／ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
智銳投資有限公司(「智銳」) Wisdom Sharp Investments Limited (“Wisdom Sharp”)	英屬維爾京群島 BVI	3美元 USD3	100	–	投資控股 Investment holding
Grand Highway International Ltd. (「Grand Highway」) Grand Highway International Ltd. (“Grand Highway”)	英屬維爾京群島 BVI	1美元 USD1	–	100	投資控股 Investment holding
香港時代投資有限公司(「香港時代投資」) Hong Kong Times Investments Limited (“Hong Kong Times Investments”)	香港 Hong Kong	10,000港元 HKD10,000	–	100	投資控股 Investment holding
時代產業集團有限公司(「時代產業」) Times Industry Group Limited (“Times Industry”)	香港 Hong Kong	1港元 HKD1	–	100	投資控股 Investment holding
廣州市時代控股集團有限公司(「廣州時代」)(附註(a)) Guangzhou Times Holdings Group Co., Ltd. (“Guangzhou Times”) (note (a))	中國／中國內地 PRC/ Mainland China	830,000,000美元 USD830,000,000	–	100	投資控股 Investment holding
廣州市時代企業地產投資有限公司(「時代地產」)(附註(b)) Guangzhou Times Enterprise Real Estate Investment Co., Ltd. (“Times Real Estate”) (note (b))	中國／中國內地 PRC/ Mainland China	人民幣6,300,000,000元 RMB6,300,000,000	–	100	投資控股 Investment holding

1. CORPORATE AND GROUP INFORMATION (CONT'D)

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

財務報表附註
NOTES TO FINANCIAL STATEMENTS

二零二零年十二月三十一日 31 December 2020

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
廣州市時代勝譽投資有限公司(「廣州勝譽」)(附註(b)) Guangzhou Times Shengyu Investment Co., Ltd. ("Guangzhou Shengyu") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣2,600,000,000元 RMB2,600,000,000	-	100	物業開發及投資控股 Property development and investment holding
廣東時代勝譽房地產開發有限公司(「廣東勝譽」)(附註(b)) Guangdong Times Shengyu Real Estate Development Co., Ltd. ("Guangdong Shengyu") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣80,000,000元 RMB80,000,000	-	100	物業開發 Property development
廣州東和房地產開發有限公司(「廣州東和」)(附註(b)) Guangzhou Donghe Real Estate Development Co., Ltd. ("Guangzhou Donghe") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣161,075,800元 RMB161,075,800	-	100	物業租賃 Property leasing
佛山市三水裕華房地產發展有限公司(「佛山裕華」)(附註(b)) Foshan Sanshui Yuhua Real Estate Development Co., Ltd. ("Foshan Yuhua") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣48,000,000元 RMB48,000,000	-	100	物業開發 Property development
廣州市富傑投資有限公司(「廣州富傑」)(附註(b)) Guangzhou Fujie Investment Co., Ltd. ("Guangzhou Fujie") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣20,000,000元 RMB20,000,000	-	100	物業開發 Property development
清遠市榮景投資有限公司(「清遠榮景」)(附註(b)) Qingyuan Rongjing Investment Co., Ltd. ("Qingyuan Rongjing") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣100,000,000元 RMB100,000,000	-	100	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION
(CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
清遠市喜龍房地產開發有限公司(「清遠喜龍」)(附註(b)) Qingyuan Xilong Real Estate Development Co., Ltd. ("Qingyuan Xilong") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣300,000,000元 RMB300,000,000	-	100	物業開發 Property development
中山市萬聯房地產開發有限公司(「中山萬聯」)(附註(b)) Zhongshan Wanlian Real Estate Development Co., Ltd. ("Zhongshan Wanlian") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣45,000,000元 RMB45,000,000	-	100	物業開發及物業租賃 Property development and property leasing
廣州天朗商貿有限公司(「廣州天朗」)(附註(b)) Guangzhou Tianlang Trading Co., Ltd. ("Guangzhou Tianlang") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣50,000,000元 RMB50,000,000	-	100	物業開發 Property development
廣州市番禺南英房地產有限公司(「廣州南英」)(附註(b)) Guangzhou Panyu Nanying Property Co., Ltd. ("Guangzhou Nanying") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣360,000,000元 RMB360,000,000	-	99	物業開發 Property development
廣州市天合建材有限公司(「廣州天合」)(附註(b)) Guangzhou Tianhe Construction Material Co., Ltd. ("Guangzhou Tianhe") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣72,850,000元 RMB72,850,000	-	70.01	物業開發 Property development
廣東廣昌實業發展有限公司(「廣東廣昌」)(附註(b)) Guangdong Guangchang Industrial Development Co., Ltd. ("Guangdong Guangchang") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣42,300,000元 RMB42,300,000	-	100	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION (CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

財務報表附註
NOTES TO FINANCIAL STATEMENTS

二零二零年十二月三十一日 31 December 2020

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
珠海景潤房地產開發有限公司(「 珠海景潤 」)(附註(b)) Zhuhai Jingrun Real Estate Development Co., Ltd. ("Zhuhai Jingrun") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣43,800,000元 RMB43,800,000	-	100	物業開發 Property development
珠海市佳譽房地產開發有限公司(「 珠海佳譽 」)(附註(b)) Zhuhai Jiayu Real Estate Development Co., Ltd. ("Zhuhai Jiayu") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣50,000,000元 RMB50,000,000	-	100	物業開發 Property development
珠海市勝輝房地產開發有限公司(「 珠海勝輝 」)(附註(b)) Zhuhai Shenghui Real Estate Development Co., Ltd. ("Zhuhai Shenghui") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣40,000,000元 RMB40,000,000	-	100	物業開發 Property development
長沙玫瑰園房地產開發有限公司(「 長沙玫瑰園 」)(附註(b)) Changsha Meiguiyuan Real Estate Development Co., Ltd. ("Changsha Meiguiyuan") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣50,000,000元 RMB50,000,000	-	100	物業開發 Property development
佛山市至德正興物業管理有限公司(「 至德正興 」)(附註(b)) Foshan Zhide Zhengxing Property Management Co., Ltd. ("Zhide Zhengxing") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣65,000,000元 RMB65,000,000	-	100	物業管理 Property management
廣州市至德科技企業孵化器有限公司(「 至德科技 」)(附註(b)) Guangzhou Zhide Technology Business Incubator Co., Ltd. ("Zhide Technology") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣10,100,000元 RMB10,100,000	-	100	物業租賃及管理 Property leasing and management

1. CORPORATE AND GROUP INFORMATION
(CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
廣州市承澤科技企業孵化器有限公司(「廣州承澤」)(附註(b)) Guangzhou Chengze Technology Business Incubator Co., Ltd. ("Guangzhou Chengze") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣30,000,000元 RMB30,000,000	-	55	物業租賃及管理 Property leasing and management
珠海國基房地產開發有限公司(「珠海國基」)(附註(b)) Zhuhai Guoji Real Estate Development Co., Ltd. ("Zhuhai Guoji") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣5,000,000元 RMB5,000,000	-	100	物業開發 Property development
廣州佳裕投資有限公司(「廣州佳裕」)(附註(b)) Guangzhou Jiayu Investment Co., Ltd. ("Guangzhou Jiayu") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣10,000,000元 RMB10,000,000	-	100	物業租賃及管理 Property leasing and management
珠海市盛嘉置業有限公司(「珠海盛嘉」)(附註(b)) Zhuhai Shengjia Asset Co., Ltd. ("Zhuhai Shengjia") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣62,316,000元 RMB62,316,000	-	80.24	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION (CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

財務報表附註
NOTES TO FINANCIAL STATEMENTS

二零二零年十二月三十一日 31 December 2020

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
廣州市天斯物業管理有限公司(「廣州天斯」)(附註(b)、(c)) Guangzhou Tiansi Property Management Co., Ltd. ("Guangzhou Tiansi") (notes (b),(c))	中國/中國內地 PRC/ Mainland China	人民幣300,000,000元 RMB300,000,000	-	42	物業管理 Property management
廣州綠地白雲置業有限公司(「廣州綠地白雲」)(附註(b)) Guangzhou Lvdi Baiyun Asset Co., Ltd. ("Guangzhou Lvdi Baiyun") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣350,000,000元 RMB350,000,000	-	50	物業開發 Property development
中山市恒勝房地產投資有限公司(「中山恒勝」)(附註(b)) Zhongshan Hengsheng Real Estate Investment Co., Ltd. ("Zhongshan Hengsheng") notes (b)	中國/中國內地 PRC/ Mainland China	人民幣250,000,000元 RMB250,000,000	-	100	物業開發 Property development
佛山市順德弘泰利房地產發展有限公司 (「佛山弘泰利」)(附註(b)) Foshan Shunde Hongtaili Real Estate Development Co., Ltd. ("Foshan Hongtaili") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣1,200,000,000元 RMB1,200,000,000	-	100	物業開發 Property development
廣州市豐拓房地產開發有限公司(「廣州豐拓」)(附註(b)) Guangzhou Fengtuo Property Development Co., Ltd. ("Guangzhou Fengtuo") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣800,000,000元 RMB800,000,000	-	100	物業開發 Property development
佛山市承泰房地產開發有限公司(「佛山承泰」)(附註(b)) Foshan Chengtai Property Development Co., Ltd. ("Foshan Chengtai") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣50,000,000元 RMB50,000,000	-	100	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION
(CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
珠海市錦榮房地產開發有限公司(「珠海錦榮」)(附註(b)) Zhuhai Jinrong Real Estate Development Co., Ltd. ("Zhuhai Jinrong") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣1,100,000,000元 RMB1,100,000,000	-	100	物業開發 Property development
佛山市時代榮錦房地產發展有限公司(「佛山榮錦」)(附註(b)) Foshan Times Rongjin Real Estate Development Co., Ltd. ("Foshan Rongjin") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣200,000,000元 RMB200,000,000	-	100	物業開發 Property development
珠海市弘佳房地產開發有限公司(「珠海弘佳」)(附註(b)) Zhuhai Hongjia Real Estate Development Co., Ltd. ("Zhuhai Hongjia") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣400,000,000元 RMB400,000,000	-	51	物業開發 Property development
佛山市時代裕景房地產開發有限公司(「佛山裕景」)(附註(b)) Foshan Times Yujing Real Estate Development Co., Ltd. ("Foshan Yujing") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣600,000,000元 RMB600,000,000	-	100	物業開發 Property development
佛山市時代華泰房地產有限公司(「佛山華泰」)(附註(b)) Foshan Huatai Real Estate Development Co., Ltd. ("Foshan Huatai") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣1,860,000,000元 RMB1,860,000,000	-	100	物業開發 Property development
廣州市弘凱房地產開發有限公司(「廣州弘凱」)(附註(b)) Guangzhou Hongkai Real Estate Development Co., Ltd. ("Guangzhou Hongkai") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣1,320,000,000元 RMB1,320,000,000	-	100	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION (CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

財務報表附註
NOTES TO FINANCIAL STATEMENTS

二零二零年十二月三十一日 31 December 2020

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
廣州市凱駿房地產開發有限公司(「廣州凱駿」)(附註(b)) Guangzhou Kaijun Real Estate Development Co., Ltd. ("Guangzhou Kaijun") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣500,000,000元 RMB500,000,000	-	100	物業開發 Property development
惠州市惠陽區南凱實業有限公司(「惠州南凱」)(附註(b)) Huizhou Huiyang District Nankai Industrial Co., Ltd. ("Huizhou Nankai") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣15,000,000元 RMB15,000,000	-	80	物業開發 Property development
佛山市時代盛景房地產開發有限公司(「佛山盛景」)(附註(b)) Foshan Times Shengjing Real Estate Development Co., Ltd. ("Foshan Shengjing") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣900,000,000元 RMB900,000,000	-	100	物業開發 Property development
廣州市麗佰嘉投資有限公司(「廣州麗佰嘉」)(附註(b)) Guangzhou Libaijia Investment Co., Ltd. ("Guangzhou Libaijia") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣357,000,000元 RMB357,000,000	-	100	物業開發 Property development
廣州市時代融信小額貸款股份有限公司 (「廣州融信」)(附註(b)) Guangzhou Times Rongxin Micro-credit Co., Ltd. ("Guangzhou Rongxin") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣200,000,000元 RMB200,000,000	-	70	放債 Money lending
佛山市時代鴻泰投資有限公司(「佛山鴻泰」)(附註(b)) Foshan Hongtai Investment Co., Ltd. ("Foshan Hongtai") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣3,000,000,000元 RMB3,000,000,000	-	100	投資控股 Investment holding

1. CORPORATE AND GROUP INFORMATION
(CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
珠海鑫時代投資有限公司(「 珠海鑫時代 」)(附註(b)) Zhuhai Xin Times Co., Ltd. ("Zhuhai Xinshidai") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣100,000,000元 RMB100,000,000	-	100	投資控股 Investment holding
佛山市時代鴻譽房地產開發有限公司(「 佛山鴻譽 」)(附註(b)) Foshan Times Hongyu Real Estate Development Co., Ltd. ("Foshan Hongyu") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣4,600,000,000元 RMB4,600,000,000	-	100	物業開發 Property development
佛山市時代富錦房地產開發有限公司(「 佛山富錦 」)(附註(b)) Foshan Times Fujin Real Estate Development Co., Ltd. ("Foshan Fujin") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣800,000,000元 RMB800,000,000	-	100	物業開發 Property development
東莞市凱業投資有限公司(「 東莞凱業 」)(附註(b)) Dongguan Kaiye Investments Co., Ltd. ("Dongguan Kaiye") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣950,000,000元 RMB950,000,000	-	100	物業開發 Property development
廣州市富思房地產開發有限公司(「 廣州富思 」)(附註(b)) Guangzhou Fusi Real Estate Development Co., Ltd. ("Guangzhou Fusi") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣1,052,630,000元 RMB1,052,630,000	-	95	物業開發 Property development
廣州坤泰實業有限公司(「 廣州坤泰 」)(附註(b)) Guangzhou Kuntai Industrial Co., Ltd. ("Guangzhou Kuntai") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣250,000,000元 RMB250,000,000	-	60	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION (CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

財務報表附註
NOTES TO FINANCIAL STATEMENTS

二零二零年十二月三十一日 31 December 2020

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
珠海市長信房地產開發有限公司(「珠海長信」)(附註(b)) Zhuhai Changxin Real Estate Development Co., Ltd. ("Zhuhai Changxin") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣310,000,000元 RMB310,000,000	-	60	物業開發 Property development
東莞市裕景房地產開發有限公司(「東莞裕景」)(附註(b)) Dongguan Yujing Real Estate Development Co., Ltd. ("Dongguan Yujing") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣1,400,000,000元 RMB1,400,000,000	-	100	物業開發 Property development
廣州市時創房地產開發有限公司(「廣州時創」)(附註(b)) Guangzhou Shichuang Real Estate Development Co., Ltd. ("Guangzhou Shichuang") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣600,000,000元 RMB600,000,000	-	100	物業開發 Property development
廣州柯拉迪尼服飾有限公司(「廣州柯拉迪尼」)(附註(b)) Guangzhou Keladini Clothing Co., Ltd. ("Guangzhou Keladini") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣148,000,000元 RMB148,000,000	-	100	物業開發 Property development
廣東保泉投資有限公司(「廣東保泉」)(附註(b)) Guangdong Baoquan Investment Co., Ltd. ("Guangdong Baoquan") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣10,000,000元 RMB10,000,000	-	100	物業租賃及管理 Property leasing and management
清遠市嘉達房地產開發有限公司(「清遠嘉達」)(附註(b)) Qingyuan Jiada Real Estate Development Co., Ltd. ("Qingyuan Jiada") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣564,000,000元 RMB564,000,000	-	100	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION
(CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
清遠市時代宏景投資有限公司(「清遠宏景」)(附註(b)) Qingyuan Times Hongjing Investment Co., Ltd. ("Qingyuan Hongjing") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣1,000,000,000元 RMB1,000,000,000	-	100	投資控股 Investment holding
廣州市啟竣房地產開發有限公司(「廣州啟竣」)(附註(b)) Guangzhou Qijun Real Estate Development Co., Ltd. ("Guangzhou Qijun") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣800,000,000元 RMB800,000,000	-	100	物業開發 Property development
惠州市時代瑞譽投資發展有限公司(「惠州瑞譽」)(附註(b)) Huizhou Times Ruiyu Investment Development Co., Ltd. ("Huizhou Ruiyu") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣476,908,000元 RMB476,908,000	-	100	投資控股 Investment holding
天韻(廣州)房地產開發有限公司(「天韻(廣州)」)(附註(b)) Horizon (Guangzhou) Property Development Co., Ltd. ("Horizon (Guangzhou)") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣516,153,515元 RMB516,153,515	-	100	物業開發 Property development
廣州市傲鉅投資有限公司(「廣州傲鉅」)(附註(b)) Guangzhou Aoju Investment Co., Ltd. ("Guangzhou Aoju") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣334,000,000元 RMB334,000,000	-	60	物業開發 Property development
廣東英之皇房地產開發有限公司(「廣東英之皇」)(附註(b)) Guangdong Yingzhihuang Real Estate Development Co., Ltd. ("Guangdong Yingzhihuang") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣10,000,000元 RMB10,000,000	-	80	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION (CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

財務報表附註
NOTES TO FINANCIAL STATEMENTS

二零二零年十二月三十一日 31 December 2020

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
惠州市達潤房地產開發有限公司(「惠州達潤」)(附註(b)) Huizhou Darun Property Development Co., Ltd. ("Huizhou Darun") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣21,000,000元 RMB21,000,000	-	100	物業開發 Property development
廣州市利峰房地產開發有限公司(「廣州利峰」)(附註(b)) Guangzhou Lifeng Property Development Co., Ltd. ("Guangzhou Lifeng") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣10,000,000元 RMB10,000,000	-	100	物業開發 Property development
廣州市詩蘭房地產開發有限公司(「廣州詩蘭」)(附註(b)) Guangzhou Shilan Property Development Co., Ltd. ("Guangzhou Shilan") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣70,000,000元 RMB70,000,000	-	100	物業開發 Property development
清遠市天富房地產投資有限公司(「清遠天富」)(附註(b)) Qingyuan Tianfu Property Investment Co., Ltd. ("Qingyuan Tianfu") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣200,000,000元 RMB200,000,000	-	100	物業開發 Property development
佛山市時代天宇房地產開發有限公司(「佛山天宇」)(附註(b)) Foshan Times Tianyu Real Estate Development Co., Ltd. ("Foshan Tianyu") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣1,250,000,000元 RMB1,250,000,000	-	100	物業開發 Property development
佛山市時代睿達房地產開發有限公司(「佛山睿達」)(附註(b)) Foshan Times Ruida Real Estate Development Co., Ltd. ("Foshan Ruida") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣1,500,000,000元 RMB1,500,000,000	-	100	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION
(CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
佛山市時代德暉房地產開發有限公司(「佛山德暉」)(附註(b)) Foshan Times Dehui Real Estate Development Co., Ltd. ("Foshan Dehui") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣1,000,000,000元 RMB1,000,000,000	-	100	物業開發 Property development
佛山市盛唐房地產發展有限公司(「佛山盛唐」)(附註(b)) Foshan Shengtang Real Estate Development Co., Ltd. ("Foshan Shengtang") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣50,000,000元 RMB50,000,000	-	80	物業開發 Property development
清遠市億寶房地產開發有限公司(「清遠億寶」)(附註(b)) Qingyuan Yibao Real Estate Development Co., Ltd. ("Qingyuan Yibao") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣20,000,000元 RMB20,000,000	-	80	物業開發 Property development
廣州星勝房地產開發有限公司(「廣州星勝」)(附註(b)) Guangzhou Xingsheng Real Estate Development Co., Ltd. ("Guangzhou Xingsheng") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣250,000,000元 RMB250,000,000	-	100	物業開發 Property development
佛山市星英房地產開發有限公司(「佛山星英」)(附註(b)) Foshan Xingying Real Estate Development Co., Ltd. ("Foshan Xingying") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣200,000,000元 RMB200,000,000	-	75	物業開發 Property development
清遠市信騰實業有限公司(「清遠信騰」)(附註(b)) Qingyuan Xinteng Industrial Co., Ltd. ("Qingyuan Xinteng") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣40,000,000元 RMB40,000,000	-	75	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION (CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

財務報表附註
NOTES TO FINANCIAL STATEMENTS

二零二零年十二月三十一日 31 December 2020

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
鶴山市長富投資有限公司(「鶴山長富」)(附註(b)) Heshan Changfu Investment Co., Ltd. ("Heshan Changfu") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣15,000,000元 RMB15,000,000	-	90	物業開發 Property development
東莞市愛嘉房地產開發有限公司(「東莞愛嘉」)(附註(b)) Dongguan Aijia Property Development Co., Ltd. ("Dongguan Aijia") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣6,000,000元 RMB6,000,000	-	60	物業開發 Property development
尼克卓越(佛山三水)房地產開發有限公司 (「尼克卓越」)(附註(b)) Nike Zhuoyue (Foshan Sanshui) Property Development Co., Ltd. ("Nike Zhuoyue") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣100,000,000元 RMB100,000,000	-	70	物業開發 Property development
佛山市時代天盛投資有限公司(「佛山天盛」)(附註(b)) Foshan Times Tiansheng Investment Co., Ltd. ("Foshan Tiansheng") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣76,923,077元 RMB76,923,077	-	65	投資控股 Investment holding
江門市金恒泰房地產開發有限公司(「江門金恒泰」)(附註(b)) Jiangmen Jinhengtai Property Development Co., Ltd. ("Jiangmen Jinhengtai") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣10,000,000元 RMB10,000,000	-	51	物業開發 Property development
杭州明道房地產開發有限公司(「杭州明道」)(附註(b)) Hangzhou Mingdao Property Development Co., Ltd. ("Hangzhou Mingdao") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣779,301,700元 RMB779,301,700	-	80	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION
(CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
肇慶市時代鼎峰投資有限公司(「肇慶鼎峰」)(附註(b)) Zhaoqing Times Dingfeng Investment Co., Ltd. ("Zhaoqing Dingfeng") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣50,000,000元 RMB50,000,000	-	51	物業開發 Property development
肇慶四會豐盈房地產開發有限公司(「肇慶豐盈」)(附註(b)) Zhaoqing Sihui Fengying Property Development Co., Ltd. ("Zhaoqing Fengying") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣10,000,000元 RMB10,000,000	-	50	物業開發 Property development
廣州啟韻聚企業管理諮詢有限公司(「廣州啟韻聚」)(附註(b)) Guangzhou Qiyunju Enterprise Management Consulting Co., Ltd. ("Guangzhou Qiyunju") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣333,330,000元 RMB333,330,000	-	70	諮詢管理 Consulting management
廣州市耀傑房地產開發有限公司(「廣州耀傑」)(附註(b)) Guangzhou Yaojie Property Development Co., Ltd. ("Guangzhou Yaojie") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣1,833,000,000元 RMB1,833,000,000	-	100	物業開發 Property development
河源市永晟房地產開發有限公司(「河源永晟」)(附註(b)) Heyuan Yongsheng Property Development Co., Ltd. ("Heyuan Yongsheng") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣10,000,000元 RMB10,000,000	-	60	物業開發 Property development
東莞市雋璟房地產開發有限公司(「東莞雋璟」)(附註(b)) Dongguan Junjing Property Development Co., Ltd. ("Dongguan Junjing") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣10,000,000元 RMB10,000,000	-	51	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION (CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

財務報表附註
NOTES TO FINANCIAL STATEMENTS

二零二零年十二月三十一日 31 December 2020

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
廣州市承愛匯醫療設備有限公司(「廣州承愛匯」)(附註(b)) Guangzhou Chengaihui Medical Equipment Co., Ltd. ("Guangzhou Chengaihui") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣77,000,000元 RMB77,000,000	-	51.95	物業開發 Property development
海豐縣駿宏房地產開發有限公司(「海豐駿宏」)(附註(b)) Haifeng Junhong Property Development Co., Ltd. ("Haifeng Junhong") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣90,000,000元 RMB90,000,000	-	100	物業開發 Property development
清遠市恒豐實業發展有限公司(「清遠恒豐」)(附註(b)) Qingyuan Hengfeng Industrial Development Co., Ltd. ("Qingyuan Hengfeng") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣57,820,000元 RMB57,820,000	-	100	物業開發 Property development
佛山市時代冠恒房地產開發有限公司(「佛山冠恒」)(附註(b)) Foshan Guanheng Property Development Co., Ltd. ("Foshan Guanheng") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣1,683,333,334元 RMB1,683,333,334	-	60	物業開發 Property development
廣州市時代紅衛投資發展有限公司(「廣州紅衛」)(附註(b)) Guangzhou Hongwei Investment Development Co., Ltd. ("Guangzhou Hongwei") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣11,000,000元 RMB11,000,000	-	51	物業開發 Property development
長沙啟譽房地產開發有限公司(「長沙啟譽」)(附註(b)) Changsha Qiyu Property Development Co., Ltd. ("Changsha Qiyu") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣2,100,000,000元 RMB2,100,000,000	-	60	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION
(CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
佛山市時代天宏投資有限公司(「佛山天宏」)(附註(b)) Foshan Tianhong Investment Co., Ltd. ("Foshan Tianhong") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣850,000,000元 RMB850,000,000	-	51	物業開發 Property development
廣州市景瑞房地產開發有限公司(「廣州景瑞」)(附註(b)、(d)) Guangzhou Jingrui Property Development Co., Ltd. ("Guangzhou Jingrui") (note (b), (d))	中國/中國內地 PRC/ Mainland China	人民幣28,571,400元 RMB28,571,400	-	35	物業開發 Property development
長沙啟譽房地產開發有限公司(「長沙啟譽」)(附註(b)) Changsha Qiyu Property Development Co., Ltd. ("Changsha Qiyu") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣2,100,000,000元 RMB2,100,000,000	-	60	物業開發 Property development
廣州市天譽投資有限公司(「廣州天譽」)(附註(b)) Guangzhou Tianyu Investment Co., Ltd. ("Guangzhou Tianyu") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣2,900,000,000元 RMB2,900,000,000	-	70	物業開發 Property development
佛山市時代天揚投資有限公司(「佛山天揚」)(附註(b)) Foshan Tianyang Investment Co., Ltd. ("Foshan Tianyang") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣3,282,500,000元 RMB3,282,500,000	-	75	物業開發 Property development
廣州市瑤輝房地產開發有限公司(「廣州瑤輝」)(附註(b)) Guangzhou Junhui Property Development Co., Ltd. ("Guangzhou Junhui") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣3,000,000,000元 RMB3,000,000,000	-	71	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION (CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

財務報表附註
NOTES TO FINANCIAL STATEMENTS

二零二零年十二月三十一日 31 December 2020

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
廣州市天創房地產開發有限公司(「廣州天創」)(附註(b)) Guangzhou Tianchuang Property Development Co., Ltd. ("Guangzhou Tianchuang") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣477,000,000元 RMB477,000,000	-	60	物業開發 Property development
佛山市時代天澤投資有限公司(「佛山天澤」)(附註(b)) Foshan Tianze Investment Co., Ltd. ("Foshan Tianze") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣125,000,000元 RMB125,000,000	-	51	物業開發 Property development
廣州名鴻美健投資有限公司(「廣州名鴻」)(附註(b)) Guangzhou Minghong Investment Co., Ltd. ("Guangzhou Minghong") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣100,000,000元 RMB100,000,000	-	80	物業開發 Property development
東莞市豐譽房地產開發有限公司(「東莞豐譽」)(附註(b)) Dongguan Fengyu Property Development Co., Ltd. ("Dongguan Fengyu") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣100,000,000元 RMB100,000,000	-	90	物業開發 Property development
中山市富宸城市更新有限公司(「中山富宸」)(附註(b)) Zhongshan Fuchen Urban Regeneration Co., Ltd. ("Zhongshan Fuchen") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣100,000,000元 RMB100,000,000	-	85	物業開發 Property development
東莞市豐玥房地產開發有限公司(「東莞豐玥」)(附註(b)) Dongguan Fengyue Property Development Co., Ltd. ("Dongguan Fengyue") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣100,000,000元 RMB100,000,000	-	51	物業開發 Property development
廣州新湖投資發展有限公司(「廣州新湖」)(附註(b)) Guangzhou Xinhu Investment Development Co., Ltd. ("Guangzhou Xinhu") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣100,000,000元 RMB100,000,000	-	85	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION
(CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
廣州市振昌投資管理有限公司(「廣州振昌」)(附註(b)) Guangzhou Zhenchang Investment Management Co., Ltd. ("Guangzhou Zhenchang") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣1,020,000元 RMB1,020,000	-	100	物業開發 Property development
深圳市聚龍城房地產有限公司(「深圳聚龍城」)(附註(b)) Shenzhen Julongcheng Property Co., Ltd. ("Shenzhen Julongcheng") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣200,000,000元 RMB200,000,000	-	60	物業開發 Property development
佛山市寶盈房地產開發有限公司(「佛山寶盈」)(附註(b)) Foshan Baoying Property Development Co., Ltd. ("Foshan Baoying") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣10,010,000元 RMB10,010,000	-	100	物業開發 Property development
肇慶市東濠房地產開發有限公司(「肇慶東濠」)(附註(b)) Zhaoqing Donghao Property Development Co., Ltd. ("Zhaoqing Donghao") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣15,000,000元 RMB15,000,000	-	100	物業開發 Property development
廣東聚賢房地產開發有限公司(「廣東聚賢」)(附註(b)) Guangdong Juxian Property Development Co., Ltd. ("Guangdong Juxian") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣40,000,000元 RMB40,000,000	-	100	物業開發 Property development
廣州市浩瑋房地產開發有限公司(「廣州浩瑋」)(附註(b)) Guangzhou Haowei Property Development Co., Ltd. ("Guangzhou Haowei") (note (b))	中國/中國內地 PRC/ Mainland China	人民幣1,000,000,000元 RMB1,000,000,000	-	51	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION (CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

財務報表附註 NOTES TO FINANCIAL STATEMENTS

二零二零年十二月三十一日 31 December 2020

1. 公司及集團資料(續)

有關附屬公司的資料(續)

該等公司並未註冊任何英文名稱，故於中國註冊的若干集團公司的英文名稱乃由管理層盡力以該等公司的中文名稱翻譯而得。

上表包括董事認為主要影響本年度業績或構成本集團資產淨值的主要部分的本公司附屬公司。董事認為，提供其他附屬公司的詳情將令篇幅過於冗長。

附註：

- (a) 根據中國法律註冊為外商獨資企業。
- (b) 根據中國法律註冊為內資企業。
- (c) 廣州市駿寶投資有限公司(「廣州駿寶」)(本公司持有70%股權的間接附屬公司)持有廣州天斯60%的股權。本集團認為，儘管其於廣州天斯擁有的股權低於50%，惟由於本集團可透過其對廣州駿寶的控制權對廣州天斯行使控制權，因此其控制廣州天斯。
- (d) 根據實體的大綱及細則，廣州景瑞為附屬公司，而廣州景瑞的相關活動須獲得實體董事會過半數董事的同意。本集團有權委任實體董事會中過半數的董事，故本集團能夠對實體行使控制權，而實體因此被視為本集團的附屬公司。

1. CORPORATE AND GROUP INFORMATION (CONT'D)

Information about subsidiaries (Cont'd)

The English names of certain group companies registered in the PRC represent management's best effort to translate their Chinese names as they do not have 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.

Notes:

- (a) Registered as wholly-foreign-owned enterprises under the laws of the PRC.
- (b) Registered as domestic enterprises under the laws of the PRC.
- (c) Guangzhou Junbao Investment Co., Ltd. ("Guangzhou Junbao"), a 70%-owned indirect subsidiary of the Company, holds a 60% equity interest in Guangzhou Tiansi. The Group considers that it controls Guangzhou Tiansi even though it owns less than 50% of the equity interest in Guangzhou Tiansi because the Group can exercise the power of control over Guangzhou Tiansi through its control over Guangzhou Junbao.
- (d) Guangzhou Jingrui is accounted for as a subsidiary as in accordance with the memorandum and articles of the entity, relevant activities of Guangzhou Jingrui require consent with more than half of the directors in the board of the entity. The Group has the power to appoint more than half of the directors in the board of the entity, thus the Group is able to exercise control of the entity and thus it is regarded as a subsidiary of the Group.

2.1 編製基準

本集團的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(「國際財務報告準則」)(包括所有國際財務報告準則、國際會計準則(「國際會計準則」)及詮釋)以及香港公司條例的披露規定編製。該等報表乃根據歷史成本慣例編製，惟於各報告期末以公允價值計量的投資物業及若干財務工具除外。

綜合基準

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零二零年十二月三十一日止年度的財務報表。

附屬公司指本公司對其直接或間接有控制權的實體(包括結構性實體)。當本集團能透過其參與承擔或享有投資對象可變回報的風險或權利，並能夠向投資對象使用其權力影響回報金額(即現有權利可使本集團能於現時指揮投資對象的相關活動)，即代表達致控制權。

當本公司直接或間接擁有投資對象少於多數的投票權或類似權利時，本集團評估其對投資對象是否擁有權力時考慮到所有相關事實及情況，包括：

- (a) 與投資對象的其他投票權持有人訂立的合同安排；
- (b) 其他合同安排所產生的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司的財務報表乃於與本公司相同的報告期間按相同的會計政策編製。附屬公司的業績由本集團取得控制權當日起計綜合入賬，並繼續綜合入賬直至有關控制權終止之日為止。

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and certain financial instruments that are carried at fair value at the end of each reporting period.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2020.

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.1 編製基準(續)

綜合基準(續)

損益及其他全面收入的各部分乃本集團母公司擁有人及非控股權益應佔，即使導致非控股權益產生虧絀結餘。有關本集團成員公司間交易的所有集團內公司間資產及負債、權益、收入、開支及現金流量均於綜合入賬時全數抵銷。

倘有事實及情況顯示上文所述三項控制因素中有一項或多項出現變化，本集團將重新評估其是否對投資對象擁有控制權。一家附屬公司的所有權權益發生變動(並未失去控制權)，則按權益交易入賬。

倘本集團失去對一家附屬公司的控制權，則終止確認(i)該附屬公司的資產(包括商譽)及負債，(ii)任何非控股權益的賬面金額及(iii)於權益內記錄的累計換算差額；及確認(i)已收代價的公允價值，(ii)所保留任何投資的公允價值及(iii)在損益中確認任何因此產生的盈餘或虧絀。先前於其他全面收入內確認的本集團應佔部分乃按照與本集團直接出售有關資產或負債而須遵守的相同基準，重新分類至損益或留存利潤(如適用)。

2.1 BASIS OF PREPARATION (CONT'D)

Basis of consolidation (Cont'd)

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 會計政策變動及披露

本集團首次於本年度財務報表內採納二零一八年財務報告概念框架及下列經修訂國際財務報告準則。

國際財務報告準則第3號 修訂本	業務的定義
國際財務報告準則第9號、 國際會計準則第39號及 國際財務報告準則第7號 修訂本	利率基準改革
國際財務報告準則第16號 修訂本	與2019新型冠狀病毒 有關的租金優惠 (已提早採納)
國際會計準則第1號及 國際會計準則第8號修訂本	重大性的定義

二零一八年財務報告概念框架及經修訂國際財務報告準則的性質及影響如下：

- (a) 二零一八年財務報告概念框架(「概念框架」)載列一套全面的財務報告概念及準則制定，並為財務報表編製者制定一致的會計政策提供指引，協助各方瞭解及詮釋標準。該概念框架包括有關計量及報告財務表現的新章節、有關終止確認資產及負債的新指引，以及資產及負債的更新定義及確認標準。其亦釐清財務報告中管理、審慎及計量不確定因素的角色。該概念框架並非標準，其中所載概念概無凌駕於任何標準的概念或規定之上。概念框架並無對本集團的財務狀況及表現產生任何重大影響。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 3	<i>Definition of a Business</i>
Amendments to IFRS 9, IAS 39 and IFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendment to IFRS 16	<i>COVID-19-Related Rent Concessions</i> (early adopted)
Amendments to IAS 1 and IAS 8	<i>Definition of Material</i>

The nature and the impact of the *Conceptual Framework for Financial Reporting 2018* and the revised IFRSs are described below:

- (a) *Conceptual Framework for Financial Reporting 2018* (the “**Conceptual Framework**”) sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Group.

2.2 會計政策變動及披露(續)

(b) 國際財務報告準則第3號修訂本澄清業務的定義，並提供額外指引。該等修訂本訂明可視為業務的一組活動及資產，必須至少包括一項投入及一項重要過程，而兩者必須對形成產出的能力有重大貢獻。業務毋須包括形成產出所需的所有投入及過程。該等修訂本取消了評估市場參與者是否有能力收購業務並能持續獲得產出的規定，轉為重點關注所取得的投入和重要過程共同對形成產出的能力有否重大貢獻。該等修訂本亦已收窄產出的定義範圍，重點關注為客戶提供的商品或服務、投資收入或日常活動產生的其他收入。此外，該等修訂本亦就評估所取得的過程是否屬重大提供指引，並新增公允價值集中度測試選項，允許對所取得的一組活動及資產是否不屬於業務進行簡化評估。本集團已就二零二零年一月一日或之後發生的交易或其他事項按未來適用法提早應用修訂。該等修訂本對本集團的財務狀況及表現並無任何影響。

(c) 國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號修訂本解決其他無風險利率(「無風險利率」)取代現有利率基準前影響期內財務報告的問題。該等修訂本提供可在引入其他無風險利率前的不確定期限內繼續進行對沖會計處理的暫時性補救措施。此外，該等修訂本規定公司須向投資者提供有關直接受該等不確定因素影響的對沖關係的額外資料。該等修訂本對本集團的財務狀況及表現並無任何重大影響。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONT'D)

(b) Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 January 2020. The amendments did not have any impact on the financial position and performance of the Group.

(c) Amendments to IFRS 9, IAS 39 and IFRS 7 address issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate ("RFR"). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the introduction of the alternative RFR. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any significant impact on the financial position and performance of the Group.

2.2 會計政策變動及披露(續)

- (d) 國際財務報告準則第16號修訂本為承租人提供可行權宜方法以選擇就2019新型冠狀病毒疫情的直接後果產生的租金寬免不應用租賃修改會計處理。該實際可行權宜方法僅適用於疫情直接後果產生的租金寬免，且僅當(i)租賃付款的變動使租賃代價有所修改，而經修改的代價與緊接變動前租賃代價大致相同，或少於緊接變動前租賃代價；(ii)租賃付款的任何減幅僅影響二零二一年六月三十日或之前原到期的付款；及(iii)租賃的其他條款及條件並無實質變動。該修訂本於二零二零年六月一日或之後開始的年度期間有效，允許提早應用及將追溯應用。由於本集團於截至二零二零年十二月三十一日止年度並無獲得任何租金優惠，故該等修訂本對本集團的財務狀況及表現並無任何重大影響。
- (e) 國際會計準則第1號及國際會計準則第8號修訂本對何謂重大提供了新的定義。新定義指出，若省略、錯述或模糊該等資料，可合理地預期會影響通用財務報表的主要使用者於有關財務報表的基礎上作出的決策，則有關資料屬重大。修訂本闡明，重要性取決於資料的性質或數量或兩者兼有。該等修訂本並無對本集團的財務狀況及表現造成任何重大影響。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONT'D)

- (d) Amendment to IFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1 June 2020 with earlier application permitted and shall be applied retrospectively. The amendments did not have any significant impact on the financial position and performance of the Group as the Group does not have any rent concession for the year ended 31 December 2020.
- (e) Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. The amendments did not have any significant impact on the financial position and performance of the Group.

財務報表附註 NOTES TO FINANCIAL STATEMENTS

二零二零年十二月三十一日 31 December 2020

2.3 已頒佈但尚未生效的國際財務報告準則

本集團並未於該等財務報表中應用以下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3號 修訂本	概念框架的提述 ²
國際財務報告準則第9號、 國際會計準則第39號、 國際財務報告準則第7號、 國際財務報告準則第4號及 國際財務報告準則第16號 修訂本	利率基準改革 — 第2階段 ¹
國際財務報告準則第10號及 國際會計準則第28號修訂本	投資者與其聯營企業 或合營企業之間的 資產出售或注入 ⁴
國際財務報告準則第17號 國際財務報告準則第17號 修訂本	保險合同 ³ 保險合同 ^{3, 5}
國際會計準則第1號修訂本	分類負債為流動或 非流動 ³
國際會計準則第1號修訂本 國際會計準則第8號修訂本	披露會計政策 ³ 會計估計的定義 ³
國際會計準則第16號修訂本	物業、廠房及設備： 作擬定用途前的 所得款項 ²
國際會計準則第37號修訂本	虧損合同—履約成本 ²
國際財務報告準則二零一八年 至二零二零年的年度改進	國際財務報告準則 第1號、國際財務 報告準則第9號 修訂本、隨附 國際財務報告 準則第16號的 例證及國際會計 準則第41號 ²

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 3	<i>Reference to the Conceptual Framework²</i>
Amendments to IFRS 9, IAS 39, IFRS 7 IFRS 4 and IFRS 16	<i>Interest Rate Benchmark Reform – Phase 2¹</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴</i>
IFRS 17	<i>Insurance Contracts³</i>
Amendments to IFRS 17	<i>Insurance Contracts^{3, 5}</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current³</i>
Amendments to IAS 1	<i>Disclosure of Accounting Policies³</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates³</i>
Amendments to IAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use²</i>
Amendments to IAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract²</i>
Annual Improvements to IFRS Standards 2018-2020	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41 ²

2.3 已頒佈但尚未生效的國際財務報告準則(續)

- 1 於二零二一年一月一日或之後開始的年度期間生效
- 2 於二零二二年一月一日或之後開始的年度期間生效
- 3 於二零二三年一月一日或之後開始的年度期間生效
- 4 尚未釐定強制生效日期但可供採納
- 5 由於國際財務報告準則第17號修訂本於二零二零年六月頒佈，國際財務報告準則第4號作出修訂以延長暫時豁免，允許保險公司於二零二三年一月一日之前開始的年度期間應用國際會計準則第39號而非國際財務報告準則第9號。

本集團現正評估首次應用該等新訂及經修訂國際財務報告準則產生的影響。至今，本集團認為，該等新訂及經修訂國際財務報告準則可能導致會計政策變動，惟不大可能嚴重影響本集團的經營業績及財務狀況。

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)

- 1 Effective for annual periods beginning on or after 1 January 2021
- 2 Effective for annual periods beginning on or after 1 January 2022
- 3 Effective for annual periods beginning on or after 1 January 2023
- 4 No mandatory effective date yet determined but available for adoption
- 5 As a consequence of the amendments to IFRS 17 issued in June 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group considers that these new and revised IFRSs may result in changes in accounting policies but are unlikely to have a significant impact on the Group's results of operations and financial position.

2.4 重要會計政策概要

投資聯營公司及合營企業

聯營公司指本集團持有其通常不少於20%股本表決權的長期權益並可對其發揮重大影響力的實體。重大影響力為可參與投資對象的財務及營運政策決定，而非控制或共同控制該等政策。

合營企業指一種合營安排，對安排擁有共同控制權的訂約方據此對合營企業的資產淨值擁有權利。共同控制指按照合同協定對一項安排所共有的控制，共同控制僅於有關活動要求享有控制權的訂約方作出一致同意的決定時存在。

本集團於聯營公司及合營企業的權益乃以本集團按權益會計法應佔資產淨值減任何減值虧損於綜合財務狀況表列賬。

倘出現任何不相符的會計政策，即會作出調整加以修正。

本集團應佔聯營公司及合營企業收購後業績及其他全面收入分別計入綜合損益表及綜合其他全面收入。此外，倘於聯營公司或合營企業的權益直接確認出現變動，則本集團會於綜合權益變動表確認其應佔任何變動(倘適用)。本集團與其聯營公司或合營企業間交易產生的未變現收益及虧損將以本集團於聯營公司或合營企業的權益為限對銷，惟倘未變現虧損提供所轉讓資產減值的憑證除外。收購聯營公司或合營企業所產生的商譽已作為一部分包括在本集團於聯營公司或合營企業的權益內。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's interests in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associates or joint ventures, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interests in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's interests in associates or joint ventures.

2.4 重要會計政策概要(續)

共同經營權益

共同經營為合營安排，由訂約方具有共同控制權，擁有與安排有關的資產權利及對與安排有關的負債承擔責任。

本集團就其於共同經營中的權益而確認：

- 其資產(包括應佔共同持有的任何資產)；
- 其負債(包括應佔共同產生的任何負債)；
- 其應佔來自共同經營銷售所產生的收入；
- 其應佔共同經營進行銷售所產生的收入；及
- 其開支(包括應佔共同產生的任何開支)。

與本集團於共同經營中的權益相關的資產、負債、收入及開支乃根據適用於特定資產、負債、收入及開支的國際財務報告準則計算。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation are accounted for in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

2.4 重要會計政策概要(續)

業務合併及商譽

業務合併乃以收購法列賬。轉讓代價乃以收購日期的公允價值計量，即本集團所轉讓資產於收購日期的公允價值、本集團向被收購方前擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益的總和。於各業務合併中，本集團選擇是否以公允價值或被收購方可識別資產淨值的應佔比例，計量於被收購方的非控股權益，即於被收購方中賦予持有人在清盤時按比例分佔資產淨值的現有所有權權益。非控股權益的所有其他組成部分均按公允價值計量。收購相關成本於產生時列為開支。

當所收購的一組活動及資產包括一項投入及一項重要過程，而兩者對形成產出的能力有重大貢獻，本集團認為其已收購一項業務。

當本集團收購一項業務時，會根據合同條款、於收購日期的經濟環境及相關條件，評估須承擔的金融資產及負債，以作出適合的分類及標示，其中包括將被收購方主合同中的嵌入式衍生工具進行分離。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

2.4 重要會計政策概要(續)

業務合併及商譽(續)

倘業務合併分階段進行，先前持有的股本權益按其於收購日期的公允價值重新計量，產生的任何損益在損益賬中確認。

收購方將轉讓的任何或然代價按收購日期的公允價值確認。分類為資產或負債的或然代價按公允價值計量，其公允價值變動於損益賬內確認。分類為權益的或然代價不重新計量及隨後結算在權益中入賬。

商譽初始按成本計量，即已轉讓總代價、非控股權益的確認金額及本集團先前持有的被收購方股本權益的任何公允價值總額，與所收購可識別資產淨值及所承擔負債之間的差額。如代價與其他項目的總額低於所收購資產淨值的公允價值，於重新評估後將該差額於損益賬內確認為議價收購收益。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Business combinations and goodwill (Cont'd)

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

2.4 重要會計政策概要(續)

業務合併及商譽(續)

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行測試。本集團於十二月三十一日進行商譽的年度減值測試。為進行減值測試，因業務合併而購入的商譽自收購日期起被分配至預期可從合併產生的協同效益中獲益的本集團各現金產生單位或現金產生單位組別，而無論本集團其他資產或負債是否已分配予該等單位或單位組別。

減值乃通過評估與商譽有關的現金產生單位(或現金產生單位組別)的可收回金額釐定。倘現金產生單位(或現金產生單位組別)的可收回金額低於賬面金額，減值虧損便予以確認。已就商譽確認的減值虧損不得於後續期間撥回。

倘商譽分配至現金產生單位(或現金產生單位組別)而該單位的部分業務已出售，則在釐定出售損益時，與所出售業務相關的商譽會計入該業務的賬面金額。在該等情況下出售的商譽，乃根據所出售業務的相對價值及現金產生單位的保留份額進行計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Business combinations and goodwill (Cont'd)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 重要會計政策概要(續)

公允價值計量

本集團於各報告期末計量其投資物業及指定以公允價值計量且其變動計入其他全面收入(「以公允價值計量且其變動計入其他全面收入」)的權益投資。公允價值為市場參與者於計量日期在有序交易中出售資產所收取的價格或轉讓負債所支付的價格。公允價值計量乃根據假設出售資產或轉讓負債的交易於資產或負債主要市場或(在無主要市場情況下)最具優勢市場進行而作出。主要或最具優勢市場須為本集團可進入的市場。資產或負債的公允價值乃按假設市場參與者於資產或負債定價時會以最佳經濟利益行事計量。

非金融資產的公允價值計量須計及市場參與者最大限度使用該資產達至最佳用途，或將該資產出售予將最大限度使用該資產達至最佳用途的其他市場參與者以產生經濟效益的能力。

本集團使用適用於不同情況且具備充分數據以供計量公允價值的估值方法，以盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fair value measurement

The Group measures its investment properties and equity investments designated at fair value through other comprehensive income (“FVOCI”) at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.4 重要會計政策概要(續)

公允價值計量(續)

所有公允價值於財務報表計量或披露的資產及負債乃按基於對公允價值計量整體而言屬重大的最低層輸入數據的公允價值等級(如下所述)分類：

第一級 — 基於相同資產或負債於活躍市場的報價(未經調整)

第二級 — 基於對公允價值計量而言屬重大的可觀察(直接或間接)最低層輸入數據的估值方法

第三級 — 基於對公允價值計量而言屬重大的不可觀察最低層輸入數據的估值方法

就按經常性基準於財務報表確認的資產及負債而言，本集團透過於各報告期末重新評估分類(基於對公允價值計量整體而言屬重大的最低層輸入數據)確定是否於不同等級間發生轉移。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fair value measurement (Cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 重要會計政策概要(續)

非金融資產減值

倘出現減值跡象，或須每年對資產(物業存貨、合同資產、遞延稅項資產、金融資產、合同成本、投資物業及非流動資產除外)作減值測試時，會估計資產的可收回金額。資產的可收回金額乃資產或現金產生單位的使用價值與其公允價值減出售成本的較高者，並就個別資產進行釐定，除非資產並不產生很大程度上獨立於其他資產或資產組別的現金流入，在此情況下，可收回金額按資產所屬的現金產生單位予以釐定。

減值虧損僅於資產的賬面金額超過其可收回金額時確認。於評估使用價值時，估計日後現金流量按能反映當時市場對貨幣時值及該項資產特定風險的評估的除稅前貼現率折算成現值。減值虧損按該減值資產的功能所屬開支分類計入其產生期間的綜合損益表。

於各報告期末，將評估是否有跡象顯示先前確認的減值虧損或已不存在或可能已減少。倘存在該跡象，可收回金額會予以估計。僅當用以釐定資產的可收回金額的估計出現變動時，先前確認的資產(商譽除外)減值虧損方可撥回，惟該數額不得超過有關資產於過往年度並未有確認減值虧損而予以釐定的賬面金額(扣除任何折舊/攤銷)。該減值虧損的撥回於產生期間計入綜合損益表。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories of properties, contract assets, deferred tax assets, financial assets, contract costs, investment properties and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the consolidated statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the consolidated statement of profit or loss in the period in which it arises.

2.4 重要會計政策概要(續)

關聯方

一方將被視為與本集團有關聯，條件為：

- (a) 該方為某一人士或該人士家屬及該人士的直系親屬，而該人士
- (i) 控制或共同控制本集團；
 - (ii) 對本集團擁有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理人員；
- 或
- (b) 倘該方為符合以下任何條件的實體：
- (i) 該實體及本集團為同一集團成員；
 - (ii) 一個實體為另一個實體的聯營公司或合營企業(或另一個實體的母公司、附屬公司或同系附屬公司)；
 - (iii) 實體及本集團為同一第三方的合營企業；
 - (iv) 一個實體為第三方實體的合營企業，而另一個實體為第三方實體的聯營公司；
 - (v) 實體為本集團或與本集團有關聯的實體為其僱員福利而設立的退休福利計劃；
 - (vi) 實體受(a)項所述的人士控制或共同控制；
 - (vii) (a)(i)項所述的人士對實體擁有重大影響力或為實體(或其母公司)的主要管理人員之一；及
 - (viii) 實體或實體所屬集團的任何成員公司向本集團或本集團的母公司提供主要管理人員服務。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;
- or
- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 重要會計政策概要(續)

物業、廠房及設備以及折舊

物業、廠房及設備按成本減累計折舊及任何減值虧損呈列。物業、廠房及設備項目的成本包括其購買價，及促使有關資產達致其營運狀況及地點作擬定用途所產生的任何直接應佔成本。

物業、廠房及設備項目投產後所產生的支出，如維修及保養，通常於產生支出期間計入綜合損益表。在符合確認準則的情況下，主要檢查的支出會作為重置，於資產賬面金額中資本化。倘物業、廠房及設備的主要部分須不時重置，則本集團會將有關部分確認為個別資產，具有指明的可使用年期及據此折舊。

折舊乃按其估計可使用年期以直線法撇銷各物業、廠房及設備項目的成本至其剩餘價值計算。為此而採用的主要年率如下：

樓宇	4.75%
租賃物業裝修	按租賃期及20%的較短者
傢私、裝置及辦公室設備	19%
汽車	19%

倘物業、廠房及設備項目的各部分有不同可使用年期，則有關項目的成本將按各部分的合理基礎分配，而每部分將作個別折舊。剩餘價值、可使用年期及折舊法至少須於各財政年度年結日予以檢討，並作調整(倘適用)。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, plant and equipment and depreciation

Property, plant and equipment, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	4.75%
Leasehold improvements	Over the shorter of the lease terms and 20%
Furniture, fixtures and office equipment	19%
Motor vehicles	19%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

2.4 重要會計政策概要(續)

物業、廠房及設備以及折舊(續)

物業、廠房及設備項目(包括初始確認的任何重大部分)於出售或預期不會從其使用或出售獲取未來經濟利益時終止確認。於終止確認資產的年度在綜合損益表確認的任何出售或報廢損益，為有關資產出售所得款項淨額與賬面金額的差額。

投資物業

投資物業為持作賺取租金收入及／或資本增值(而非用於生產或供應貨品或服務或行政目的)，或在日常業務過程中出售的土地及樓宇的權益(包括作為使用權資產持有的租賃物業，否則將符合投資物業定義)。該等物業初始以成本(包括交易成本)計量。初始確認後，投資物業按公允價值呈列，反映報告期末的市況。

投資物業公允價值變動產生的損益計入所產生年度的綜合損益表。

報廢或出售投資物業的任何損益均於報廢或出售年度的綜合損益表中確認。

就投資物業轉撥至自用物業而言，物業其後作會計處理的推定成本為其於用途變更當日的公允價值。就轉撥至投資物業的物業存貨而言，該物業在當日的公允價值與其先前賬面值之間的任何差額會於綜合損益表中確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, plant and equipment and depreciation (Cont'd)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the consolidated statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Investment properties

Investment properties are interests in land and buildings (including the leasehold property held as a right-of-use asset which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the consolidated statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of investment properties are recognised in the consolidated statement of profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. For a transfer from inventories of properties to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the consolidated statement of profit or loss.

2.4 重要會計政策概要(續)

無形資產(商譽除外)

個別收購的無形資產於初步確認時按成本計量。於業務合併時收購無形資產的成本乃於收購日期的公允價值。無形資產的可使用年期評估為有限期或無限期。可使用年期有限的無形資產其後於可使用經濟年期內攤銷，並於該無形資產可能出現減值跡象時評估減值。可使用年期有限的無形資產攤銷期及攤銷方法至少於各財政年度末審閱。

無形資產的可使用年期如下：

軟件	5至10年
施工資格	50年

租賃

本集團於合同開始時評估合同是否屬於或包含租賃。倘合同授予權利以代價換取在一段時間內控制已識別資產的使用，則該合同屬於或包含租賃。

本集團作為承租人

本集團對所有租賃(惟短期租賃及低價值資產租賃除外)採取單一確認及計量方法。本集團確認租賃負債以作出租賃款項，而使用權資產指使用相關資產的權利。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

The useful lives of intangible assets are as follows:

Software	5-10 years
Construction qualification	50 years

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.4 重要會計政策概要(續)

租賃(續)

本集團作為承租人(續)

(a) 使用權資產

使用權資產於租賃開始日期(即相關資產可供使用日期)確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就重新計量租賃負債作出調整。使用權資產的成本包括已確認的租賃負債金額、已產生的初始直接成本，以及於開始日期或之前作出的租賃付款減已收取的任何租賃優惠。使用權資產在租期及估計可使用年期(以較短者為準)內按直線法計提折舊如下：

樓宇	2至10年
辦公設備	2至5年
汽車	2至3年

倘租期屆滿前將租賃資產的所有權轉移予本集團或成本反映購買選擇權的行使，則折舊以資產估計可使用年期計量。

當使用權資產與作為存貨持有的租賃土地的權益相關時，該等資產其後根據本集團的「持作開發的土地」政策按成本與可變現淨值兩者中較低者計量。倘使用權資產符合投資物業的定義，則計入投資物業。相應使用權資產初始按成本計量，其後根據本集團「投資物業」政策按公允價值計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases (Cont'd)

Group as a lessee (Cont'd)

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	2 to 10 years
Office equipment	2 to 5 years
Motor vehicles	2 to 3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When the right-of-use assets relate to interests in leasehold land held as inventories, they are subsequently measured at the lower of cost and net realisable value in accordance with the Group's policy for "land held for development". When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for "investment properties".

2.4 重要會計政策概要(續)

租賃(續)

本集團作為承租人(續)

(b) 租賃負債

租賃負債於租賃開始日期按租期內作出的租賃付款的現值予以確認。租賃付款包括固定付款(包括實質固定付款)減任何應收租賃獎勵、基於指數或利率的可變租賃付款及剩餘價值擔保下預期應付款項。租賃付款亦包括本集團合理確定行使的購買選擇權的行使價及就終止租賃支付的罰款(倘租期反映本集團行使終止租賃的選擇權)。不取決於指數或利率的可變租賃款項在出現觸發付款的事件或情況的期間確認為開支。

於計算租賃款項的現值時，倘租賃內所隱含的利率不易釐定，則本集團應用租賃開始日期的增量借款利率計算。於開始日期後，租賃負債金額的增加反映利息的增加，並因支付租賃款項而減少。此外，如租期有任何修改、變化、租賃款項變化(例如租賃款項日後因指數或利率變動而出現變動)或購買相關資產的選擇權評估有變，則重新計量租賃負債的賬面值。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases (Cont'd)

Group as a lessee (Cont'd)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

2.4 重要會計政策概要(續)

租賃(續)

本集團作為承租人(續)

(c) 短期租賃及低價值資產租賃

本集團對其辦公室設備的短期租賃(即租期為開始日期起計12個月或以內且不包含購買選擇權的租賃)應用短期租賃確認豁免。其亦將低價值資產租賃的確認豁免應用予被視為低價值的打印機及手提電腦的租賃。

短期租賃及低價值資產租賃的租賃款項在租期內按直線法確認為開支。

本集團作為出租人

本集團作為出租人時，於租賃開始(或租賃變更)時將其每項租賃分類為經營租賃或融資租賃。

本集團並未轉移資產擁有權所附帶的絕大部分風險與回報的租賃歸類為經營租賃。倘合同包括租賃及非租賃部分，則本集團根據相對獨立的售價基準將合同代價分配予各部分。租金收入由於其經營性質於租期內按直線法列賬並計入損益表的收入。於磋商及安排經營租賃時產生的初始直接成本乃計入租賃資產的賬面值，並於租期內按相同基準確認為租金收入。或然租金乃於所賺取的期間內確認為收入。

將相關資產擁有權所附帶的絕大部分風險與回報轉移予承租人的租賃，入賬列作融資租賃。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases (Cont'd)

Group as a lessee (Cont'd)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of printers and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

2.4 重要會計政策概要(續)

租賃(續)

本集團作為出租人(續)

於開始日期，租賃資產的成本按租賃付款及相關付款(包括初始直接成本)的現值資本化，並按相當於租賃投資淨額的金額列示為應收款項。租賃的投資淨額融資收入於損益表中確認，以便在租賃期內提供恆定週期性回報率。

當本集團作為中間出租人時，轉租參考主租賃產生的使用權資產分類為融資租賃或經營租賃。倘主租賃為本集團應用資產負債表內確認豁免的短期租賃，則本集團將轉租分類為經營租賃。

投資及其他金融資產

初始確認及計量

金融資產於初始確認時分類為隨後按攤銷成本計量、以公允價值計量且其變動計入其他全面收入及以公允價值計量且其變動計入損益(「以公允價值計量且其變動計入損益」)的金融資產。

金融資產於初始確認時的分類視乎金融資產合同現金流量的特性及本集團管理該等資產的業務模式。除並無重大融資部分或本集團並未就此影響調整應用實際權宜方法的應收貿易款項外，本集團初始按其公允價值加(倘並非以公允價值計量且其變動計入損益的金融資產)交易成本計量金融資產。根據下文「收入確認」所載的政策，並無重大融資部分或本集團應用實際權宜方法的應收貿易款項根據國際財務報告準則第15號釐定的交易價格計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases (Cont'd)

Group as a lessor (Cont'd)

At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance income on the net investment in the lease is recognised in the statement of profit or loss so as to provide a constant periodic rate of return over the lease terms.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, FVOCI, and fair value through profit or loss ("FVPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

2.4 重要會計政策概要(續)

投資及其他金融資產(續)

初始確認及計量(續)

為將一個金融資產劃轉為按攤銷成本或以公允價值計量且其變動計入其他全面收入進行分類和計量，其需要考慮未償還本金產生的僅為支付本金及利息(「**僅為支付本金及利息**」)的現金流量。現金流量並非僅為支付本金及利息的金融資產分類和計量為以公允價值計量且其變動計入損益，而不論業務模式為何。

本集團管理金融資產的業務模式指其為產生現金流量管理金融資產的方式。業務模式釐定現金流量來自收取合同現金流量、出售金融資產或以上兩者。以攤銷成本分類及計量的金融資產按持有金融資產旨在收取合同現金流量的業務模式持有，而以公允價值計量且其變動計入其他全面收入分類及計量的金融資產則按旨在持有以收取合同現金流量及出售的業務模式持有。不屬按上述業務模式持有的金融資產，按以公允價值計量且其變動計入損益分類及計量。

所有一般金融資產買賣概於交易日(即本集團承諾買賣該資產當日)予以確認。一般買賣乃指按照一般市場規定或慣例在一定期間內交付資產的金融資產買賣。

後續計量

金融資產的後續計量視乎其如下分類：

按攤銷成本列賬的金融資產(債務工具)

按攤銷成本列賬的金融資產隨後採用實際利率法計量，並需進行減值評估。收益及虧損於資產終止確認、修改或減值時於損益表中確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investments and other financial assets (Cont'd)

Initial recognition and measurement (Cont'd)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

2.4 重要會計政策概要(續)

投資及其他金融資產(續)

後續計量(續)

指定以公允價值計量且其變動計入其他全面收入的金融資產(權益投資)

於初始確認後，倘權益投資符合國際會計準則第32號金融工具：呈列項下權益的定義，且並非持作買賣，則本集團可選擇不可撤銷地將權益投資劃分為指定以公允價值計量且其變動計入其他全面收入的權益投資。分類按每項工具釐定。

該等金融資產的收益及虧損永不劃轉至損益表。當確立收取款項的權利，與股息相關的經濟利益可能流入本集團且股息金額可予可靠計量時，股息於損益表中確認為其他收入，惟倘本集團因收回金融資產的部分成本而從有關所得款項中獲益，在此情況下，有關收益列賬為其他全面收入。指定以公允價值計量且其變動計入其他全面收入的權益投資毋須進行減值評估。

以公允價值計量且其變動計入損益的金融資產

以公允價值計量且其變動計入損益的金融資產於財務狀況表按公允價值入賬，而公允價值淨變動則於損益表中確認。

該類別包括本集團並無不可撤回地選擇以公允價值計量且其變動計入其他全面收入分類的衍生工具及權益投資。當付款權利確立、與股息相關的經濟利益很可能流入本集團及股息金額可予可靠計量時，劃分為以公允價值計量且其變動計入損益的金融資產的權益投資股息亦於損益表內確認為其他收入。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investments and other financial assets (Cont'd)

Subsequent measurement (Cont'd)

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2.4 重要會計政策概要(續)

終止確認金融資產

金融資產(或倘適用, 金融資產或類似金融資產組別的一部分)主要於下列情況終止確認(即自本集團的綜合財務狀況表轉出):

- 從資產收取現金流量的權利已屆滿; 或
- 本集團已轉讓其從資產收取現金流量的權利, 或已根據「轉付」安排承擔責任, 在沒有重大延誤的情況下, 將已收取現金流量悉數付予第三方; 及(a)本集團已轉讓資產的絕大部分風險及回報, 或(b)本集團並無轉讓亦無保留資產的絕大部分風險及回報, 但已轉讓資產的控制權。

倘本集團已轉讓從資產收取現金流量的權利或已經訂立轉付安排, 其對於是否保留與該資產擁有權相關的風險及回報以及保留程度作出評估。倘其未轉讓及保留資產的絕大部分風險及回報亦未轉讓資產的控制權, 則本集團繼續按本集團的持續參與程度確認轉讓的資產。在該情況下, 本集團亦確認相關負債。轉讓的資產及相關負債按反映本集團保留的權利及責任的基準計量。

倘持續參與的方式為擔保獲轉讓資產, 則按資產原始賬面金額與本集團可能被要求償還的代價的最高金額之間的較低者計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 重要會計政策概要(續)

金融資產減值

本集團就並非以公允價值計量且其變動計入損益方式持有的所有債務工具確認預期信貸虧損(「預期信貸虧損」)撥備。預期信貸虧損乃基於根據合同應付的合同現金流量與本集團預期收取的所有現金流量之間的差額，按接近原有的實際利率貼現。預期現金流量將包括出售所持抵押品或合同條款所包含的其他信貸增強措施的現金流量。

一般方式

預期信貸虧損分兩個階段進行確認。就初始確認以來信貸風險並無大幅增加的信貸敞口而言，會為未來12個月可能發生的違約事件所產生的信貸虧損(12個月預期信貸虧損)計提預期信貸虧損撥備。就初始確認以來信貸風險大幅增加的信貸敞口而言，須就預期於敞口的餘下年期產生的信貸虧損計提虧損撥備，不論違約的時間(存續期預期信貸虧損)。

於各報告日期，本集團評估金融工具信貸風險是否自初始確認以來出現大幅增加。於作出此項評估時，本集團比較金融工具於報告日期產生的違約風險與金融工具於初始確認日期產生的違約風險，並考慮毋須付出不適用的成本或努力即可獲得的合理且有理據的資料(包括歷史及前瞻性資料)。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

2.4 重要會計政策概要(續)

金融資產減值(續)

一般方式(續)

倘合同已逾期還款超過90日，則本集團認為金融資產違約。然而，在若干情況下，倘有內部或外部資料顯示於計及本集團持有的任何信貸增強措施前，本集團不大可能會悉數收到未償還合同款項，則本集團亦可認為一項金融資產違約。倘無法合理預期可收回合同現金流量，則會撇銷金融資產。

按攤銷成本列賬的金融資產須根據一般方式進行減值，並於以下階段分類以計量預期信貸虧損，不包括採用簡化方式計量的應收貿易款項及合同資產，概述如下：

第一階段	信貸風險自初始確認起並未顯著增加且其虧損撥備按等於12個月預期信貸虧損的金額計量的金融工具
第二階段	信貸風險自初始確認起出現大幅增加(但無信貸減值金融資產)且其虧損撥備按等於存續期預期信貸虧損的金額計量的金融工具
第三階段	於報告日期出現信貸減值(但並非購買時或原本已出現信貸減值)且其虧損撥備按等於存續期預期信貸虧損的金額計量的金融資產

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of financial assets (Cont'd)

General approach (Cont'd)

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below:

Stage 1	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2.4 重要會計政策概要(續)

金融資產減值(續)

簡化方式

倘應收貿易款項及合同資產不包含重大融資成分或倘本集團採用不調整重大融資成分影響的實際權宜方式，本集團採用簡化方式計算預期信貸虧損。根據簡化方式，本集團並不追蹤信貸風險變化，而是根據各報告日期的存續期預期信貸虧損確認虧損撥備。本集團已根據其過往信貸虧損經驗制定撥備矩陣，並就債務人特定的前瞻性因素及經濟環境予以調整。

倘應收貿易款項包含重大融資成分，本集團選擇根據其會計政策採用簡化方式按上文所述政策計算預期信貸虧損。

金融負債

初始確認及計量

金融負債初始確認時分類為貸款及其他借款以及應付款項。

於初始確認時，所有金融負債均按公允價值確認，如屬貸款及借款及應付款項，則扣除直接應佔交易成本。

本集團的金融負債包括貿易及其他應付款項、應付合營企業的款項、租賃負債、計息銀行及其他借款及應付利息以及其他長期應付款項。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of financial assets (Cont'd)

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables that contain a significant financing component, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and other borrowings, and payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, amounts due to joint ventures, lease liabilities, interest-bearing bank and other borrowings and interest payable and other long-term payables.

2.4 重要會計政策概要(續)

金融負債(續)

後續計量

金融負債的後續計量視乎其如下分類：

按攤銷成本列賬的金融負債(貸款及借款)

於初始確認後，計息銀行及其他借款及應付利息其後以實際利率法按攤銷成本計量，惟倘貼現的影響並不重大，則按成本呈列。倘負債終止確認，則損益將透過實際利率法攤銷過程於綜合損益表中確認。

計算攤銷成本須計及收購時的任何折讓或溢價，且包括構成實際利率整體部分的費用或成本。實際利率攤銷計入綜合損益表的融資成本。

財務擔保合同

本集團發出的財務擔保合同乃因特定債務人無法按債務工具的條款支付到期款項，而須向持有人支付款項以彌補其因此招致的損失的合同。財務擔保合同初始乃按公允價值確認為負債，並就與發出擔保直接相關的交易成本進行調整。於初始確認後，本集團按以下兩者中較高者計量財務擔保合同：(i)根據「金融資產減值」所載政策釐定的預期信貸虧損撥備；及(ii)初始確認金額減(倘適用)已確認收入的累計金額。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial liabilities (Cont'd)

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing bank and other borrowings and interest payable are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the consolidated statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

2.4 重要會計政策概要(續)

終止確認金融負債

倘負債項下的責任已解除或取消或屆滿，則終止確認金融負債。

當現有金融負債被同一貸款人以明顯不同條款提供的另一金融負債取代，或現有負債條款經大幅修訂，則相關交換或修訂被視為終止確認原始負債及確認新負債，且各賬面金額的差額於綜合損益表確認。

抵銷金融工具

倘目前有可行使的合法權利對確認的金額予以抵銷，且有意按淨額基準結算或同時變現資產及結清負債，則金融資產與金融負債會互相抵銷，而淨額會於綜合財務狀況表予以呈報。

衍生金融工具及對沖會計處理

初始確認及後續計量

本集團使用衍生金融工具(例如利率掉期)以對沖其利率風險。該等衍生金融工具初始按訂立衍生合同當日的公允價值確認，其後按公允價值重新計量。衍生工具於公允價值為正數時以資產列賬，為負數時則以負債列賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the consolidated statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as interest rate swaps, to hedge its interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

2.4 重要會計政策概要(續)

衍生金融工具及對沖會計處理(續)

初始確認及後續計量(續)

衍生工具公允價值變動產生的任何收益或虧損直接列入損益表內，惟現金流對沖的有效部分則於其他全面收入內確認，且於其後對沖項目影響損益時重新分類至損益。

就對沖會計處理而言，對沖分類為：

- 公允價值對沖，即對沖已確認資產或負債的公允價值變動風險或未確認的已承諾承擔；或
- 現金流對沖，即對沖現金流量變動風險，該風險屬已確認資產或負債或很可能發生的預計交易相關特定風險，或未確認的已承諾承擔的外匯風險；或
- 對沖於海外業務的投資淨額。

對沖關係開始時，本集團正式指定及以文件記錄本集團有意採用對沖會計處理的對沖關係、風險管理目標及其進行對沖的策略。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Derivative financial instruments and hedge accounting (Cont'd)

Initial recognition and subsequent measurement (Cont'd)

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

2.4 重要會計政策概要(續)

衍生金融工具及對沖會計處理(續)

初始確認及後續計量(續)

記錄文件包含對沖工具、對沖項目的識別、被對沖風險的性質及本集團如何評估對沖關係是否符合對沖有效性規定(包括其對對沖無效性來源的分析及對沖比率如何釐定)。對沖關係於符合以下全部有效性規定時，方可合資格採用對沖會計處理：

- 對沖項目與對沖工具之間有「經濟關係」。
- 信貸風險的影響不會「主導」經濟關係引致的「價值變動」。
- 對沖關係的對沖比率與本集團實際對沖的對沖項目數量及本集團實際使用以對沖對沖項目數量的對沖工具數量所引致者相同。

符合所有對沖會計處理標準的對沖如下：

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Derivative financial instruments and hedge accounting (Cont'd)

Initial recognition and subsequent measurement (Cont'd)

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is “an economic relationship” between the hedged item and the hedging instrument.
- The effect of credit risk does not “dominate the value changes” that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges which meet all the qualifying criteria for hedge accounting are accounted for as follows:

2.4 重要會計政策概要(續)

衍生金融工具及對沖會計處理(續)

現金流對沖

對沖工具收益或虧損的有效部分在其他全面收入的現金流對沖儲備內直接確認，而任何非有效部分即時在損益表內確認。現金流對沖儲備調整至對沖工具累計收益或虧損與對沖項目公允價值累計變動之間的較低者。

在其他全面收入內累計的金額視乎相關對沖交易的性質入賬。倘對沖交易其後導致確認非金融項目，於權益累計的金額則自權益的單獨成分移除，並計入對沖資產或負債的初始成本或其他賬面金額。這並非為重新分類作出的調整，且不會於期內的其他全面收入內確認。倘非金融資產或非金融負債的對沖預計交易其後轉為採用公允價值對沖會計處理的已承諾承擔，則亦可應用此做法。

任何其他現金流對沖在其他全面收入累計的金額，於對沖現金流影響損益表的同一期間或多個期間內重新分類至損益表作為重新分類調整。

終止現金流對沖會計處理時，倘預期仍會出現對沖未來現金流量，則已在其他全面收入內累計的金額必須保留在累計其他全面收入內。否則，有關金額會即時重新分類至損益表作為重新分類調整。終止會計處理後，倘出現對沖現金流量，任何保留在累計其他全面收入的金額會視乎上述相關交易性質入賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Derivative financial instruments and hedge accounting (Cont'd)

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the statement of profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the statement of profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the statement of profit or loss as a reclassification adjustment. After the discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income is accounted for depending on the nature of the underlying transaction as described above.

2.4 重要會計政策概要(續)

衍生金融工具及對沖會計處理(續)

流動與非流動分類

並無指定為有效對沖工具的衍生工具乃根據對事實及情況的評估(即相關合同現金流量)分類為流動或非流動,或拆分為流動及非流動部分。

- 當本集團預期持有衍生工具作為經濟對沖(而並無應用對沖會計處理)至超過報告期末後12個月期間,該衍生工具乃與相關項目的分類一致分類為非流動(或拆分為流動及非流動部分)。
- 與主合同並無密切關聯的嵌入式衍生工具乃與主合同的現金流量一致分類。
- 指定為及屬於有效對沖工具的衍生工具乃與相關對沖項目的分類一致分類。衍生工具僅於能夠作出可靠分配時方拆分為流動部分及非流動部分。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Derivative financial instruments and hedge accounting (Cont'd)

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- Where the Group expects to hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistently with the classification of the underlying item.
- Embedded derivatives that are not closely related to the host contract are classified consistently with the cash flows of the host contract.
- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instruments are separated into current portions and non-current portions only if a reliable allocation can be made.

2.4 重要會計政策概要(續)

物業存貨

物業存貨按成本及可變現淨值兩者較低者呈列。

持作開發的土地

持作開發的土地指開發以作未來出售的租賃土地的預付款項，其中正常運營週期內的款項被分類為流動資產，而非正常營運週期內的款項則分類為非流動資產。持作開發土地於建築開始時轉讓至開發中物業。

開發中物業

開發中物業包括土地成本、建設成本、借貸成本、專業費用及該等物業在開發階段直接應佔的其他成本。

開發中物業分類為流動資產，惟預期相關物業開發項目的建築時間超過正常的營運週期則除外。竣工後，該等物業被轉為已竣工持作出售的物業。

已竣工持作出售的物業

已竣工持作出售的物業成本按未出售物業應佔的土地及樓宇總成本的分攤比例釐定。可變現淨值計及最終預期變現的價格，減銷售物業中將產生的估計成本。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Inventories of properties

Inventories of properties are stated at the lower of cost and net realisable value.

Land held for development

Land held for development represents upfront prepayments for leasehold land for development for future sale, among which those within the normal operating cycle are classified as current assets, while those out of the normal operating cycle are classified as non-current assets. Land held for development is transferred to properties under development when construction commences.

Properties under development

Properties under development comprise land costs, construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to be beyond the normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

Completed properties held for sale

Cost of completed properties held for sale is determined by an apportionment of the total land and building costs attributable to unsold properties. Net realisable value takes into account the price ultimately expected to be realised, less estimated costs to be incurred in selling the properties.

2.4 重要會計政策概要(續)

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括庫存現金及活期存款，以及可隨時轉換為已知數額現金、價值變動風險極微及到期日短且一般於購入後三個月內到期的短期高流動性投資，減於要求時償還且構成本集團現金管理整體部分的銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括並未限制用途的庫存現金及銀行現金(包括定期存款及性質與現金類似的資產)。

撥備

倘因過往事件導致現有債務(法律或推定)及日後可能需要有資源流出以償還債務，則確認撥備，惟必須能可靠估計有關債務金額。

倘貼現的影響屬重大，則確認的撥備金額為預期用作償還債務的未來支出於各報告期末的現值。因時間流逝導致所貼現現值金額的增加將計入綜合損益表的融資成本。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the consolidated statement of profit or loss.

2.4 重要會計政策概要(續)

僱員福利

退休計劃

本集團中國內地附屬公司(「**中國附屬公司**」)的僱員須參與地方市政府設立的中央退休金計劃。中國附屬公司須為中央退休金計劃提供佔薪酬開支特定百分比的供款。供款會於依據中央退休金計劃規則應付時計入綜合損益表。

本集團根據《強制性公積金計劃條例》為所有於香港的僱員實施定額供款的強制性公積金退休福利計劃(「**強積金計劃**」)。供款根據僱員基本薪金的一定百分比作出，並於根據強積金計劃規則應付時自損益表扣除。強積金計劃的資產與本集團的資產分開持有，並由獨立管理的基金持有。本集團的僱主供款於向強積金計劃供款時完全歸屬僱員。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Employee benefits

Pension scheme

The employees of the Group's subsidiaries in Mainland China (the "**PRC subsidiaries**") are required to participate in a central pension scheme operated by the local municipal government. The PRC subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

2.4 重要會計政策概要(續)

僱員福利(續)

住房公積金、醫療保險及其他社會保險

本集團於中國的員工有權參加政府監管的各项住房公積金、醫療保險及其他社會保險計劃。本集團每月根據僱員每月薪金若干百分比向該等基金作出供款。本集團有關該等基金的負債限於各年度應付的供款。就住房公積金、醫療保險及其他社會保險的供款於產生時列為開支。

所得稅

所得稅包括即期及遞延稅項。與於損益外確認的項目有關的所得稅於損益外(於其他全面收入或直接於權益)確認。

即期稅項資產及負債，乃按預期自稅務機關退回或付予稅務機關的金額計量，並根據各報告期末已頒佈或實質上已頒佈的稅率(及稅法)，以及計及本集團業務經營所在國家的現行詮釋與慣例釐定。

遞延稅項採用負債法就於報告期末資產及負債的稅基與兩者用作財務報告的賬面金額之間的所有暫時差額計提撥備。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Employee benefits (Cont'd)

Housing funds, medical insurances and other social insurances

Employees of the Group in PRC are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees on a monthly basis. The Group's liability in respect of these funds is limited to the contribution payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 重要會計政策概要(續)

所得稅(續)

遞延稅項負債乃就所有應課稅暫時差額予以確認，惟下列情況除外：

- 遞延稅項負債乃因在一項並非業務合併的交易中初始確認商譽或資產或負債而產生，且於交易時並不影響會計利潤或應課稅損益；及
- 就與於附屬公司、聯營公司及合營企業的投資相關的應課稅暫時差額而言，倘暫時差額撥回的時間可予控制，且暫時差額可能不會於可預見的未來撥回。

遞延稅項資產乃就所有可扣減暫時差額、未動用稅項抵免及任何未動用稅項虧損的結轉而確認。遞延稅項資產僅在應課稅利潤可予動用抵銷可扣減暫時差額、結轉的未動用稅項抵免及未動用稅項虧損時確認，惟以下情況除外：

- 與可扣減暫時差額相關的遞延稅項資產乃因在一項並非業務合併的交易中初始確認資產或負債而產生，且於交易時並不影響會計利潤或應課稅損益；及
- 就與於附屬公司、聯營公司及合營企業的投資相關的可扣減暫時差額而言，遞延稅項資產僅在暫時差額可能於可預見的未來撥回，以及應課稅利潤可予動用抵銷暫時差額時確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Income tax (Cont'd)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 重要會計政策概要(續)

所得稅(續)

遞延稅項資產的賬面金額於各報告期末進行審核，並減至不再可能有足夠應課稅利潤以動用全部或部分遞延稅項資產為止。未確認的遞延稅項資產則於各報告期末進行重估，並於將可能有足夠應課稅利潤以收回全部或部分遞延稅項資產時確認。

遞延稅項資產及負債乃按預期適用於變現資產或清償負債期間的稅率，根據於報告期末已頒佈或實質上已頒佈的稅率(及稅法)計量。

當且僅當於各未來期間(而預期於有關期間內將結清或收回大額遞延稅項負債或資產)，本集團擁有以即期稅項資產抵銷即期稅項負債的可依法執行的權利，且遞延稅項資產及遞延稅項負債與同一稅務機關對同一應課稅實體或不同應課稅實體(有意按淨額基準結算即期稅項負債及資產，或同時變現資產及結清負債)徵收的所得稅有關時，則遞延稅項資產與遞延稅項負債抵銷。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Income tax (Cont'd)

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.4 重要會計政策概要(續)

政府補貼

倘可合理保證將獲得補貼及將符合所有附帶條件，則按公允價值確認政府補貼。倘該補貼與一項開支項目有關，則於擬用作補償的成本支銷期間根據系統基準確認為收入。

收入確認

來自客戶合同收入

客戶合同收入於貨品或服務的控制權按一定金額轉移予客戶時予以確認，而該金額反映本集團預期就該等貨品或服務有權獲得的代價。

當合同中的代價包括可變金額時，估計代價為本集團將貨品或服務轉移予客戶而有權獲得的金額。估計可變代價於合同開始時估計並受其約束，直至與可變代價相關的不確定因素其後獲得解決時累計已確認收入金額極有可能不會發生重大收入撥回為止。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

2.4 重要會計政策概要(續)

收入確認(續)

來自客戶合同收入(續)

當合同包含融資部分，就貨品或服務轉移予客戶而為客戶提供重大融資利益超過一年時，收入按應收金額的現值計量，並使用合同開始時本集團與客戶訂立的獨立融資交易所反映的貼現率貼現。當合同包含為本集團提供超過一年的重大融資利益的融資部分時，根據合同確認的收入包括根據實際利率法計算的合同負債利息開支。對於客戶付款與承諾貨品或服務轉移之間的期限為一年或不足一年的合同，交易價格不會根據國際財務報告準則第15號應用實際權宜方法就重大融資部分的影響進行調整。

- (a) **銷售已竣工物業**
銷售已竣工物業的收入於簽署物業移交函時(即物業控制權被轉移至買家時)確認。
- (b) **城市更新服務**
城市更新業務產生的收入於持作開發的土地或其他資產的控制權轉移至客戶時確認，而該確認的金額反映本集團預期就有關土地或其他資產有權獲得的代價。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue recognition (Cont'd)

Revenue from contracts with customers (Cont'd)

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

- (a) **Sale of completed properties**
Revenue from the sale of completed properties is recognised upon the signing of the property handover letter, which is taken to be the point in time when the control of the property is transferred to the buyer.
- (b) **Urban redevelopment business**
Revenue arising from urban redevelopment business is recognised when control of the land held for development or other asset is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the land or other asset.

2.4 重要會計政策概要(續)

收入確認(續)

來自客戶合同收入(續)

(c) 建築服務

提供建築服務產生的收入隨著時間的推移而確認，使用產出法計量完全履行服務的進度，因為本集團履約創建或增強客戶在資產創建或增強時控制的資產。產出法根據迄今已向客戶轉移的服務相對根據合同承諾提供的餘下服務的價值的直接計量確認收入。

其他來源的收入

租賃收入於租賃年期內按時間比例確認。不取決於指數或利率的可變租賃款項在其產生的會計期間內確認為收入。

其他收入

利息收入按應計基準以實際利率法透過採用將金融工具的估計未來所收現金在預計年期或較短期間(倘適用)內準確貼現至金融資產賬面金額淨值的利率予以確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue recognition (Cont'd)

Revenue from contracts with customers (Cont'd)

(c) Construction services

Revenue from the provision of construction services is recognised over time, using an output method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The output method recognises revenue on the basis of direct measurements of the value to the customer of the services transferred to date relative to the remaining services promised under the contract.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis, using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

2.4 重要會計政策概要(續)

合同資產

合同資產乃就向客戶轉讓的貨品或服務而收取交換代價的權利。倘本集團於客戶支付代價或付款到期前將貨品或服務轉讓予客戶，則就附帶條件的已賺取代價確認合同資產。合同資產需進行減值評估，其詳情載於金融資產減值的會計政策。

合同負債

合同負債於本集團轉讓相關貨品或服務前向客戶收取付款或付款到期時(以較早者為準)予以確認。合同負債於本集團根據合同履約時(即向客戶轉讓相關貨品或服務的控制權)確認為收入。

合同成本

倘符合以下各項標準，除以存貨、物業、廠房及設備以及無形資產的形式資本化的成本外，履行客戶合同所產生的成本以資產的形式資本化：

- (a) 有關成本與實體可特定識別的合同或預期訂立的合同有直接關係；
- (b) 有關成本令實體將用於完成(或持續完成)日後履約責任的資源得以產生或有所增加；
- (c) 有關成本預期可收回。

本集團將資本化合同成本攤銷並按系統基準計入損益表，該系統基準與相關資產的貨品或服務轉讓予客戶的基準一致。其他合同成本於產生時列為支出。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future;
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

2.4 重要會計政策概要(續)

借貸成本

收購、建設或生產合資格資產(即需要大量時間方可實現擬定用途或出售的資產)直接應佔的借貸成本作為該等資產成本的一部分撥作資本。有關借貸成本在資產大體上可作擬定用途或出售時不再撥作資本。在將特定借款撥作合資格資產的支出前暫時用作投資所賺取的投資收入須自撥作資本的借貸成本中扣除。所有其他借貸成本在產生期間列為支出。借貸成本包括實體借用資金產生的利息及其他成本。

股息

末期股息於其在股東大會上獲股東批准時確認為負債。建議末期股息於財務報表附註中披露。

外幣

該等財務報表均以人民幣(即本集團的呈列貨幣)呈列。本公司的功能貨幣為港元,以人民幣作為本公司財務報表的呈列貨幣乃為與本集團的呈列貨幣保持一致。本集團各實體自行確定各自的功能貨幣,且各實體財務報表中的項目均使用該功能貨幣計量。本集團各實體所記錄的外幣交易初步使用各自交易當日現行的功能貨幣匯率予以記錄。以外幣計值的貨幣資產與負債按報告期末通用的功能貨幣匯率換算。結算或換算貨幣項目產生的差額於綜合損益表中確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Foreign currencies

These financial statements are presented in RMB, which is the Group's presentation currency. The functional currency of the Company is the Hong Kong dollar while RMB is used as the presentation currency of the financial statements of the Company for the purpose of aligning with the presentation currency of the Group. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss.

2.4 重要會計政策概要(續)

外幣(續)

按歷史成本以外幣計量的非貨幣項目乃按首次交易日當日的匯率換算。按公允價值以外幣計量的非貨幣項目按公允價值計量當日的匯率換算。換算按公允價值計量的非貨幣項目所產生的損益，按與確認該項目公允價值變動的損益一致的方法(即公允價值損益於其他全面收入或損益內確認的項目產生的換算差額亦分別於其他全面收入或損益內確認)處理。

於釐定相關資產初始確認的匯率、終止確認與預付代價有關的非貨幣資產或非貨幣負債的開支或收入時，首次交易日期為本集團初始確認預付代價產生的非貨幣資產或非貨幣負債當日。倘涉及多筆預付款項或預收款項，則本集團須釐定每次支付或收取預付代價的交易日期。

若干於中國內地以外地區運營的附屬公司的功能貨幣並非人民幣。於報告期末，該等實體的資產及負債按報告期末的現行匯率換算為人民幣，且其損益表按年度的加權平均匯率換算為人民幣。因此產生的匯兌差額於其他全面收入內確認並累計計入匯兌儲備。當出售海外業務時，有關特定海外業務的其他全面收入部分於綜合損益表中確認。

就綜合現金流量表而言，非中國實體的現金流量按現金流量產生當日的匯率換算為人民幣。非中國實體於該年內產生的循環現金流量通常按該年度的加權平均匯率換算為人民幣。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Foreign currencies (Cont'd)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain subsidiaries operating outside Mainland China are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of non-PRC entities are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of non-PRC entities which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. 重大會計判斷及估計

編製本集團的綜合財務報表時，管理層須作出會影響收入、開支、資產及負債的報告金額及各自的相關披露事項以及或然負債披露的判斷、估計及假設。有關假設及估計的不確定因素可導致須就未來受影響的資產或負債賬面金額作出重大調整。

判斷

在應用本集團的會計政策過程中，除涉及對綜合財務報表中已確認金額構成最重大影響的估計的會計政策外，管理層已作出以下判斷：

投資物業及業主自用物業間的分類

本集團確定物業是否符合投資物業資格，並已制定作出該判斷的標準。投資物業為持作賺取租金或資本增值或兩者兼有的物業。因此，本集團考慮物業產生的現金流量是否很大程度上獨立於本集團持有的其他資產。

若干物業包含持作賺取租金或資本增值部分，而另一部分持作用於生產或供應貨品或服務或作行政用途。倘該等部分可獨立出售或根據融資租賃獨立出租，則本集團需將該等部分獨立入賬。倘該等部分不能獨立出售，則僅在小部分持作用於生產或供應貨品或服務或作行政用途的情況下，該物業方為投資物業。

對個別物業分別作出判斷，以釐定配套服務是否足以導致物業不符合投資物業資格。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment properties are properties held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. 重大會計判斷及估計(續)

判斷(續)

投資物業的遞延稅項

就計量使用公允價值模式計量的投資物業所產生的遞延稅項負債而言，本集團管理層已審閱本集團的投資物業，並認為本集團在一種商業模式下持有投資物業，該商業模式的目的乃為隨時間推移消耗絕大部分包含在投資物業內的經濟利益。因此，在釐定本集團投資物業的遞延稅項時，董事已決定推翻透過銷售收回使用公允價值模式計量的投資物業的假設。

因此，本集團根據管理層的最佳估計確認該等投資物業公允價值變動的遞延稅項，假設未來稅務結果乃透過將該等物業用作租賃用途而非出售引致。倘投資物業隨後由本集團出售而非以租賃方式隨時間推移消耗絕大部分包含在投資物業內的經濟利益，則最終的稅務結果可能有別於在綜合財務報表中確認的遞延稅項負債。若投資物業被出售，鑒於企業所得稅及土地增值稅的影響，本集團在出售時可能要承擔較高稅項。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Judgements (Cont'd)

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, the management of the Group has reviewed the Group's investment properties 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 that investment properties measured using the fair value model are recovered through sale is rebutted.

Accordingly, the Group recognises deferred tax in respect of the changes in fair value of the investment properties based on management's best estimate assuming future tax consequences through usage of such properties for rental purposes, rather than through sale. The final tax outcome could be different from the deferred tax liabilities recognised in the consolidated financial statements should the investment properties be subsequently disposed of by the Group, rather than all of the economic benefits embodied in the investment properties being consumed substantially by leasing over time. In the event that the investment properties are being disposed of, the Group may be liable for higher tax upon disposal considering the impact of corporate income tax and land appreciation tax.

3. 重大會計判斷及估計(續)

判斷(續)

附屬公司、合營企業及聯營公司的分類

將投資分類為附屬公司、合營企業或聯營公司乃基於本集團是否確定對投資對象具有控制、共同控制或重大影響，這涉及判斷，需要綜合分析多項因素：包括本集團在投資對象的主要決策機構(例如董事會會議及股東大會)的代表席位以及其他事實及情形。

附屬公司綜合入賬，即附屬公司的各資產、負債及交易於本集團的綜合財務報表中逐行列示，而於合營企業及聯營公司的權益指於綜合財務狀況表中作為投資入賬的權益。

因此，由於確認或終止確認導致的任何不適當分類可能對綜合財務報表產生重大且普遍的影響。

估計不確定因素

有關於報告期末估計不確定因素的未來及其他主要來源的主要假設(存在會導致下一個財政年度內資產及負債賬面金額出現重大調整的重大風險)，於下文論述。

中國企業所得稅

本集團須繳納中國內地的企業所得稅。由於所得稅若干相關事宜尚未獲當地稅務局確認，所以於釐定將要作出的所得稅撥備時需依據目前頒佈的稅法、法規及其他相關政策進行客觀估計和判斷。倘該等事宜的最終稅務結果與最初記錄的金額不同，差額將影響差額變現期間的所得稅及稅項撥備。進一步詳情載列於財務報表中的附註10及25。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Judgements (Cont'd)

Classification of subsidiaries, joint ventures and associates

The classification of an investment as a subsidiary, a joint venture or an associate is based on whether the Group is determined to have control, joint control or significant influence over the investee, which involves judgements through the analysis of various factors, including the Group's representation on the chief decision making authorities of an investee, such as board of directors' meetings and shareholders' meetings, as well as other facts and circumstances.

Subsidiaries are consolidated, which means each of their assets, liabilities and transactions are included line-by-line in the Group's consolidated financial statements, whereas the interests in joint ventures and associates are equity accounted for as investments on the consolidated statement of financial position.

Accordingly, any inappropriate classification as a result of recognition or derecognition of the investments could have a material and pervasive impact on the consolidated financial statements.

Estimation uncertainty

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, are described below.

PRC corporate income tax

The Group is subject to corporate income tax in Mainland China. Due to the fact that certain matters relating to the income tax have not been confirmed by the local tax bureau, objective estimation and judgement based on currently enacted tax laws, regulations and other related policies are required in determining the provision for income tax to be made. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the income tax and tax provision in the period in which the differences realise. Further details are given in notes 10 and 25 to the financial statements.

3. 重大會計判斷及估計(續)

估計不確定因素(續)

中國土地增值稅

本集團須繳納中國內地的土地增值稅。土地增值稅的撥備以管理層根據其對相關中國稅務法律及法規列明的規定的理解所作出的最佳估計為基準。實際土地增值稅負債於完成物業開發項目後由稅務機關釐定。本集團尚未就若干物業開發項目與稅務機關落實土地增值稅的計算與付款。

最終結果可能與最初記錄的金額不同，且任何差額均會影響差額變現期間的土地增值稅開支與相關撥備。進一步詳情載列於財務報表中的附註10及25。

遞延稅項資產

未動用稅項虧損在很可能出現應課稅利潤用以抵銷虧損的情況下確認遞延稅項資產。釐定可予確認遞延稅項資產金額時，須根據未來應課稅利潤的可能時間及水平以及未來稅務規劃策略作出重大管理層判斷。

有關開發中物業的建設成本的確認及分配

於建造期間，物業開發成本於開發中物業項下入賬，在竣工後，將轉撥至已竣工持作出售物業項下。確認銷售物業後，該等成本的分配於綜合損益表中予以確認。於最終結算有關銷售物業的開發成本及其他成本前，該等成本乃由本集團按管理層的最佳估計予以累計。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Estimation uncertainty (Cont'd)

PRC land appreciation tax

The Group is subject to land appreciation tax in Mainland China. The provision for land appreciation tax is based on management's best estimates according to its understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual land appreciation tax liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its land appreciation tax calculations and payments with the tax authorities for certain property development projects.

The final outcome could be different from the amounts that were initially recorded, and any differences will impact the land appreciation tax expenses and the related provision in the period in which the differences realise. Further details are given in notes 10 and 25 to the financial statements.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Recognition and allocation of construction cost on properties under development

Development costs of properties are recorded as properties under development during the construction stage and will be transferred to completed properties held for sale upon completion. Apportionment of these costs will be recognised in the consolidated statement of profit or loss upon the recognition of the sale of the properties. Before the final settlement of the development costs and other costs relating to the sale of the properties, these costs are accrued by the Group based on management's best estimate.

3. 重大會計判斷及估計(續)

估計不確定因素(續)

有關開發中物業的建設成本的確認及分配(續)

當開發物業時，本集團或會將開發項目分為多期。與某一期開發直接相關的特定成本會作為該期的成本入賬。各期共有的成本則根據整個項目估計可銷售面積分配至各期。

當最終結算成本及相關成本分配有別於最初估計時，開發成本及其他成本的任何增加或減少將會影響未來年度的損益。

投資物業公允價值的估計

如活躍市場中未有類似物業的當前價格，本集團考慮不同來源的資料，包括：

- (i) 不同性質、狀況或地點的物業於活躍市場的當前價格(經就該等差異作出調整)；
- (ii) 近期類似物業於較不活躍市場的價格，並作出調整以反映自按該等價格進行交易日期起的任何經濟狀況變化；及
- (iii) 基於對未來現金流量的可靠估計，輔以任何現有租約與其他合同的條款及(如可能)外在因素(如地點及狀況相同的類似物業的當時市場租金)，並採用可反映目前市場對現金流量金額及時間不確定因素的評估的貼現率得出的貼現現金流量預測。

進一步詳情(包括用作計量公允價值的主要假設)載列於財務報表中的附註15。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Estimation uncertainty (Cont'd)

Recognition and allocation of construction cost on properties under development (Cont'd)

When developing properties, the Group may divide the development projects into phases. Specific costs directly related to the development of a phase are recorded as the cost of such phase. Costs that are common to phases are allocated to individual phases based on the estimated saleable area of the entire project.

Where the final settlement of costs and the related cost allocation is different from the initial estimates, any increase or decrease in the development costs and other costs would affect the profit or loss in future years.

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

- (i) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;
- (ii) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the dates of the transactions that occurred at those prices; and
- (iii) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

Further details, including the key assumptions used for fair value measurement, are given in note 15 to the financial statements.

3. 重大會計判斷及估計(續)

估計不確定因素(續)

金融工具的公允價值計量

截至二零二零年十二月三十一日，本集團金額為人民幣410,952,000元指定以公允價值計量且其變動計入其他全面收入的權益投資按公允價值計量，而相關公允價值使用估值方法根據不可觀察輸入數據釐定。於確定相關估值方法及所使用的相關輸入數據時須作出判斷及估計。與該等因素相關的假設變動可能影響該等工具的呈報公允價值。

應收貿易款項及合同資產的預期信貸損失撥備

本集團使用撥備矩陣計算應收貿易款項及合同資產的預期信貸損失。撥備率基於具有類似損失模式的多個客戶分部組別(即客戶類型及評級)的逾期日數計算。

撥備矩陣最初基於本集團的過往觀察違約率。本集團將校準矩陣以使用前瞻性資料調整過往信貸損失經驗。例如，倘預測經濟狀況(如國內生產總值)預期於未來一年內惡化，進而可能導致房地產行業的違約數量增加，則會對過往違約率進行調整。於各報告日期，將會更新過往觀察違約率並分析前瞻性估計變動。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Estimation uncertainty (Cont'd)

Fair value measurement of financial instruments

The Group's equity investments designated at FVOCI amounting to RMB410,952,000 as at 31 December 2020 were measured at fair values with fair values determined based on unobserved inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair values of these instruments.

Provision for ECLs on trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the real estate sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

3. 重大會計判斷及估計(續)

估計不確定因素(續)

應收貿易款項及合同資產的預期信貸損失撥備(續)

過往觀察違約率、預測經濟狀況及預期信貸損失間的相關性評估是一項重要估計。預期信貸損失的金額對環境變化及預測經濟狀況較為敏感。本集團的過往信貸損失經驗及對經濟狀況的預測亦可能無法代表客戶未來的實際違約。有關本集團應收貿易款項及合同資產的預期信貸損失的資料於財務報表附註21中披露。

租賃 – 估算增量借款利率

本集團無法輕易釐定租賃內所隱含的利率，因此，使用增量借款利率(「**增量借款利率**」)計量租賃負債。增量借款利率為本集團於類似經濟環境中為取得與使用權資產價值相近的資產，而以類似抵押品與類似期間借入所需資金應支付的利率。因此，增量借款利率反映本集團「應支付」的利率，當無可觀察的利率時(例如就並無訂立融資交易的附屬公司而言)或當須對利率進行調整以反映租賃之條款及條件時(例如當租賃並非以附屬公司的功能貨幣訂立時)，則須作出利率估計。當可觀察輸入數據可用時，本集團使用可觀察輸入數據(例如市場利率)估算增量借款利率並須作出若干實體特定的估計(例如附屬公司的獨立信貸評級)。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Estimation uncertainty (Cont'd)

Provision for ECLs on trade receivables and contract assets (Cont'd)

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in note 21 to the financial statements.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4. 運營分部資料

就管理而言，本集團由以下呈報運營分部組成：

- (a) 物業開發：物業開發及銷售及提供建築服務
- (b) 城市更新業務：銷售持作開發的土地及其他相關活動
- (c) 物業租賃：物業租賃(包括租賃自用物業及轉租租賃物業)及其他相關活動

時代鄰里控股有限公司(「時代鄰里」)此前為物業管理呈報分部。其於二零一九年十二月十九日從本集團分拆。自此，本集團剩餘三個呈報分部，分別為物業開發、城市更新業務及物業租賃。

為確定資源分配及績效評估，管理層會分別監督本集團的運營分部的業績。分部績效將根據呈報分部損益予以評估，此乃除稅前經調整損益的一種計量方式。除稅前經調整損益始終根據本集團的除稅前利潤予以計量，並將銀行利息收入、非租賃相關的融資成本、應佔合營企業及聯營公司損益以及總部及企業收入及開支排除在該計量之外。

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into the following reportable operating segments:

- (a) Property development: Development and sale of properties and provision of construction services
- (b) Urban redevelopment business: Sale of land held for development and other related activities
- (c) Property leasing: Property leasing (including the leasing of self-owned properties and subleasing of leased properties) and other related activities

Upon the spin-off of Times Neighborhood Holdings Limited (“**Times Neighborhood**”) on 19 December 2019, which was previously the reportable segment of property management, the Group has the three remaining reportable segments of property development, urban redevelopment business and property leasing.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group’s profit before tax except that bank interest income, non-lease-related finance costs, share of profits and losses of joint ventures and associates, as well as head office and corporate income and expenses are excluded from this measurement.

4. 運營分部資料(續)

本集團自外部客戶所得收入完全來自於其在中國內地的業務。除了本集團金額為1,217,000美元(相當於約人民幣7,943,000元)的若干指定以公允價值計量且其變動計入其他全面收入的權益投資(二零一九年:若干指定以公允價值計量且其變動計入其他全面收入的權益投資為1,253,000美元,相當於約人民幣8,726,000元)、本集團金額為人民幣35,403,000元(二零一九年:無)的若干使用權資產及本集團金額為人民幣1,920,000元(二零一九年:人民幣4,081,000元)的若干物業、廠房及設備外,本集團的非流動資產均位於中國內地。除了本集團金額合共為3,649,726,000美元及966,722,000港元(相當於約人民幣24,627,807,000元)(二零一九年:合共3,862,826,000美元,相當於約人民幣24,750,173,000元)的優先票據及銀團貸款的若干計息銀行及其他借款以及應付利息外,本集團的負債均位於中國內地。

分部資產不包括於合營企業的權益、於聯營公司的權益、指定以公允價值計量且其變動計入其他全面收入的權益投資、遞延稅項資產、應收合營企業的款項、應收聯營公司的款項、預繳稅款、受限制銀行存款、現金及現金等價物,以及其他未分配的總部及企業資產,原因為該等資產乃按集團予以管理。

分部負債不包括應付合營企業的款項、應付聯營公司的款項、計息銀行及其他借款及應付利息、應付稅項、遞延稅項負債、其他長期應付款項、衍生金融工具以及其他未分配的總部及企業負債,原因為該等負債乃按集團予以管理。

分部間銷售及轉讓乃參考按照當時的現行市價向獨立第三方作出的銷售所用的售價進行。

年內,概無來自單一外部客戶交易的收入佔本集團總收入10%或以上(二零一九年:無)。

4. OPERATING SEGMENT INFORMATION (CONT'D)

The Group's revenue from external customers is derived solely from its operations in Mainland China. Except for the Group's certain equity investments designated at FVOCI amounting to USD1,217,000 (approximately equivalent to RMB7,943,000) (2019: certain equity investments designated at FVOCI amounting to USD1,253,000 (approximately equivalent to RMB8,726,000)), the Group's certain right-of-use assets amounting to RMB35,403,000 (2019: Nil), and the Group's certain property, plant and equipment of RMB1,920,000 (2019: RMB4,081,000), the Group's non-current assets are located in Mainland China. Except for the Group's certain interest-bearing bank and other borrowings and interest payable of senior notes and syndicated loans amounting to USD3,649,726,000 and HKD966,722,000 in total (approximately equivalent to RMB24,627,807,000) (2019: USD3,862,826,000 in total (approximately equivalent to RMB24,750,173,000)), the Group's liabilities are located in Mainland China.

Segment assets exclude interests in joint ventures, interests in associates, equity investments designated at FVOCI, deferred tax assets, amounts due from joint ventures, amounts due from associates, tax prepayments, restricted bank deposits, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude amounts due to joint ventures, amounts due to associates, interest-bearing bank and other borrowings and interest payable, tax payable, deferred tax liabilities, other long-term payables, derivative financial instruments and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

During the year, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue (2019: Nil).

4. 運營分部資料(續)

4. OPERATING SEGMENT INFORMATION
(CONT'D)

截至二零二零年 十二月三十一日止年度	Year ended 31 December 2020	物業開發 Property development 人民幣千元 RMB'000	城市更新業務 Urban redevelopment business 人民幣千元 RMB'000	物業租賃 Property leasing 人民幣千元 RMB'000	抵銷 Elimination 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
分部收入(附註5)	Segment revenue (note 5)					
外部客戶銷售	Sales to external customers	32,673,269	5,453,261	450,164	-	38,576,694
分部間銷售	Intersegment sales	-	30,556	65,336	(95,892)	-
		32,673,269	5,483,817	515,500	(95,892)	38,576,694
分部業績	Segment results	5,542,494	4,039,526	169,522	-	9,751,542
對賬:	Reconciliation:					
銀行利息收入	Bank interest income					330,027
未分配的企業支出	Unallocated corporate expenses					(364,753)
融資成本(租賃負債的利息除外)	Finance costs (other than interest on lease liabilities)					(1,039,397)
應佔合營企業及聯營公司損益	Share of profits and losses of joint ventures and associates					445,059
除稅前利潤	Profit before tax					9,122,478
分部資產	Segment assets	106,698,447	14,063,655	7,530,251	-	128,292,353
對賬:	Reconciliation:					
未分配的資產	Unallocated assets					63,210,034
資產總額	Total assets					191,502,387
分部負債	Segment liabilities	64,734,087	2,299,655	3,404,405	-	70,438,147
對賬:	Reconciliation:					
未分配的負債	Unallocated liabilities					85,180,826
負債總額	Total liabilities					155,618,973
其他分部資料	Other segment information					
金融資產減值虧損	Impairment losses on financial assets	(29,924)	(10,531)	(76)	-	(40,531)
商譽減值	Impairment of goodwill	(10,208)	-	-	-	(10,208)
物業、廠房及設備折舊	Depreciation of property, plant and equipment	(80,027)	(113)	(32,838)	-	(112,978)
使用權資產折舊	Depreciation of right-of-use assets	(77,395)	-	(817)	-	(78,212)
其他無形資產攤銷:	Amortisation of other intangible assets:					
已分配的金額	Allocated amounts	(14,350)	-	(227)	-	(14,577)
未分配的金額	Unallocated amounts					(667)
投資物業的公允價值收益	Fair value gains on investment properties	-	-	18,817	-	18,817

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4. 運營分部資料(續)

4. OPERATING SEGMENT INFORMATION
(CONT'D)

		物業開發	城市更新業務	物業租賃	物業管理	抵銷	總計
		Property	Urban	Property	Property		Total
截至二零一九年	Year ended	development	redevelopment	leasing	management	Elimination	Total
十二月三十一日止年度	31 December 2019	business	business	management	management	management	management
		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
分部收入(附註5)	Segment revenue (note 5)						
外部客戶銷售	Sales to external customers	39,079,896	2,167,574	461,056	724,857	-	42,433,383
分部間銷售	Intersegment sales	-	-	46,784	231,173	(277,957)	-
		39,079,896	2,167,574	507,840	956,030	(277,957)	42,433,383
分部業績	Segment results	8,734,204	1,074,632	165,362	45,315	-	10,019,513
<i>對賬:</i>	<i>Reconciliation:</i>						
銀行利息收入	Bank interest income						284,827
未分配的企業支出	Unallocated corporate expenses						(259,424)
融資成本 (租賃負債的利息除外)	Finance costs (other than interest on lease liabilities)						(914,706)
應佔合營企業及 聯營公司損益	Share of profits and losses of joint ventures and associates						1,208,769
除稅前利潤	Profit before tax						10,338,979
分部資產	Segment assets	93,267,674	10,136,828	4,429,268	-	-	107,833,770
<i>對賬:</i>	<i>Reconciliation:</i>						
未分配的資產	Unallocated assets						53,264,314
資產總額	Total assets						161,098,084
分部負債	Segment liabilities	54,944,937	740,570	2,072,517	-	-	57,758,024
<i>對賬:</i>	<i>Reconciliation:</i>						
未分配的負債	Unallocated liabilities						67,635,705
負債總額	Total liabilities						125,393,729
其他分部資料	Other segment information						
金融資產減值虧損	Impairment losses on financial assets	(49,118)	(2,946)	(977)	215	-	(52,826)
商譽減值	Impairment of goodwill	(306,094)	-	-	-	-	(306,094)
出售金融資產的虧損	Loss on disposal of financial assets	(41,914)	-	-	-	-	(41,914)
物業、廠房及設備折舊	Depreciation of property, plant and equipment	(62,587)	(87)	(31,691)	(4,349)	-	(98,714)
使用權資產折舊	Depreciation of right-of-use assets	(44,199)	-	(817)	-	-	(45,016)
其他無形資產	Amortisation of other intangible assets:						
已分配的金額	Allocated amounts	(11,789)	-	(128)	(135)	-	(12,052)
未分配的金額	Unallocated amounts						(667)
投資物業的公允價值 收益	Fair value gains on investment properties	-	-	15,712	-	-	15,712

5. 收入、其他收入及收益

本集團收入的分析如下：

5. REVENUE, OTHER INCOME AND GAINS

An analysis of the Group's revenue is as follows:

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
來自客戶合同收入	Revenue from contracts with customers	38,126,530	41,972,327
來自其他來源收入	Revenue from other sources		
來自投資物業經營租賃的	Gross rental income from investment		
租賃收入總額：	property operating leases:		
租賃自有物業	Leases of self-owned properties	22,838	22,646
轉租租賃物業	Subleases of leased properties	427,326	438,410
		450,164	461,056
		38,576,694	42,433,383

來自客戶合同收入

(i) 分拆收入資料
截至二零二零年十二月三十一日止年度

Revenue from contracts with customers

(i) Disaggregated revenue information
For the year ended 31 December 2020

分部	Segments	物業開發	城市更新業務	總計
		Property development	Urban redevelopment business	
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
貨品或服務種類	Types of goods or services			
出售已竣工物業	Sale of completed properties	32,673,269	-	32,673,269
城市更新收入	Urban redevelopment income	-	5,453,261	5,453,261
來自客戶合同總收入	Total revenue from contracts with customers	32,673,269	5,453,261	38,126,530

本集團所有來自客戶合同的收入均於向客戶轉讓物業銷售的已竣工物業或城市更新項目的資產的時間點確認。

All revenue from contracts with customers for the Group is recognised at a point in time when the completed properties for property sales or assets for urban redevelopment project are transferred to customers.

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5. 收入、其他收入及收益(續)

來自客戶合同收入(續)

(i) 分拆收入資料(續)

截至二零一九年十二月三十一日止年度

分部	Segments	物業開發	城市更新業務	物業管理	總計
		Property development	Urban redevelopment business	Property management	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
貨品或服務種類	Types of goods or services				
出售已竣工物業	Sale of completed properties	38,630,145	–	–	38,630,145
建設服務收入	Construction services income	449,751	–	–	449,751
城市更新收入	Urban redevelopment income	–	2,167,574	–	2,167,574
物業管理服務收入	Property management services income	–	–	724,857	724,857
來自客戶合同總收入	Total revenue from contracts with customers	39,079,896	2,167,574	724,857	41,972,327
收入確認時間	Timing of revenue recognition				
於某一時點轉讓的貨品	Goods transferred at a point in time	38,630,145	2,167,574	–	40,797,719
隨時間轉讓的服務	Services transferred over time	449,751	–	724,857	1,174,608
來自客戶合同總收入	Total revenue from contracts with customers	39,079,896	2,167,574	724,857	41,972,327

5. REVENUE, OTHER INCOME AND GAINS (CONT'D)

Revenue from contracts with customers (Cont'd)

(i) Disaggregated revenue information (Cont'd)

For the year ended 31 December 2019

分部	Segments	物業開發	城市更新業務	物業管理	總計
		Property development	Urban redevelopment business	Property management	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
貨品或服務種類	Types of goods or services				
出售已竣工物業	Sale of completed properties	38,630,145	–	–	38,630,145
建設服務收入	Construction services income	449,751	–	–	449,751
城市更新收入	Urban redevelopment income	–	2,167,574	–	2,167,574
物業管理服務收入	Property management services income	–	–	724,857	724,857
來自客戶合同總收入	Total revenue from contracts with customers	39,079,896	2,167,574	724,857	41,972,327
收入確認時間	Timing of revenue recognition				
於某一時點轉讓的貨品	Goods transferred at a point in time	38,630,145	2,167,574	–	40,797,719
隨時間轉讓的服務	Services transferred over time	449,751	–	724,857	1,174,608
來自客戶合同總收入	Total revenue from contracts with customers	39,079,896	2,167,574	724,857	41,972,327

5. 收入、其他收入及收益(續)

來自客戶合同收入(續)

- (i) 分拆收入資料(續)
來自客戶合同收入與於分部資料披露的金額的對賬載列如下：

截至二零二零年十二月三十一日止年度

分部	Segments	物業開發	城市更新業務	總計
		Property development	Urban redevelopment business	
		人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000
來自客戶合同收入	Revenue from contracts with customers			
外部客戶	External customers	32,673,269	5,453,261	38,126,530
分部間銷售	Intersegment sales	-	30,556	30,556
		32,673,269	5,483,817	38,157,086
抵銷	Elimination	-	(30,556)	(30,556)
來自客戶合同總收入	Total revenue from contracts with customers	32,673,269	5,453,261	38,126,530

截至二零一九年十二月三十一日止年度

For the year ended 31 December 2019

分部	Segments	物業開發	城市更新業務	物業管理	總計
		Property development	Urban redevelopment business	Property management	
		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
來自客戶合同收入	Revenue from contracts with customers				
外部客戶	External customers	39,079,896	2,167,574	724,857	41,972,327
分部間銷售	Intersegment sales	-	-	231,173	231,173
		39,079,896	2,167,574	956,030	42,203,500
抵銷	Elimination	-	-	(231,173)	(231,173)
來自客戶合同總收入	Total revenue from contracts with customers	39,079,896	2,167,574	724,857	41,972,327

5. 收入、其他收入及收益(續)

來自客戶合同收入(續)

(i) 分拆收入資料(續)

下表載列計入報告期初合同負債於本報告期內確認的收入金額：

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
出售已竣工物業	Sale of completed properties	10,002,768	12,861,956
物業管理服務收入	Property management services income	–	38,835
		10,002,768	12,900,791

(ii) 履約責任

有關本集團履約責任的資料概述如下：

出售已竣工物業

就出售已竣工物業與客戶訂立的合同而言，本集團於將相關物業轉讓予客戶前並無可強制執行付款的權利。因此，出售已竣工物業收入於已竣工物業轉讓予客戶的某一時點確認，即客戶取得已竣工物業的控制權且本集團擁有收取代價的現時權利及很可能收回代價之時。

城市更新業務

履約責任於持作發展用途的土地或其他資產的控制權轉移予客戶之時獲履行。

5. REVENUE, OTHER INCOME AND GAINS (CONT'D)

Revenue from contracts with customers (Cont'd)

(i) Disaggregated revenue information (Cont'd)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
出售已竣工物業	Sale of completed properties	10,002,768	12,861,956
物業管理服務收入	Property management services income	–	38,835
		10,002,768	12,900,791

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of completed properties

For contracts entered into with customers on the sale of completed properties, the Group does not have an enforceable right to payment prior to transfer of the relevant properties to the customer. Revenue from the sale of completed properties is therefore recognised at a point in time when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property and the Group has a present right to payment and collection of the consideration is probable.

Urban redevelopment business

The performance obligation is satisfied at the point in time when control of the land held for development or other assets is transferred to the customer.

5. 收入、其他收入及收益(續)

來自客戶合同收入(續)

(ii) 履約責任(續)

於十二月三十一日，分配予剩餘履約責任(未履行或部分履行)的交易價格如下：

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
預計將確認為收入的金額：	Amounts expected to be recognised as revenue:		
一年內	Within one year	24,277,034	17,215,082
一年以上	After one year	4,356,490	2,816,833
		28,633,524	20,031,915

預計將於一年後確認為收入的分配予剩餘履約責任的交易價格金額涉及出售具有重大融資部分的已竣工物業，且將於兩年內履行。

5. REVENUE, OTHER INCOME AND GAINS (CONT'D)

Revenue from contracts with customers (Cont'd)

(ii) Performance obligations (Cont'd)

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to the sale of completed properties with a significant financing component and are to be satisfied within two years.

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5. 收入、其他收入及收益(續)

5. REVENUE, OTHER INCOME AND GAINS
(CONT'D)

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
其他收入	<i>Other income</i>		
銀行利息收入	Bank interest income	330,027	284,827
來自第三方及合營企業的 利息收入	Interest income from third parties and joint ventures	146,471	237,044
管理費收入	Management fee income	105,957	239,829
諮詢費收入	Consultation fee income	95,074	–
補償收入	Compensation income	90,224	92,722
其他	Others	88,701	68,034
		856,454	922,456
淨收益	<i>Gain, net</i>		
重新計量於一間合營企業的 既有權益	Remeasurement of the pre-existing interest in a joint venture	–	15,764
重新計量於一間聯營公司的 既有權益(附註36(c))	Remeasurement of the pre-existing interest in an associate (note 36 (c))	311,900	–
自有投資物業的公允價值收益	Fair value gains on self-owned investment properties	2,136	18,013
貿易應付款項撥回收益	Gain on write-back of the trade payables	–	49,816
一間附屬公司的議價收購收益 (附註36(c))	Gain on bargain purchase of a subsidiary (note 36(c))	500,060	–
一間合營企業的議價收購收益	Gain on bargain purchase of a joint venture	–	8,156
視作出售附屬公司收益	Gain on deemed disposal of subsidiaries	–	15,573
出售一間附屬公司收益(附註37)	Gain on disposal of a subsidiary (note 37)	99,418	–
出售以公允價值計量且其變動 計入損益的金融資產收益	Gain on disposal of financial assets at fair value through profit or loss	82	3,643
外匯淨收益	Foreign exchange gain, net	165,064	356
		1,078,660	111,321
		1,935,114	1,033,777

6. 除稅前利潤

本集團的除稅前利潤已扣除／(計入)下列各項：

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
	附註 Notes		
已出售已竣工物業成本	Cost of completed properties sold	25,809,068	27,850,302
已提供建築服務成本	Cost of construction services provided	–	440,756
城市更新業務成本	Cost of urban redevelopment business	1,603,806	1,082,024
出租自有物業的直接經營開支 (包括維修及保養)	Direct operating expenses (including repairs and maintenance) arising on leasing of self owned properties	3,224	6,159
轉租租賃物業的直接經營開支 (包括維修及保養)	Direct operating expenses (including repairs and maintenance) arising on subleasing of leased properties	58,150	87,464
提供物業管理服務的成本	Cost of property management services provided	–	531,041
物業、廠房及設備折舊	Depreciation of property, plant and equipment	13 112,978	98,714
使用權資產折舊	Depreciation of right-of-use assets	14(a) 78,212	45,016
其他無形資產攤銷	Amortisation of other intangible assets	15,244	12,719
自有投資物業公允價值的變動	Changes in fair value of self-owned investment properties	15 (2,136)	(18,013)
轉租投資物業公允價值的變動	Changes in fair value of sub-leased investment properties	15 (16,681)	2,301
核數師薪酬	Auditor's remuneration	10,081	9,377
員工福利開支(不包括董事及最高行政人員薪酬(附註8))：	Employee benefit expense (excluding directors' and chief executive's remuneration (note 8)):		
工資及薪金	Wages and salaries	1,797,304	1,411,618
退休金計劃供款	Pension scheme contributions	44,942	115,772
減：物業存貨的資本化金額	Less: Amount capitalised in inventories of properties	(910,661)	(690,073)
		931,585	837,317

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6. 除稅前利潤(續)

本集團的除稅前利潤已扣除/(計入)下列各項:(續)

6. PROFIT BEFORE TAX (CONT'D)

The Group's profit before tax is arrived at after charging/(crediting): (Cont'd)

	附註 Notes	二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000	
未計入租賃負債計量的租賃付款	Lease payments not included in the measurement of lease liabilities	14(c)	19,417	20,927
出售一間附屬公司的收益	Gain on disposal of a subsidiary	37	(99,418)	-
一間附屬公司的議價收購收益	Gain on bargain purchase of a subsidiary	36(c)	(500,060)	-
一間合營企業的議價收購收益	Gain on bargain purchase of a joint venture		-	(8,156)
視作出售附屬公司收益	Gain on deemed disposal of subsidiaries		-	(15,573)
出售以公允價值計量且其變動計入損益的金融資產收益	Gain on disposal of financial assets at fair value through profit or loss		(82)	(3,643)
重新計量於一間聯營公司的既有權益	Remeasurement of the pre-existing interest in an associate	36(c)	(311,900)	-
重新計量於一間合營企業的既有權益	Remeasurement of the pre-existing interest in a joint venture		-	(15,764)
出售物業、廠房及設備項目的虧損	Loss on disposal of items of property, plant and equipment		156	827
撇減物業存貨至可變現淨值	Write-down of inventories of properties to net realisable value		86,997	-
金融資產減值虧損：	Impairment losses on financial assets:			
應收貿易款項減值虧損	Impairment loss on trade receivables	21	11,463	33,855
計入預付款項、按金及其他應收款項的金融資產減值虧損	Impairment loss on financial assets included in prepayments, deposits and other receivables		29,068	18,971
沖銷其他應收款項的虧損	Loss on write-off of other receivables		133,491	-
出售金融資產的虧損	Loss on disposal of financial assets		-	41,914
衍生金融工具公允價值虧損淨額	Fair value losses on derivative financial instruments, net		103	-
商譽減值	Impairment of goodwill		10,208	306,094
外匯淨差額	Foreign exchange differences, net		(165,064)	(356)
提前贖回優先票據所付的溢價	Premium paid on early redemption of senior notes		12,669	-

7. 融資成本

融資成本的分析如下：

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
利息開支	Interest expense	5,426,402	4,333,985
租賃負債利息	Interest on lease liabilities	141,772	96,144
未以公允價值計量且其變動計入損益的金融負債利息開支總額	Total interest expense on financial liabilities not at fair value through profit or loss	5,568,174	4,430,129
減：資本化利息	Less: Interest capitalised	(4,387,005)	(3,419,279)
		1,181,169	1,010,850

7. FINANCE COSTS

An analysis of finance costs is as follows:

8. 董事及最高行政人員薪酬

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條以及公司(披露董事利益資料)規例第2部披露的董事及最高行政人員的年度薪酬如下：

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
袍金	Fees	933	933
其他酬金：	Other emoluments:		
薪金、津貼及實物利益	Salaries, allowances and benefits in kind	14,624	14,684
表現掛鈎花紅	Performance-related bonuses	45,991	50,333
退休金計劃供款	Pension scheme contributions	391	522
		61,006	65,539
		61,939	66,472

於截至二零二零年及二零一九年十二月三十一日止年度，概無董事及最高行政人員獲授購股權。

For the years ended 31 December 2020 and 2019, no directors and chief executive were granted share options.

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8. 董事及最高行政人員薪酬
(續)

(a) 獨立非執行董事

年內已支付予獨立非執行董事的袍金如下：

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
孫惠女士	Ms. Sun Hui	311	311
黃偉文先生	Mr. Wong Wai Man	311	311
靳慶軍先生	Mr. Jin Qingjun	311	311
		933	933

年內並無應付獨立非執行董事的其他酬金(二零一九年：無)。

(b) 執行董事及最高行政人員

8. DIRECTORS' AND CHIEF EXECUTIVE'S
REMUNERATION (CONT'D)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

There were no other emoluments payable to the independent non-executive directors during the year (2019: Nil).

(b) Executive directors and the chief executive

		薪金、津貼及 實物利益 Salaries, allowances and benefits in kind 人民幣千元 RMB'000	表現掛鈎 花紅 Performance related bonuses 人民幣千元 RMB'000	退休金 計劃供款 Pension scheme contributions 人民幣千元 RMB'000	薪酬總額 Total remuneration 人民幣千元 RMB'000
截至二零二零年 十二月三十一日止年度	Year ended 31 December 2020				
岑先生	Mr. Shum	3,080	12,923	62	16,065
關建輝先生	Mr. Guan Jianhui	2,657	8,596	69	11,322
白錫洪先生	Mr. Bai Xihong	2,698	9,979	69	12,746
李強先生	Mr. Li Qiang	2,412	6,621	69	9,102
岑兆雄先生	Mr. Shum Siu Hung	1,669	2,469	53	4,191
牛露旻先生	Mr. Niu Jimin	2,108	5,403	69	7,580
		14,624	45,991	391	61,006

8. 董事及最高行政人員薪酬 (續)

(b) 執行董事及最高行政人員 (續)

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONT'D)

(b) Executive directors and the chief executive (Cont'd)

		薪金、津貼及 實物利益 Salaries, allowances and benefits in kind 人民幣千元 RMB'000	表現掛鈎 花紅 Performance related bonuses 人民幣千元 RMB'000	退休金 計劃供款 Pension scheme contributions 人民幣千元 RMB'000	薪酬總額 Total remuneration 人民幣千元 RMB'000
截至二零一九年 十二月三十一日止年度	Year ended 31 December 2019				
岑先生	Mr. Shum	3,318	12,588	88	15,994
關建輝先生	Mr. Guan Jianhui	2,668	7,662	88	10,418
白錫洪先生	Mr. Bai Xihong	2,649	12,426	88	15,163
李強先生	Mr. Li Qiang	2,500	8,360	88	10,948
岑兆雄先生	Mr. Shum Siu Hung	1,651	3,036	82	4,769
牛霽旻先生	Mr. Niu Jimin	1,898	6,261	88	8,247
		14,684	50,333	522	65,539

年內概無董事或最高行政人員放棄或同意放棄任何薪酬的安排(二零一九年：無)。

There was no arrangement under which a director or chief executive waived or agreed to waive any remuneration during the year (2019: Nil).

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9. 五名最高薪酬僱員

年內，五名最高薪酬僱員包括四名董事(當中包括最高行政人員)(二零一九年：三名董事，當中包括最高行政人員)，該等董事的薪酬詳情載列於上述附註8。年內，剩餘一名(二零一九年：兩名)最高薪酬僱員(彼並非本公司的董事及最高行政人員)的薪酬詳情如下：

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
薪金、津貼及實物利益	Salaries, allowances and benefits in kind	5,811	3,503
表現掛鈎花紅	Performance related bonuses	5,939	21,441
退休金計劃供款	Pension scheme contributions	61	169
		11,811	25,113

薪酬介乎下列範圍的最高薪酬非董事及非首席執行官的僱員人數如下：

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included four directors, including the chief executive (2019: three directors, including the chief executive), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining one (2019: two) highest paid employee who is neither a director nor chief executive of the Company are as follows:

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

		Number of employees 僱員數目	
		二零二零年 2020	二零一九年 2019
10,000,001港元至15,000,000港元	HKD10,000,001 to HKD15,000,000	1	2

10. 所得稅

本集團須按實體基準就產生自或源於本集團成員公司所屬及經營所在司法管轄區的利潤繳納所得稅。根據開曼群島及英屬維爾京群島規則與規例，本集團實體(於開曼群島及英屬維爾京群島註冊成立)毋須繳納任何所得稅。

香港利得稅

在香港產生估計應課稅溢利的香港利得稅法定稅率為16.5%(二零一九年：16.5%)。由於本集團於年內在香港並無產生應課稅溢利，故並無作出香港利得稅撥備(二零一九年：無)。

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and BVI, the entities of the Group which were incorporated in the Cayman Islands and BVI are not subject to any income tax.

Hong Kong profits tax

The statutory rate of Hong Kong profits tax was 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax was made as the Group had no assessable profits arising in Hong Kong during the year (2019: Nil).

10. 所得稅(續)

中國企業所得稅(「企業所得稅」)

根據現行法規、詮釋及慣例，本集團有關於中國內地經營業務的所得稅撥備按兩個年度的應課稅利潤以適用稅率計算。本集團若干中國附屬公司於兩個年度內可享有15%的優惠企業所得稅率。

中國土地增值稅(「土地增值稅」)

中國土地增值稅以土地增值按累進稅率介乎30%至60%之累進稅率，即出售已竣工物業所得款項減可扣除開支(包括土地成本、借款成本及相關物業開發開支)，且按所得稅開支計入綜合損益表中。

10. INCOME TAX (CONT'D)

PRC corporate income tax ("CIT")

The Group's income tax provision in respect of its operations in Mainland China has been calculated at the applicable tax rates on the taxable profits for both years, based on the existing legislation, interpretations and practices in respect thereof. Certain of the Group's PRC subsidiaries enjoyed a preferential CIT rate of 15% during both years.

PRC land appreciation tax ("LAT")

PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of completed properties less deductible expenditures including cost of land, borrowing costs and relevant property development expenditures, and is included in the consolidated statement of profit or loss as income tax expense.

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
即期：	Current:		
企業所得稅	CIT	3,065,857	2,853,316
土地增值稅	LAT	1,264,403	2,978,954
遞延(附註19)	Deferred (note 19)	(573,792)	(1,053,752)
年度稅項支出總額	Total tax charge for the year	3,756,468	4,778,518

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10. 所得稅(續)

使用法定稅率計算的除稅前利潤的適用稅項開支與按實際稅率計算的稅項開支的對賬及適用稅率(即法定稅率)與實際稅率的對賬如下:

10. INCOME TAX (CONT'D)

A reconciliation of the tax expense applicable to profit before tax using the statutory tax rate to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate is as follows:

		二零二零年 2020		二零一九年 2019	
		人民幣千元 RMB'000	%	人民幣千元 RMB'000	%
除稅前利潤	Profit before tax	9,122,478		10,338,979	
按中國法定稅率計算的稅項	Tax at the PRC statutory tax rate	2,280,619	25.0	2,584,745	25.0
調整若干公司的不同稅率	Adjustment for different tax rates of certain companies	(76,094)	(0.8)	131,420	1.3
毋須繳稅的收入	Income not subject to tax	(433,747)	(4.8)	(84,079)	(0.8)
不可扣稅的支出	Expenses not deductible for tax	662,906	7.3	450,986	4.4
土地增值稅撥備	Provision for LAT	1,207,294	13.2	2,618,603	25.3
土地增值稅的稅務影響	Tax effect of LAT	(301,823)	(3.3)	(654,651)	(6.3)
未確認的稅項虧損	Tax losses not recognised	466,723	5.1	22,669	0.2
自過往期間起動用的稅項虧損	Tax losses utilised from previous periods	(88,534)	(1.0)	(177,801)	(1.7)
應佔合營企業及聯營公司損益	Profits and losses attributable to joint ventures and associates	(111,265)	(1.2)	(302,192)	(2.9)
中國內地附屬公司 未分配利潤的預扣稅	Withholding taxes on undistributed profits of the subsidiaries in Mainland China	150,389	1.7	188,818	1.8
按本集團的實際稅率計算的 稅項支出	Tax charge at the Group's effective rate	3,756,468	41.2	4,778,518	46.3

11. 股息

董事會建議派發截至二零二零年十二月三十一日止年度的末期股息每股人民幣76.68分，合共人民幣1,488,985,000元(二零一九年：人民幣84.45分)。末期股息將以現金或股東可按以股代息的選擇權以本公司已繳足的以股代息新股份代替現金或部分按現金及部分按以股代息股份的形式來收取。

本年度的建議末期股息須待本公司股東於應屆股東週年大會上批准，方可作實。

二零一九年的建議末期股息每股人民幣84.45分(合共人民幣1,639,865,000元)已由本公司股東於二零二零年五月十五日舉行的股東週年大會上批准，並於二零二零年七月派發。

12. 歸屬於本公司普通權益持有人的每股盈利

每股基本及攤薄盈利乃根據本公司普通權益持有人應佔年度利潤及年內已發行普通股的加權平均數1,941,817,000股(二零一九年：1,906,606,000股)計算。

11. DIVIDENDS

The board of directors recommended the payment of a final dividend of RMB76.68 cents per share totalling RMB1,488,985,000 for the year ended 31 December 2020 (2019: RMB84.45 cents). The final dividend will be either payable in cash or, at the scrip option of the shareholders, in the form of new fully paid scrip shares of the Company in lieu of cash, or partly in cash and partly in the scrip shares.

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

The proposed 2019 final dividend of RMB84.45 cents per share totalling RMB1,639,865,000 was approved by the Company's shareholders at the annual general meeting on 15 May 2020 and was distributed in July 2020.

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculations of the basic and the diluted earnings per share amounts are based on the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares of 1,941,817,000 (2019: 1,906,606,000) in issue during the year.

		二零二零年 2020	二零一九年 2019
本公司普通權益持有人應佔利潤 (人民幣千元)	Profit attributable to ordinary equity holders of the Company (RMB'000)	4,941,190	5,212,623
已發行普通股的加權平均數 (以千股計)	Weighted average number of ordinary shares in issue (in thousand)	1,941,817	1,906,606
每股基本及攤薄盈利 (每股人民幣分)	Basic and diluted earnings per share (RMB cents per share)	254	273

截至二零二零年及二零一九年十二月三十一日止各年度，本集團並無任何已發行潛在攤薄普通股。

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2020 and 2019 respectively.

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13. 物業、廠房及設備

13. PROPERTY, PLANT AND EQUIPMENT

		樓宇	租賃物業 裝修	傢俬、裝置及 辦公室設備	汽車	總計
		Buildings	Leasehold improve- ments	Furniture, fixtures and office equipment	Motor vehicles	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
二零二零年十二月三十一日	31 December 2020					
成本：	Cost:					
於二零二零年一月一日	At 1 January 2020	923,185	340,983	157,069	26,212	1,447,449
添置	Additions	85,640	91,270	6,966	6	183,882
收購附屬公司	Acquisition of subsidiaries	-	1,732	1,588	-	3,320
出售	Disposals	-	(1,302)	(2,073)	(878)	(4,253)
出售附屬公司	Disposal of a subsidiary	-	-	-	(1,089)	(1,089)
轉撥自投資物業 (附註15)	Transfer from investment properties (note 15)	10,777	-	-	-	10,777
於二零二零年十二月三十一日	At 31 December 2020	1,019,602	432,683	163,550	24,251	1,640,086
累計折舊：	Accumulated depreciation:					
於二零二零年一月一日	At 1 January 2020	119,424	127,210	88,834	15,879	351,347
本年度已撥備的折舊	Depreciation provided during the year	32,035	57,996	20,598	2,349	112,978
收購附屬公司	Acquisition of subsidiaries	-	118	1,148	-	1,266
出售	Disposals	-	(24)	(1,695)	(834)	(2,553)
出售附屬公司	Disposal of a subsidiary	-	-	-	(951)	(951)
於二零二零年十二月三十一日	At 31 December 2020	151,459	185,300	108,885	16,443	462,087
賬面淨額	Net carrying amount	868,143	247,383	54,665	7,808	1,177,999

13. 物業、廠房及設備(續)

13. PROPERTY, PLANT AND EQUIPMENT
(CONT'D)

		樓宇	租賃物業 裝修	傢俬、裝置及 辦公室設備 Furniture, fixtures and office equipment	汽車	總計
		Buildings	Leasehold improve- ments		Motor vehicles	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
二零一九年十二月三十一日	31 December 2019					
成本：	Cost:					
於二零一九年一月一日	At 1 January 2019	895,113	247,837	184,161	27,794	1,354,905
添置	Additions	-	101,604	13,917	1,591	117,112
收購附屬公司	Acquisition of subsidiaries	-	7,500	3,477	1,401	12,378
出售	Disposals	-	(1,016)	(5,841)	(1,611)	(8,468)
實物分派	Distribution in specie	-	(14,942)	(38,271)	(2,963)	(56,176)
出售及視作出售 附屬公司	Disposal and deemed disposal of subsidiaries	-	-	(374)	-	(374)
轉撥自投資物業	Transfer from investment properties	28,072	-	-	-	28,072
於二零一九年十二月三十一日	At 31 December 2019	923,185	340,983	157,069	26,212	1,447,449
累計折舊：	Accumulated depreciation:					
於二零一九年一月一日	At 1 January 2019	86,945	94,449	83,467	13,800	278,661
本年度已撥備的折舊	Depreciation provided during the year	32,479	39,158	22,810	4,267	98,714
收購附屬公司	Acquisition of subsidiaries	-	736	2,640	1,083	4,459
出售	Disposals	-	(1,016)	(4,283)	(1,166)	(6,465)
實物分派	Distribution in specie	-	(6,117)	(15,766)	(2,105)	(23,988)
出售及視作出售 附屬公司	Disposal and deemed disposal of subsidiaries	-	-	(34)	-	(34)
於二零一九年十二月三十一日	At 31 December 2019	119,424	127,210	88,834	15,879	351,347
賬面淨額	Net carrying amount	803,761	213,773	68,235	10,333	1,096,102

於二零二零年十二月三十一日，賬面淨額約人民幣710,083,000元(二零一九年：人民幣495,792,000元)的本集團若干樓宇已抵押予銀行，以取得授予本集團的銀行貸款(附註30(c))。

At 31 December 2020, certain of the Group's buildings with a net carrying amount of approximately RMB710,083,000 (2019: RMB495,792,000) were pledged to banks to secure bank loans granted to the Group (note 30 (c)).

14. 租賃

本集團作為承租人

本集團擁有用於其營運的樓宇、辦公室設備及汽車等不同項目的租賃合同。樓宇租賃的租期通常介乎2至8年，辦公室設備租賃的租期通常介乎2至5年，而汽車的租期通常介乎2至3年。其他設備的租期通常為12個月或以下及/或個別價值較低。

(a) 使用權資產

年內本集團使用權資產的賬面值及變動如下：

14. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings, office equipment and motor vehicles used in its operations. Leases of buildings generally have lease terms between 2 and 8 years, leases of office equipment generally have lease terms between 2 and 5 years, while motor vehicles generally have lease terms between 2 and 3 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

		樓宇 Buildings 人民幣千元 RMB'000	辦公室設備 Office equipment 人民幣千元 RMB'000	汽車 Motor vehicles 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一九年一月一日	At 1 January 2019	91,376	113	3,275	94,764
添置	Additions	82,252	1,323	9,976	93,551
實物分派	Distribution in specie	(4,922)	-	(191)	(5,113)
折舊支出	Depreciation charge	(40,509)	(208)	(4,299)	(45,016)
於二零一九年十二月三十一日及 二零二零年一月一日	At 31 December 2019 and 1 January 2020	128,197	1,228	8,761	138,186
添置	Additions	1,236,384	17,114	8,223	1,261,721
轉撥至投資物業	Transfer to investment properties	(1,236,172)	-	-	(1,236,172)
折舊支出	Depreciation charge	(56,685)	(10,116)	(11,411)	(78,212)
於二零二零年十二月三十一日	At 31 December 2020	71,724	8,226	5,573	85,523

14. 租賃(續)

本集團作為承租人(續)

(b) 租賃負債

年內租賃負債的賬面值及變動如下：

14. LEASES (CONT'D)

The Group as a lessee (Cont'd)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
於一月一日的賬面值	Carrying amount at 1 January	1,226,430	1,183,136
新租賃	New leases	1,261,721	93,551
因收購附屬公司而添置	Additions as a result of acquisition of subsidiaries	-	10,089
實物分派	Distribution in specie	-	(13,765)
年內已確認利息的增加	Accretion of interest recognised during the year	141,772	96,144
付款	Payments	(303,952)	(142,725)
於十二月三十一日的賬面值	Carrying amount at 31 December	2,325,971	1,226,430
分析為：	Analysed into:		
流動部分	Current portion	115,881	51,959
非流動部分	Non-current portion	2,210,090	1,174,471
分析為：	Analysed into:		
一年內	Within one year	115,881	51,959
第二年	In the second year	39,539	33,698
第三至第五年(包含首尾兩年)	In the third to fifth years, inclusive	45,914	51,457
超過五年	Beyond five years	2,124,637	1,089,316
		2,325,971	1,226,430

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14. 租賃(續)

本集團作為承租人(續)

(c) 於損益中確認的租賃相關款項如下：

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
租賃負債利息	Interest on lease liabilities	141,772	96,144
使用權資產折舊支出	Depreciation charge of right-of-use assets	78,212	45,016
與短期租賃及餘下租期於 二零一九年十二月三十一日或 之前屆滿的其他租賃有關的開支 (計入行政開支)	Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019 (included in administrative expenses)	15,903	18,234
與低價值資產租賃有關的開支 (計入行政開支)	Expense relating to leases of low-value assets (included in administrative expenses)	3,514	2,693
於損益中確認的款項總額	Total amount recognised in profit or loss	239,401	162,087

(d) 租賃現金流出及與尚未開始租賃有關的未來現金流出總額分別於財務報表附註38(c)及40披露。

14. LEASES (CONT'D)

The Group as a lessee (Cont'd)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

(d) The total cash outflow for leases and future cash outflows relating to leases that have not yet commenced are disclosed in notes 38(c) and 40, respectively, to the financial statements.

14. 租賃(續)

本集團作為出租人

本集團根據經營租賃安排於中國出租其投資物業(附註15)，包括九項商業物業。租賃條款通常要求租戶支付保證金並根據當時市況定期調整租金。年內，本集團的已確認租金收入為人民幣450,164,000元(二零一九年：人民幣461,056,000元)，詳情載於財務報表附註5。

於二零二零年十二月三十一日，根據與租戶的不可撤銷經營租賃，本集團於未來期間的應收未貼現租賃款項如下：

14. LEASES (CONT'D)

The Group as a lessor

The Group leases its investment properties (note 15) consisting of 9 commercial properties in the PRC under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB450,164,000 (2019: RMB461,056,000), details of which are included in note 5 to the financial statements.

At 31 December 2020, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
一年內	Within one year	562,474	367,145
一年以上但兩年以內	After one year but within two years	416,080	264,530
兩年以上但三年以內	After two years but within three years	281,472	194,791
三年以上但四年以內	After three years but within four years	160,183	139,421
四年以上但五年以內	After four years but within five years	62,982	50,183
超過五年	After five years	117,158	156,752
		1,600,349	1,172,822

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15. 投資物業

15. INVESTMENT PROPERTIES

	附註 Notes	已竣工投資物業 Completed investment properties 人民幣千元 RMB'000	開發中投資物業 Investment properties under development 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一九年一月一日的賬面值	Carrying amount at 1 January 2019	2,313,614	1,016,137	3,329,751
自開發中投資物業轉撥至 已竣工投資物業	Transfer from investment properties under development to completed investment properties	797,447	(797,447)	-
添置	Additions	-	205,099	205,099
終止確認融資轉租	Derecognition of financing subleases	(26,039)	(7,242)	(33,281)
轉撥至自用物業	Transfer to owner-occupied properties	(28,072)	-	(28,072)
自有投資物業的公允價值變動	Changes in fair value of self-owned investment properties	18,013	-	18,013
轉租投資物業的公允價值變動*	Changes in fair value of sub-leased investment properties*	(20,394)	18,093	(2,301)
於二零一九年十二月三十一日及 二零二零年一月一日的賬面值	Carrying amount at 31 December 2019 and 1 January 2020	3,054,569	434,640	3,489,209
自開發中投資物業轉撥至 已竣工投資物業	Transfer from investment properties under development to completed investment properties	796,650	(796,650)	-
添置	Additions	-	914,869	914,869
轉撥自使用權資產	Transfer from right-of-use assets	-	1,236,172	1,236,172
終止確認融資轉租	Derecognition of financing subleases	(65,207)	-	(65,207)
轉撥至自用物業	Transfer to owner-occupied properties	(10,777)	-	(10,777)
自開發中物業轉撥至投資物業	Transfer from properties under development to investment properties	-	1,424,317	1,424,317
自有投資物業的公允價值變動	Changes in fair value of self-owned investment properties	725	1,411	2,136
轉租投資物業的公允價值變動*	Changes in fair value of sub-leased investment properties*	(470,215)	486,896	16,681
於二零二零年十二月三十一日的 賬面值	Carrying amount at 31 December 2020	3,305,745	3,701,655	7,007,400

* 轉租投資物業公允價值變動計入綜合損益表的「銷售成本」。

* The changes in fair value of sub-leased investment properties was included in "cost of sales" in the consolidated statement of profit or loss.

本集團的投資物業包括於中國內地的十三項商業物業。本公司董事決定，根據各項物業的所有權，投資物業包括兩類資產，即自有投資物業及轉租投資物業。投資物業主要根據經營租賃安排出租予第三方，進一步詳情概要載於財務報表附註14。

The Group's investment properties consist of 13 commercial properties in Mainland China. The directors of the Company have determined that the investment properties consist of two classes of asset, i.e., self-owned investment properties and sub-leased investment properties, based on the ownership of each property. The investment properties are mainly leased to third parties under operating lease arrangements, further summary details of which are included in note 14 to the financial statements.

15. 投資物業(續)

於二零二零年十二月三十一日，本集團自有投資物業的公開市值由獨立合資格專業估值師公司戴德梁行有限公司及廣東致信資產評估房地產土地估價有限公司(「廣東致信」)按現有用途基準重新估值為人民幣2,741,915,000元(二零一九年：人民幣1,326,240,000元)。

於二零二零年十二月三十一日，本集團轉租投資物業的公開市值由獨立合資格專業估值師公司廣東致信按現有用途基準重新估值為人民幣4,265,485,000元(二零一九年十二月三十一日：人民幣2,162,969,000元)。

本集團每半年選定並委任外聘估值師負責對本集團物業進行外部估值，甄選標準包括市場知識、聲譽、獨立性及是否維持專業水準。本集團於就財務申報目的進行估值時與該估值師就估值假設及估值結果進行商討。

於二零二零年十二月三十一日，本集團金額約人民幣901,023,000元(二零一九年：人民幣579,426,000元)的若干自有投資物業已作抵押，以取得授予本集團的銀行貸款(附註30(c))。

公允價值層級

於二零二零年及二零一九年十二月三十一日，本集團的投資物業的公允價值採用重大不可觀察輸入數據(第三級)計量。

年內，第一級與第二級之間並無公允價值計量轉移，亦無公允價值計量轉入或轉出第三級(二零一九年：無)。

15. INVESTMENT PROPERTIES (CONT'D)

The Group's self-owned investment properties were revalued on 31 December 2020 at RMB2,741,915,000 (2019: RMB1,326,240,000) by DTZ Cushman & Wakefield Limited and Guangdong Zhixin Assets Evaluation Real Estate Land Appraisal Co., Ltd. ("Guangdong Zhixin"), independent firms of professionally qualified valuers, on an open market, existing use basis.

The Group's sub-leased investment properties were revalued on 31 December 2020 at RMB4,265,485,000 (31 December 2019: RMB2,162,969,000) by Guangdong Zhixin an independent firm of professionally qualified valuers, on an open market, existing use basis.

Every half year, the Group decides to appoint which external valuers to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group has discussions with the valuer on the valuation assumptions and valuation results when the valuation is performed for financial reporting.

At 31 December 2020, certain of the Group's self-owned investment properties with an amount of approximately RMB901,023,000 (2019: RMB579,426,000) were pledged to secure the bank loans granted to the Group (note 30 (c)).

Fair value hierarchy

As at 31 December 2020 and 2019, fair values of the Group's investment properties were measured using significant unobservable inputs (Level 3).

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2019: Nil).

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15. 投資物業(續)

公允價值層級(續)

投資物業所用估值方法及估值的重大輸入數據的概要載列如下：

自有物業

估值方法	重大不可觀察 輸入數據	範圍或 加權平均數	Range or weighted average	
			二零二零年	二零一九年
時代地產中心 -零售	直接比較法 市場單位銷售率 (每平方米 (「平方米」) 人民幣元)	53,950 至83,000	53,950至 83,000	
時代地產中心 -辦公室	直接比較法 市場單位銷售率 (每平方米 人民幣元)	30,500	31,000	
時代地產中心-停 車位	直接比較法 市場單位銷售率 (每空間 人民幣元)	510,000	510,000	
時代傾城(中山) 第26座： -1樓至3樓	投資法 年期收益率 復歸收益率 市場單位每月租金 (每平方米 人民幣元)	4.00% 4.50% 74至218	3.50% 4.00% 73至91	
時代傾城(中山) 第26座： -4樓至5樓	投資法 年期收益率 復歸收益率 市場單位每月租金 (每平方米 人民幣元)	4.00% 4.50% 56至120	4.00% 4.50% 48至64	
時代天境(佛山) -住宅	直接比較法 市場單位銷售率 (每平方米 人民幣元)	29,908	不適用	
時代天境(成都) -土地	直接比較法 市場單位銷售率 (每平方米 人民幣元)	2,722	不適用	

15. INVESTMENT PROPERTIES (CONT'D)

Fair value hierarchy (Cont'd)

Set out below is a summary of the valuation techniques used and the key inputs to the valuations of investment properties:

Self-owned properties

Valuation techniques	Significant unobservable inputs	Range or weighted average	
		2020	2019
Times Property Center - Retail	Direct comparison method Market unit sale rate (RMB/square metre ("sq.m."))	53,950 to 83,000	53,950 to 83,000
Times Property Center - Office	Direct comparison method Market unit sale rate (RMB/sq.m.)	30,500	31,000
Times Property Center - Car parking	Direct comparison method Market unit sale rate (RMB/space)	510,000	510,000
Block No. 26 of Times King City (Zhongshan): - 1st to 3rd Floors	Investment method Term yield Reversionary yield Market unit monthly rental (RMB/sq.m.)	4.00% 4.50% 74 to 218	3.50% 4.00% 73 to 91
Block No. 26 of Times King City (Zhongshan): - 4th to 5th Floors	Investment method Term yield Reversionary yield Market unit monthly rental (RMB/sq.m.)	4.00% 4.50% 56 to 120	4.00% 4.50% 48 to 64
Times Realm (Foshan) - Residential	Direct comparison method Market unit sale rate (RMB/sq.m.)	29,908	N/A
Times Realm (Chengdu) - Land	Direct comparison method Market unit sale rate (RMB/sq.m.)	2,722	N/A

15. 投資物業(續)

公允價值層級(續)

轉租物業

估值方法	重大不可觀察 輸入數據	範圍或 加權平均數		
		二零二零年	二零一九年	
時代•寶灣國際 物流園-倉庫	投資法	估用率	65%-80%	55%-85%
		貼現率	7.00%	7.00%
		市場單位每月租金 (每平方米人民幣元)	40至50	27至37
時代•寶灣國際 物流園-辦公室	投資法	估用率	50%-80%	60%-80%
		貼現率	7.50%	7.50%
		市場單位每月租金 (每平方米人民幣元)	30至40	30至40
時代•寶灣國際 物流園-停車位	投資法	貼現率	7.50%	7.50%
		市場單位每月租金 (每空間人民幣元)	367至493	350至450
時代TIT廣場-零售	投資法	估用率	70%-85%	75%-85%
		貼現率	8.00%	8.00%
		市場單位每月租金 (每平方米人民幣元)	76至82	63至69
時代TIT廣場 -辦公室	投資法	估用率	70%-85%	75%-85%
		貼現率	7.50%	7.50%
		市場單位每月租金 (每平方米人民幣元)	68至74	62至68
時代鑽匯方洲 -零售	投資法	估用率	50%-70%	70%-85%
		貼現率	8.00%	8.00%
		市場單位每月租金 (每平方米人民幣元)	47至66	46至64
時代鑽匯方洲 -辦公室	投資法	估用率	60%-85%	70%-85%
		貼現率	7.50%	7.50%
		市場單位每月租金 (每平方米人民幣元)	39至50	44至60
時代鑽匯方洲 -停車位	投資法	貼現率	7.50%	7.50%
		市場單位每月租金 (每空間人民幣元)	367至508	367至508
時代遠景大韓城 -零售	投資法	估用率	70%-80%	70%-85%
		貼現率	8.00%	8.00%
		市場單位每月租金 (每平方米人民幣元)	100至112	98至110
時代遠景大韓城 -辦公室	投資法	估用率	70%-80%	70%-85%
		貼現率	7.50%	7.50%
		市場單位每月租金 (每平方米人民幣元)	70至78	67至75

15. INVESTMENT PROPERTIES (CONT'D)

Fair value hierarchy (Cont'd)

Sub-leased properties

Valuation techniques	Significant unobservable inputs	Range or weighted average		
		2020	2019	
Times • Blogis International LogisPark-Warehouse	Investment method	Occupancy rate	65%-80%	55%-85%
		Discount rate	7.00%	7.00%
		Market unit monthly rental (RMB/sq.m.)	40 to 50	27 to 37
Times • Blogis International LogisPark-Office	Investment method	Occupancy rate	50%-80%	60%-80%
		Discount rate	7.50%	7.50%
		Market unit monthly rental (RMB/sq.m.)	30 to 40	30 to 40
Times • Blogis International LogisPark-Car parking	Investment method	Discount rate	7.50%	7.50%
		Market unit monthly rental (RMB/space)	367 to 493	350 to 450
Times TIT Plaza-Retail	Investment method	Occupancy rate	70%-85%	75%-85%
		Discount rate	8.00%	8.00%
		Market unit monthly rental (RMB/sq.m.)	76 to 82	63 to 69
Times TIT Plaza- Office	Investment method	Occupancy rate	70%-85%	75%-85%
		Discount rate	7.50%	7.50%
		Market unit monthly rental (RMB/sq.m.)	68 to 74	62 to 68
Times ARK-Retail	Investment method	Occupancy rate	50%-70%	70%-85%
		Discount rate	8.00%	8.00%
		Market unit monthly rental (RMB/sq.m.)	47 to 66	46 to 64
Times ARK- Office	Investment method	Occupancy rate	60%-85%	70%-85%
		Discount rate	7.50%	7.50%
		Market unit monthly rental (RMB/sq.m.)	39 to 50	44 to 60
Times ARK- Car parking	Investment method	Discount rate	7.50%	7.50%
		Market unit monthly rental (RMB/space)	367 to 508	367 to 508
The Korea Town-Retail	Investment method	Occupancy rate	70%-80%	70%-85%
		Discount rate	8.00%	8.00%
		Market unit monthly rental (RMB/sq.m.)	100 to 112	98 to 110
The Korea Town- Office	Investment method	Occupancy rate	70%-80%	70%-85%
		Discount rate	7.50%	7.50%
		Market unit monthly rental (RMB/sq.m.)	70 to 78	67 to 75

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15. 投資物業(續)
公允價值層級(續)

轉租物業(續)

估值方法	重大不可觀察 輸入數據	範圍或 加權平均數			Valuation techniques	Significant unobservable inputs	Range or weighted average	
		二零二零年	二零一九年				2020	2019
國際單位時尚 科技園-零售	投資法	估用率	75%-80%	75%-85%	Fashion Technology Park - Retail	Occupancy rate	75%-80%	75%-85%
		貼現率	8.00%	8.00%			8.00%	8.00%
		市場單位每月租金 (每平方米人民幣元)	66至74	62至70			66 to 74	62 to 70
國際單位時尚 科技園-辦公室	投資法	估用率	75%-80%	75%-85%	Fashion Technology Park - Office	Occupancy rate	75%-80%	75%-85%
		貼現率	7.50%	7.50%			7.50%	7.50%
		市場單位每月租金 (每平方米人民幣元)	59至67	55至63			59 to 67	55 to 63
時代E-PARK (番禺)-第一期 -零售	投資法	估用率	80%-85%	70%-85%	Times E-PARK (Pan Yu) - Phrase I - Retail	Occupancy rate	80%-85%	70%-85%
		貼現率	8.00%	8.00%			8.00%	8.00%
		市場單位每月租金 (每平方米人民幣元)	110至139	110至139			110 to 139	110 to 139
時代E-PARK (番禺)-第一期 -辦公室	投資法	估用率	85%-90%	70%-85%	Times E-PARK (Pan Yu) - Phrase I - Office	Occupancy rate	85%-90%	70%-85%
		貼現率	7.50%	7.50%			7.50%	7.50%
		市場單位每月租金 (每平方米人民幣元)	95至119	95至119			95 to 119	95 to 119
時代·方洲(海珠) -零售	投資法	估用率	65%-85%	不適用	Times ARK (Hai Zhu) - Retail	Occupancy rate	65%-85%	N/A
		貼現率	7.00%	不適用			7.00%	N/A
		市場單位每月租金 (每平方米人民幣元)	98至113	不適用			98 to 113	N/A
時代·方洲(海珠) -辦公室	投資法	估用率	70%-90%	不適用	Times ARK (Hai Zhu) - Office	Occupancy rate	70%-90%	N/A
		貼現率	6.50%	不適用			6.50%	N/A
		市場單位每月租金 (每平方米人民幣元)	71至99	不適用			71 to 99	N/A
時代E-PARK(番禺) -第二期	成本法	土地使用權的 市場單位每月租金 (每平方米人民幣元)	29至52	29至52	Times E-PARK (Pan Yu) - Phrase II	Market unit monthly rental of land use right (RMB/sq.m.)	29 to 52	29 to 52
		貼現率	7.45%	7.45%			7.45%	7.45%
佛山愛車小鎮項目	成本法	土地使用權的 市場單位每月租金 (每平方米人民幣元)	29至56	不適用	Foshan Favorite Car Town Project	Market unit monthly rental of land use right (RMB/sq.m.)	29 to 56	N/A
		貼現率	8.34%	不適用			8.34%	N/A
時代全球創客小鎮 -第一期	成本法	土地使用權的 市場單位每月租金 (每平方米人民幣元)	12至106	不適用	Times Global Chuangke Town - Phrase I	Market unit monthly rental of land use right (RMB/sq.m.)	12 to 106	N/A
		貼現率	8.34%	不適用			8.34%	N/A

15. INVESTMENT PROPERTIES (CONT'D)
Fair value hierarchy (Cont'd)

Sub-leased properties (Cont'd)

Valuation techniques	Significant unobservable inputs	Range or weighted average	
		2020	2019
Fashion Technology Park - Retail	Occupancy rate Discount rate Market unit monthly rental (RMB/sq.m.)	75%-80%	75%-85%
		8.00%	8.00%
		66 to 74	62 to 70
Fashion Technology Park - Office	Occupancy rate Discount rate Market unit monthly rental (RMB/sq.m.)	75%-80%	75%-85%
		7.50%	7.50%
		59 to 67	55 to 63
Times E-PARK (Pan Yu) - Phrase I - Retail	Occupancy rate Discount rate Market unit monthly rental (RMB/sq.m.)	80%-85%	70%-85%
		8.00%	8.00%
		110 to 139	110 to 139
Times E-PARK (Pan Yu) - Phrase I - Office	Occupancy rate Discount rate Market unit monthly rental (RMB/sq.m.)	85%-90%	70%-85%
		7.50%	7.50%
		95 to 119	95 to 119
Times ARK (Hai Zhu) - Retail	Occupancy rate Discount rate Market unit monthly rental (RMB/sq.m.)	65%-85%	N/A
		7.00%	N/A
		98 to 113	N/A
Times ARK (Hai Zhu) - Office	Occupancy rate Discount rate Market unit monthly rental (RMB/sq.m.)	70%-90%	N/A
		6.50%	N/A
		71 to 99	N/A
Times E-PARK (Pan Yu) - Phrase II	Market unit monthly rental of land use right (RMB/sq.m.) Discount rate	29 to 52	29 to 52
		7.45%	7.45%
Foshan Favorite Car Town Project	Market unit monthly rental of land use right (RMB/sq.m.) Discount rate	29 to 56	N/A
		8.34%	N/A
Times Global Chuangke Town - Phrase I	Market unit monthly rental of land use right (RMB/sq.m.) Discount rate	12 to 106	N/A
		8.34%	N/A

16. 於合營企業的權益

16. INTERESTS IN JOINT VENTURES

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
應佔資產淨值	Share of net assets	8,890,258	6,987,374
收購所產生的商譽 (減累計減值)	Goodwill on acquisition (less cumulative impairment)	493,580	599,674
		9,383,838	7,587,048

本集團重大合營企業的詳情如下：

Particulars of the Group's material joint ventures are as follows:

名稱 Name	註冊及營運地點 Place of registration and business	已發行普通/ 註冊股本 Issued ordinary/ registered share capital 人民幣元 RMB	百分比 Percentage of						主要業務 Principal activities
			所有者權益 Ownership interest 十二月三十一日 31 December		投票權 Voting power 十二月三十一日 31 December		溢利分享 Profit sharing 十二月三十一日 31 December		
			二零二零年 2020	二零一九年 2019	二零二零年 2020	二零一九年 2019	二零二零年 2020	二零一九年 2019	
廣州市浩思房地產開發有限公司 [^] Guangzhou Haosi Property Development Co., Ltd. [^] (「廣州浩思」) [#] ("Guangzhou Haosi") [#]	中國/中國內地 PRC/ Mainland China	2,950,000,000	75	-	50	-	75	-	物業開發 Property development
廣州市庭凱投資有限公司 [^] Guangzhou Tingkai Investment Co., Ltd. [^] (「廣州庭凱」) [#] ("Guangzhou Tingkai") [#]	中國/中國內地 PRC/ Mainland China	484,000,000	90.91	90.91	50	50	90.91	90.91	物業開發 Property development
珠海弘璟投資有限公司 [^] Zhuhai Hongjing Investment Co., Ltd. [^] (「珠海弘璟」) ("Zhuhai Hongjing") [#]	中國/中國內地 PRC/ Mainland China	1,400,000,000	50	50	50	50	50	50	物業開發 Property development

16. 於合營企業的權益(續)

附註：

^ 該等公司並未註冊任何正式英文名稱，故該等公司的英文名稱乃由本公司董事盡力以該等公司的中文名稱直譯而得。

根據本集團與該等公司股東訂立的股份轉讓協議及根據該等公司的組織章程細則及合作協議，本集團與該等公司股東對該等公司擁有共同控制權；而有關該等公司相關活動的決策權須本集團與該等公司股東的一致共識。因此，於該等公司的投資被視為本集團於合營企業的權益，並運用權益法處理。

(a) 重大合營企業的財務資料概要

截至二零二零年十二月三十一日止年度，廣州浩思、廣州庭凱及珠海弘環(均被視為本集團的重大合營企業)(二零一九年：廣州庭凱及珠海弘環)乃中國內地的物業開發商並以權益法入賬。

16. INTERESTS IN JOINT VENTURES (CONT'D)

Notes:

^ The English names of these companies represent the best effort made by the directors of the Company to directly translate their Chinese names as they do not register any official English names.

Pursuant to the share transfer agreements entered into between the Group and these companies' shareholders and in accordance with the articles of association and co-operation agreements of these companies, the Group and these companies' shareholders have joint control over these companies; and the decision about the relevant activities of these companies requires the unanimous consent of the Group and these companies' shareholders. The investments in these companies are, therefore, treated as interests in joint ventures of the Group and the equity method is applied.

(a) Summarised financial information of material joint ventures

Guangzhou Haosi, Guangzhou Tingkai and Zhuhai Hongjing, which are considered material joint ventures of the Group for the year ended 31 December 2020 (2019: Guangzhou Tingkai and Zhuhai Hongjing), are property developers in Mainland China and are accounted for using the equity method.

16. 於合營企業的權益(續)

(a) 重大合營企業的財務資料概要(續)

下表列示重大合營企業的財務資料概要，已就會計政策的任何差異作出調整及與綜合財務報表的賬面值對賬：

		二零二零年 2020		
		廣州浩思 Guangzhou Haosi 人民幣千元 RMB'000	廣州庭凱 Guangzhou Tingkai 人民幣千元 RMB'000	珠海弘環 Zhuhai Hongjing 人民幣千元 RMB'000
現金及現金等價物	Cash and cash equivalents	545,746	20,375	552,452
其他流動資產	Other current assets	4,824,651	4,613,843	6,052,287
流動資產	Current assets	5,370,397	4,634,218	6,604,739
非流動資產	Non-current assets	874	90,603	32,940
應付貿易款項	Trade payables	(646,612)	(172,741)	-
其他應付款項及應計款項	Other payables and accruals	(1,883,947)	(2,439,746)	(3,934,350)
應付稅款	Tax payable	-	(732,796)	(32,630)
流動負債	Current liabilities	(2,530,559)	(3,345,283)	(3,966,980)
計息銀行及其他借款 及應付利息	Interest-bearing bank and other borrowings and interest payable	(400,000)	-	-
其他非流動負債	Other non-current liabilities	-	-	(304,563)
非流動負債	Non-current liabilities	(400,000)	-	(304,563)
資產淨值	Net assets	2,440,712	1,379,538	2,366,136
資產淨值(不包括商譽)	Net assets, excluding goodwill	2,440,712	1,379,538	2,366,136

16. INTERESTS IN JOINT VENTURES (CONT'D)

(a) Summarised financial information of material joint ventures (Cont'd)

The following table illustrates the summarised financial information in respect of material joint ventures adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

		二零二零年 2020		
		廣州浩思 Guangzhou Haosi 人民幣千元 RMB'000	廣州庭凱 Guangzhou Tingkai 人民幣千元 RMB'000	珠海弘環 Zhuhai Hongjing 人民幣千元 RMB'000
Cash and cash equivalents		545,746	20,375	552,452
Other current assets		4,824,651	4,613,843	6,052,287
Current assets		5,370,397	4,634,218	6,604,739
Non-current assets		874	90,603	32,940
Trade payables		(646,612)	(172,741)	-
Other payables and accruals		(1,883,947)	(2,439,746)	(3,934,350)
Tax payable		-	(732,796)	(32,630)
Current liabilities		(2,530,559)	(3,345,283)	(3,966,980)
Interest-bearing bank and other borrowings and interest payable		(400,000)	-	-
Other non-current liabilities		-	-	(304,563)
Non-current liabilities		(400,000)	-	(304,563)
Net assets		2,440,712	1,379,538	2,366,136
Net assets, excluding goodwill		2,440,712	1,379,538	2,366,136

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16. 於合營企業的權益(續)

(a) 重大合營企業的財務資料概要(續)

16. INTERESTS IN JOINT VENTURES (CONT'D)

(a) Summarised financial information of material joint ventures (Cont'd)

		二零二零年 2020		
		廣州浩思 Guangzhou Haosi 人民幣千元 RMB'000	廣州庭凱 Guangzhou Tingkai 人民幣千元 RMB'000	珠海弘璟 Zhuhai Hongjing 人民幣千元 RMB'000
與本集團於合營企業的 權益對賬：	Reconciliation to the Group's interests in joint ventures:			
本集團所有權比例	Proportion of the Group's ownership interest	75.00%	90.91%	50.00%
應佔合營企業的 資產淨值(不包含商譽)	Share of net assets of the joint ventures, excluding goodwill	1,830,534	1,254,138	1,183,068
投資內的賬面值	Carrying amount of the investments	1,830,534	1,254,138	1,183,068
收入	Revenue	-	1,651,222	-
銀行利息收入	Bank interest income	254	1,141	1,581
折舊及攤銷	Depreciation and amortisation	(4)	(944)	(98)
利息開支	Interest expense	-	(13,121)	-
所得稅開支	Income tax expense	839	(459,848)	13,547
年度(虧損)/利潤及 全面(虧損)/收入總額	(Loss)/profit and total comprehensive (loss)/income for the year	(3,911)	770,447	(51,796)

16. 於合營企業的權益(續)

16. INTERESTS IN JOINT VENTURES (CONT'D)

(a) 重大合營企業的財務資料概要(續)

(a) Summarised financial information of material joint ventures (Cont'd)

		二零一九年 2019	
		廣州庭凱 Guangzhou Tingkai 人民幣千元 RMB'000	珠海弘璟 Zhuhai Hongjing 人民幣千元 RMB'000
現金及現金等價物	Cash and cash equivalents	132,805	713,884
其他流動資產	Other current assets	2,665,497	6,362,556
流動資產	Current assets	2,798,302	7,076,440
非流動資產	Non-current assets	331,882	19,443
收購所產生的商譽	Goodwill on acquisition	41,406	–
應付貿易款項	Trade payables	(128,411)	(10,927)
其他應付款項及應計款項	Other payables and accruals	(1,418,125)	(3,151,671)
計息銀行及其他借款及 應付利息	Interest-bearing bank and other borrowings and interest payable	–	(940,000)
應付稅款	Tax payable	(448,510)	(270,790)
流動負債	Current liabilities	(1,995,046)	(4,373,388)
計息銀行及其他借款及 應付利息	Interest-bearing bank and other borrowings and interest payable	(526,047)	–
其他非流動負債	Other non-current liabilities	–	(304,563)
非流動負債	Non-current liabilities	(526,047)	(304,563)
資產淨值	Net assets	650,497	2,417,932
資產淨值(不包括商譽)	Net assets, excluding goodwill	609,091	2,417,932

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16. 於合營企業的權益(續)

(a) 重大合營企業的財務資料概要(續)

16. INTERESTS IN JOINT VENTURES (CONT'D)

(a) Summarised financial information of material joint ventures (Cont'd)

		二零一九年 2019	
		廣州庭凱 Guangzhou Tingkai 人民幣千元 RMB'000	珠海弘璟 Zhuhai Hongjing 人民幣千元 RMB'000
資產淨值(不包括商譽)	Net assets, excluding goodwill	609,091	2,417,932
與本集團於合營企業的 權益對賬:	Reconciliation to the Group's interests in joint ventures:		
本集團所有權比例	Proportion of the Group's ownership interest	90.91%	50.00%
應佔合營企業的 資產淨值(不包含商譽)	Share of net assets of the joint ventures, excluding goodwill	553,725	1,208,966
收購所產生的 商譽(減去累計減值)	Goodwill on acquisition (less cumulative impairment)	41,406	-
投資內的賬面值	Carrying amount of the investments	595,131	1,208,966
收入	Revenue	1,950,433	2,170,104
銀行利息收入	Bank interest income	1,844	3,039
折舊及攤銷	Depreciation and amortisation	(4,934)	(119)
利息開支	Interest expense	(40,698)	-
所得稅開支	Income tax expense	(448,922)	(409,317)
年度利潤及 全面收入總額	Profit and total comprehensive income for the year	383,319	372,916

16. 於合營企業的權益(續)

(b) 個別並不重大的合營企業的總財務資料

下表列示個別並不重大的本集團合營企業的總財務資料：

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
應佔合營企業年內(虧損)/利潤	Share of the joint ventures' (losses)/profits for the year	(179,260)	674,312
應佔合營企業的全面(虧損)/收入總額	Share of the joint ventures' total comprehensive (loss)/income	(130,179)	661,252
本集團於合營企業的權益的總賬面值	Aggregate carrying amount of the Group's interests in joint ventures	5,116,097	5,782,951

本集團與合營企業的結餘於財務報表附註23及24中披露。

於二零二零年十二月三十一日，概無將本集團於合營企業的權益抵押予銀行，以取得授予本集團的銀行貸款(二零一九年：本集團於合營企業的若干權益已抵押予銀行，以取得本集團的銀行貸款)(附註30(c))。

16. INTERESTS IN JOINT VENTURES (CONT'D)

(b) Aggregate financial information of joint ventures that are not individually material

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
應佔合營企業年內(虧損)/利潤	Share of the joint ventures' (losses)/profits for the year	(179,260)	674,312
應佔合營企業的全面(虧損)/收入總額	Share of the joint ventures' total comprehensive (loss)/income	(130,179)	661,252
本集團於合營企業的權益的總賬面值	Aggregate carrying amount of the Group's interests in joint ventures	5,116,097	5,782,951

The Group's balances with joint ventures are disclosed in notes 23 and 24 to the financial statements.

At 31 December 2020, none of the Group's interests in joint ventures were pledged to banks to secure bank loans granted to the Group (2019: certain of the Group's interests in joint ventures were pledged to banks to secure bank loans granted to the Group) (note 30 (c)).

17. 於聯營公司的權益

17. INTERESTS IN ASSOCIATES

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
應佔資產淨值	Share of net assets	2,760,183	2,498,602
收購所產生的商譽	Goodwill on acquisition	22,257	21,488
		2,782,440	2,520,090

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17. 於聯營公司的權益(續)

本集團重大聯營公司的詳情如下：

17. INTERESTS IN ASSOCIATES (CONT'D)

Particulars of the Group's material associates are as follows:

名稱 Name	註冊及營運地點 Place of registration and business	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本集團應佔 股本權益百分比 Percentage of equity interest attributable to the Group 十二月三十一日 31 December		主要業務 Principal activities
			二零二零年 2020	二零一九年 2019	
廣州市嘉恒房地產開發有限公司 ^{(1)^} Guangzhou Jiaheng Property Development Co., Ltd. ^{(1)^} (「廣州嘉恒」) ("Guangzhou Jiaheng")	中國/中國內地 PRC/Mainland China	人民幣 1,412,505,000元 RMB 1,412,505,000	17.2	49	物業開發 Property development
佛山市禪城區正華置業有限公司 ^{(2)^} Foshan Chancheng Zhenghua Property Co., Ltd. ^{(2)^} (「佛山正華」) ("Foshan Zhenghua")	中國/中國內地 PRC/Mainland China	人民幣 2,150,000,000元 RMB 2,150,000,000	32.5	32.5	物業開發 Property development

附註：

(1) 本集團透過擁有35%股權的附屬公司廣州景瑞間接持有廣州嘉恒49%的股權。本集團認為，儘管其於廣州嘉恒擁有的股權低於20%，惟由於本集團可透過其對廣州景瑞的控制權對廣州嘉恒的戰略財務及營運政策決定造成重大影響，因此其對廣州嘉恒產生重大影響。

(2) 本集團透過擁有65%股權的附屬公司佛山天盛間接持有佛山正華50%的股權。

^ 該等公司並未註冊任何正式英文名稱，故該等公司的英文名稱乃由本公司董事盡力以該等公司的中文名稱直譯而得。

Notes:

(1) The Group indirectly held a 49% equity interest in Guangzhou Jiaheng through a 35% owned subsidiary Guangzhou Jingrui. The Group considers it has significant influence over Guangzhou Jiaheng even though it owns less than 20% of the equity interest in Guangzhou Jiaheng because the Group can exercise significant influence in the strategic financial and operating policy decisions of Guangzhou Jiaheng through its control over Guangzhou Jingrui.

(2) The Group indirectly held a 50% equity interest in Foshan Zhenghua through a 65% owned subsidiary Foshan Tiansheng.

^ The English names of these companies represent the best effort made by the directors of the Company to directly translate their Chinese names as they do not register any official English names.

17. 於聯營公司的權益(續)

(a) 重大聯營公司的財務資料概要

截至二零二零年十二月三十一日止年度，廣州嘉恒及佛山正華(均被視為本集團的重大聯營公司)(二零一九年：廣州嘉恒及佛山正華)乃中國內地的物業開發商並以權益法入賬。

下表列示重大聯營公司的財務資料概要，已就會計政策的任何差異作出調整及與綜合財務報表的賬面值對賬：

17. INTERESTS IN ASSOCIATES (CONT'D)

(a) Summarised financial information of material associates

Guangzhou Jiaheng and Foshan Zhenghua, which are considered material associates of the Group for the year ended 31 December 2020 (2019: Guangzhou Jiaheng and Foshan Zhenghua), are property developers in Mainland China and are accounted for using the equity method.

The following table illustrates the summarised financial information in respect of material associates adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

		二零二零年 2020	
		廣州嘉恒 Guangzhou Jiaheng 人民幣千元 RMB'000	佛山正華 Foshan Zhenghua 人民幣千元 RMB'000
現金及現金等價物	Cash and cash equivalents	238,670	189,814
其他流動資產	Other current assets	3,328,782	5,340,119
流動資產	Current assets	3,567,452	5,529,933
非流動資產	Non-current assets	126	378
應付貿易款項	Trade payables	(178,346)	(12,350)
其他應付款項及應計款項	Other payables and accruals	(1,957,763)	(924,347)
計息銀行及其他借款及應付利息	Interest-bearing bank and other borrowings and interest payable	-	(233,600)
流動負債	Current liabilities	(2,136,109)	(1,170,297)
非流動負債	Non-Current liabilities	(50,000)	(2,224,400)
資產淨值	Net assets	1,381,469	2,135,614
與本集團於聯營公司的 權益對賬：	Reconciliation to the Group's interests in associates:		
本集團溢利分享比例	Proportion of the Group's profit sharing	49.00%	50.00%
應佔聯營公司的資產淨值	Share of net assets of the associates	676,920	1,067,807
銀行利息收入	Bank interest income	761	312
折舊及攤銷	Depreciation and amortisation	(44)	(1)
所得稅開支	Income tax expense	500	-
年度虧損及全面虧損總額	Loss and total comprehensive loss for the year	(29,673)	(13,415)

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17. 於聯營公司的權益(續)

(a) 重大聯營公司的財務資料概要(續)

17. INTERESTS IN ASSOCIATES (CONT'D)

(a) Summarised financial information of material associates (Cont'd)

		二零一九年 2019	
		廣州嘉恒 Guangzhou Jiaheng 人民幣千元 RMB'000	佛山正華 Foshan Zhenghua 人民幣千元 RMB'000
現金及現金等價物	Cash and cash equivalents	21,085	43,915
其他流動資產	Other current assets	1,497,992	2,208,036
流動資產	Current assets	1,519,077	2,251,951
非流動資產	Non-current assets	607	324
應付貿易款項	Trade payables	(17,825)	–
其他應付款項及應計款項	Other payables and accruals	(90,717)	(103,246)
流動負債	Current liabilities	(108,542)	(103,246)
資產淨值	Net assets	1,411,142	2,149,029
與本集團於聯營公司的 權益對賬：	Reconciliation to the Group's interests in associates:		
本集團溢利分享比例	Proportion of the Group's profit sharing	49.00%	50.00%
應佔聯營公司的資產淨值	Share of net assets of the associates	691,460	1,074,515
銀行利息收入	Bank interest income	224	31
折舊及攤銷	Depreciation and amortisation	(3)	–
所得稅開支	Income tax expense	(454)	(324)
年度虧損及全面虧損總額	Loss and total comprehensive loss for the year	(1,363)	(970)

17. 於聯營公司的權益(續)

(b) 個別並不重大的聯營公司的總財務資料

下表列示個別並不重大的本集團聯營公司的總財務資料：

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
應佔聯營公司年度虧損	Share of the associates' losses for the year	(26,064)	(3,039)
應佔聯營公司的全面虧損總額	Share of the associates' total comprehensive loss	(26,064)	(3,039)
本集團於聯營公司的權益的總賬面值	Aggregate carrying amount of the Group's interests in associates	1,037,713	754,115

本集團與其聯營公司的結餘於財務報表附註23及24中披露。

17. INTERESTS IN ASSOCIATES (CONT'D)

(b) Aggregate financial information of associates that are not individually material

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

The Group's balances with its associates are disclosed in notes 23 and 24 to the financial statements.

18. 指定以公允價值計量且其變動計入其他全面收入的權益投資

18. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
指定以公允價值計量且其變動計入其他全面收入的權益投資：	Equity investments designated at FVOCI:		
非上市權益投資	Unlisted equity investments	410,952	434,207

由於本集團認為該等投資屬戰略性質，故上述權益投資不可撤回地指定為以公允價值計量且其變動計入其他全面收入。

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

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19. 遞延稅項資產及負債

遞延稅項資產

報告期間遞延稅項資產的變動如下：

		稅項虧損 Tax losses	土地 增值稅撥備 Provision for LAT	應計款項及 其他可扣減 暫時差額 Accruals and other deductible temporary differences	遞延收入 Deferred income	本集團及 合營企業間 交易產生的 未變現收益 Unrealised gains resulting from transactions between the Group and joint ventures	金融資產 減值虧損撥備 Provision for impairment losses on financial assets	其他 Others	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
於二零一九年一月一日	At 1 January 2019	359,777	470,799	68,445	168,618	12,307	10,250	1,935	1,092,131
收購附屬公司	Acquisition of subsidiaries	15	-	3,115	-	-	-	-	3,130
視作出售附屬公司	Deemed disposal of subsidiaries	(8,251)	(74,581)	(3,625)	-	-	-	-	(86,457)
實物分派	Distribution in specie	-	-	(15,446)	-	-	(3,105)	-	(18,551)
年內於損益 計入/(扣除)	Credited/(charged) to profit or loss during the year	274,176	487,793	12,412	(110,753)	9,400	16,311	-	689,339
年內於其他全面 收入扣除	Charged to other comprehensive income during the year	-	-	-	-	-	-	(991)	(991)
於二零一九年十二月三十一日及 二零二零年一月一日	At 31 December 2019 and at 1 January 2020	625,717	884,011	64,901	57,865	21,707	23,456	944	1,678,601
收購附屬公司 (附註36(b)、(c))	Acquisition of subsidiaries (note 36 (b), (c))	32,728	-	8,632	-	-	-	-	41,360
年內於損益 計入/(扣除)	Credited/(charged) to profit or loss during the year	106,555	130,659	(1,836)	(46,893)	4,372	10,133	-	202,990
年內於其他全面 收入計入	Charged to other comprehensive income during the year	-	-	-	-	-	-	1,888	1,888
於二零二零年十二月三十一日	At 31 December 2020	765,000	1,014,670	71,697	10,972	26,079	33,589	2,832	1,924,839

19. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets

The movements in deferred tax assets during the reporting period are as follows:

19. 遞延稅項資產及負債(續)

遞延稅項負債

報告期間遞延稅項負債的變動如下：

		收購附屬 公司導致的 公允價值調整 Fair value adjustment arising from acquisition of subsidiaries 人民幣千元 RMB'000	投資 物業重估 Revaluation of investment properties 人民幣千元 RMB'000	中國 附屬公司 未分配利潤 的稅項 Taxes on undistributed profits of the subsidiaries in the PRC 人民幣千元 RMB'000	獲得合同 的成本 Costs to obtain contracts 人民幣千元 RMB'000	城市更新 業務的暫時 差額 Temporary difference on urban redevelopment business 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一九年一月一日	At 1 January 2019	1,267,733	279,535	139,170	2,477	-	1,688,915
收購附屬公司	Acquisition of subsidiaries	116,033	-	-	-	-	116,033
視作出售附屬公司	Deemed disposal of subsidiaries	(17,723)	-	-	-	-	(17,723)
實物分派	Distribution in specie	(3,847)	-	-	-	-	(3,847)
年內於損益 (計入)/扣除	(Credited)/charged to profit or loss during the year	(859,735)	(1,453)	158,818	(178)	338,135	(364,413)
於二零一九年十二月三十一日及 二零二零年一月一日	At 31 December 2019 and at 1 January 2020	502,461	278,082	297,988	2,299	338,135	1,418,965
收購附屬公司 (附註36(b)、(c))	Acquisition of subsidiaries (note 36 (b), (c))	695,428	-	-	-	-	695,428
年內於損益 (計入)/扣除	(Credited)/charged to profit or loss during the year	(194,193)	(5,581)	150,389	16,718	(338,135)	(370,802)
於二零二零年十二月三十一日	At 31 December 2020	1,003,696	272,501	448,377	19,017	-	1,743,591

19. DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

Deferred tax liabilities

The movements in deferred tax liabilities during the reporting period are as follows:

19. 遞延稅項資產及負債(續)

於二零二零年十二月三十一日，本集團在中國內地產生的若干稅項虧損為人民幣1,633,031,521元(二零一九年：人民幣165,978,827元)，該等虧損可自產生年度起定期轉結，以抵銷呈虧的公司日後應課稅利潤。本集團並無就該等虧損確認遞延稅項資產，因產生虧損的附屬公司已呈虧一段時間，並認為不大可能會產生應課稅利潤以抵銷可動用稅項虧損。

根據中國企業所得稅法，應對於中國內地成立的外商投資企業宣派予外國投資者的股息徵收10%的預扣稅。該規定自二零零八年一月一日起生效，適用於自二零零七年十二月三十一日後獲得的盈利。如中國內地與外國投資者所在司法管轄區訂有稅收協定，則可適用較低預扣稅率。對本集團適用的稅率為5%。因此，本集團須就其於中國內地成立的附屬公司就二零零八年一月一日起產生的盈利分派的股息繳納預扣稅。

並無就本集團於中國內地成立的附屬公司於二零二零年十二月三十一日的應繳納預扣稅的未匯出盈利人民幣9,442,055,000元(二零一九年：人民幣9,216,393,000元)所應付的預扣稅確認遞延稅項。董事認為，該等附屬公司於可預見的未來不大可能分派有關盈利。

19. DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

The Group had certain tax losses arising in Mainland China of RMB1,633,031,521 as at 31 December 2020 (2019: RMB165,978,827), which can be carried forward for a definite period from the year in which the losses arose for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the application rate is 5%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

No deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings of RMB9,442,055,000 as at 31 December 2020 (2019: RMB9,216,393,000) that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future.

20. 物業存貨

20. INVENTORIES OF PROPERTIES

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
開發中物業(附註)	Properties under development (note)	68,419,814	45,982,304
已竣工持作出售的物業	Completed properties held for sale	10,107,995	11,701,272
持作開發的土地	Land held for development	1,905,752	5,295,414
		80,433,561	62,978,990
即期部分	Current portion	79,079,315	61,460,980
非即期部分	Non-current portion	1,354,246	1,518,010
		80,433,561	62,978,990

附註：

本集團的物業存貨均位於中國內地。於二零二零年及二零一九年十二月三十一日，本集團若干物業存貨已抵押予銀行，以取得授予本集團的銀行貸款(附註30(c))。

於二零二零年十二月三十一日，撇減開發中物業至可變現淨值撥備為人民幣86,997,000元(二零一九年：無)。

Note:

The Group's inventories of properties are all located in Mainland China. At 31 December 2020 and 2019, certain of the Group's inventories of properties were pledged to banks to secure bank loans granted to the Group (note 30 (c)).

As at 31 December 2020, the provision for write-down of properties under development to net realisable value amounted to RMB86,997,000 (2019: Nil).

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
預期於下列時間內竣工的 開發中物業：	Properties under development expected to be recovered:		
一年內	Within one year	27,015,887	19,578,152
一年後	After one year	41,403,927	26,404,152
		68,419,814	45,982,304

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21. 應收貿易款項

本集團的應收貿易款項主要來自出售已竣工物業、城市更新業務及物業租賃服務。已出售的已竣工物業的代價由買方按相關買賣協議條款支付；來自城市更新業務的應收款項由政府或客戶按城市更新合同支付；及有關出租物業的租金一般為根據合同收取。

21. TRADE RECEIVABLES

Trade receivables mainly arise from the sale of completed properties, urban redevelopment business and property leasing. Considerations in respect of the completed properties sold are payable by the purchasers in accordance with the terms of the related sale and purchase agreements; receivables from urban redevelopment business are payable by the government or customers in accordance with urban redevelopment contracts and rentals in respect of leased properties are generally received in accordance with the contracts.

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
應收貿易款項	Trade receivables	6,436,553	6,155,762
減值	Impairment	(65,524)	(54,061)
		6,371,029	6,101,701

於報告期末，根據發票日期並扣除虧損撥備的應收貿易款項的賬齡分析如下：

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
三個月內	Within 3 months	4,417,153	4,398,144
四至六個月	4 to 6 months	65,903	305,113
七至十二個月	7 to 12 months	1,594,541	575,916
一年後	Over 1 year	293,432	822,528
		6,371,029	6,101,701

21. 應收貿易款項(續)

應收貿易款項減值虧損撥備的變動如下：

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
於年初	At beginning of year	(54,061)	(20,206)
減值虧損	Impairment loss	(11,463)	(33,855)
於年末	At end of year	(65,524)	(54,061)

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分類組別(即客戶類型及評級)的逾期天數釐定。該計算反映概率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前狀況及未來經濟條件預測的合理及可靠資料。

下表載列有關本集團使用撥備矩陣的應收貿易款項信貸風險的資料：

於二零二零年十二月三十一日

		一至六個月 Within 6 months	七至十二個月 7 to 12 months	一年後 Over 1 year	總計 Total
預期信貸虧損率	Expected credit loss rate	0%-0.5%	0.6%-1.5%	5%-10%	
總賬面值(人民幣千元)	Gross carrying amount (RMB'000)	4,491,968	1,618,550	326,035	6,436,553
預期信貸虧損(人民幣千元)	Expected credit loss (RMB'000)	(8,912)	(24,009)	(32,603)	(65,524)

21. TRADE RECEIVABLES (CONT'D)

The movements in the loss allowance for impairment of trade receivables are as follows:

An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

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21. 應收貿易款項(續)

於二零一九年十二月三十一日

		一至六個月 Within 6 months	七至十二個月 7 to 12 months	一年後 Over 1 year	總計 Total
預期信貸虧損率	Expected credit loss rate	0%-0.5%	0.6%-1.5%	5%-10%	
總賬面值(人民幣千元)	Gross carrying amount (RMB'000)	4,726,692	579,771	849,299	6,155,762
預期信貸虧損(人民幣千元)	Expected credit loss (RMB'000)	(8,117)	(3,479)	(42,465)	(54,061)

廣州時代透過抵押應收貿易款項人民幣991,607,000元與一家第三方資產管理公司訂立資產抵押證券(「**粵灣資產抵押證券**」)安排及透過抵押應收貿易款項人民幣826,719,000元與一家第三方資產管理公司訂立資產抵押證券(「**時粵資產抵押證券**」)安排。除粵灣資產抵押證券及時粵資產抵押證券外，本集團若干應收貿易款項已抵押予銀行，以取得授予本集團的銀行貸款(附註30(c))。

21. TRADE RECEIVABLES (CONT'D)

As at 31 December 2019

Guangzhou Times entered into an asset-backed securities (“**Yuewan ABS**”) arrangement with a third-party asset management company by the pledge of trade receivables amounting to RMB991,607,000 and an asset-backed securities (“**Shiyue ABS**”) arrangement with a third-party asset management company by the pledge of trade receivables amounting to RMB826,719,000. Other than Yuewan ABS and Shiyue ABS, certain of the Group’s trade receivables were pledged to banks to secure bank loans granted to the Group (note 30 (c)).

22. 預付款項、按金及其他應收款項

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		附註 Notes	二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
按金及其他應收款項	Deposits and other receivables	(a)	11,881,514	11,893,033
應收非控股股東的款項	Amounts due from non-controlling shareholders	(b)	7,904,823	8,213,586
預付持作開發的土地款項	Prepayments for land held for development	(c)	1,062,528	2,591,886
其他預付款項	Other prepayments	(d)	9,921,861	9,216,518
向第三方提供的貸款	Loans to third parties	(e)	1,098,943	1,103,776
減值撥備	Impairment allowance		(68,834)	(39,766)
			31,800,835	32,979,033
即期部分	Current portion		30,733,096	31,830,195
非即期部分	Non-current portion		1,067,739	1,148,838
			31,800,835	32,979,033

22. 預付款項、按金及其他應收款項(續)

附註：

- (a) 按金及其他應收款項主要指為潛在物業開發項目支付的款項及項目相關按金，該等按金將於開發項目完成後退還。
- (b) 應收非控股股東的款項主要指日常業務過程中與本集團若干附屬公司的非控股股東的經常賬。
- (c) 預付土地租賃款項指就正在申請土地使用權證的持作開發土地的預付款項。
- (d) 其他預付款項指購買建築材料的預付款項、廣告預付款項、其他預付稅項等。
- (e) 向第三方提供的貸款按介乎4%至18%的利率計息且須於一年內償還。

上述結餘(向第三方提供的貸款除外)均為無擔保、免息，且按要求償還。

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONT'D)

Notes:

- (a) Deposits and other receivables mainly represent payments paid for potential property development projects and project-related deposits which would be refundable upon completion of the development projects.
- (b) Amounts due from non-controlling shareholders mainly represent current accounts with the non-controlling shareholders of certain subsidiaries of the Group in the ordinary course of business.
- (c) Prepayments for leasehold land represent the prepayments for land held for development with the application of the land use right certificates being in progress.
- (d) Other prepayments represent prepayments for purchases of construction materials, prepayments for advertisement, other tax prepayments and others.
- (e) Loans to third parties bear interest at rates ranging from 4% to 18% and are repayable within one year.

The above balances, except for loans to third parties, are unsecured, interest-free and repayable on demand.

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22. 預付款項、按金及其他應收款項(續)

於二零二零年十二月三十一日，預付款項、按金及其他應收款項所包括的金融資產的信貸風險歸類為第一階段，並作出減值撥備人民幣68,834,000元(二零一九年：人民幣39,766,000元)，預期信貸虧損率介乎0.15%至1.0%(二零一九年：0.1%至1.0%)。截至二零二零年十二月三十一日止年度的預付款項、按金及其他應收款項所包括的金融資產的減值評估詳情載於附註44。

23. 應收合營企業及聯營公司的款項

本集團與合營企業及聯營公司有以下結餘：

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONT'D)

As at 31 December 2020, the credit exposure of financial assets included in prepayments, deposits and other receivables was classified as Stage 1, and a provision for impairment of RMB68,834,000 (2019: RMB39,766,000) was made, with expected credit loss rates ranging from 0.15% to 1.0% (2019: 0.1% to 1.0%). Details of impairment assessment of financial assets included in prepayments, deposits and other receivables for the year ended 31 December 2020 are set out in note 44.

23. AMOUNTS DUE FROM JOINT VENTURES AND ASSOCIATES

The Group had the following balances with joint ventures and associates:

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
應收合營企業的款項：	Amounts due from joint ventures:		
— 貿易	— Trade	1,043,820	1,362,693
— 非貿易	— Non-trade	6,488,940	7,060,387
		7,532,760	8,423,080
應收聯營公司的款項：	Amounts due from associates:		
— 貿易	— Trade	109,245	24,310
— 非貿易	— Non-trade	971,343	1,850,548
		1,080,588	1,874,858

23. 應收合營企業及聯營公司的款項(續)

於二零二零年及二零一九年十二月三十一日，與合營企業及聯營公司的所有未支付貿易結餘來自已售建築材料以及向合營企業及聯營公司提供的建築服務。結餘為無抵押、免息及信貸期為三個月至九個月。

於二零二零年及二零一九年十二月三十一日，與合營企業及聯營公司的所有未支付非貿易結餘主要指由本集團代表合營企業及聯營公司購買持作開發土地已付款項、城市更新項目按金，以及為合營企業及聯營公司經營活動提供款項的報銷金額。除人民幣31,918,000元(二零一九年：2,742,884,000)(其為無抵押、按介乎6.75%至8.40%年利率計息且須於二零二一年內償還)外，應收合營企業及聯營公司的款項為無抵押、免息，且按要求償還。

本集團已採用一般方法為應收合營企業及聯營公司的款項的預期信貸虧損計提撥備。概無近期違約歷史記錄以及應收合營企業及聯營公司的逾期款項。於二零二零年及二零一九年十二月三十一日，由於虧損撥備被評估為不重大，故並無計提預期信貸撥備。

24. 應付合營企業及聯營公司的款項

應付合營企業及聯營公司的款項為非貿易性質、無抵押、免息，且按要求償還。

23. AMOUNTS DUE FROM JOINT VENTURES AND ASSOCIATES (CONT'D)

As at 31 December 2020 and 2019, all outstanding trade balances with joint ventures and associates were derived from construction materials sold and construction services provided to joint ventures and associates. The balances are unsecured, interest-free and with a credit term of three to nine months.

As at 31 December 2020 and 2019, all outstanding non-trade balances with joint ventures and associates mainly represented payments for purchases of land held for development, deposits of urban redevelopment projects paid by the Group on behalf of the joint ventures and associates, and the disbursement to finance operating activities of joint ventures and associates. Except for the amounts of RMB31,918,000 (2019: RMB2,742,884,000) which are unsecured, bear interest at rates ranging from 6.75% to 8.40% per annum and are repayable in 2021, amounts due from joint ventures and associates are unsecured, interest-free and repayable on demand.

The Group has applied the general approach to provide for the ECLs on the amounts due from joint ventures and associates. There was no recent history of default and past due amounts due from joint ventures and associates. As at 31 December 2020 and 2019, no ECL was provided for as the loss allowance was assessed to be insignificant.

24. AMOUNTS DUE TO JOINT VENTURES AND ASSOCIATES

The amounts due to joint ventures and associates are of non-trade nature, unsecured, interest-free and repayable on demand.

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25. 預繳稅款／應付稅項

(a) 預繳稅款

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
預繳企業所得稅	Prepaid CIT	315,004	219,713
預繳土地增值稅	Prepaid LAT	1,810,579	1,236,628
		2,125,583	1,456,341

(b) 應付稅項

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
應付企業所得稅	CIT payable	5,145,314	3,478,325
應付土地增值稅	LAT payable	4,213,667	3,536,043
		9,358,981	7,014,368

25. TAX PREPAYMENTS/TAX PAYABLE

(a) Tax prepayments

(b) Tax payable

26. 現金及現金等價物以及受限制銀行存款

26. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
現金及銀行結餘	Cash and bank balances	37,959,597	29,279,410
減：受限制銀行存款(附註(a))	Less: Restricted bank deposits (note (a))	(4,427,850)	(3,404,545)
現金及現金等價物	Cash and cash equivalents	33,531,747	25,874,865
以人民幣計值(附註(b))	Denominated in RMB (note (b))	31,087,014	22,052,606
以其他貨幣計值	Denominated in other currencies	2,444,733	3,822,259
		33,531,747	25,874,865

26. 現金及現金等價物以及受限制銀行存款(續)

附註：

- (a) 根據中國相關法規，本集團的若干物業開發公司須於指定銀行賬戶中存放一定金額的已收預售所得款項，以供特殊用途。於二零二零年十二月三十一日，該等受限制現金為人民幣3,686,674,000元(二零一九年：人民幣2,258,303,000元)。

於二零二零年十二月三十一日金額達人民幣257,838,000元(二零一九年：人民幣281,706,000元)的受限制銀行存款指於銀行指定的監控賬戶內的貸款所得款項，須獲得銀行批准後，方能使用該受限制銀行存款。金額達人民幣483,338,000元(二零一九年：人民幣864,536,000元)的剩餘受限制銀行存款主要為銀行貸款及銀行承兌票據的履約保證金、共同管理賬戶結餘及工資保證金。

- (b) 人民幣不可自由兌換成其他貨幣，但是，根據中國政府頒佈的外匯管制相關規定及法規，本集團獲准透過獲授權開展外匯交易業務的銀行，將人民幣兌換成其他貨幣。

存放於銀行的現金根據銀行每日存款利率按浮動利率賺取利息收入。現金及現金等價物以及受限制銀行存款的賬面值與其公允價值相若。銀行結餘與受限制銀行存款須存放於近期無違約記錄且信譽良好的銀行。

26. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS (CONT'D)

Notes:

- (a) Pursuant to the relevant regulations in the PRC, certain property development companies of the Group are required to place certain amounts of pre-sale proceeds received in designated bank accounts for specific uses. As at 31 December 2020, such restricted cash amounted to RMB3,686,674,000 (2019: RMB2,258,303,000).

The restricted bank deposits as at 31 December 2020 amounting to RMB257,838,000 (2019: RMB281,706,000) represented the loan proceeds in the monitored accounts designated by the banks, where the use of the restricted bank deposits is subject to the banks' approval. The remaining restricted bank deposits amounting to RMB483,338,000 (2019: RMB864,536,000) primarily included performance deposits for bank loans and bank acceptance bills, jointly-managed account balances and wage margin deposits.

- (b) The RMB is not freely convertible into other currencies, however, subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest income at floating rates based on daily bank deposit rates. The carrying amounts of the cash and cash equivalents and the restricted bank deposits approximate to their fair values. The bank balances and restricted bank deposits are deposited with credit-worthy banks with no recent history of default.

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27. 應付貿易款項及票據

應付貿易款項及票據的賬齡分析如下：

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
一年內	Within 1 year	18,756,949	13,306,676
一年後	Over 1 year	1,851,466	1,164,271
		20,608,415	14,470,947

應付貿易款項及票據乃無抵押、不計息，且於正常營業週期內或於要求時償還。

27. TRADE AND BILLS PAYABLES

The ageing analysis of the trade and bills payables is as follows:

The trade and bills payables are unsecured, interest-free and repayable within the normal operating cycle or on demand.

28. 其他應付款項及應計款項

28. OTHER PAYABLES AND ACCRUALS

		附註 Notes	二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
已收按金及預收款項	Deposits received and receipts in advance		1,904,371	82,888
應計款項及其他應付款項	Accruals and other payables		6,868,818	4,161,211
非控股股東墊款	Advances from non-controlling shareholders		–	3,467,217
收購附屬公司應付款項	Payables for acquisition of subsidiaries		1,359,739	817,348
財務擔保合同	Financial guarantee contracts	(a)	5,419	61,160
向非控股股東支付的其他應付款項	Other payables to non-controlling shareholders	(b)	13,153,931	11,891,461
應付股息	Dividend payable		8,276	–
			23,300,554	20,481,285

28. 其他應付款項及應計款項 (續)

附註：

(a) 財務擔保合同

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
即期部分	Current portion	5,419	61,160
非即期部分	Non-current portion	58,581	134,934
		64,000	196,094

財務擔保合同指就一名關聯方、若干聯營公司及合營企業獲授的融資向銀行提供的擔保。

財務擔保合同初始按其公允價值計量，其後按預期信貸虧損撥備與初始已確認金額的較高者減已確認收入的累計金額計量。預期信貸虧損撥備透過估計現金短缺計量，而現金短缺按預期就其所產生信貸虧損向持有人(即銀行)補償的款項減去本集團預期自債務人(即合營企業)收取的金額計算。

於二零二零年及二零一九年十二月三十一日，本公司董事已進行減值評估，並認為信貸風險自財務擔保合同初始確認以來並無顯著增加。因此，於採納國際財務報告準則第9號後，本集團所發行財務擔保合同的虧損撥備按相等於12個月預期信貸虧損的金額計量。概無於二零二零年及二零一九年十二月三十一日的損益確認虧損撥備，原因是已收溢價減於損益確認的累計金額高於虧損撥備的預期金額。財務擔保合同的信貸敞口歸類於第一階段。截至二零二零年十二月三十一日止年度，各階段之間並無轉移(二零一九年：無)。

(b) 結餘指應付附屬公司非控股股東的款項，該等結餘為無抵押及按要求償還。

28. OTHER PAYABLES AND ACCRUALS (CONT'D)

Notes:

(a) Financial guarantee contracts

The financial guarantee contracts represent guarantees given to banks in connection with facilities granted to a related party, certain associates and joint ventures.

The financial guarantee contracts are measured initially at their fair values, and are subsequently measured at the higher of the ECL allowance and the amount initially recognised less the cumulative amount of income recognised. The ECL allowance is measured by estimating the cash shortfalls, which are based on the expected payments to reimburse the holders (i.e., the banks) for a credit loss that it incurs, less any amounts that the Group expects to receive from the debtor (i.e., the joint ventures).

As at 31 December 2020 and 2019, the directors of the Company have performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Accordingly, the loss allowance for financial guarantee contracts issued by the Group is measured at an amount equal to 12-month ECL upon the adoption of IFRS 9. No loss allowance was recognised in profit or loss as at 31 December 2020 and 2019 because the premium received less the cumulative amount recognised in profit or loss was higher than the expected amount of the loss allowance. The credit exposure of the financial guarantee contracts is classified as Stage 1. During the year ended 31 December 2020, there were no transfers between stages (2019: Nil).

(b) The balances represent amounts due to non-controlling shareholders of the subsidiaries and are unsecured and repayable on demand.

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29. 合同負債

有關合同負債詳情如下：

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
向客戶收取的墊款	Advances received from customers		
銷售已竣工物業	Sale of completed properties	24,203,207	21,579,362

29. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

30. 計息銀行及其他借款及應付利息

30. INTEREST-BEARING BANK AND OTHER BORROWINGS AND INTEREST PAYABLE

		二零二零年十二月三十一日 31 December 2020			二零一九年十二月三十一日 31 December 2019		
		實際利率 Effective interest rate %	到期 Maturity	金額 Amount 人民幣千元 RMB'000	實際利率 Effective interest rate %	到期 Maturity	金額 Amount 人民幣千元 RMB'000
即期	Current						
銀行貸款－無抵押	Bank loans – unsecured	5.4-7.5	2021	276,152	4.7-6.8	2020	683,710
銀行貸款－有抵押	Bank loans – secured	7.6-9.7	2021	729,586	5.4-9.7	2020	1,380,216
其他借款－無抵押	Other borrowings – unsecured	12.0	2021	400,000	8.5-11.5	2020	477,621
其他借款－有抵押	Other borrowings – secured	6.5-12.3	2021	7,078,000	9.9-14.8	2020	1,776,467
優先票據－有抵押 (附註(e))	Senior notes – secured (note (e))	6.9-8.5	2021	6,134,095	6.9-11.8	2020	4,683,647
公司債券(附註(f))	Corporate bonds (note (f))	8.5-8.8	2021	2,989,622	8.9-10.8	2020	8,289,675
銀團貸款(附註(g))	Syndicated loans (note (g))	5.6-5.9	2021	463,034	5.9-6.1	2020	1,306,377
應付利息*	Interest payables*	N/A	2021	959,725	N/A	2020	856,300
				19,030,214			19,454,013
非即期	Non-current						
銀行貸款－無抵押	Bank loans – unsecured	5.0-8.3	2022-2035	2,175,956	6.1-10.4	2021-2023	2,776,874
銀行貸款－有抵押	Bank loans – secured	4.9-9.2	2022-2029	11,008,942	5.4-11.6	2021-2029	6,061,435
其他借款－有抵押	Other borrowings – secured	6.9-11.4	2022-2023	1,782,908	8.8-11.9	2021	4,198,149
優先票據－有抵押 (附註(e))	Senior notes – secured (note (e))	6.1-8.1	2022-2026	15,708,359	6.1-8.5	2021-2023	17,067,386
公司債券(附註(f))	Corporate bonds (note (f))	5.5-8.6	2022-2025	10,911,618	8.5-8.8	2021-2024	3,427,640
銀團貸款(附註(g))	Syndicated loans (note (g))	5.6-5.9	2022-2023	1,852,134	5.1-6.2	2023	1,131,582
				43,439,917			34,663,066
				62,470,131			54,117,079

30. 計息銀行及其他借款及應付利息(續)

30. INTEREST-BEARING BANK AND OTHER BORROWINGS AND INTEREST PAYABLE (CONT'D)

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
分析：	Analysed into:		
應償還銀行貸款：	Bank loans repayable:		
一年內	Within one year	1,005,738	2,063,926
第二年	In the second year	7,302,143	3,080,497
第三至第五年(包含首尾兩年)	In the third to fifth years, inclusive	5,384,594	5,305,392
超過五年	Beyond five years	498,161	452,420
		14,190,636	10,902,235
其他應償還借款 (包括優先票據、公司債券及銀團貸款)：	Other borrowings (including senior notes, corporate bonds and syndicated loans) repayable:		
一年內	Within one year	17,064,751	16,533,787
第二年	In the second year	8,598,603	13,964,111
第三至第五年(包含首尾兩年)	In the third to fifth years, inclusive	19,405,096	11,860,646
超過五年	Beyond five years	2,251,320	–
		47,319,770	42,358,544
應付利息*	Interest payables*		
一年內	Within one year	959,725	856,300
		62,470,131	54,117,079

* 應計應付利息於「計息銀行及其他借款及應付利息」中呈列，而在以往年度其於「其他應付款項及應計款項」中呈列。已重列可比較數字。

* Interest payables accrued were presented in “interest-bearing bank and other borrowings and interest payable”, which were presented in “other payables and accruals” in previous years. Comparative figures were restated.

附註：

Notes:

(a) 除金額為人民幣1,193,120,000元(二零一九年：人民幣3,115,735,000元)的若干即期銀行及其他借款以及金額為人民幣10,225,532,000(二零一九年：人民幣9,368,391,000元)的非即期銀行及其他借款以浮動利率計息外，本集團於報告期末的所有計息銀行及其他借款以固定利率計息。

(a) Except for certain current bank and other borrowings amounting to RMB1,193,120,000 (2019: RMB3,115,735,000) and non-current bank and other borrowings amounting to RMB10,225,532,000 (2019: RMB9,368,391,000), both bearing interest at floating rates, all the Group's interest-bearing bank and other borrowings bore interest at fixed rates as at the end of the reporting period.

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30. 計息銀行及其他借款及應付利息(續)

附註：(續)

- (b) 除金額為人民幣21,842,454,000元(二零一九年：人民幣21,751,033,000元)的若干優先票據以美元(「美元」)計值、金額為人民幣1,501,634,000元(二零一九年：人民幣1,990,349,000元)及人民幣813,534,000元(二零一九年：人民幣447,610,000元)的銀團貸款以美元及港元(「港元」)計值外，本集團於報告期末的所有計息銀行及其他借款以人民幣計值。
- (c) 於報告期末，本集團的若干資產已抵押予銀行及其他貸款人，以取得授予本集團的計息銀行及其他借款。

該等資產的賬面金額如下：

			二零二零年 2020	二零一九年 2019
		附註 Notes	人民幣千元 RMB'000	人民幣千元 RMB'000
物業、廠房及設備	Property, plant and equipment	13	710,083	495,792
投資物業	Investment properties	15	901,023	579,426
於合營企業的權益	Interests in joint ventures	16	–	510,247
物業存貨：	Inventories of properties:	20		
持作開發土地	Land held for development		–	205,800
開發中物業	Properties under development		12,420,686	6,659,062
已竣工持作出售的物業	Completed properties held for sale		–	1,183,418
應收貿易款項	Trade receivables	21	1,821,619	2,661,893
			15,853,411	12,295,638

- (d) 於二零二零年十二月三十一日，本集團總額為人民幣5,965,423,000元(二零一九年：人民幣7,039,946,000元)的若干計息銀行及其他借款乃以本集團的若干附屬公司股權作抵押。

30. INTEREST-BEARING BANK AND OTHER BORROWINGS AND INTEREST PAYABLE (CONT'D)

Notes: (Cont'd)

- (b) Except for certain senior notes amounting to RMB21,842,454,000 (2019: RMB21,751,033,000) denominated in United States dollars (“USD”), syndicated loans amounting to RMB1,501,634,000 (2019: RMB1,990,349,000) denominated in USD and RMB813,534,000 (2019: RMB447,610,000) denominated in Hong Kong dollars (“HKD”), all the Group’s interest-bearing bank and other borrowings were denominated in RMB as at the end of the reporting period.
- (c) At the end of the reporting period, certain of the Group’s assets were pledged to banks and other lenders to secure the interest-bearing bank and other borrowings granted to the Group.

The carrying amounts of these assets are as follows:

- (d) At 31 December 2020, equity interests of certain subsidiaries of the Group were pledged as security for certain of the Group’s interest-bearing bank and other borrowings with an aggregate amount of RMB5,965,423,000 (2019: RMB7,039,946,000)

30. 計息銀行及其他借款及應付利息(續)

附註：(續)

(e) 優先票據

			二零二零年十二月三十一日 31 December 2020			二零一九年十二月三十一日 31 December 2019		
	實際利率 Effective interest rate %	到期 Maturity	金額 Amount 人民幣千元 RMB'000		實際利率 Effective interest rate %	到期 Maturity	金額 Amount 人民幣千元 RMB'000	
二零一七年優先票據-6.25%	2017 Senior Notes - 6.25%	-	-	-	6.90	2020	2,609,899	
二零一七年優先票據-5.75%	2017 Senior Notes - 5.75%	6.12	2022	1,462,348	6.12	2022	1,555,531	
二零一七年優先票據-6.60%	2017 Senior Notes - 6.60%	6.98	2023	1,941,779	6.98	2023	2,065,605	
二零一八年優先票據-6.25%	2018 Senior Notes - 6.25%	6.89	2021	1,905,462	6.89	2021	3,462,219	
二零一八年優先票據-7.85%	2018 Senior Notes - 7.85%	8.46	2021	2,929,721	8.46	2021	3,111,528	
二零一八年優先票據-10.95%	2018 Senior Notes - 10.95%	-	-	-	11.78	2020	2,073,748	
二零一九年優先票據-7.625%	2019 Senior Notes - 7.625%	8.10	2022	3,242,944	8.10	2022	3,445,744	
二零一九年優先票據-6.75%	2019 Senior Notes - 6.75%	7.14 & 7.44	2023	3,223,848	7.14 & 7.44	2023	3,426,759	
二零二零年優先票據-6.00%	2020 Senior Notes - 6.00%	7.90	2021	1,298,912	-	-	-	
二零二零年優先票據-6.75%	2020 Senior Notes - 6.75%	7.43 & 6.69	2025	3,586,118	-	-	-	
二零二零年優先票據-6.20%	2020 Senior Notes - 6.20%	6.82	2026	2,251,322	-	-	-	
			21,842,454				21,751,033	

該等優先票據於聯交所上市。優先票據是由本集團若干於中國境外註冊成立的附屬公司(「附屬公司擔保人」)共同及個別提供擔保，並以質押該等附屬公司擔保人的若干股權的方式作抵押。

The senior notes are listed on the SEHK. The senior notes are jointly and severally guaranteed by certain subsidiaries of the Group which are incorporated outside the PRC ("Subsidiary Guarantors") and are secured by the pledge of certain equity interests of such Subsidiary Guarantors.

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30. 計息銀行及其他借款及
應付利息(續)

附註：(續)

(e) 優先票據(續)

- (i) 二零一七年優先票據—6.25%
於二零一七年一月二十三日，
本公司發行票面利率為6.25%
的優先票據，本金總額為
375,000,000美元(「二零一七年
優先票據—6.25%」)。

本公司已於二零二零年一月
二十日，按相等於所贖回本
金額100%另加截至到期日期
的應計未付利息的贖回價，贖
回全部二零一七年優先票據—
6.25%。

- (ii) 二零一七年優先票據—5.75%
於二零一七年四月二十六日，
本公司發行票面利率為5.75%
的優先票據，本金總額為
225,000,000美元(「二零一七年
優先票據—5.75%」)。

本公司可於二零二零年四月
二十六日或之後的任何時間，
按相等於所贖回本金額某一百
分比的贖回價，贖回全部或
部分二零一七年優先票據—
5.75%。本公司亦可在二零
二二年四月二十六日到期日之
前的任何時間，運用在股本發
售中透過一次或多次出售本公
司普通股的所得款項現金淨
額，按相等於所贖回本金額
105.75%的贖回價，贖回二零
一七年優先票據—5.75%本金
總額中的最多35%。

30. INTEREST-BEARING BANK AND OTHER
BORROWINGS AND INTEREST PAYABLE
(CONT'D)

Notes: (Cont'd)

(e) Senior notes (Cont'd)

- (i) 2017 Senior Notes – 6.25%
On 23 January 2017, the Company issued senior
notes at a coupon rate of 6.25% with an aggregate
principal amount of USD375,000,000 (the “**2017
Senior Notes – 6.25%**”).

On 20 January 2020, the Company has redeemed
the 2017 Senior Notes – 6.25% in whole, at a
redemption price equal to 100% of the principal
amount redeemed plus the accrued and unpaid
interest to the due date.

- (ii) 2017 Senior Notes – 5.75%
On 26 April 2017, the Company issued senior
notes at a coupon rate of 5.75% with an aggregate
principal amount of USD225,000,000 (the “**2017
Senior Notes – 5.75%**”).

At any time on or after 26 April 2020, the Company
may redeem the 2017 Senior Notes – 5.75%,
in whole or in part, at a redemption price equal
to a certain percentage of the principal amount
redeemed. The Company may also redeem up to
35% of the aggregate principal amount of the 2017
Senior Notes – 5.75% 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 105.75% of the principal amount redeemed at any
time prior to the maturity date of 26 April 2022.

30. 計息銀行及其他借款及應付利息(續)

附註：(續)

- (e) 優先票據(續)
- (iii) 二零一七年優先票據—6.60%
於二零一七年十一月三十日，本公司發行票面利率為6.60%的優先票據，本金總額為300,000,000美元(「二零一七年優先票據—6.60%」)。

本公司可於二零二零年十一月三十日或之後的任何時間，按相等於所贖回本金額某百分比的贖回價，贖回全部或部分二零一七年優先票據—6.60%。本公司亦可在二零二三年三月二日到期日之前的任何時間，運用在股本發售中透過一次或多次出售本公司普通股的所得款項現金淨額，按相等於所贖回本金額106.6%的贖回價，贖回二零一七年優先票據—6.60%本金總額中的最多35%。

- (iv) 二零一八年優先票據—6.25%
於二零一八年一月十七日，本公司發行票面利率為6.25%的優先票據，本金總額為500,000,000美元(「二零一八年優先票據—6.25%」)。

本公司亦可於二零二一年一月十七日之前的任何時間，運用在股本發售中透過一次或多次出售本公司普通股的所得款項現金淨額，按相當於所贖回票據本金額106.25%的贖回價加截至贖回日期(但不包括該日)的應計未付利息(如有)，贖回二零一八年優先票據—6.25%本金總額中的最多35%。

本公司已於二零二零年九月二十五日，按相等於所贖回本金額100.80%另加截至到期日期的應計未付利息的贖回價，贖回部分二零一八年優先票據—6.25%，其後，本金總額292,167,000美元根據契約條款仍未償還。

30. INTEREST-BEARING BANK AND OTHER BORROWINGS AND INTEREST PAYABLE (CONT'D)

Notes: (Cont'd)

- (e) Senior notes (Cont'd)
- (iii) 2017 Senior Notes – 6.60%
On 30 November 2017, the Company issued senior notes at a coupon rate of 6.60% with an aggregate principal amount of USD300,000,000 (the “**2017 Senior Notes – 6.60%**”).

At any time on or after 30 November 2020, the Company may redeem the 2017 Senior Notes – 6.60%, in whole or in part, at a redemption price equal to a certain percentage of the principal amount redeemed. The Company may also redeem up to 35% of the aggregate principal amount of the 2017 Senior Notes – 6.60% 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 106.6% of the principal amount redeemed at any time prior to the maturity date of 2 March 2023.

- (iv) 2018 Senior Notes – 6.25%
On 17 January 2018, the Company issued senior notes at a coupon rate of 6.25% with an aggregate principal amount of USD500,000,000 (the “**2018 Senior Notes – 6.25%**”).

At any time prior to 17 January 2021, the Company may redeem up to 35% of the aggregate principal amount of the 2018 Senior Notes – 6.25% 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 106.25% of the principal amount of the notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

On 25 September 2020, the Company has redeemed the 2018 Senior Notes – 6.25% in part, at a redemption price equal to 100.80% of the principal amount redeemed plus the accrued and unpaid interest to the due date, following which USD292,167,000 in aggregate principal amount will remain outstanding subject to the terms of the indenture.

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二零二零年十二月三十一日 31 December 2020

30. 計息銀行及其他借款及
應付利息(續)

附註：(續)

- (e) 優先票據(續)
- (v) 二零一八年優先票據—7.85%
於二零一八年六月四日，
本公司發行票面利率為
7.85%的優先票據，本金
總額為450,000,000美元
(「二零一八年優先票據—
7.85%」)。

本公司可於二零二一年六月
四日之前的任何時間，運用
在股本發售中透過一次或多
次出售本公司普通股的所得
款項現金淨額，按相當於所
贖回本金額107.85%的贖回
價加截至贖回日期(但不包
括該日)的應計未付利息(如
有)，贖回二零一八年優先
票據—7.85%本金總額中的
最多35%。

- (vi) 二零一八年優先票據—10.95%
於二零一八年十一月二十七
日，本公司發行票面利率
為10.95%的優先票據，本
金總額為300,000,000美元
(「二零一八年優先票據—
10.95%」)。

於二零二零年八月五日及二
零二零年八月十二日，本公
司已分別按相等於所贖回本
金額102.50%及102.74%另
加應計未付利息的贖回價，
提早贖回二零一八年優先
票據—10.95%的本金總額
3,000,000美元及3,675,000
美元。於二零二零年十一月
二十七日，本公司已按相等
於所贖回本金額100%另加
截至到期日期的應計未付
利息的贖回價，贖回餘下
的二零一八年優先票據—
10.95%。

30. INTEREST-BEARING BANK AND OTHER
BORROWINGS AND INTEREST PAYABLE
(CONT'D)

Notes: (Cont'd)

- (e) Senior notes (Cont'd)
- (v) 2018 Senior Notes – 7.85%
On 4 June 2018, the Company issued senior notes
at a coupon rate of 7.85% with an aggregate
principal amount of USD450,000,000 (the “**2018
Senior Notes – 7.85%**”).

At any time prior to 4 June 2021, the Company may
redeem up to 35% of the aggregate principal amount
of the 2018 Senior Notes – 7.85% 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 107.85% of the principal amount redeemed,
plus accrued and unpaid interest, if any, to (but not
including) the redemption date.

- (vi) 2018 Senior Notes – 10.95%
On 27 November 2018, the Company issued senior
notes at a coupon rate of 10.95% with an aggregate
principal amount of USD300,000,000 (the “**2018
Senior Notes – 10.95%**”).

On 5 August 2020 and 12 August 2020, the
Company has early redeemed the 2018 Senior
Notes – 10.95% with aggregate principal amounts of
USD3,000,000 and USD3,675,000, at a redemption
price equal to 102.50% and 102.74% of the
principal amount redeemed plus the accrued and
unpaid interest, respectively. On 27 November 2020,
the Company has redeemed the rest of the 2018
Senior Notes – 10.95%, at a redemption price equal
to 100% of the principal amount redeemed plus the
accrued and unpaid interest to the due date.

30. 計息銀行及其他借款及應付利息(續)

附註：(續)

- (e) 優先票據(續)
- (vii) 二零一九年優先票據-7.625%於二零一九年二月二十一日，本公司發行票面利率為7.625%的優先票據，本金總額為500,000,000美元(「二零一九年優先票據-7.625%」)。

本公司可選擇於二零二一年二月二十一日之前的任何時間，按相等於所贖回本金額100%另加適用溢價的贖回價，贖回全部而非部分二零一九年優先票據-7.625%。本公司亦可於二零二一年二月二十一日之前的任何時間，運用在股本發售中透過一次或多次出售本公司普通股的所得款項現金淨額，按相當於所贖回本金額107.625%的贖回價加截至贖回日期(但不包括該日)的應計未付利息(如有)，贖回二零一九年優先票據-7.625%本金總額中的最多35%。

30. INTEREST-BEARING BANK AND OTHER BORROWINGS AND INTEREST PAYABLE (CONT'D)

Notes: (Cont'd)

- (e) Senior notes (Cont'd)
- (vii) 2019 Senior Notes - 7.625%
On 21 February 2019, the Company issued senior notes at a coupon rate of 7.625% with an aggregate principal amount of USD500,000,000 (the "**2019 Senior Notes - 7.625%**").

At any time prior to 21 February 2021, the Company may at its option redeem the 2019 Senior Notes - 7.625%, in whole but not in part, at a redemption price equal to 100% of the principal amount redeemed plus the applicable premium. At any time prior to 21 February 2021, the Company may redeem up to 35% of the aggregate principal amount of the 2019 Senior Notes - 7.625% 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 107.625% of the principal amount redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

30. 計息銀行及其他借款及應付利息(續)

附註：(續)

- (e) 優先票據(續)
- (viii) 二零一九年優先票據—6.75%
於二零一九年七月十六日，本公司發行票面利率為6.75%的優先票據，本金總額為400,000,000美元。於二零一九年九月四日，本公司發行票面利率為6.75%的額外優先票據，本金總額為100,000,000美元。額外票據與400,000,000美元的6.75%優先票據整合併組成單一系列(統稱為「二零一九年優先票據—6.75%」)。

本公司可選擇於二零二二年七月十六日之前的任何時間，按相等於所贖回本金額100%另加適用溢價的贖回價，贖回全部而非部分二零一九年優先票據—6.75%。本公司亦可於二零二二年七月十六日之前任何時間及不時運用在股本發售中透過一次或多次出售本公司普通股的所得款項現金淨額，按相當於所贖回票據本金額106.75%的贖回價加截至贖回日期(但不包括該日)的應計未付利息(如有)，贖回二零一九年優先票據—6.75%本金總額中的最多35%。

30. INTEREST-BEARING BANK AND OTHER BORROWINGS AND INTEREST PAYABLE (CONT'D)

Notes: (Cont'd)

- (e) Senior notes (Cont'd)
- (viii) 2019 Senior Notes – 6.75%
On 16 July 2019, the Company issued senior notes at a coupon rate of 6.75% with an aggregate principal amount of USD400,000,000. On 4 September 2019, the Company issued additional senior notes at coupon rate of 6.75% with aggregate principal amount of USD100,000,000. The additional notes were consolidated and form a single series with the 6.75% senior notes of USD400,000,000 (collectively “2019 Senior Notes – 6.75%”).

At any time prior to 16 July 2022, the Company may at its option redeem the 2019 Senior Notes – 6.75%, in whole but not in part, at a redemption price equal to 100% of the principal amount redeemed plus the applicable premium. At any time and from time to time prior to 16 July 2022, the Company may redeem up to 35% of the aggregate principal amount of the 2019 Senior Notes – 6.75% 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 106.75% of the principal amount redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

30. 計息銀行及其他借款及應付利息(續)

附註：(續)

- (e) 優先票據(續)
- (ix) 二零二零年優先票據－6.00%
於二零二零年五月六日，本公司發行票面利率為6.00%的優先票據，本金總額為200,000,000美元(「二零二零年優先票據－6.00%」)。

本公司可選擇於二零二一年五月五日之前的任何時間，按相等於所贖回本金額100%另加適用溢價的贖回價，贖回全部而非部分二零二零年優先票據－6.00%。本公司亦可於二零二一年五月五日之前的任何時間，運用在股本發售中透過一次或多次出售本公司普通股的所得款項現金淨額，按相當於所贖回本金額106.0%的贖回價加截至贖回日期(但不包括該日)的應計未付利息(如有)，贖回二零二零年優先票據－6.00%本金總額中的最多35%。

30. INTEREST-BEARING BANK AND OTHER BORROWINGS AND INTEREST PAYABLE (CONT'D)

Notes: (Cont'd)

- (e) Senior notes (Cont'd)
- (ix) 2020 Senior Notes – 6.00%
On 6 May 2020, the Company issued senior notes at a coupon rate of 6.00% with an aggregate principal amount of USD200,000,000 (the “**2020 Senior Notes – 6.00%**”).

At any time prior to 5 May 2021, the Company may at its option redeem the 2020 Senior Notes – 6.00%, in whole but not in part, at a redemption price equal to 100% of the principal amount redeemed plus the applicable premium. At any time prior to 5 May 2021, the Company may redeem up to 35% of the aggregate principal amount of the 2020 Senior Notes – 6.00% 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 106.0% of the principal amount redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

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二零二零年十二月三十一日 31 December 2020

30. 計息銀行及其他借款及
應付利息(續)

附註：(續)

(e) 優先票據(續)

- (x) 二零二零年優先票據—6.75%
於二零二零年七月八日，本公司發行票面利率為6.75%的優先票據，本金總額為300,000,000美元。於二零二零年十月三十日，本公司發行票面利率為6.75%的額外優先票據，本金總額為250,000,000美元。額外票據與300,000,000美元的6.75%優先票據整合併組成單一系列(統稱為「二零二零年優先票據—6.75%」)。

本公司可選擇於二零二三年七月八日之後的任何時間及不時按相等於二零二三年的102%及二零二四年的101%的贖回價，加截至贖回日期(倘於該年的七月八日起十二個月期間贖回，但不包括該日)的應計未付利息(如有)，贖回全部或部分的二零二零年優先票據—6.75%。

本公司可選擇於二零二三年七月八日之前的任何時間，按相等於所贖回本金額100%另加適用溢價的贖回價，贖回全部而非部分二零二零年優先票據—6.75%。本公司亦可於二零二三年七月八日之前的任何時間及不時運用在股本發售中透過一次或多次出售本公司普通股的所得款項現金淨額，按相當於所贖回本金額106.75%的贖回價加截至贖回日期(但不包括該日)的應計未付利息(如有)，贖回二零二零年優先票據—6.75%本金總額中的最多35%。

30. INTEREST-BEARING BANK AND OTHER
BORROWINGS AND INTEREST PAYABLE
(CONT'D)

Notes: (Cont'd)

(e) Senior notes (Cont'd)

- (x) 2020 Senior Notes – 6.75%

On 8 July 2020, the Company issued senior notes at a coupon rate of 6.75% with an aggregate principal amount of USD300,000,000. On 30 October 2020, the Company issued additional senior notes at coupon rate of 6.75% with aggregate principal amount of USD250,000,000. The additional notes were consolidated and form a single series with the 6.75% senior notes of USD300,000,000 (collectively “2020 Senior Notes – 6.75%”).

At any time and from time to time on after 8 July 2023, the Company may at its option redeem the 2020 Senior Notes – 6.75%, in whole or in part, at a redemption price equal to 102% in 2023 and 101% in 2024, plus accrued and unpaid interest, if any, to (but not including) the redemption date if redeemed during the twelve-month period beginning on 8 July of the years.

At any time prior to 8 July 2023, the Company may at its option redeem the 2020 Senior Notes – 6.75%, in whole but not in part, at a redemption price equal to 100% of the principal amount redeemed plus the applicable premium. At any time and from time to time prior to 8 July 2023, the Company may redeem up to 35% of the aggregate principal amount of the 2020 Senior Notes – 6.75% 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 106.75% of the principal amount redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

30. 計息銀行及其他借款及應付利息(續)

附註：(續)

- (e) 優先票據(續)
- (xi) 二零二零年優先票據—6.20%於二零二零年九月二十二日，本公司發行票面利率為6.20%的優先票據，本金總額為350,000,000美元(「二零二零年優先票據—6.20%」)。

本公司可選擇於二零二三年九月二十二日之後的任何時間及不時按相等於二零二三年的102%及二零二四年的101%的贖回價，加載至贖回日期(倘於該年的九月二十二日起十二個月期間贖回，但不包括該日)的應計未付利息(如有)，贖回全部或部分的二零二零年優先票據—6.20%。

本公司可選擇於二零二三年九月二十二日之前的任何時間，按相等於所贖回本金額100%另加適用溢價的贖回價，贖回全部而非部分二零二零年優先票據—6.20%。本公司亦可於二零二三年九月二十二日之前的任何時間，運用在股本發售中透過一次或多次出售本公司普通股的所得款項現金淨額，按相當於所贖回本金額106.2%的贖回價加載至贖回日期(但不包括該日)的應計未付利息(如有)，贖回二零二零年優先票據—6.20%本金總額中的最多35%。

30. INTEREST-BEARING BANK AND OTHER BORROWINGS AND INTEREST PAYABLE (CONT'D)

Notes: (Cont'd)

- (e) Senior notes (Cont'd)
- (xi) 2020 Senior Notes – 6.20%
On 22 September 2020, the Company issued senior notes at a coupon rate of 6.20% with an aggregate principal amount of USD350,000,000 (the “**2020 Senior Notes – 6.20%**”).

At any time and from time to time on after 22 September 2023, the Company may at its option redeem the 2020 Senior Notes – 6.20%, in whole or in part, at a redemption price equal to 102% in 2023 and 101% in 2024, plus accrued and unpaid interest, if any, to (but not including) the redemption date if redeemed during the twelve-month period beginning on 22 September of the years.

At any time prior to 22 September 2023, the Company may at its option redeem the 2020 Senior Notes – 6.20%, in whole but not in part, at a redemption price equal to 100% of the principal amount redeemed plus the applicable premium. At any time prior to 22 September 2023, the Company may redeem up to 35% of the aggregate principal amount of the 2020 Senior Notes – 6.20% 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 106.2% of the principal amount redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

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二零二零年十二月三十一日 31 December 2020

30. 計息銀行及其他借款及
應付利息(續)

附註：(續)

(f) 公司債券

30. INTEREST-BEARING BANK AND OTHER
BORROWINGS AND INTEREST PAYABLE
(CONT'D)

Notes: (Cont'd)

(f) Corporate bonds

		二零二零年十二月三十一日 31 December 2020		二零一九年十二月三十一日 31 December 2019	
		到期 Maturity	金額 Amount 人民幣千元 RMB'000	到期 Maturity	金額 Amount 人民幣千元 RMB'000
二零一五年公司債券-7.50%	2015 Corporate Bonds - 7.50%	-	-	2020	1,792,417
二零一七年公司債券-5.50%	2017 Corporate Bonds - 5.50%	2022	1,082,335	2020	1,087,123
二零一七年公司債券-7.20%	2017 Corporate Bonds - 7.20%	-	-	2020	494,481
二零一八年公司債券I-8.40%	2018 Corporate Bonds I - 8.40%	-	-	2020	2,170,818
二零一八年公司債券II-8.40%	2018 Corporate Bonds II - 8.40%	-	-	2020	1,668,962
二零一八年公司債券-7.50%	2018 Corporate Bonds - 7.50%	-	-	2020	1,075,874
二零一八年公司債券-8.10%	2018 Corporate Bonds - 8.10%	2021	1,896,106	2021	1,884,280
二零一九年公司債券-7.50%	2019 Corporate Bonds - 7.50%	2021	1,093,516	2021	1,081,617
二零一九年公司債券-6.80%	2019 Corporate Bonds - 6.80%	2024	470,366	2024	461,743
二零二零年公司債券-6.20%	2020 Corporate Bonds - 6.20%	2025	558,540	-	-
二零二零年公司債券-5.00%	2020 Corporate Bonds - 5.00%	2023	725,062	-	-
二零二零年公司債券-6.30%	2020 Corporate Bonds - 6.30%	2025	914,987	-	-
二零二零年公司債券-5.10%	2020 Corporate Bonds - 5.10%	2023	1,524,102	-	-
二零二零年公司債券-5.24%	2020 Corporate Bonds - 5.24%	2023	2,479,760	-	-
二零二零年公司債券I-5.94%	2020 Corporate Bonds I - 5.94%	2023	1,588,526	-	-
二零二零年公司債券-5.68%	2020 Corporate Bonds - 5.68%	2022	496,553	-	-
二零二零年公司債券II-5.94%	2020 Corporate Bonds II - 5.94%	2022	1,071,387	-	-
			13,901,240	11,717,315	

30. 計息銀行及其他借款及應付利息(續)

附註：(續)

- (f) 公司債券(續)
該等證券為無擔保，並於上海證券交易所(「上海證券交易所」)上市。
- (i) 二零一五年公司債券—7.50%
於二零一五年七月十日，廣州時代於中國按票面年利率6.75%發行面值為人民幣2,000,000,000元的公開發行境內公司債券，為期五年。於二零一八年七月十日，本公司按相當於該等票據本金額100%的贖回價人民幣184,392,000元贖回本金總額人民幣184,392,000元。自二零一八年七月十日起，債券利率由每年6.75%上調至每年7.50%(「二零一五年公司債券—7.50%」)。於二零二零年七月十日，本公司按相當於該等票據本金額100%的贖回價人民幣1,815,608,000元贖回本金總額人民幣1,815,608,000元。
- (ii) 二零一七年公司債券—5.50%
於二零一七年九月八日，廣州時代於中國按票面年利率8.20%發行面值為人民幣1,100,000,000元的非公開發行境內公司債券，為期五年。自二零二零年九月八日起，債券利率由每年8.20%下調至每年5.50%(「二零一七年公司債券—5.50%」)。

30. INTEREST-BEARING BANK AND OTHER BORROWINGS AND INTEREST PAYABLE (CONT'D)

Notes: (Cont'd)

- (f) Corporate bonds (Cont'd)
The bonds are non-guaranteed and are listed on the Shanghai Stock Exchange (the "SSE").
- (i) 2015 Corporate Bonds – 7.50%
On 10 July 2015, Guangzhou Times issued public domestic corporate bonds at a par value of RMB2,000,000,000 in the PRC with a term of five years at the coupon rate of 6.75% per annum. On 10 July 2018, the Company redeemed an aggregate principal amount of RMB184,392,000 at a redemption price of RMB184,392,000, which equals 100% of the principal amount of such notes. From 10 July 2018, the interest rate of the bonds increased from 6.75% per annum to 7.50% per annum. (the "2015 Corporate Bonds – 7.50%"). On 10 July 2020, the Company redeemed an aggregate principal amount of RMB1,815,608,000 at a redemption price of RMB1,815,608,000, which equals 100% of the principal amount of such notes.
- (ii) 2017 Corporate Bonds – 5.50%
On 8 September 2017, Guangzhou Times issued non-public domestic corporate bonds at a par value of RMB1,100,000,000 in the PRC with a term of five years at the coupon rate of 8.20% per annum. From 8 September 2020, the interest rate of the bonds decreased from 8.20% per annum to 5.50% per annum (the "2017 Corporate Bonds – 5.50%").

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二零二零年十二月三十一日 31 December 2020

30. 計息銀行及其他借款及
應付利息(續)

附註：(續)

- (f) 公司債券(續)
- (iii) 二零一七年公司債券—7.20%
- 於二零一七年九月八日，廣州時代於中國按票面年利率7.75%發行面值為人民幣500,000,000元的非公開發行境內公司債券，為期三年。自二零一九年九月八日起，債券利率由每年7.75%下調至每年7.20%（「二零一七年公司債券—7.20%」）。
- 於二零二零年九月十八日，本公司按相當於該等票據本金額100%的贖回價人民幣500,000,000元贖回本金總額人民幣500,000,000元。
- (iv) 二零一八年公司債券I—8.40%及二零一八年公司債券II—8.40%
- 於二零一八年八月二十日，廣州時代於中國按票面年利率8.40%發行面值為人民幣2,200,000,000元的非公開發行境內公司債券（「二零一八年公司債券I—8.40%」），為期三年。
- 於二零一八年十月十七日，廣州時代於中國按票面年利率8.40%發行面值為人民幣1,700,000,000元的非公開發行境內公司債券（「二零一八年公司債券II—8.40%」），為期三年。

30. INTEREST-BEARING BANK AND OTHER
BORROWINGS AND INTEREST PAYABLE
(CONT'D)

Notes: (Cont'd)

- (f) Corporate bonds (Cont'd)
- (iii) 2017 Corporate Bonds – 7.20%
- On 8 September 2017, Guangzhou Times issued non-public domestic corporate bonds at a par value of RMB500,000,000 in the PRC with a term of three years at the coupon rate of 7.75% per annum. From 8 September 2019, the interest rate of the bonds decreased from 7.75% per annum to 7.20% per annum (the “2017 Corporate Bonds – 7.20%”).
- On 18 September 2020, the Company redeemed an aggregate principal amount of RMB500,000,000 at a redemption price of RMB500,000,000, which equals 100% of the principal amount of such notes.
- (iv) 2018 Corporate Bonds I – 8.40% and 2018 Corporate Bonds II – 8.40%
- On 20 August 2018, Guangzhou Times issued non-public domestic corporate bonds at a par value of RMB2,200,000,000 in the PRC with a term of three years at the coupon rate of 8.40% per annum (the “2018 Corporate Bonds I – 8.40%”).
- On 17 October 2018, Guangzhou Times issued non-public domestic corporate bonds at a par value of RMB1,700,000,000 in the PRC with a term of three years at the coupon rate of 8.40% per annum (the “2018 Corporate Bonds II – 8.40%”).

30. 計息銀行及其他借款及應付利息(續)

附註：(續)

- (f) 公司債券(續)
- (iv) 二零一八年公司債券I—8.40%及二零一八年公司債券II—8.40%(續)
- 於二零二零年八月二十日及二零二零年十月十七日，本公司按相等於該等票據本金額100%加截至行權日期的應計未付利息的贖回價分別人民幣2,200,000,000元及人民幣1,700,000,000元，贖回本金總額為人民幣2,200,000,000元及人民幣1,700,000,000元的所有未償還二零一八年公司債券I—8.40%及二零一八年公司債券II—8.40%。
- (v) 二零一八年公司債券—7.50%
- 於二零一八年十二月七日，廣州時代於中國按票面年利率7.50%發行面值為人民幣1,100,000,000元的公開發行境內公司債券，為期三年(「二零一八年公司債券—7.50%」)。
- 於二零二零年十二月十日，本公司按相等於該等票據本金額100%加截至行權日期的應計未付利息的贖回價人民幣1,100,000,000元，贖回本金總額為人民幣1,100,000,000元的所有未償還二零一八年公司債券—7.50%。

30. INTEREST-BEARING BANK AND OTHER BORROWINGS AND INTEREST PAYABLE (CONT'D)

Notes: (Cont'd)

- (f) Corporate bonds (Cont'd)
- (iv) 2018 Corporate Bonds I – 8.40% and 2018 Corporate Bonds II – 8.40% (Cont'd)
- On 20 August 2020 and 17 October 2020, the Company has redeemed an aggregate principal amount of RMB2,200,000,000 and RMB1,700,000,000 of all of the outstanding 2018 Corporate Bonds I – 8.40% and 2018 Corporate Bonds II – 8.40% at a redemption price of RMB2,200,000,000 and RMB1,700,000,000, respectively, which equal 100% of the principal amount of such notes plus the accrued and unpaid interest to the redemption date.
- (v) 2018 Corporate Bonds – 7.50%
- On 7 December 2018, Guangzhou Times issued public domestic corporate bonds at a par value of RMB1,100,000,000 in the PRC with a term of three years at the coupon rate of 7.50% per annum (the “2018 Corporate Bonds – 7.50%”).
- On 10 December 2020, the Company redeemed an aggregate principal amount of RMB1,100,000,000 of all of the outstanding 2018 Corporate Bonds – 7.50% at a redemption price of RMB1,100,000,000, which equals to 100% of the principal amount of such notes plus the accrued and unpaid interest to the redemption date.

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30. 計息銀行及其他借款及
應付利息(續)

附註：(續)

- (f) 公司債券(續)
- (vi) 二零一八年公司債券—8.10%
於二零一八年十二月七日，廣州時代於中國按票面年利率8.10%發行面值為人民幣發行面值為人民幣1,900,000,000元的公開發行境內公司債券(「二零一八年公司債券—8.10%」)，為期五年。於第三年末廣州時代可選擇調整票面利率及投資者可選擇回售債券。
- (vii) 二零一九年公司債券—7.50%
於二零一九年一月二十四日，廣州時代於中國按票面年利率7.50%發行面值為人民幣1,100,000,000元的非公開發行境內公司債券(「二零一九年公司債券—7.50%」)，為期三年。於第二年末廣州時代可選擇調整票面利率及投資者可選擇回售債券。
- (viii) 二零一九年公司債券—6.80%
於二零一九年六月六日，廣州時代於中國按票面年利率6.80%發行面值為人民幣500,000,000元的公開發行境內公司債券(「二零一九年公司債券—6.80%」)，為期五年。

30. INTEREST-BEARING BANK AND OTHER
BORROWINGS AND INTEREST PAYABLE
(CONT'D)

Notes: (Cont'd)

- (f) Corporate bonds (Cont'd)
- (vi) 2018 Corporate Bonds – 8.10%
On 7 December 2018, Guangzhou Times issued public domestic corporate bonds at a par value of RMB1,900,000,000 in the PRC with a term of five years at the coupon rate of 8.10% per annum (the “2018 Corporate Bonds – 8.10%”), with the option to adjust the coupon rate by Guangzhou Times and the investors have the option to sell back the bonds at the end of the third year.
- (vii) 2019 Corporate Bonds – 7.50%
On 24 January 2019, Guangzhou Times issued non-public domestic corporate bonds at a par value of RMB1,100,000,000 in the PRC with a term of three years at the coupon rate of 7.50% per annum (the “2019 Corporate Bonds – 7.50%”), with the option to adjust the coupon rate by Guangzhou Times and the investors have the option to sell back the bonds at the end of the second year.
- (viii) 2019 Corporate Bonds – 6.80%
On 6 June 2019, Guangzhou Times issued public domestic corporate bonds at a par value of RMB500,000,000 in the PRC with a term of five years at the coupon rate of 6.80% per annum (the “2019 Corporate Bonds – 6.80%”).

30. 計息銀行及其他借款及應付利息(續)

附註：(續)

- (f) 公司債券(續)
- (ix) 二零二零年公司債券—6.20%
於二零二零年二月二十一日，廣州時代於中國按票面年利率6.20%發行面值為人民幣575,000,000元的公開發行境內公司債券(「二零二零年公司債券—6.20%」)，為期七年。於第五年末廣州時代可選擇調整票面利率及投資者可選擇回售債券。
- (x) 二零二零年公司債券—5.00%
於二零二零年二月二十一日，廣州時代於中國按票面年利率5.00%發行面值為人民幣740,000,000元的公開發行境內公司債券(「二零二零年公司債券—5.00%」)，為期五年。於第三年末廣州時代可選擇調整票面利率及投資者可選擇回售債券。
- (xi) 二零二零年公司債券—6.30%
於二零二零年三月二十六日，廣州時代於中國按票面年利率6.30%發行面值為人民幣950,000,000元的公開發行境內公司債券(「二零二零年公司債券—6.30%」)，為期七年。於第五年末廣州時代可選擇調整票面利率及投資者可選擇回售債券。
- (xii) 二零二零年公司債券—5.10%
於二零二零年三月二十六日，廣州時代於中國按票面年利率5.10%發行面值為人民幣1,550,000,000元的公開發行境內公司債券(「二零二零年公司債券—5.10%」)，為期五年。於第三年末廣州時代可選擇調整票面利率及投資者可選擇回售債券。
- (xiii) 二零二零年公司債券—5.24%
於二零二零年五月二十六日，廣州時代於中國按票面年利率5.24%發行面值為人民幣2,500,000,000元的公開發行境內公司債券(「二零二零年公司債券—5.24%」)，為期五年。於第三年末廣州時代可選擇調整票面利率及投資者可選擇回售債券。

30. INTEREST-BEARING BANK AND OTHER BORROWINGS AND INTEREST PAYABLE (CONT'D)

Notes: (Cont'd)

- (f) Corporate bonds (Cont'd)
- (ix) 2020 Corporate Bonds – 6.20%
On 21 February 2020, Guangzhou Times issued public domestic corporate bonds at a par value of RMB575,000,000 in the PRC with a term of seven years at the coupon rate of 6.20% per annum (the “2020 Corporate Bonds – 6.20%”), with the option to adjust the coupon rate by Guangzhou Times and the investors have the option to sell back the bonds at the end of the fifth year.
- (x) 2020 Corporate Bonds – 5.00%
On 21 February 2020, Guangzhou Times issued public domestic corporate bonds at a par value of RMB740,000,000 in the PRC with a term of five years at the coupon rate of 5.00% per annum (the “2020 Corporate Bonds – 5.00%”), with the option to adjust the coupon rate by Guangzhou Times and the investors have the option to sell back the bonds at the end of the third year.
- (xi) 2020 Corporate Bonds – 6.30%
On 26 March 2020, Guangzhou Times issued public domestic corporate bonds at a par value of RMB950,000,000 in the PRC with a term of seven years at the coupon rate of 6.30% per annum (the “2020 Corporate Bonds – 6.30%”), with the option to adjust the coupon rate by Guangzhou Times and the investors have the option to sell back the bonds at the end of the fifth year.
- (xii) 2020 Corporate Bonds – 5.10%
On 26 March 2020, Guangzhou Times issued public domestic corporate bonds at a par value of RMB1,550,000,000 in the PRC with a term of five years at the coupon rate of 5.10% per annum (the “2020 Corporate Bonds – 5.10%”), with the option to adjust the coupon rate by Guangzhou Times and the investors have the option to sell back the bonds at the end of the third year.
- (xiii) 2020 Corporate Bonds – 5.24%
On 26 May 2020, Guangzhou Times issued public domestic corporate bonds at a par value of RMB2,500,000,000 in the PRC with a term of five years at the coupon rate of 5.24% per annum (the “2020 Corporate Bonds – 5.24%”), with the option to adjust the coupon rate by Guangzhou Times and the investors have the option to sell back the bonds at the end of the third year.

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30. 計息銀行及其他借款及
應付利息(續)

附註：(續)

- (f) 公司債券(續)
- (xiv) 二零二零年公司債券I—5.94%
於二零二零年七月十六日，廣州時代於中國按票面年利率5.94%發行面值為人民幣1,600,000,000元的公開發行境內公司債券(「二零二零年公司債券I—5.94%」)，為期五年。於第三年末廣州時代可選擇調整票面利率及投資者可選擇回售債券。
- (xv) 二零二零年公司債券—5.68%
於二零二零年八月三日，廣州時代於中國按票面年利率5.68%發行面值為人民幣500,000,000元的非公開發行境內公司債券(「二零二零年公司債券—5.68%」)，為期四年。於第二年末廣州時代可選擇調整票面利率及投資者可選擇回售債券。
- (xvi) 二零二零年公司債券II—5.94%
於二零二零年八月二十一日，廣州時代於中國按票面年利率5.94%發行面值為人民幣1,100,000,000元的非公開發行境內公司債券(「二零二零年公司債券II—5.94%」)，為期四年。於第二年末廣州時代可選擇調整票面利率及投資者可選擇回售債券。

二零一七年公司債券—5.50%、二零一八年公司債券—8.10%、二零一九年公司債券—7.50%、二零一九年公司債券—6.80%、二零二零年公司債券—6.20%、二零二零年公司債券—5.00%、二零二零年公司債券—6.30%、二零二零年公司債券—5.10%、二零二零年公司債券—5.24%、二零二零年公司債券I—5.94%、二零二零年公司債券—5.68%及二零二零年公司債券II—5.94%的實際利率分別為7.99%、8.77%、8.51%、8.56%、7.25%、5.81%、7.15%、5.49%、5.52%、6.04%、5.99%及7.05%。

30. INTEREST-BEARING BANK AND OTHER
BORROWINGS AND INTEREST PAYABLE
(CONT'D)

Notes: (Cont'd)

- (f) Corporate bonds (Cont'd)
- (xiv) 2020 Corporate Bonds I – 5.94%
On 16 July 2020, Guangzhou Times issued public domestic corporate bonds at a par value of RMB1,600,000,000 in the PRC with a term of five years at the coupon rate of 5.94% per annum (the “2020 Corporate Bonds I – 5.94%”), with the option to adjust the coupon rate by Guangzhou Times and the investors have the option to sell back the bonds at the end of the third year.
- (xv) 2020 Corporate Bonds – 5.68%
On 3 August 2020, Guangzhou Times issued non-public domestic corporate bonds at a par value of RMB500,000,000 in the PRC with a term of four years at the coupon rate of 5.68% per annum (the “2020 Corporate Bonds – 5.68%”), with the option to adjust the coupon rate by Guangzhou Times and the investors have the option to sell back the bonds at the end of the second year.
- (xvi) 2020 Corporate Bonds II – 5.94%
On 21 August 2020, Guangzhou Times issued non-public domestic corporate bonds at a par value of RMB1,100,000,000 in the PRC with a term of four years at the coupon rate of 5.94% per annum (the “2020 Corporate Bonds II – 5.94%”), with the option to adjust the coupon rate by Guangzhou Times and the investors have the option to sell back the bonds at the end of the second year.

The effective interest rates of the 2017 Corporate Bonds – 5.50%, 2018 Corporate Bonds – 8.10%, 2019 Corporate Bonds – 7.50%, 2019 Corporate Bonds – 6.80%, 2020 Corporate Bonds – 6.20%, 2020 Corporate Bonds – 5.00%, 2020 Corporate Bonds – 6.30%, 2020 Corporate Bonds – 5.10%, 2020 Corporate Bonds – 5.24%, 2020 Corporate Bonds I – 5.94%, 2020 Corporate Bonds – 5.68% and 2020 Corporate Bonds II – 5.94% are 7.99%, 8.77%, 8.51%, 8.56%, 7.25%, 5.81%, 7.15%, 5.49%, 5.52%, 6.04%, 5.99% and 7.05%, respectively.

30. 計息銀行及其他借款及應付利息(續)

附註：(續)

(g) 銀團貸款

- (i) 於二零一七年七月三十一日，本公司與(其中包括)多家金融機構(作為貸款人)及香港上海滙豐銀行有限公司(作為融資代理)就美元及港元雙幣可轉讓定期貸款融資訂立總額分別為204,000,000美元及248,000,000港元的融資協議，自二零一七年七月三十一日起計為期36個月(「二零一七年滙豐融資」)。

二零一七年滙豐融資項下的未償還本金額一般參考按倫敦銀行同業拆息或香港銀行同業拆息計算的浮動利率計息。

於二零二零年七月三十日，本公司已償還二零一七年滙豐融資項下所有未償還本金額。

- (ii) 於二零一九年十一月八日，本公司與(其中包括)多家金融機構(作為貸款人)及恒生銀行有限公司(作為融資代理)就美元及港元雙幣可轉讓定期貸款融資訂立總額分別為128,000,000美元及312,000,000港元的融資協議，自二零一九年十一月八日起計為期48個月(「二零一九年恆生融資」)。於二零二零年，本公司已分別要求本金總額為108,000,000美元及678,600,000港元的相應額外貸款。

二零一九年恆生融資項下的未償還本金額一般參考按倫敦銀行同業拆息或香港銀行同業拆息計算的浮動利率計息。

30. INTEREST-BEARING BANK AND OTHER BORROWINGS AND INTEREST PAYABLE (CONT'D)

Notes: (Cont'd)

(g) Syndicated loans

- (i) On 31 July 2017, the Company entered into a facility agreement with, among others, various financial institutions as lenders and the Hongkong and Shanghai Banking Corporation Limited as a facility agent for a USD and HKD dual-currency transferable term loan facility in an aggregate amount of USD204,000,000 and HKD248,000,000, respectively, for a term of 36 months commencing from 31 July 2017 (the "2017 HSBC Facility").

The principal amounts outstanding under the 2017 HSBC Facility generally bear interest at floating rates calculated with reference to the London Interbank Offered Rate or Hong Kong Interbank Offered Rate.

On 30 July 2020, the Company has repaid all of the principal amounts outstanding under the 2017 HSBC Facility.

- (ii) On 8 November 2019, the Company entered into a facility agreement with, among others, various financial institutions as lenders and Hang Seng Bank Limited as a facility agent for a USD and HKD dual-currency transferable term loan facility in an aggregate amount of USD128,000,000 and HKD312,000,000, respectively, for a term of 48 months commencing from 8 November 2019 (the "2019 Heng Seng Facility"). In 2020, the Company has requested a corresponding additional loan in an aggregate principal amount of USD108,000,000 and HKD678,600,000, respectively.

The principal amounts outstanding under the 2019 Heng Seng Facility generally bear interest at floating rates calculated with reference to the London Interbank Offered Rate or Hong Kong Interbank Offered Rate.

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31. 股本

31. SHARE CAPITAL

		二零二零年 2020	二零一九年 2019
法定：	Authorised:		
10,000,000,000股(二零一九年： 10,000,000,000股)每股面值0.10 港元的普通股	10,000,000,000 (2019: 10,000,000,000) ordinary shares of HKD0.10 each	1,000,000,000 港元 HKD1,000,000,000	1,000,000,000港元 HKD1,000,000,000
已發行及已繳足：	Issued and fully paid:		
1,941,817,000股(二零一九年： 1,941,817,000股)每股面值0.10 港元的普通股	1,941,817,000 (2019: 1,941,817,000) ordinary shares of HKD0.10 each	194,182,000 港元 HKD194,182,000	194,182,000港元 HKD194,182,000
相當於	Equivalent to	人民幣 154,528,000 元 RMB154,528,000	人民幣154,528,000元 RMB154,528,000

32. 購股權計劃

本公司實行購股權計劃(「計劃」)，旨在激勵及獎勵對本集團營運成功作出貢獻的合資格參與者。計劃的合資格參與者包括本公司任何僱員、管理層成員或董事，或計劃的條款所載的任何其他合資格參與者。計劃根據於二零一三年十一月十九日(「採納日期」)通過的全體股東決議案而採納，並將自採納日期起計10年期間內有效及生效。

除獲本公司股東批准外，本公司於根據計劃及本公司其他購股權計劃將予授出的所有購股權獲行使時可發行的股份最高數目，合共不得超過上市日期已發行股份總數的10%(即172,296,000股股份)，且不得超過不時已發行股份總數的30%。除獲本公司股東批准外，於任何十二個月期間，因每名承授人獲授予的購股權(包括已行使及尚未行使的購股權)獲行使而發行及將予發行的股份總數不得超過已發行股份總數的1%。

32. SHARE OPTION SCHEME

The Company operates a share option scheme (the “Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the Scheme include any employee, management member or director of the Company, or any other eligible participants upon the terms set out in the Scheme. The Scheme was adopted pursuant to the resolutions of all the shareholders passed on 19 November 2013 (the “Adoption Date”) and shall be valid and effective for a period of 10 years commencing on the Adoption Date.

The maximum number of shares which may be issued upon exercise of all options to be granted under the Scheme and other share option schemes of the Company shall not in aggregate exceed 10% of the total number of shares in issue as at the Listing Date (i.e., 172,296,000 shares) unless the Company obtains approval from its shareholders and must not exceed 30% of the total number of shares in issue from time to time. The total number of shares issued and to be issued upon exercise of the options granted to each grantee (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue, unless approval of the Company’s shareholders is obtained.

32. 購股權計劃(續)

承授人於申請或接受購股權時應付的金額為1.00港元。根據購股權須承購股份的期間由董事會全權酌情決定，惟於任何情況下，該期間不得超過根據計劃授出任何個別購股權日期起計10年。

因根據計劃授出的購股權獲行使而發行的每股股份的認購價將由董事會全權釐定，惟不得低於下列的最高者：(i)於授出日期(須為聯交所開市進行證券買賣的日子)聯交所每日報價表所列的股份正式收市價；(ii)於緊接授出日期前五個營業日聯交所每日報價表所列的股份平均正式收市價；及(iii)股份面值。

自二零一三年十一月十九日採納計劃起，概無根據計劃授出任何購股權。

32. SHARE OPTION SCHEME (CONT'D)

The amount payable by the grantee on application or acceptance of an option shall be HKD1.00. The period within which the shares must be taken up under an option shall be determined by the board at its absolute discretion and, in any event, such period shall not be longer than 10 years from the date upon which any particular option is granted in accordance with the Scheme.

The subscription price in respect of each share issued pursuant to the exercise of an option granted under the Scheme shall be solely determined by the board and shall not be less than the highest of: (i) the official closing price of the shares as stated in the SEHK's daily quotation sheet on the date of grant, which must be a day on which the SEHK is open for the business of dealing in securities; (ii) the average of the official closing prices of the shares as stated in the SEHK's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share.

Since the adoption of the Scheme on 19 November 2013, no options have been granted pursuant to the Scheme.

33. 儲備

(a) 本集團於本年度及過往年度的儲備金額及變動均於本集團的綜合權益變動表中呈列。

(b) 繳入盈餘

本集團的繳入盈餘指截至二零零八年十二月三十一日止年度期間根據重組所收購附屬公司已繳股本的面值總額與本公司發行以作交換的股份面值之間的差額。

(c) 資本儲備

資本儲備主要指(在收購附屬公司其他非控股權益的情況下)收購成本與購入非控股權益之間的差額或(在向非控股股東出售附屬公司部分股本權益的情況下)出售所得款項與售出非控股權益(並無失去控制權)之間的差額。

(d) 法定盈餘公積金

根據中國相關法律及法規，本集團在中國註冊的現有旗下公司須將一定比例的按照中國企業普遍適用的會計原則計算的除稅後純利(抵銷任何過往年度的虧損後)撥至儲備公積金。當該等儲備公積金結餘達實體資本50%，可選擇不作出任何進一步撥款。法定盈餘公積金可用於抵銷過往年度虧損或增加資本。然而，須確保法定盈餘公積金作該等用途後其結餘不低於資本的25%。

33. RESERVES

(a) The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the Group.

(b) Contributed surplus

The contributed surplus of the Group represents the difference between the aggregate of the nominal value of the paid-up capital of the subsidiaries acquired pursuant to the reorganisation and the nominal value of the Company's shares issued in exchange therefor during the year ended 31 December 2008.

(c) Capital reserve

The capital reserve mainly represents the difference between the cost of acquisition and the non-controlling interests acquired in the case of acquisition of additional non-controlling interests of subsidiaries, or, the difference between the proceeds from disposal and the non-controlling interests disposed of in the case of disposal of partial equity interests in subsidiaries to non-controlling shareholders without loss of control.

(d) Statutory surplus funds

Pursuant to the relevant laws and regulations in the PRC, the companies now comprising the Group which are registered in the PRC shall appropriate a certain percentage of their net profit after tax (after offsetting any prior years' losses) calculated under the accounting principles generally applicable to the PRC enterprises to reserve funds. When the balances of these reserve funds reach 50% of the entity's capital, any further appropriation is optional. The statutory surplus reserve can be utilised to offset prior years' losses or to increase capital. However, the balance of the statutory surplus reserve must be maintained at a minimum of 25% of the capital after those usages.

34. 擁有部分權益且非控股權益屬重大的附屬公司

擁有重大非控股權益的本集團附屬公司的詳情載列如下：

二零二零年十二月三十一日

34. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

31 December 2020

		非控股權益 持有的 股本權益 百分比 Percentage of equity interest held by non-controlling interests %	分配予 非控股權益的 年度利潤 ／(虧損) Profit/(loss) for the year allocated to non-controlling interests 人民幣千元 RMB'000	非控股權益 的累計 結餘 Accumulated balances of non-controlling interests 人民幣千元 RMB'000
廣州傲鉅	Guangzhou Aoju	40	(45,752)	1,036,368
東莞豐玥 ¹	Dongguan Fengyue ¹	49	(1)	1,028,999
佛山冠恒	Foshan Guanheng	40	27,891	1,004,416
廣州紅衛 ¹	Guangzhou Hongwei ¹	49	(3,067)	1,615,345

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二零二零年十二月三十一日 31 December 2020

34. 擁有部分權益且非控股權益
屬重大的附屬公司(續)

二零一九年十二月三十一日

34. PARTLY-OWNED SUBSIDIARIES WITH
MATERIAL NON-CONTROLLING
INTERESTS (CONT'D)

31 December 2019

		非控股權益 持有的 股本權益 百分比 Percentage of equity interest held by non-controlling interests %	分配予 非控股權益的 年度利潤 /(虧損) Profit/(loss) for the year allocated to non-controlling interests 人民幣千元 RMB'000	非控股權益 的累計 結餘 Accumulated balances of non-controlling interests 人民幣千元 RMB'000
佛山冠恒	Foshan Guanheng	40	(14,897)	976,525
廣州耀杰 ²	Guangzhou Yaojie ²	40	(47,897)	1,549,466
佛山鴻譽 ²	Foshan Hongyu ²	25	84,884	1,705,125
廣州時創 ²	Guangzhou Shichuang ²	40	233,654	2,579,178
佛山睿達 ²	Foshan Ruida ²	10	39,568	1,469,021
珠海長信	Zhuhai Changxin	40	(10,002)	662,090
佛山天宇 ²	Foshan Tianyu ²	49	33,927	941,765
長沙啟譽	Changsha Qiyu	40	(640)	839,360

¹ 本集團於年內將該等附屬公司的部分權益轉讓予非控股股東。有關交易的進一步詳情載於財務報表附註35。

² 本集團於年內收購該等附屬公司的餘下權益。有關交易的進一步詳情載於財務報表附註35。

¹ The Group transferred partial interests in these subsidiaries to non-controlling shareholders during the year. Further details of the transactions are included in note 35 to the financial statements.

² The Group acquired remaining interests in these subsidiaries during the year. Further details of the transactions are included in note 35 to the financial statements.

34. 擁有部分權益且非控股權益 屬重大的附屬公司(續)

下表說明上述附屬公司的財務資料概要。
所披露的金額為於進行任何公司間抵銷前
的金額：

二零二零年	2020	廣州傲鉅 Guangzhou Aoju 人民幣千元 RMB'000	東莞豐玥 Dongguan Fengyue 人民幣千元 RMB'000	佛山冠恒 Foshan Guanheng 人民幣千元 RMB'000	廣州紅衛 Guangzhou Hongwei 人民幣千元 RMB'000
收入	Revenue	-	-	2,908,008	-
總開支	Total expenses	(126,332)	(2)	(2,839,652)	(6,260)
年度(虧損)/利潤	(Loss)/profit for the year	(126,332)	(2)	68,355	(6,260)
年度全面 (虧損)/利潤總額	Total comprehensive (loss)/ profit for the year	(126,332)	(2)	68,355	(6,260)
流動資產	Current assets	7,886,471	2,100,098	5,999,944	4,859,603
非流動資產	Non-current assets	18,837	-	2,169	11,895
流動負債	Current liabilities	(5,322,188)	(100)	(3,973,074)	(3,135,982)
非流動負債	Non-current liabilities	-	-	-	(1,740,723)
經營活動(使用)/所得的 現金流量淨額	Net cash flows (used in)/ generated from operating activities	(2,315,548)	(2,099,902)	148,399	(496,959)
投資活動使用的 現金流量淨額	Net cash flows used in investing activities	(3)	-	(301)	(2,793)
融資活動所得的 現金流量淨額	Net cash flows generated from financing activities	2,657,922	2,100,000	221,970	1,460,834
現金及現金等價物的 增加淨額	Net increase in cash and cash equivalents	342,371	98	370,068	961,082

34. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONT'D)

The following tables illustrate the summarised financial
information of the above subsidiaries. The amounts disclosed
are before any inter-company eliminations:

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**34. 擁有部分權益且非控股權益
屬重大的附屬公司(續)** **34. PARTLY-OWNED SUBSIDIARIES WITH
MATERIAL NON-CONTROLLING
INTERESTS (CONT'D)**

		佛山鴻譽 Foshan Hongyu 人民幣千元 RMB'000	廣州時創 Guangzhou Shichuang 人民幣千元 RMB'000	廣州耀杰 Guangzhou Yaojie 人民幣千元 RMB'000	佛山睿達 Foshan Ruida 人民幣千元 RMB'000	珠海長信 Zhuhai Changxin 人民幣千元 RMB'000	佛山天宇 Foshan Tianyu 人民幣千元 RMB'000	佛山冠恒 Foshan Guanheng 人民幣千元 RMB'000	長沙啟譽 Changsha Qiyu 人民幣千元 RMB'000
二零一九年	2019								
收入	Revenue	4,899,670	6,989,229	-	4,139,859	-	983,160	-	-
總開支	Total expenses	(4,333,773)	(5,528,890)	(119,742)	(3,744,182)	(25,004)	(923,079)	(46,323)	(1,600)
年度利潤/(虧損)	Profit/(loss) for the year	565,897	1,460,339	(119,742)	395,677	(25,004)	60,081	(46,323)	(1,600)
年度全面收入/ (虧損)總額	Total comprehensive income/ (loss) for the year	565,897	1,460,339	(119,742)	395,677	(25,004)	60,081	(46,323)	(1,600)
流動資產	Current assets	15,365,977	9,148,870	9,470,703	5,975,818	2,513,232	4,905,558	7,062,409	3,755,311
非流動資產	Non-current assets	7,535	344,901	41,635	6,103	47,681	11,877	20,584	581
流動負債	Current liabilities	(9,256,100)	(4,866,070)	(6,938,872)	(1,751,215)	(910,720)	(2,995,465)	(5,128,681)	(857,492)
非流動負債	Non-current liabilities	(345,000)	(39,451)	-	-	-	-	-	(800,000)
經營活動所得/(使用)的 現金流量淨額	Net cash flows from/(used in) operating activities	2,919,906	(227,610)	(972,966)	1,470,697	(642,582)	1,483,455	(2,356,845)	(2,097,688)
投資活動使用的 現金流量淨額	Net cash flows used in investing activities	(154)	(76)	(51)	(18)	-	(16)	(47)	(49)
融資活動(使用)/所得的 現金流量淨額	Net cash flows (used in)/from financing activities	(2,582,918)	2,591	981,149	(1,362,988)	(92,000)	(1,144,354)	1,262,797	2,900,000
現金及現金等價物的 增加/(減少)淨額	Net increase/(decrease) in cash and cash equivalents	336,834	(225,095)	8,132	107,691	(734,582)	339,085	(1,094,095)	802,263

35. 與非控股權益的主要交易

(a) 收購非控股權益

於二零二零年度，本集團以總現金代價人民幣16,136,901,000元向各非控股權益收購若干附屬公司的額外股本權益。年內，於若干附屬公司所有權權益變動對本集團擁有人應佔權益的影響概述如下：

35. MAJOR TRANSACTIONS WITH NON-CONTROLLING INTERESTS

(a) Acquisition of non-controlling interests

During the year 2020, the Group acquired additional equity interests of certain subsidiaries from the respective non-controlling interests for a total consideration of RMB16,136,901,000. The effect of change in ownership of interest of certain subsidiaries on the equity attributable to owners of the Group during this year is summarised as follows:

		人民幣千元 RMB'000
所收購非控股權益的總賬面值	Total carrying amounts of non-controlling interests acquired	11,262,622
減：支付非控股權益的總代價	Less: Total consideration paid to non-controlling interests	(7,423,514)
以非控股股東其他 應收款項結算的總代價	Total consideration settled with other receivables from non-controlling shareholders	(8,713,387)
於資本儲備確認的已付 代價虧絀	Deficit of consideration paid recognised in capital reserve	(1,808,426)
於留存利潤確認的已付代價虧絀	Deficit of consideration paid recognised in retained profits	(3,065,853)

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35. 與非控股權益的主要交易
(續)

(b) 向非控股權益出售附屬公司
部分權益：

於二零二零年，本集團於並無失去
控制權的情況下向獨立第三方出售
下列附屬公司的部分股權，該等第
三方已成為本集團非控股股東。

35. MAJOR TRANSACTIONS WITH NON-
CONTROLLING INTERESTS (CONT'D)

(b) Major disposals of partial interests in
subsidiaries to non-controlling interests:

During the year 2020, the Group disposed of partial
equity interests in the following subsidiaries without
loss of control to independent third parties, which
have become non-controlling shareholders of the
Group.

出售日期 Disposal date	公司名稱 Company name	代價 Consideration 人民幣千元 RMB'000	股權 Equity interest
二零二零年五月十五日 15 May 2020	佛山天宏 Foshan Tianhong	416,500	49%
四月三十日 30 April	廣州紅衛 Guangzhou Hongwei	1,618,413	49%
二零二零年五月一日 1 May 2020	廣州景瑞 Guangzhou Jingrui	800,000	65%
二零二零年七月四日 4 July 2020	廣州天譽 Guangzhou Tianyu	870,000	30%
二零二零年七月二十日 20 July 2020	佛山天揚 Foshan Tianyang	820,625	25%
二零二零年八月十八日 18 August 2020	廣州瑤輝 Guangzhou Junhui	336,000	28.57%
二零二零年八月二十六日 26 August 2020	廣州天創 Guangzhou Tianchuang	190,800	40%
二零二零年十一月十九日 19 November 2020	佛山天澤 Foshan Tianze	385,259	49%
二零二零年十一月二十日 20 November 2020	廣州名鴻 Guangzhou Minghong	350,000	20%
二零二零年十一月二十三日 23 November 2020	廣州傲鉅 Guangzhou Aoju	1,071,250	40.12%
二零二零年十二月五日 5 December 2020	東莞豐譽 Dongguan Fengyu	150,000	10%
二零二零年十二月十日 10 December 2020	中山富辰 Zhongshan Fuchen	300,000	15%
二零二零年十二月十五日 15 December 2020	廣州新湖 Guangzhou Xinhua	200,000	15%
二零二零年十二月十七日 17 December 2020	杭州明道 Hangzhou Mingdao	63,475	19.80%
二零二零年十二月三十日 30 December 2020	志卓 Eminent Will	573,970	85%

36. 收購附屬公司

(a) 收購附屬公司(不作為業務)

年內，本集團訂立買賣協議，以透過收購不作為業務的附屬公司收購資產及負債。收購詳情載列如下：

收購日期 Acquisition date	公司名稱 Company name	代價人民幣 Consideration 人民幣 RMB	股權 Equity interest
二零二零年七月一日 1 July 2020	廣州振昌 Guangzhou Zhenchang	481,000,000	100%
二零二零年十一月三十日 30 November 2020	深圳聚龍城 Shenzhen Julongcheng	118,753,984	60%
二零二零年十一月二十日 20 November 2020	佛山寶盈 Foshan Baoying	26,267,600	100%
二零二零年八月十八日 18 August 2020	肇慶東濠 Zhaoqing Donghao	20,000,000	100%

36. ACQUISITION OF SUBSIDIARIES

(a) Acquisition of subsidiaries that are not businesses

During the year, the Group entered into sale and purchase agreements to acquire assets and liabilities through acquisition of subsidiaries that are not businesses. The acquisition details are as follows:

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36. 收購附屬公司(續)

(a) 收購附屬公司(不作為業務)
(續)

上述交易入賬為透過收購附屬公司所收購資產。因該項收購所收購資產及所承擔負債的詳情如下：

36. ACQUISITION OF SUBSIDIARIES (CONT'D)

(a) Acquisition of subsidiaries that are not businesses (Cont'd)

The above transactions are accounted for as acquisition of assets through acquisition of subsidiaries. Details of the assets acquired and liabilities assumed by the acquisition are as follows:

		深圳聚龍城 Shenzhen Julongcheng 人民幣千元 RMB'000	廣州振昌 Guangzhou Zhenchang 人民幣千元 RMB'000	佛山寶盈 Foshan Baoying 人民幣千元 RMB'000	肇慶東濠 Zhaoqing Donghao 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
物業、廠房及設備	Property, plant and equipment	1,687	-	-	1	1,688
物業存貨	Inventories of properties	-	480,969	105,042	348,946	934,957
預付款項、按金及 其他應收款項	Prepayments, deposits and other receivables	228,009	5,000	3,599	9,229	245,837
現金及現金等價物	Cash and cash equivalents	493	5,089	-	53	5,635
應付貿易款項及票據	Trade and bills payables	(35)	(8)	-	(33,044)	(33,087)
其他應付款項及應計款項	Other payables and accruals	(32,230)	(10,050)	(82,374)	(305,185)	(429,839)
所收購資產淨值的公允價值	Fair value of net assets acquired	197,924	481,000	26,267	20,000	725,191
非控股權益	Non-controlling interests	(79,169)	-	-	-	(79,169)
以現金支付	Satisfied by cash	118,755	481,000	26,267	20,000	644,022
現金代價	Cash consideration	(118,755)	(481,000)	(26,267)	(20,000)	(644,022)
本年度前	Consideration paid prior to					
已付代價	the current year	28,755	-	-	-	28,755
將於本年度後	Consideration to be paid subsequent to					
支付的代價	the current year	90,000	-	-	-	90,000
所收購的現金及銀行結餘	Cash and bank balances acquired	493	5,089	-	53	5,635
有關收購的現金	Net cash inflow/(outflow) in respect of					
流入/(流出)淨額	the acquisition	493	(475,911)	(26,267)	(19,947)	(521,632)

36. 收購附屬公司(續)

(b) 合營企業轉為附屬公司

於二零二零年四月，非控股股東分別將中山恆勝及廣東聚賢的20%及9.09%權益轉讓予本集團，控制權亦已轉讓予本集團。於二零二零年十二月，一名非控股股東在不損失其於廣州浩瑋的股權的情況下將控制權轉讓予本集團。

下表概述於合併日期所收購可識別資產及所承擔負債的公允價值：

		中山恆勝 Zhongshan Hengsheng 人民幣千元 RMB'000	廣東聚賢 Guangdong Juxian 人民幣千元 RMB'000	廣州浩瑋 Guangzhou Haowei 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
物業、廠房及設備	Property, plant and equipment	79	49	104	232
物業存貨	Inventories of properties	433,525	611,329	4,553,698	5,598,552
遞延稅項資產	Deferred tax assets	13,228	18,917	8,632	40,777
預付款項、按金及其他應收款項	Prepayments, deposits and other receivables	958,841	583,387	2,597,437	4,139,665
預繳稅款	Tax prepayments	6,513	26,652	39,192	72,357
現金及現金等價物	Cash and cash equivalents	341,104	163,074	470,452	974,630
應付貿易款項及票據	Trade and bills payables	(134,391)	(214,522)	(285,188)	(634,101)
其他應付款項及應計款項	Other payables and accruals	(967,240)	(156,107)	(1,356,605)	(2,479,952)
合同負債	Contract liabilities	(387,101)	(528,141)	(1,366,622)	(2,281,864)
應付附屬公司款項	Amount due to subsidiaries	-	(25,735)	(1,396,747)	(1,422,482)
計息銀行及其他借款以及應付利息	Interest-bearing bank and other borrowings and interest payable	(202,521)	(355,730)	(2,182,171)	(2,740,422)
遞延稅項負債	Deferred tax liabilities	(29,612)	(50,414)	(60,018)	(140,044)
可識別資產淨值總額	Total identifiable net assets	32,425	72,759	1,022,164	1,127,348
非控股權益	Non-controlling interest	-	-	(557,420)	(557,420)
		32,425	72,759	464,744	569,928
以下列方式支付：	Satisfied by:				
現金	Cash	-	-	-	-
現金代價	Cash consideration	-	-	-	-
所收購的現金及銀行結餘	Cash and bank balances acquired	341,104	163,074	470,452	974,630
有關收購事項的現金流入淨額	Net cash inflow in respect of the acquisition	341,104	163,074	470,452	974,630

36. ACQUISITION OF SUBSIDIARIES (CONT'D)

(b) Change from joint ventures to subsidiaries

In April 2020, the non-controlling shareholders transferred a 20% and 9.09% equity interest in Zhongshan Hengsheng and Guangdong Juxian to the Group, respectively, of which the controlling rights have also been transferred to the Group. In December 2020, a non-controlling shareholder transferred the controlling right to the Group without losing its equity interest in Guangzhou Haowei.

The following table summarises the fair values of identifiable assets acquired and liabilities assumed at the consolidation date:

	中山恆勝 Zhongshan Hengsheng 人民幣千元 RMB'000	廣東聚賢 Guangdong Juxian 人民幣千元 RMB'000	廣州浩瑋 Guangzhou Haowei 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
物業、廠房及設備	79	49	104	232
物業存貨	433,525	611,329	4,553,698	5,598,552
遞延稅項資產	13,228	18,917	8,632	40,777
預付款項、按金及其他應收款項	958,841	583,387	2,597,437	4,139,665
預繳稅款	6,513	26,652	39,192	72,357
現金及現金等價物	341,104	163,074	470,452	974,630
應付貿易款項及票據	(134,391)	(214,522)	(285,188)	(634,101)
其他應付款項及應計款項	(967,240)	(156,107)	(1,356,605)	(2,479,952)
合同負債	(387,101)	(528,141)	(1,366,622)	(2,281,864)
應付附屬公司款項	-	(25,735)	(1,396,747)	(1,422,482)
計息銀行及其他借款以及應付利息	(202,521)	(355,730)	(2,182,171)	(2,740,422)
遞延稅項負債	(29,612)	(50,414)	(60,018)	(140,044)
可識別資產淨值總額	32,425	72,759	1,022,164	1,127,348
非控股權益	-	-	(557,420)	(557,420)
	32,425	72,759	464,744	569,928
以下列方式支付：	Satisfied by:			
現金	Cash	-	-	-
現金代價	Cash consideration	-	-	-
所收購的現金及銀行結餘	Cash and bank balances acquired	341,104	163,074	470,452
有關收購事項的現金流入淨額	Net cash inflow in respect of the acquisition	341,104	163,074	470,452

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36. 收購附屬公司(續)

(c) 一間聯營公司轉為附屬公司

於二零二零年三月，本集團與控股股東訂立一份協議以將廣州紅衛的70%股權轉讓予本集團，控制權亦已轉讓予本集團。因此，於聯營公司的投資在本集團取得控制權當日重新計量至公允價值，並視作已出售以換作附屬公司合併。重新計量產生的收益於損益中確認。

下表概述於合併日期的聯營公司投資重新計量收益以及所收購可識別資產及所承擔負債的公允價值：

36. ACQUISITION OF SUBSIDIARIES (CONT'D)

(c) Change from an associate to a subsidiary

In March 2020, the Group entered into an agreement with the controlling shareholder to transfer a 70% equity interest in Guangzhou Hongwei to the Group, of which the controlling rights have also been transferred to the Group. Accordingly, the investment in the associate is remeasured to fair value at the date when the Group obtained the control and is deemed to have been disposed of in exchange for the consolidation of the subsidiary. The resulting gain from the remeasurement is recognised in profit or loss.

The following table summarises the remeasurement gain of the investment in the associate and the fair value of identifiable assets acquired and liabilities assumed at the consolidation date:

	附註 Notes	廣州紅衛 Guangzhou Hongwei 人民幣千元 RMB'000
物業、廠房及設備	Property, plant and equipment	134
遞延稅項資產	Deferred tax assets	583
物業存貨	Inventories of properties	4,237,654
預付款項、按金及其他應收款項	Prepayments, deposits and other receivables	1,264,632
應收附屬公司款項	Amounts due from subsidiaries	1,833
現金及現金等價物	Cash and cash equivalents	183,455
應付貿易款項及票據	Trade and bills payables	(1,710,129)
其他應付款項及應計款項	Other payables and accruals	(544,031)
合同負債	Contract liabilities	(326,626)
計息銀行及其他借款以及應付利息	Interest-bearing bank and other borrowings and interest payable	(1,739,845)
遞延稅項負債	Deferred tax liabilities	(555,384)
可識別資產淨值總額	Total identifiable net assets	812,276
議價收購附屬公司的收益	Gain on bargain purchase of a subsidiary	5 (500,060)
		312,216
以下列方式支付：	Satisfied by:	
現金	Cash	-
本集團於聯營公司權益的賬面值	Carrying amount of the Group's interests in the associate	316
重新計算於聯營公司的既有權益	Remeasurement of the pre-existing interests in the associate	5 311,900
於聯營公司權益的公允價值	Fair value of the interests in the associate	312,216
現金代價	Cash consideration	-
所收購的現金及銀行結餘	Cash and bank balances acquired	183,455
有關收購事項的現金流入淨額	Net cash inflow in respect of the acquisition	183,455

36. 收購附屬公司(續)

截至二零二零年十二月三十一日止年度，收購相關成本並不重大，已確認為一項開支並已計入綜合損益表「行政開支」項下。自收購後，中山恆勝、廣東聚賢及廣州浩瑋在截至二零二零年十二月三十一日止年度分別為本集團貢獻收入人民幣607,614,000元、人民幣880,620,000元及人民幣3,703,116,000元以及綜合利潤人民幣137,747,000元、人民幣125,553,000元及人民幣456,956,000元。除中山恆勝、廣東聚賢及廣州浩瑋外，收購的上述附屬公司業績對本集團截至二零二零年十二月三十一日止年度的綜合收入或利潤並無重大影響。

倘於年初進行合併，本集團的持續經營業務收入及本集團的年度利潤將分別為人民幣38,576,694,000元及人民幣5,336,669,000元。

36. ACQUISITION OF SUBSIDIARIES (CONT'D)

Acquisition-related costs were insignificant and have been recognised as expenses in the year ended 31 December 2020, and included in “Administrative expenses” in the consolidated statement of profit or loss. Since the acquisition, Zhongshan Hengsheng, Guangdong Juxian and Guangzhou Haowei have contributed RMB607,614,000, RMB880,620,000 and RMB3,703,116,000 to the Group’s revenue and RMB137,747,000, RMB125,553,000 and RMB456,956,000 to the consolidated profit for the year ended 31 December 2020, respectively. Except for Zhongshan Hengsheng, Guangdong Juxian and Guangzhou Haowei, the results of the above subsidiaries acquired have had no significant impact on the Group’s consolidated revenue or profit for the year ended 31 December 2020.

Had the combinations taken place at the beginning of the year, the revenue from continuing operations of the Group and the profit of the Group for the year would have been RMB38,576,694,000 and RMB5,336,669,000, respectively.

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37. 出售附屬公司

於二零二零年十二月二十一日，本集團訂立股份轉讓協議，以向一名第三方轉讓於廣州番禺永隆房地產開發有限公司（「廣州永隆」）的全部51%股本權益。

37. DISPOSAL OF A SUBSIDIARY

On 21 December 2020, the Group entered into a share transfer agreement to transfer a 51% equity interest in Guangzhou Panyu Yonglong Real Estate Development Co., Ltd. (“**Guangzhou Yonglong**”) to a third party.

		附註 Note	廣州永隆 Guangzhou Yonglong 人民幣千元 RMB'000
已出售資產淨值：	Net assets disposed of:		
物業、廠房及設備	Property, plant and equipment		138
物業存貨	Inventories of properties		1,279,461
預付款項、按金及其他應收款項	Prepayments, deposits and other receivables		2,661
預繳稅款	Tax prepayments		599
現金及現金等價物	Cash and cash equivalents		2,264
其他應付款項及應計款項	Other payables and accruals		(351,091)
非控股權益	Non-controlling interests		(575,897)
			358,135
出售附屬公司的收益	Gain on disposal of a subsidiary	5	99,418
			457,553
以下列方式支付：	Satisfied by:		
現金	Cash		457,553

有關出售附屬公司的現金及現金等價物流出淨額分析如下：

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

		人民幣千元 RMB'000
現金代價	Cash consideration	457,553
將於本年度後收取的代價	Consideration to be received subsequent to the current year	(130,000)
所出售的現金及銀行結餘	Cash and bank balances disposed of	(2,264)
有關出售的現金流入淨額	Net cash inflow in respect of the disposal	325,289

38. 綜合現金流量表附註

(a) 主要非現金交易

除該等財務報表其他章節所披露的非現金交易外，本集團於年內有以下重大非現金交易：

截至二零二零年十二月三十一日止年度，本集團若干附屬公司已向一名非控股股東派付人民幣37,137,000元的股息，以應收非控股股東款項的其他應收款項經常賬相抵(二零一九年：向非控股股東派付人民幣447,703,000元的股息，並以應收非控股股東款項的其他應收款項經常賬相抵)。

截至二零二零年十二月三十一日止年度，非控股股東向本集團若干附屬公司注資，總代價為人民幣1,432,000,000元，以其他應付款項及應計款項的經常賬相抵(二零一九年：人民幣866,800,000元)。

截至二零二零年十二月三十一日止年度，本集團出售於一間附屬公司的部分權益，總代價人民幣1,618,412,000元已以其他應付款項及應計款項的經常賬相抵(二零一九年：無)。

年內，本集團有關廠房及設備的租賃安排的使用權資產、投資物業及租賃負債的非現金增加分別為人民幣25,549,000元、人民幣1,236,172,000元及人民幣1,261,721,000元(二零一九年：使用權資產及租賃負債分別為人民幣93,551,000元及人民幣93,551,000元)。

38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

In addition to the non-cash transactions disclosed elsewhere in these financial statements, the Group had the following material non-cash transactions during the year:

During the year ended 31 December 2020, certain subsidiaries of the Group distributed dividends of RMB37,137,000 to a non-controlling shareholder which were settled with the current account of other receivables from non-controlling shareholder (2019: Dividends of RMB447,703,000 to non-controlling shareholders which were settled with the current account of other receivables from non-controlling shareholders).

During the year ended 31 December 2020, non-controlling shareholders injected capital to certain subsidiaries of the Group, where the total consideration amounting to RMB1,432,000,000 was settled with the current account of other payables and accruals (2019: RMB866,800,000).

During the year ended 31 December 2020, the Group disposed of a partial interest in a subsidiary, where the total consideration amounting to RMB1,618,412,000 was settled with the current account of other payables and accruals (2019: Nil).

During the year, the Group had non-cash additions to right-of-use assets, investment properties and lease liabilities of RMB25,549,000, RMB1,236,172,000 and RMB1,261,721,000, respectively, in respect of lease arrangements for plant and equipment (2019: Right-of-use assets and lease liabilities of RMB93,551,000 and RMB93,551,000, respectively).

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38. 綜合現金流量表附註(續)

(b) 融資活動產生的負債變動

38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

(b) Changes in liabilities arising from financing activities

		計息銀行 及其他借款 及應付利息 Interest-bearing bank and other borrowings and interest payable 人民幣千元 RMB'000	租賃 負債 Lease liabilities 人民幣千元 RMB'000	其他應付款項 及應計款項 Other payables and accruals 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零二零年一月一日	At 1 January 2020	54,117,079	1,226,430	20,481,285	75,824,794
融資所得現金流量變動	Changes from financing cash flows	5,141,642	(162,180)	1,042,788	6,022,250
新租賃	New leases	-	1,261,721	-	1,261,721
其他應付款項及應計款項變動	Changes in other payables and accruals	-	-	(3,099,153)	(3,099,153)
外匯變動	Foreign exchange movement	(1,516,323)	-	-	(1,516,323)
年內應付二零一九年末期股息	2019 final dividend payable during the year	-	-	1,639,865	1,639,865
應付非控股股東的股息	Dividend payable to non-controlling shareholders	-	-	70,592	70,592
利息開支	Interest expense	5,122,692	141,772	-	5,264,464
分類為經營現金流量的已付利息	Interest paid classified as operating cash flows	(4,875,226)	(141,772)	-	(5,016,998)
收購附屬公司所產生增加	Increase arising from acquisition of subsidiaries	4,480,267	-	3,853,882	8,334,149
出售附屬公司所產生減少	Decrease arising from disposal of a subsidiary	-	-	(351,091)	(351,091)
視作出售附屬公司所產生減少	Decrease arising from deemed disposals of subsidiaries	-	-	(337,614)	(337,614)
於二零二零年十二月三十一日	At 31 December 2020	62,470,131	2,325,971	23,300,554	88,096,656
於二零一九年一月一日	At 1 January 2019	48,374,661*	1,183,136	11,005,413*	60,563,210
融資所得現金流量變動	Changes from financing cash flows	7,381,004	(46,581)	(441,497)	6,892,926
新租賃	New leases	-	93,551	-	93,551
其他應付款項及應計款項變動	Changes in other payables and accruals	-	-	13,191,594	13,191,594
外匯變動	Foreign exchange movement	330,337	-	-	330,337
年內應付二零一八年末期股息	2018 final dividend payable during the year	-	-	1,335,388	1,335,388
應付非控股股東的股息	Dividend payable to non-controlling shareholders	-	-	447,703	447,703
利息開支	Interest expense	4,350,528	96,144	-	4,446,672
分類為經營現金流量的已付利息	Interest paid classified as operating cash flows	(4,012,037)	(96,144)	-	(4,108,181)
收購附屬公司所產生增加	Increase arising from acquisition of subsidiaries	337,700	10,089	1,813,508	2,161,297
視作出售附屬公司所產生減少	Decrease arising from deemed disposals of subsidiaries	(2,814,287)	-	(6,870,824)	(9,685,111)
實物分派所產生減少	Decrease arising from distribution in specie	-	(13,765)	-	(13,765)
其他非現金變動	Other non-cash movements	169,173	-	-	169,173
於二零一九年十二月三十一日	At 31 December 2019	54,117,079	1,226,430	20,481,285	75,824,794

* 應計應付利息於「計息銀行及其他借款及應付利息」中呈列，其在以往年度於「其他應付款項及應計款項」中呈列。已重列比較數字。

* Interest payables accrued were presented in "interest-bearing bank and other borrowings and interest payable", which were presented in "other payables and accruals" in previous years. Comparative figures were restated.

38. 綜合現金流量表附註(續)

(c) 租賃的現金流出總額

載於現金流量表的租賃的現金流出總額如下：

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
經營活動中	Within operating activities	18,790	30,536
融資活動中	Within financing activities	162,180	46,581
		180,970	77,117

39. 或然負債

於報告期末，本集團未於財務資料中提供的或然負債如下：

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
就本集團物業若干 購買者的按揭借款 提供的擔保(附註a)	Guarantees in respect of the mortgage facilities for certain purchasers of the Group's properties (note a)	29,867,721	24,026,422
就合營企業及聯營公司 獲授的銀行貸款提供 予銀行的擔保(附註b)	Guarantees given to banks in connection with bank loans granted to joint ventures and associates (note b)	6,625,218	4,034,181

38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

39. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities of the Group not provided for in the financial information were as follows:

39. 或然負債(續)

- (a) 本集團就若干銀行授予的按揭借款提供擔保，該等按揭借款是為本集團物業的若干購買者安排的按揭貸款。根據擔保條款，倘該等購買者拖欠按揭付款，本集團應負責向銀行償還違約購買者欠付的未償還按揭本金連同應計利息及罰金，且本集團有權接管相關物業的合法業權及管有權。本集團的擔保期由相關按揭貸款的授出日期開始，並於房地產所有權證發出後結束，房地產所有權證一般於購買者擁有相關物業後一至兩年內發出。

董事認為，在拖欠付款的情況下，相關物業的可變現淨值可用作償還未償還按揭本金連同應計利息及罰金，因此，在綜合財務報表中尚未就擔保作出撥備。

- (b) 於二零二零年十二月三十一日，本集團就若干銀行貸款約人民幣 6,625,218,000 元（二零一九年十二月三十一日：約人民幣 4,034,181,000 元）為合營企業及聯營公司提供擔保。

39. CONTINGENT LIABILITIES (CONT'D)

- (a) The Group provided guarantees in respect of the mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principal together with the accrued interest and penalty owed by the defaulted purchasers to the banks, and the Group is entitled to take over the legal titles and possession of the related properties. The Group's guarantee periods start from the dates of grant of the relevant mortgage loans and end upon the issuance of real estate ownership certificates which is generally within one to two years after the purchasers have taken possession of the relevant properties.

The directors consider that in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principal together with the accrued interest and penalty, and therefore, no provision has been made in the consolidated financial statements for the guarantees.

- (b) At 31 December 2020, the Group had provided guarantees in respect of certain bank loans of approximately RMB6,625,218,000 (31 December 2019: approximately RMB4,034,181,000) for its joint ventures and associates.

40. 承擔

- (a) 本集團於報告期末擁有以下資本承擔：

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
已訂約但未作出撥備：	Contracted, but not provided for:		
物業存貨	Inventories of properties	16,022,111	10,328,946
權益投資	Equity investments	3,299,869	2,806,096
向合營企業注資	Capital contributions payable to joint ventures	345,676	416,112
		19,667,656	13,551,154

- (b) 本集團於報告期末擁有以下尚未開始的租賃合同：

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
一年內	Within one year	–	17,103
第二至第五年	In the second to fifth years	79,934	200,382
五年後	After five years	994,988	2,017,746
		1,074,922	2,235,231

40. COMMITMENTS

- (a) The Group had the following capital commitments at the end of the reporting period:

- (b) The Group has the following lease contracts that have not yet commenced at the end of the reporting period:

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41. 關聯方交易

(a) 除該等財務報表其他章節披露的交易及結餘外，本集團於年內與關聯方之間存有以下重大交易：

41. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

			二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
	附註 Notes			
向廣州市時代發展企業集團有限公司及李一萍女士租賃的辦公室物業	Lease of office premises from Guangzhou Times Development Enterprise Group Company Limited and Ms. Li Yiping (1)		1,295	1,295
時代鄰里所提供物業管理及相關服務	Property management and related services by Times Neighborhood (2)		433,282	37,346
向合營企業及聯營公司提供的貸款	Loans to joint ventures and associates (3)		6,556,849	4,587,963
合營企業及聯營公司償還貸款	Repayment of loans to joint ventures and associates (3)		7,540,289	2,957,841
來自合營企業利息收入	Interest income from joint ventures (3)/(6)		90,500	82,333
向合營企業及聯營公司銷售建築材料	Sales of construction materials to joint ventures and associates (4)/(6)		504,874	883,592
向合營企業及一間聯營公司提供建築及裝修服務	Construction and decoration services to joint ventures and an associate (4)/(6)		941,761	522,131
來自合營企業及聯營公司的物業管理及相關服務收入	Property management and related service income from joint ventures and associates (4)/(6)		-	52,986
來自合營企業及一間聯營公司的諮詢服務費	Consultation service fee from joint ventures and an associate (4)/(6)		214,391	113,408
向主要管理人員銷售物業	Sales of properties to key management (5)		23,026	71,044

41. 關聯方交易

(a) (續)

附註：

- (1) 廣州市時代發展企業集團有限公司(「時代發展集團」)乃一間自二零一九年五月中起由岑先生的母親關婉姬女士控制的公司。該公司此前由岑先生的父親岑建財先生控制。李一萍女士為岑先生的配偶。租賃費率及條件與提供予獨立第三方的費率及條件類似。
- (2) 服務價格及條件與向獨立第三方提供的該等條款類似。
- (3) 基於雙方商定的條款向合營企業及聯營公司提供計息貸款。
- (4) 收入源自向合營企業及聯營公司提供的銷售建築材料、建築服務、裝修服務、物業管理及相關服務以及諮詢服務(費率與載於本集團第三方客戶所訂立合同的條款及條件類似)。
- (5) 向本集團主要管理人員銷售物業乃根據向本集團第三方客戶提供的已公佈價格及條件作出。
- (6) 所披露的金額為於作出任何抵銷前的金額。

41. RELATED PARTY TRANSACTIONS

(a) (Cont'd)

Notes:

- (1) Guangzhou Times Development Enterprise Group Company Limited (“**Times Development Group**”) is a company controlled by Ms. Guan Wanji, mother of Mr. Shum, from mid May 2019, which was previously controlled by Mr. Cen Jiancai, father of Mr. Shum. Ms. Li Yiping is the spouse of Mr. Shum. The rates and conditions of the lease are similar to those offered to independent third parties.
- (2) The rates and conditions of the services are similar to those offered to independent third parties.
- (3) Interest-bearing loans were provided to joint ventures and associates based on mutually agreed terms.
- (4) The income was derived from the sale of construction materials, construction services, decoration services, property management and related services and consultation services provided to joint ventures and associates at rates similar to the terms and conditions set out in the contracts entered into with third party customers of the Group.
- (5) The properties sold to the key management of the Group were made according to the published price and conditions offered to third-party customers of the Group.
- (6) The amounts disclosed are before any eliminations.

41. 關聯方交易(續)

(b) 與關聯方的其他交易

- (i) 截至二零二零年及二零一九年十二月三十一日止年度，本集團在免專利使用費的基礎上使用時代發展集團註冊的若干商標。
- (ii) 截至二零二零年及二零一九年十二月三十一日止年度，本公司的全資附屬公司時代地產以免租形式使用及佔用岑先生的配偶李一萍女士擁有的一項建築面積約111平方米的物業。
- (iii) 於二零二零年十二月三十一日，本集團聯營公司及合營企業的若干計息銀行及其他借款人民幣3,820,524,000元(二零一九年：人民幣3,859,360,000元)以將本集團於聯營公司及合營企業的股權抵押作為擔保，其於報告期末的總賬面金額約人民幣2,507,019,000(二零一九年：人民幣1,047,992,000元)。於二零二零年十二月三十一日，本集團合營企業的計息銀行貸款人民幣237,000,000元(二零一九年十二月三十一日：無)以將本集團的銀行存款抵押作為擔保，其總賬面金額為人民幣250,000,000元(二零一九年十二月三十一日：無)。
- (iv) 年內，本集團就關聯方(包括聯營公司、合營企業及其聯繫人)獲授的銀行融資提供擔保。人民幣14,766,571,000元(二零一九年：人民幣9,261,923,000元)的擔保已動用。於二零二零年十二月三十一日，由本集團向關聯方提供擔保的該等計息銀行及其他借款的未償還結餘總額為人民幣8,217,298,000元(二零一九年：人民幣8,244,032,000元)。

41. RELATED PARTY TRANSACTIONS (CONT'D)

(b) Other transactions with related parties

- (i) The Group used certain trademarks registered by Times Development Group on a royalty free basis for the years ended 31 December 2020 and 2019.
- (ii) Times Real Estate, a wholly-owned subsidiary of the Company, used and occupied a property with a gross floor area of approximately 111 sq.m. owned by Ms. Li Yiping, the spouse of Mr. Shum, on a rental free basis for the years ended 31 December 2020 and 2019.
- (iii) At 31 December 2020, certain of the interest-bearing bank and other borrowings of the Group's associates and joint ventures of RMB3,820,524,000 (2019: RMB3,859,360,000) were secured by pledges over the Group's equity interests in associates and joint ventures with an aggregate carrying amount at the end of the reporting period of approximately RMB2,507,019,000 (2019: RMB1,047,992,000). At 31 December 2020, an interest-bearing bank loan of the Group's joint venture amounting to RMB237,000,000 (31 December 2019: Nil) was secured by the pledge over the Group's bank deposit with an aggregate carrying amount of RMB250,000,000 (31 December 2019: Nil).
- (iv) During the year, the Group has guaranteed banking facilities granted to related parties, including associates, joint ventures and its associate. A guarantee of RMB14,766,571,000 (2019: RMB9,261,923,000) was utilised. As at 31 December 2020, the outstanding balance of these interest-bearing bank and other borrowings guaranteed by the Group for the related parties was in an aggregate amount of RMB8,217,298,000 (2019: RMB8,244,032,000).

41. 關聯方交易(續)

41. RELATED PARTY TRANSACTIONS (CONT'D)

(c) 與關聯方的未償還結餘

(c) Outstanding balances with related parties

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
應收關聯方預付款項及 應收款項：	Prepayments and receivables due from related parties:		
— 一名非控股股東	— A non-controlling shareholder	8,650	8,646
— 主要管理人員	— Key management	16,067	37,946
— 時代鄰里	— Times Neighborhood	13,830	3,367
		38,547	49,959
應收關聯方合同資產：	Contract assets due from related parties:		
— 合營企業	— Joint ventures	197,751	27,859
— 聯營公司	— Associates	19,037	1,127
		216,788	28,986
應付一間同系附屬公司款項：	Payables due to a fellow subsidiary:		
— 時代鄰里	— Times Neighborhood	321,886	81,517
應收關聯方款項：	Amounts due from related parties:		
— 合營企業	— Joint ventures	7,532,760	8,423,080
— 聯營公司	— Associates	1,080,588	1,874,858
		8,613,348	10,297,938
應付關聯方款項：	Amounts due to related parties:		
— 合營企業	— Joint ventures	10,853,290	4,950,359
— 聯營公司	— Associates	638,847	—
		11,492,137	4,950,359

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41. 關聯方交易(續)

(d) 本集團主要管理人員(包括董事)的薪酬

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
薪金、津貼及實物利益	Salaries, allowances and benefits in kind	121,095	106,466
表現掛鈎花紅	Performance related bonuses	188,005	211,803
退休金計劃供款	Pension scheme contributions	1,560	7,017
		310,660	325,286

有關董事薪酬的進一步詳情載於財務報表附註8。

Further details of directors' remuneration are included in note 8 to the financial statements.

41. RELATED PARTY TRANSACTIONS (CONT'D)

(d) Compensation for key management personnel (including directors) of the Group

42. 按類別劃分的金融工具

於報告期末，各類別的金融工具的賬面值如下：

二零二零年

金融資產

42. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2020

Financial assets

		按攤銷成本 列賬的 金融資產 Financial assets at amortised cost 人民幣千元 RMB'000	指定以 公允價值計量 且其變動計入 其他全面收入 的權益投資 Equity investments designated at FVOCI 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
指定以公允價值計量 且其變動計入其他全面 收入的權益投資	Equity investments designated at FVOCI	-	410,952	410,952
應收貿易款項	Trade receivables	6,371,029	-	6,371,029
計入預付款項、按金及 其他應收款項的金融資產	Financial assets included in prepayments, deposits and other receivables	20,885,280	-	20,885,280
應收合營企業的款項	Amounts due from joint ventures	7,532,760	-	7,532,760
應收聯營公司的款項	Amounts due from associates	1,080,588	-	1,080,588
受限制銀行存款	Restricted bank deposits	4,427,850	-	4,427,850
現金及現金等價物	Cash and cash equivalents	33,531,747	-	33,531,747
		73,829,254	410,952	74,240,206

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42. 按類別劃分的金融工具(續)

於報告期末，各類別的金融工具的賬面值如下：(續)

二零二零年(續)

金融負債

42. FINANCIAL INSTRUMENTS BY CATEGORY (CONT'D)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (Cont'd)

2020 (Cont'd)

Financial liabilities

		按攤銷成本 列賬的金融負債 Financial liabilities at amortised cost 人民幣千元 RMB'000
應付貿易款項及票據	Trade and bills payables	20,608,415
計入其他應付款項及應計款項的金融負債	Financial liabilities included in other payables and accruals	19,822,938
應付合營企業的款項	Amounts due to joint ventures	10,853,290
應付聯營公司的款項	Amounts due to associates	638,847
租賃負債	Lease liabilities	2,325,971
計息銀行及其他借款及應付利息	Interest-bearing bank and other borrowings and interest payable	62,470,131
衍生金融工具	Derivative financial instruments	57,405
其他長期應付款項	Other long-term payables	58,581
		116,835,578

42. 按類別劃分的金融工具(續)

於報告期末，各類別的金融工具的賬面值如下：(續)

二零一九年

金融資產

42. FINANCIAL INSTRUMENTS BY CATEGORY (CONT'D)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (Cont'd)

2019

Financial assets

		按攤銷成本 列賬的 金融資產 Financial assets at amortised cost 人民幣千元 RMB'000	指定以 公允價值計量 且其變動計入 其他全面收入 的權益投資 Equity investments designated at FVOCI 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
指定以公允價值計量 且其變動計入其他全面 收入的權益投資	Equity investments designated at FVOCI	–	434,207	434,207
應收貿易款項	Trade receivables	6,101,701	–	6,101,701
計入預付款項、按金及 其他應收款項的金融資產	Financial assets included in prepayments, deposits and other receivables	21,210,395	–	21,210,395
應收合營企業的款項	Amounts due from joint ventures	8,423,080	–	8,423,080
應收聯營公司的款項	Amounts due from associates	1,874,858	–	1,874,858
受限制銀行存款	Restricted bank deposits	3,404,545	–	3,404,545
現金及現金等價物	Cash and cash equivalents	25,874,865	–	25,874,865
		66,889,444	434,207	67,323,651

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42. 按類別劃分的金融工具(續)

於報告期末，各類別的金融工具的賬面值如下：(續)

二零一九年(續)

金融負債

42. FINANCIAL INSTRUMENTS BY CATEGORY (CONT'D)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (Cont'd)

2019 (Cont'd)

Financial liabilities

		按攤銷成本 列賬的金融負債 Financial liabilities Financial liabilities at amortised cost 人民幣千元 RMB'000
應付貿易款項及票據	Trade and bills payables	14,470,947
計入其他應付款項及應計款項的金融負債	Financial liabilities included in other payables and accruals	19,117,157
應付合營企業的款項	Amounts due to joint ventures	4,950,359
租賃負債	Lease liabilities	1,226,430
計息銀行及其他借款及應付利息	Interest-bearing bank and other borrowings and interest payable	54,117,079
其他長期應付款項	Other long-term payables	134,934
		94,016,906

43. 金融工具的公允價值及公允價值層級

本集團的金融工具(賬面值為公允價值的合理約數者除外)的賬面值及公允價值如下：

43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

二零二零年	2020	賬面值 Carrying amounts 人民幣千元 RMB'000	公允價值 Fair values 人民幣千元 RMB'000
金融資產	Financial assets		
指定以公允價值計量且其變動計入 其他全面收入的權益投資	Equity investments designated at FVOCI	439,191	410,952
金融負債	Financial liabilities		
計息銀行及其他借款及應付利息	Interest-bearing bank and other borrowings and interest payable	62,470,131	63,848,178
衍生金融工具	Derivative financial instruments	57,405	57,405
二零一九年	2019	賬面值 Carrying amounts 人民幣千元 RMB'000	公允價值 Fair values 人民幣千元 RMB'000
金融資產	Financial assets		
指定以公允價值計量且其變動計入 其他全面收入的權益投資	Equity investments designated at FVOCI	432,184	434,207
金融負債	Financial liabilities		
計息銀行及其他借款及應付利息	Interest-bearing bank and other borrowings and interest payable	54,117,079	55,783,298

管理層已評估，應收貿易款項、計入預付款項、按金及其他應收款項的金融資產、應收合營企業款項、應收聯營公司款項、受限制銀行存款、現金及現金等價物、應付貿易款項及票據、計入其他應付款項及應計款項的金融負債、應付合營企業款項以及應付聯營公司款項的公允價值與其賬面值相若，主要由於該等工具在短期內到期。

Management has assessed that the fair values of trade receivables, financial assets included in prepayments, deposits and other receivables, amounts due from joint ventures, amounts due from associates, restricted bank deposits, cash and cash equivalents, trade and bills payables, financial liabilities included in other payables and accruals, amounts due to joint ventures and amounts due to associates approximate to their carrying amounts largely due to the short-term maturities of these instruments.

43. 金融工具的公允價值及公允價值層級(續)

金融資產及負債的公允價值以該工具自願交易方(強迫或清盤出售除外)當前交易下可交易金額入賬。以下方法及假設均用來估算公允價值。

計息銀行及其他借款及應付利息以及其他長期應付款項的公允價值已就預期未來現金流量按條款、信貸風險及剩餘到期情況相類似的工具的目前可用比率折現計算。於二零二零年十二月三十一日，本集團計息銀行及其他借款及應付利息的未履約風險導致的公允價值變動被評定為不重大。

基於無法取得可觀察市價或比率的假設，指定以公允價值計量且其變動計入其他全面收入的未上市權益投資的公允價值已用基於市場估值技術進行估計。估值要求董事根據行業、規模、槓桿率及戰略確定可比較的公開公司(同業)，並計算合適的價格倍數。董事認為自估值技術產生的估計公允價值(計入綜合財務狀況表)及公允價值的相關變動(計入其他全面收入)屬合理，且於報告期末該等數據為最適當的價值。

43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONT'D)

The fair values of the financial assets and liabilities are included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The fair values of the interest-bearing bank and other borrowings and interest payable and other long-term payables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings and interest payable as at 31 December 2020 were assessed to be insignificant.

The fair values of unlisted equity investments designated at FVOCI have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

43. 金融工具的公允價值及公允價值層級(續)

下表列示於二零二零年及二零一九年十二月三十一日的金融工具估值連同定量敏感度分析的重大不可觀察輸入數據概要：

43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONT'D)

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2020 and 2019:

	估值技術 Valuation techniques	重大不可觀察輸入數據 Significant unobservable inputs	範圍 Range	輸入數據對公允價值的敏感度 Sensitivity of fair value to the input
指定以公允價值計量且其變動計入其他全面收入的權益投資： Equity investments designated at FVOCI:				
廣州工商協會聯盟投資有限公司 （「廣州工商協會聯盟」） —零售	假設開發方法 Hypothetical development method	市場單位售價 （每平方米人民幣元） Market unit sale rate (RMB/sq.m.)	66,500 (二零一九年： 67,500) (2019: 67,500)	倍數增加／減少5%（二零一九年：5%） 將導致公允價值增加／減少人民幣 1,937,000元／人民幣1,845,000元 （二零一九年：人民幣2,246,000元／ 人民幣4,000,000元）
Guangzhou Industrial and Commercial Alliance Investment Co., Ltd. (“Guangzhou Industrial and Commercial Alliance”) – Retail				5% (2019: 5%) increase/decrease in multiple would result in increase/decrease in fair value by RMB1,937,000/RMB1,845,000 (2019: RMB2,246,000/RMB4,000,000)
廣州工商協會聯盟—辦公室	假設開發方法 Hypothetical development method	市場單位售價 （每平方米人民幣元） Market unit sale rate (RMB/sq.m.)	40,000 (二零一九年： 40,000) (2019: 40,000)	5% (2019: 5%) increase/decrease in multiple would result in increase/decrease in fair value by RMB1,937,000/RMB1,845,000 (2019: RMB2,246,000/RMB4,000,000)
Guangzhou Industrial and Commercial Alliance – Office				
廣州工商協會聯盟—停車位	假設開發方法 Hypothetical development method	市場單位售價 （每個車位人民幣元） Market unit sale rate (RMB/space)	300,000 (二零一九年： 300,000) (2019: 300,000)	
Guangzhou Industrial and Commercial Alliance – Car parking				
廣州工商協會聯盟—辦公室	假設開發方法 Hypothetical development method	市場單位每月租金 （每平方米人民幣元） Market unit monthly rental (RMB/sq.m.)	130 (二零一九年： 135) (2019: 135)	倍數增加／減少5%（二零一九年：5%） 將導致公允價值增加／減少人民幣 4,250,000元／人民幣4,048,000元 （二零一九年：人民幣4,200,000元／ 人民幣4,000,000元）
Guangzhou Industrial and Commercial Alliance – Office				5% (2019: 5%) increase/decrease in multiple would result in increase/decrease in fair value by RMB4,250,000/RMB4,048,000 (2019: RMB4,200,000/RMB4,000,000)

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43. 金融工具的公允價值及公允價值層級(續)

43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONT'D)

	估值技術 Valuation techniques	重大不可觀察輸入數據 Significant unobservable inputs	範圍 Range	輸入數據對公允價值的敏感度 Sensitivity of fair value to the input
廣州工商協會聯盟 Guangzhou Industrial and Commercial Alliance	假設開發方法 Hypothetical development method	除稅後貼現率 Post-tax discount rate	11.00% (二零一九年： 11.00%) (2019: 11.00%)	倍數增加/減少1%(二零一九年：1%) 將導致公允價值減少/增加人民幣 887,000元/人民幣909,000元(二 零一九年：人民幣904,000元/人民 幣927,000元) 1% (2019: 1%) increase/decrease in multiple would result in decrease/increase in fair value by RMB887,000/RMB909,000 (2019: RMB904,000/RMB927,000)
You plus group (「You plus」)-住宅 You plus group (“You plus”)- Residential	貼現現金流方法 Discounted cash flow method	市場單位每月租金(每平方米 人民幣元) Market unit monthly rental (RMB/sq.m.)	27至120 27 to 120 (二零一九年： 17至122) (2019: 17 to 122)	倍數增加/減少5%(二零一九年：5%) 將導致公允價值增加/減少人民幣 12,894,000元/人民幣11,852,000 元(二零一九年：人民幣16,613,000 元/人民幣15,297,000元) 5% (2019: 5%) increase/decrease in multiple would result in increase/decrease in fair value by RMB12,894,000/RMB11,852,000 (2019: RMB16,613,000/ RMB15,297,000)
You plus -住宅 You plus - Residential	貼現現金流方法 Discounted cash flow method	除稅後貼現率 Post-tax discount rate	11.33% (二零一九年： 10.97%) (2019: 10.97%)	倍數增加/減少1%(二零一九年：1%) 將導致公允價值減少/增加人民幣 9,453,000元/人民幣12,159,000 元(二零一九年：人民幣9,141,000 元/人民幣11,780,000元) 1% (2019: 1%) increase/decrease in multiple would result in decrease/increase in fair value by RMB9,453,000/RMB12,159,000 (2019: RMB9,141,000/ RMB11,780,000)

43. 金融工具的公允價值及公允價值層級(續)

43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONT'D)

	估值技術 Valuation techniques	重大不可觀察輸入數據 Significant unobservable inputs	範圍 Range	輸入數據對公允價值的敏感度 Sensitivity of fair value to the input
寰圖(中國)有限公司 ATLAS (CHINA) LIMITED	貼現現金流方法 Discounted cash flow method	市場單位每月租金(每平方米人民幣元) Market unit monthly rental (RMB/sq.m.)	50至722 50 to 722 (二零一九年: 250至750) (2019: 250 to 750)	倍數增加/減少5%(二零一九年: 5%) 將導致公允價值增加/減少人民幣58,335,000元/人民幣53,727,000元(二零一九年: 人民幣53,745,000元/人民幣49,483,000元) 5% (2019: 5%) increase/decrease in multiple would result in increase/decrease in fair value by RMB58,335,000/RMB53,727,000 (2019: RMB53,745,000/RMB49,483,000)
寰圖(中國)有限公司 ATLAS (CHINA) LIMITED	貼現現金流方法 Discounted cash flow method	除稅後貼現率 Post-tax discount rate	11.46% (二零一九年: 12.58%) (2019: 12.58%)	倍數增加/減少1%(二零一九年: 1%) 將導致公允價值減少/增加人民幣22,459,000元/人民幣28,878,000元(二零一九年: 人民幣22,500,000元/人民幣28,396,000元) 1% (2019: 1%) increase/decrease in multiple would result in decrease/increase in fair value by RMB22,459,000/RMB28,878,000 (2019: RMB22,500,000/RMB28,396,000)

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43. 金融工具的公允價值及公允價值層級(續)

公允價值層級

下表列示本集團金融工具的公允價值計量層級：

按公允價值計量的資產：

43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONT'D)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair values:

		以下列方式進行的公允價值計量			總計
		Fair value measurement using			
		重大可觀察	重大不可觀察		
		活躍市場的報價	輸入數據	輸入數據	
		(第一級)	(第二級)	(第三級)	
		Quoted prices	Significant	Significant	
		in active	observable	unobservable	
		markets	inputs	inputs	
		(Level 1)	(Level 2)	(Level 3)	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
於二零二零年十二月三十一日	As at 31 December 2020				
指定以公允價值計量且其變動計入	Equity investments designated at FVOCI				
其他全面收入的權益投資		-	-	410,952	410,952
於二零一九年十二月三十一日	As at 31 December 2019				
指定以公允價值計量且其變動計入	Equity investments designated at FVOCI				
其他全面收入的權益投資		-	-	434,207	434,207

43. 金融工具的公允價值及公允價值層級(續)

公允價值層級(續)

按公允價值計量的負債：

		以下列方式進行的公允價值計量			
		Fair value measurement using			
		重大可觀察	重大不可觀察		
		輸入數據	輸入數據		
		(第二級)	(第三級)		
		Significant	Significant		
		observable	unobservable		
		inputs	inputs		
		(Level 2)	(Level 3)		
		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
於二零二零年十二月三十一日	As at 31 December 2020				
衍生金融工具	Derivative financial instruments	-	57,405	-	57,405

公允價值已予披露的負債：

Liabilities for which fair values are disclosed:

		以下列方式進行的公允價值計量			
		Fair value measurement using			
		重大可觀察	重大不可觀察		
		輸入數據	輸入數據		
		(第二級)	(第三級)		
		Significant	Significant		
		observable	unobservable		
		inputs	inputs		
		(Level 2)	(Level 3)		
		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
於二零二零年十二月三十一日	As at 31 December 2020				
計息銀行及其他借款及應付利息	Interest-bearing bank and other borrowings and interest payable	-	63,848,178	-	63,848,178
於二零一九年十二月三十一日	As at 31 December 2019				
計息銀行及其他借款及應付利息	Interest-bearing bank and other borrowings and interest payable	-	55,783,298	-	55,783,298

43. 金融工具的公允價值及公允價值層級(續)

年內，第一級與第二級之間並無公允價值計量轉移，亦無金融資產及金融負債轉入或轉出第三級(二零一九年：無)。

44. 金融風險管理目標及政策

本集團的金融資產主要包括應收貿易款項、計入預付款項、按金及其他應收款項的金融資產、應收合營企業的款項、應收聯營公司的款項、指定以公允價值計量且其變動計入其他全面收入的權益投資、受限制銀行存款以及現金及現金等價物。本集團的金融負債主要包括應付貿易款項、計入其他應付款項及應計款項的金融負債、應付合營企業的款項、計息銀行及其他借款以及其他長期應付款項。

(a) 利率風險

本集團面臨的市場利率變動風險主要與本集團以浮動利率計息的計息銀行及其他借款相關。本集團進行了利率掉期，在該利率掉期中，本集團同意在指定的時間間隔內交換參考商定的名義本金計算出的固定利率與浮動利率之間的差額。

於二零二零年十二月三十一日，合共人民幣11,418,652,000元(二零一九年：人民幣12,484,126,000元)的銀行貸款及其他借款均以浮動利率計息(附註30(a))。

43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONT'D)

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2019: Nil).

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial assets of the Group mainly include trade receivables, financial assets included in prepayments, deposits and other receivables, amounts due from joint ventures, amounts due from associates, equity investments designated at FVOCI, restricted bank deposits and cash and cash equivalents. The financial liabilities of the Group mainly include trade payables, financial liabilities included in other payables and accruals, amounts due to joint ventures, interest-bearing bank and other borrowings and interest payable and other long-term payables.

(a) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank and other borrowings bearing interest at floating interest rates. The Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

As at 31 December 2020, total bank loans and other borrowings of RMB11,418,652,000 (2019: RMB12,484,126,000) were with floating interest rates (note 30 (a)).

44. 金融風險管理目標及政策 (續)

(a) 利率風險(續)

下表說明在所有其他變量保持不變的情況下，年內本集團除稅前利潤(透過浮動利率銀行及其他借款的影響)以及開發中物業(透過資本化相關借貸成本)對利率的合理可能變動的敏感性。對本集團的其他股權概無影響。

除稅前利潤及開發中物業的增加/
(減少)

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
如利率降低100個基點：	If 100 basis points decrease in interest rates:		
除稅前利潤提高	Increase in profit before tax	23,327	23,135
開發中物業降低	Decrease in properties under development	(86,638)	(85,082)
如利率提高100個基點：	If 100 basis points increase in interest rates:		
除稅前利潤降低	Decrease in profit before tax	(23,327)	(23,135)
開發中物業提高	Increase in properties under development	86,638	85,082

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Interest rate risk (Cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact of floating interest rate bank and other borrowings) and the properties under development (through the capitalisation of relevant borrowing costs) during the year. There was no impact on the Group's other equity.

Increase/(decrease) in profit before tax and properties under development

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
如利率降低100個基點：	If 100 basis points decrease in interest rates:		
除稅前利潤提高	Increase in profit before tax	23,327	23,135
開發中物業降低	Decrease in properties under development	(86,638)	(85,082)
如利率提高100個基點：	If 100 basis points increase in interest rates:		
除稅前利潤降低	Decrease in profit before tax	(23,327)	(23,135)
開發中物業提高	Increase in properties under development	86,638	85,082

44. 金融風險管理目標及政策 (續)

(b) 外匯風險

本集團的業務位於中國內地，多數交易均以人民幣進行。本集團的資產及負債主要以人民幣計值，而若干銀行結餘、若干其他應付款項以及若干計息銀行及其他借款及應付利息則以外幣計值。本集團尚未對沖其外匯風險。

下表說明在所有其他變量保持不變的情況下，在報告期末，本集團除稅前利潤(由於貨幣資產及負債公允價值發生變動)及本集團的股權(由於換算海外業務)對人民幣兌港元匯率的合理可能變動的敏感性。

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Foreign currency risk

The Group's businesses are located in Mainland China and most of the transactions are conducted in RMB. The Group's assets and liabilities are principally denominated in RMB, while certain bank balances, certain other payables and certain interest-bearing bank and other borrowings and interest payable are denominated in foreign currencies. The Group has not hedged its foreign exchange risk.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rate against HKD, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity (due to translation of foreign operations).

		匯率 上升/(下降) Increase/ (decrease) in exchange rate %	除稅前利潤 上升/(下降) Increase/ (decrease) in profit before tax 人民幣千元 RMB'000	股本* 增加/(減少) Increase/ (decrease) in equity* 人民幣千元 RMB'000
二零二零年	2020			
如人民幣兌港元貶值	If the RMB weakens against the HKD	5	(36,908)	47,629
如人民幣兌港元升值	If the RMB strengthens against the HKD	(5)	36,908	(47,629)
二零一九年	2019			
如人民幣兌港元貶值	If the RMB weakens against the HKD	5	(22,921)	46,206
如人民幣兌港元升值	If the RMB strengthens against the HKD	(5)	22,921	(46,206)

* 不包括留存利潤

* Excluding retained profits

44. 金融風險管理目標及政策 (續)

(c) 信貸風險

應收貿易款項

為降低信貸風險，本集團管理層已委派一支團隊負責釐定信貸限額及信貸審批。本集團於接納前評估信貸質素並根據客戶界定信貸限額。本集團制定相關政策，以確保向具有適當財務實力及支付適當比例訂金的買方作出銷售。本集團根據與客戶協定的付款計劃密切監管客戶付款的收款狀況，並採取跟進行動收回逾期債務(如有)。

同時，一旦客戶拖欠還款，本集團有權取消合同。此外，本集團定期審閱各單獨的貿易及其他應收款項的可收回金額，確保就不可收回金額作出足夠減值撥備。本集團並無重大信貸集中風險，而風險分散於若干交易對手及客戶。

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Credit risk

Trade receivables

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. The Group assesses the credit quality and defines credit limits by customer before acceptance. The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments. The Group closely monitors the collection of progress payments from customers in accordance with the payment schedule agreed with customers and follow-up action is taken to recover overdue debts, if any.

Meanwhile, the Group has the right to cancel the contracts once repayment from the customers is in default. In addition, the Group regularly reviews the recoverable amount of each of the individual trade and other receivables to ensure that adequate impairment provisions are made for irrecoverable amounts. The Group has no significant concentrations of credit risk, with exposure spreading over a number of counterparties and customers.

44. 金融風險管理目標及政策 (續)

(c) 信貸風險(續)

應收貿易款項(續)

再者，本集團根據各項結餘的預期信貸虧損模型或根據撥備矩陣進行減值評估。就此而言，本公司董事認為本集團信貸風險顯著降低。

計入預付款項、按金及其他應收款項的金融資產、應收合營企業款項以及應收聯營公司款項

計入預付款項、按金及其他應收款項、應收合營企業的款項、應收聯營公司的款項的金融資產信貸風險透過內部流程進行管理。在作出預付款項之前，已調查各對手方的信貸質素。本集團積極監察未償還款項並及時識別任何信貸風險，以減低信貸虧損的風險。本集團密切監察合營企業及聯營公司的財務表現，且相信合營企業及聯營公司的未償還結餘並無固有重大信貸風險。此外，本集團就可收回性定期進行集體評估，並根據預期信貸虧損模型就計入預付款項、按金及其他應收款項的金融資產未償還結餘進行減值評估，因此，本集團董事相信有關該等結餘的信貸風險已顯著降低。

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Credit risk (Cont'd)

Trade receivables (Cont'd)

In addition, the Group performs impairment assessment under the ECL model on balances individually or based on a provision matrix. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Financial assets included in prepayments, deposits and other receivables, amounts due from joint ventures and amounts due from associates

The credit risk for financial assets included in prepayments, deposits and other receivables, amounts due from joint ventures and amounts due from associates are managed through internal process. The credit quality of each counterparty is investigated before an advance is made. The Group actively monitors the outstanding amounts and identifies any credit risks in a timely manner in order to reduce the risk of credit loss. The Group closely monitors the financial performance of the joint ventures and associates and believes that there is no material credit risk inherent to the outstanding balances with joint ventures and associates. In addition, the Group makes periodic collective assessments on the recoverability and performs impairment assessment under ECL model on the outstanding balances of financial assets included in prepayments, deposits and other receivables, and thus, the directors of the Group believe that credit risk relating these balances is significantly reduced.

44. 金融風險管理目標及政策 (續)

(c) 信貸風險(續)

受限制銀行存款以及現金及現金等價物

為管理該風險，銀行存款主要存放在國有金融機構及信譽良好的銀行，其均為高信用質素的金融機構。

本集團已為其物業單位的若干購房者安排銀行融資，並提供擔保以確保該等購房者履行償付責任。該等擔保的披露詳情載於財務報表附註39。

最大風險及年末階段

下表顯示基於本集團信貸政策的信用質素及所面臨最大信貸風險，該信貸政策主要基於過往到期資料(除非有其他無需過高成本或努力即可獲得的資料)及於十二月三十一日的年末階段分類。所呈列金額為金融資產的賬面總值及財務擔保合同的信貸風險。

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Credit risk (Cont'd)

Restricted bank deposits and cash and cash equivalents

To manage this risk, bank deposits are mainly placed with state-owned financial institutions and reputable banks which are all high-credit-quality financial institutions.

The Group has arranged bank financing for certain purchasers of its property units and provided guarantees to secure the obligations of these purchasers for repayments. A detailed disclosure of these guarantees is made in note 39 to the financial statements.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

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44. 金融風險管理目標及政策
(續)

(c) 信貸風險(續)

最大風險及年末階段(續)

於二零二零年十二月三十一日

44. FINANCIAL RISK MANAGEMENT
OBJECTIVES AND POLICIES (CONT'D)

(c) Credit risk (Cont'd)

Maximum exposure and year-end staging
(Cont'd)

As at 31 December 2020

		12個月預期 信貸虧損 12-month ECLs	存續期預期信貸虧損 Lifetime ECLs				
			階段一 Stage 1	階段二 Stage 2	階段三 Stage 3	簡化方法 Simplified approach	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
應收貿易款項*	Trade receivables*	-	-	-	-	6,436,553	6,436,553
合同資產*	Contract assets*	-	-	-	-	457,090	457,090
計入預付款項、按金及 其他應收款項的金融資產	Financial assets included in prepayments, deposits and other receivables						
— 正常**	— Normal**	20,885,280	-	-	-	-	20,885,280
— 可疑**	— Doubtful**	-	-	-	-	-	-
應收合營企業的款項	Amounts due from joint ventures						
— 正常**	— Normal**	7,532,760	-	-	-	-	7,532,760
應收聯營公司的款項	Amounts due from associates						
— 正常**	— Normal**	1,080,588	-	-	-	-	1,080,588
受限制銀行存款	Restricted bank deposits						
— 尚未逾期	— Not yet past due	4,427,850	-	-	-	-	4,427,850
現金及現金等價物	Cash and cash equivalents						
— 尚未逾期	— Not yet past due	33,531,747	-	-	-	-	33,531,747
就關聯方獲授的融資提供予銀行的 擔保	Guarantees given to banks in connection with facilities granted to related parties						
— 尚未逾期	— Not yet past due	8,217,298	-	-	-	-	8,217,298
		75,675,523	-	-	-	6,893,643	82,569,166

44. 金融風險管理目標及政策 (續)

(c) 信貸風險(續)

最大風險及年末階段(續)

於二零一九年十二月三十一日

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Credit risk (Cont'd)

Maximum exposure and year-end staging (Cont'd)

As at 31 December 2019

		12個月預期 信貸虧損 12-month ECLs		存續期預期信貸虧損 Lifetime ECLs		總計 Total 人民幣千元 RMB'000
		階段一 Stage 1 人民幣千元 RMB'000	階段二 Stage 2 人民幣千元 RMB'000	階段三 Stage 3 人民幣千元 RMB'000	簡化方法 Simplified approach 人民幣千元 RMB'000	
應收貿易款項*	Trade receivables*	-	-	-	6,155,762	6,155,762
合同資產*	Contract assets*	-	-	-	210,434	210,434
計入預付款項、按金及 其他應收款項的金融資產	Financial assets included in prepayments, deposits and other receivables					
– 正常**	– Normal**	21,210,395	-	-	-	21,210,395
– 可疑**	– Doubtful**	-	-	-	-	-
應收合營企業的款項	Amounts due from joint ventures					
– 正常**	– Normal**	8,423,080	-	-	-	8,423,080
應收聯營公司的款項	Amounts due from associates					
– 正常**	– Normal**	1,874,858	-	-	-	1,874,858
受限制銀行存款	Restricted bank deposits					
– 尚未逾期	– Not yet past due	3,404,545	-	-	-	3,404,545
現金及現金等價物	Cash and cash equivalents					
– 尚未逾期	– Not yet past due	25,874,865	-	-	-	25,874,865
就關聯方獲授的融資提供予 銀行的擔保	Guarantees given to banks in connection with facilities granted to related parties					
– 尚未逾期	– Not yet past due	8,240,962	-	-	-	8,240,962
		69,028,705	-	-	6,366,196	75,394,901

44. 金融風險管理目標及政策 (續)

(c) 信貸風險(續)

附註：

* 就本集團應用簡化減值方法的應收貿易款項及合同資產而言，基於撥備矩陣的資料於財務報表附註21披露。

** 計入預付款項、按金及其他應收款項的金融資產、應收合營企業的款項及應收聯營公司的款項的信貸質素於尚未逾期時被視為「正常」，並未有資料顯示自初始確認以來金融資產的信貸風險顯著增加，否則，金融資產的信貸質素被視為「可疑」。

(d) 流動性風險

本集團的管理層旨在維持充足的現金及現金等價物，且本集團透過充足的已承諾信貸融通額度以可用資金滿足其施工承諾。

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Credit risk (Cont'd)

Notes:

* For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 21 to the financial statements.

** The credit quality of the financial assets included in prepayments, deposits and other receivables, amounts due from joint ventures and amounts due from associates is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

(d) Liquidity risk

The management of the Group aims to maintain sufficient cash and cash equivalents, and the Group has available funding through an adequate amount of committed credit facilities to meet its construction commitments.

44. 金融風險管理目標及政策 (續)

(d) 流動性風險(續)

本集團於報告期末基於已訂約但未貼現款項的金融負債的到期情況載列如下：

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Liquidity risk (Cont'd)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

		二零二零年 2020					
		於要求時	少於3個月	3至12個月	1至5年	超過5年	總計
		On	Less than	3 to 12	1 to 5	Over	Total
		demand	3 months	months	years	5 years	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
應付貿易款項及票據	Trade and bills payables	19,196,717	312,991	1,098,707	-	-	20,608,415
租賃負債	Lease liabilities	-	28,970	86,911	85,453	2,124,637	2,325,971
計入其他應付款項及	Financial liabilities included in						
應計款項的金融負債	other payables and accruals	19,770,323	-	-	52,615	-	19,822,938
應付合營企業的款項	Amounts due to joint ventures	10,853,290	-	-	-	-	10,853,290
應付聯營公司的款項	Amounts due to associates	638,847	-	-	-	-	638,847
計息銀行及其他借款及	Interest-bearing bank and						
應付利息	other borrowings and						
	interest payable	-	4,336,685	18,299,112	45,225,858	2,905,421	70,767,076
就關聯方獲授融資向銀行	Guarantees given to banks						
提供的擔保	in connection with facilities						
	granted to related parties	-	-	680,281	7,537,017	-	8,217,298
		50,459,177	4,678,646	20,165,011	52,900,943	5,030,058	133,233,835

44. 金融風險管理目標及政策 (續)

(d) 流動性風險(續)

本集團於報告期末基於已訂約但未貼現款項的金融負債的到期情況載列如下：(續)

		二零一九年 2019					
		於要求時	少於3個月	3至12個月	1至5年	超過5年	總計
		On	Less than	3 to 12	1 to 5	Over	Total
		demand	3 months	months	years	5 years	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
應付貿易款項及票據	Trade and bills payables	13,438,724	412,700	619,523	-	-	14,470,947
租賃負債	Lease liabilities	-	926	51,033	49,213	1,125,258	1,226,430
計入其他應付款項及 應計款項的金融負債	Financial liabilities included in other payables and accruals	19,064,542	-	-	52,615	-	19,117,157
應付合營企業的款項	Amounts due to joint ventures	4,950,359	-	-	-	-	4,950,359
計息銀行及其他借款及 應付利息	Interest-bearing bank and other borrowings and interest payable	856,300	5,077,343	16,882,227	37,140,758	516,704	60,473,332
就關聯方獲授融資向銀行 提供的擔保	Guarantees given to banks in connection with facilities granted to related parties	-	1,412,360	851,314	5,977,288	-	8,240,962
		38,309,925	6,903,329	18,404,097	43,219,874	1,641,962	108,479,187

資本管理

本集團資本管理的目標為保障本集團繼續以持續基準經營的能力，為股東提供回報及為其他利益相關者提供利益，並維持最佳資本架構以減少資本成本。

為維持或調整資本架構，本集團可調整支付股東的股息、向股東發還資本、發行新股份或出售資產以減少債務。

本集團以負債與權益比率為基準監控資本。該比率以負債淨額及權益計算。負債淨額乃按計息銀行及其他借款總額(不包括應付利息)減現金及銀行結餘(包括受限制銀行存款)計算。

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Liquidity risk (Cont'd)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows: (Cont'd)

Capital management

The Group's objectives of capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of a net debt-to-equity ratio. This ratio is calculated based on net debt and equity. Net debt is calculated as total interest-bearing bank and other borrowings (excluding interest payable) less cash and bank balances (including restricted bank deposits).

44. 金融風險管理目標及政策 (續)

資本管理(續)

於報告期末，負債淨額與權益比率如下：

			二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
	附註 Notes			
計息銀行及其他借款	Interest-bearing bank and other borrowings	30	61,510,406	53,260,779
減：現金及銀行結餘	Less: Cash and bank balances	26	(37,959,597)	(29,279,410)
負債淨額	Net debt		23,550,809	23,981,369
權益	Equity		35,883,414	35,704,355
負債淨額與權益比率	Net debt-to-equity ratio		65.6%	67.2%

45. 報告期後事項

於二零二一年一月十四日，本公司按票面利率5.75%發行本金總額為350,000,000美元的優先票據(「二零二一年優先票據 – 5.75%」)。二零二一年優先票據 – 5.75%於「聯交所」上市，自二零二一年一月十四日(包括該日)起按年利率5.75%計息，每半年支付一次。進一步詳情載於本公司日期為二零二一年一月八日的相關公告。

於二零二一年三月十七日，本公司按票據本金額的101.285%發行於二零二六年到期本金額為100,000,000美元的6.2%優先票據，另加自二零二零年九月二十二日(包括該日)至二零二一年三月十七日(不包括該日)止的應計利息。該等票據與二零二零年優先票據 – 6.20%合併並組成一個單一系列。進一步的詳情載列於本公司日期為二零二一年三月十二日的相關公告。

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Capital management (Cont'd)

The net debt-to-equity ratios at the end of the reporting periods are as follows:

45. EVENTS AFTER THE REPORTING PERIOD

On 14 January 2021, the Company issued senior notes at a coupon rate of 5.75% with an aggregate principal amount of USD350,000,000 (the “2021 Senior Notes – 5.75%”). The 2021 Senior Notes – 5.75% are listed on the “SEHK” and bear interest from and including 14 January 2021 at 5.75% per annum payable semi-annually in arrears. Further details have been set out in the related announcement of the Company dated 8 January 2021.

On 17 March 2021, the Company issued 6.2% senior notes due in 2026 in a principal amount of USD100,000,000 at 101.285% of the principal amount of such notes plus accrued interest from (and including) 22 September 2020 to (but excluding) 17 March 2021. The notes were consolidated and form a single series with the 2020 Senior Notes – 6.20%. Further details have been set out in the related announcement of the Company dated 12 March 2021.

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46. 本公司的財務狀況表

有關本公司於報告期末的財務狀況表的資料如下：

46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000
非流動資產	NON-CURRENT ASSETS		
物業、廠房及設備	Property, plant and equipment	8,389	2,228
使用權資產	Right-of-use assets	35,403	–
於附屬公司的投資	Investments in subsidiaries	–	3,560
非流動資產總值	Total non-current assets	43,792	5,788
流動資產	CURRENT ASSETS		
預付款項、按金及其他應收款項	Prepayments, deposits and other receivables	3,999	3,113
應收附屬公司的款項	Amounts due from subsidiaries	24,606,869	23,048,399
應收一間合營企業的款項	Amount due from a joint venture	34,365	36,505
現金及現金等價物	Cash and cash equivalents	2,392,004	3,740,640
流動資產總值	Total current assets	27,037,237	26,828,657
流動負債	CURRENT LIABILITIES		
其他應付款項及應計款項	Other payables and accruals	26,646	36,853
應付附屬公司的款項	Amounts due to subsidiaries	116,763	137,851
應付一間合營企業的款項	Amount due to a joint venture	2,582	2,745
計息銀行及其他借款以及應付利息	Interest-bearing bank and other borrowings and interest payable	7,067,314	6,458,543
租賃負債	Lease liabilities	7,712	–
流動負債總額	Total current liabilities	7,221,017	6,635,992
流動資產淨值	NET CURRENT ASSETS	19,816,220	20,192,665
資產總值減流動負債	TOTAL ASSETS LESS CURRENT LIABILITIES	19,860,012	20,198,453
非流動負債	NON-CURRENT LIABILITIES		
計息銀行及其他借款以及應付利息	Interest-bearing bank and other borrowings and interest payable	17,560,493	18,198,968
衍生金融工具	Derivative financial instruments	57,405	–
租賃負債	Lease liabilities	42,098	–
非流動負債總額	Total non-current liabilities	17,659,996	18,198,968
資產淨值	Net assets	2,200,016	1,999,485
權益	EQUITY		
股本	Share capital	154,528	154,528
儲備(附註)	Reserves (note)	2,045,488	1,844,957
權益總額	Total equity	2,200,016	1,999,485

46. 本公司的財務狀況表(續)

附註：

本公司的儲備概述如下：

		股份溢價賬	匯兌波動儲備	現金流 對沖儲備	留存利潤	總計
		Share premium account	Exchange fluctuation reserve	Cash flow hedge reserve	Retained profits	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
於二零一九年一月一日的結餘	Balance at 1 January 2019	-	(203,486)	-	301,817	98,331
本年度全面收入總額	Total comprehensive income for the year	-	57,913	-	1,700,800	1,758,713
發行股份	Issue of shares	1,323,301	-	-	-	1,323,301
宣派二零一八年末期股息	Final 2018 dividend declared	(1,323,301)	-	-	(12,087)	(1,335,388)
於二零一九年十二月三十一日及 二零二零年一月一日	At 31 December 2019 and 1 January 2020	-	(145,573)	-	1,990,530	1,844,957
本年度全面收入總額	Total comprehensive income for the year	-	(92,084)	(53,409)	1,985,889	1,840,396
宣派二零一九年末期股息	Final 2019 dividend declared	-	-	-	(1,639,865)	(1,639,865)
於二零二零年十二月三十一日	At 31 December 2020	-	(237,657)	(53,409)	2,336,554	2,045,488

47. 財務報表的批准

財務報表已於二零二一年三月二十三日獲
董事會批准及授權刊發。

46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONT'D)

Note:

A summary of the Company's reserves is as follows:

		Share premium account	Exchange fluctuation reserve	Cash flow hedge reserve	Retained profits	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2019		-	(203,486)	-	301,817	98,331
Total comprehensive income for the year		-	57,913	-	1,700,800	1,758,713
Issue of shares		1,323,301	-	-	-	1,323,301
Final 2018 dividend declared		(1,323,301)	-	-	(12,087)	(1,335,388)
At 31 December 2019 and 1 January 2020		-	(145,573)	-	1,990,530	1,844,957
Total comprehensive income for the year		-	(92,084)	(53,409)	1,985,889	1,840,396
Final 2019 dividend declared		-	-	-	(1,639,865)	(1,639,865)
At 31 December 2020		-	(237,657)	(53,409)	2,336,554	2,045,488

47. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for
issue by the board of directors on 23 March 2021.

五年財務概要

FIVE-YEAR FINANCIAL SUMMARY

摘自已發佈的經審核財務報表的本集團過去五個財政年度的業績與資產、負債及權益概要載列如下：

A summary of the results and of the assets, liabilities and equity of the Group for the last five financial years, as extracted from the published audited financial statements is set out below:

		截至十二月三十一日止年度 Year ended 31 December				
		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000	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
業績	RESULTS					
收入	REVENUE	38,576,694	42,433,383	34,375,010	23,109,961	16,206,451
銷售成本	Cost of sales	(27,474,248)	(29,997,746)	(23,754,162)	(16,660,052)	(11,956,202)
毛利	GROSS PROFIT	11,102,446	12,435,637	10,620,848	6,449,909	4,250,249
其他收入及收益	Other income and gains	1,935,114	1,033,777	1,030,565	818,208	362,900
銷售及市場推廣成本	Selling and marketing costs	(1,119,973)	(1,212,434)	(835,642)	(622,915)	(657,499)
行政開支	Administrative expenses	(1,574,063)	(1,554,296)	(1,111,916)	(732,284)	(537,144)
其他開支	Other expenses	(484,936)	(561,624)	(367,480)	(448,485)	(84,164)
融資成本	Finance costs	(1,181,169)	(1,010,850)	(667,219)	(400,874)	(239,857)
應佔合營企業及 聯營公司損益	Share of profits and losses of joint ventures and associates	445,059	1,208,769	(330,531)	224,622	66,090
除稅前利潤	PROFIT BEFORE TAX	9,122,478	10,338,979	8,338,625	5,288,181	3,160,575
所得稅開支	Income tax expense	(3,756,468)	(4,778,518)	(3,527,482)	(1,947,271)	(1,178,176)
年度利潤	PROFIT FOR THE YEAR	5,366,010	5,560,461	4,811,143	3,340,910	1,982,399
下列各項應佔：	Attributable to:					
本公司擁有人	Owners of the Company	4,941,190	5,212,623	4,399,190	2,667,154	1,955,020
非控股權益	Non-controlling interests	424,820	347,838	411,953	673,756	27,379
		5,366,010	5,560,461	4,811,143	3,340,910	1,982,399

資產、負債及權益

ASSETS, LIABILITIES AND EQUITY

		於十二月三十一日 As at 31 December				
		二零二零年 2020 人民幣千元 RMB'000	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000	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
資產總值	TOTAL ASSETS	191,502,387	161,098,084	129,052,176	101,379,091	69,088,944
負債總額	TOTAL LIABILITIES	(155,618,973)	(125,393,729)	(96,755,984)	(73,433,476)	(52,898,012)
權益總額	TOTAL EQUITY	35,883,414	35,704,355	32,296,192	27,945,615	16,190,932

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT



致：時代中國控股有限公司全體股東
(於開曼群島註冊成立的有限公司)

意見

我們已審核時代中國控股有限公司(「貴公司」)及其附屬公司(「貴集團」)載於第175至387頁的綜合財務報表，其中包括於二零一九年十二月三十一日的綜合財務狀況表，及截至該日止年度的綜合損益表、綜合全面收入表、綜合權益變動表及綜合現金流量表，以及包括主要會計政策概要的綜合財務報表附註。

我們認為，綜合財務報表均已根據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」)真實及中肯地反映 貴集團於二零一九年十二月三十一日的綜合財務狀況以及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露要求妥為擬備。

意見基準

我們已根據香港會計師公會(「香港會計師公會」)頒佈的香港審計準則(「香港審計準則」)進行審核。我們於該等準則下的責任於本報告內核數師對審核綜合財務報表的責任一節進一步闡述。根據香港會計師公會的專業會計師道德守則(「守則」)，我們獨立於 貴集團，並已根據守則履行其他道德責任。我們相信，我們所獲得的審核憑證能充足及適當地為我們的意見提供基礎。

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To the shareholders of Times China Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Times China Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 175 to 387, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the 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 2019, 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 (“**HKSAs**”) issued by 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.

致：時代中國控股有限公司全體股東
(於開曼群島註冊成立的有限公司)

To the shareholders of Times China Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

關鍵審核事項

關鍵審核事項是根據我們的專業判斷，認為對本期綜合財務報表的審核最為重要的事項。該等事項是在對綜合財務報表整體進行審核並就此形成意見的背景下進行處理的。我們不對該等事項提供單獨的意見。我們對下述每一事項在審核中是如何處理的描述也以此為背景。

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

我們已履行本報告內核數師對審核綜合財務報表的責任一節所描述的責任，包括與該等事項有關的責任。因此，我們的審核工作包括執行為應對評估綜合財務報表中重大錯誤陳述的風險而設計的程式。我們審核程式的結果(包括就處理下文事項執行的程式)為我們就隨附的綜合財務報表的審核意見提供基礎。

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

關鍵審核事項

Key audit matter

中華人民共和國土地增值稅(「土地增值稅」)
PRC land appreciation tax ("LAT")

貴集團須繳納中國內地的土地增值稅(「土地增值稅」)，該稅項按管理層就 貴集團物業開發項目各項可課稅金額根據對中國相關稅務法律及法規當前規定的瞭解作出最佳估算後計算。實際土地增值稅負債須於完成物業開發項目後由稅務機關釐定。最終金額可能與初步記錄的金額有所不同，而任何差額將會影響差額產生期內土地增值稅開支及相關撥備。

有關披露載入綜合財務報表附註3、10及26。

The Group is subject to land appreciation tax ("LAT") in Mainland China which is calculated based on management's best estimates of the taxable amount of each of the Group's property development projects according to their understanding of the prevailing requirements of the relevant tax laws and regulations of the PRC. The actual land appreciation tax liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The final outcome could be different from the amounts that were initially recorded, and any differences will impact the land appreciation tax expenses and the related provision in the period in which the differences realise.

The related disclosures are included in notes 3, 10 and 26 to the consolidated financial statements.

於審核中我們處理關鍵審核事項的方式

How our audit addressed the key audit matter

我們已讓我們的內部稅務專家測試管理層編製的土地增值稅計算，分析及評估管理層所用的估計數據及假設，如各物業開發項目的增值金額，並評估土地增值稅撥備是否充足。我們亦將管理層計算土地增值稅所用的數據與歷史信息進行比較，並評估所用的稅率的合理性。我們亦考慮於綜合財務報表作出的相關披露是否合適。

We involved our internal tax specialists to test the LAT calculation prepared by management, analysed and evaluated the estimates and assumptions used by management, such as the appreciation amount of each property development project, and assessed the adequacy of the LAT provision. We also compared the data used by management for the calculation of the LAT with the historical information, and assessed the appropriateness of the tax rate being used. We also considered the appropriateness of the relevant disclosures made in the consolidated financial statements.

致：時代中國控股有限公司全體股東
(於開曼群島註冊成立的有限公司)

To the shareholders of Times China Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

關鍵審核事項(續)

KEY AUDIT MATTERS (CONT'D)

關鍵審核事項

Key audit matter

遞延稅項資產

Deferred tax assets

未動用稅項虧損在很可能出現應課稅利潤可動用虧損予以抵銷的情況下予以確認為遞延稅項資產。於根據未來應課稅利潤的可能時間及水準以及未來的稅務規劃策略釐定可予確認的遞延稅項資產的金額時，需要管理層作出重大判斷。

有關披露載入綜合財務報表附註3及20。

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The related disclosures are included in notes 3 and 20 to the consolidated financial statements.

於審核中我們處理關鍵審核事項的方式

How our audit addressed the key audit matter

我們執行理解處理及控制遞延稅項的程式。我們經參考當地稅務法律及法規重新計算遞延稅項結餘。我們評估管理層的假設以釐定透過未來應課稅利潤收回已確認遞延稅項資產的可能性，有關未來應課稅利潤按 貴集團物業開發項目產生的預計收入及成本估算。我們亦評估該等估算利潤是否足夠收回遞延稅項資產。我們亦評估 貴集團即期稅項規劃策略及評估用以釐定稅務狀況的假設及方法是否貫徹應用。

We performed procedures on the understanding of the process and controls over deferred tax. We recalculated the deferred tax balances by reference to the local tax laws and regulations. We evaluated management's assumptions to determine the probability that deferred tax assets recognised will be recovered through future taxable profits, which is estimated based on the expected revenue and costs generated by the Group's property development projects. We also assessed whether such estimated profits will be sufficient for the recoverability of the deferred tax assets. We also evaluated the Group's current tax planning strategies and assessed whether the assumptions and methodology used to determine the tax positions were consistently applied.

致：時代中國控股有限公司全體股東
(於開曼群島註冊成立的有限公司)

載於年報的其他信息

貴公司董事須對其他信息負責。其他信息包括載於年報的信息，但不包括綜合財務報表及我們就綜合財務報表作出的核數師報告。

我們對綜合財務報表作出的意見並不涵蓋其他信息，我們亦不就此發表任何形式的鑒證結論。

就我們對綜合財務報表的審核而言，我們的責任為閱讀其他信息，從而考慮其他信息是否與綜合財務報表或我們於審核時所獲悉的資料存在重大不符或似乎存在重大錯誤陳述。基於我們已執行的工作，倘我們認為此其他資料存在重大錯誤陳述，我們須報告有關事實。就此，我們並無任何可報告事項。

董事對綜合財務報表的責任

貴公司董事負責根據國際會計準則理事會頒佈的國際財務報告準則及香港公司條例的披露規定，編製表達真實中肯意見的綜合財務報表，以及維持董事認為必要的有關內部控制，以確保編製綜合財務報表時不存在由於欺詐或錯誤而導致的重大錯誤陳述。

於編製綜合財務報表時，貴公司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宜，以及使用持續經營會計基礎，惟貴公司董事擬清算貴集團或終止經營或別無其他實際的替代方案惟有如此行事則除外。

貴公司董事於履行其監督貴集團財務報告過程的責任時獲審核委員會協助。

To the shareholders of Times China Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than 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 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 issued by the International Accounting Standards Board 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

致：時代中國控股有限公司全體股東
(於開曼群島註冊成立的有限公司)

核數師對審核綜合財務報表的責任

我們的目標為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合理保證，並出具載有我們意見的核數師報告。我們的報告僅向全體股東作出，不可用作其他用途。我們概不就本報告的內容，對任何其他人士負上或承擔任何責任。

合理保證乃高水準的保證，但無法保證根據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。錯誤陳述可由欺詐或錯誤引起，倘合理預期該等陳述單獨或匯總起來可能影響使用者根據該等綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

作為根據香港審計準則進行審核的一部分，我們於審核期間運用專業判斷及保持專業懷疑態度。我們亦：

- 識別及評估綜合財務報表中由於欺詐或錯誤而導致的重大錯誤陳述風險，因應該等風險設計及執行審核程式，獲得充足及適當的審核憑證為我們的意見提供基礎。由於欺詐可能涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部監控，因此未能發現由此造成的重大錯誤陳述風險比未能發現由於錯誤而導致的重大錯誤陳述風險更高。
- 瞭解與審核有關的內部監控，以於有關情況下設計恰當的審核程式，但並非旨在對貴集團內部監控的有效性發表意見。
- 評估所用會計政策的適當性及董事所作出的會計估計及相關披露的合理性。

To the shareholders of Times China Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

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. Our report is made solely to you, as a body, 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 HKSA's 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 HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

致：時代中國控股有限公司全體股東
(於開曼群島註冊成立的有限公司)

核數師對審核綜合財務報表的責任 (續)

- 對董事採用持續經營會計基礎的適當性作出結論，根據所取得的審核憑證，確定是否存在與事件或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，則須於核數師報告中提請注意綜合財務報表中的相關披露，或倘有關披露不足，則須修改我們的意見。我們的結論是基於直至核數師報告日期所取得的審核憑證。然而，未來事件或情況可能導致 貴集團終止持續經營。
- 評估綜合財務報表(包括披露)的整體呈報、架構及內容，以及綜合財務報表是否以達致中肯呈報的方式呈報相關交易及事件。
- 就 貴集團中實體或業務活動的財務資料取得充分及適當的審核憑證，以對綜合財務報表發表意見。我們負責指導、監督及執行集團審核。我們對審核意見承擔全部負責。

除其他事項外，我們與審核委員會就計劃的審核範圍及時間安排以及重大審核發現(包括我們於審核中識別出內部監控的任何重大缺陷)等進行溝通。

我們亦向審核委員會提交聲明，說明我們已符合有關獨立性的相關道德要求，並與其溝通有可能合理地被認為會影響我們獨立性的所有關係及其他事項以及相關防範措施(如適用)。

To the shareholders of Times China Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 the Audit Committee 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 the Audit Committee 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.

致：時代中國控股有限公司全體股東
(於開曼群島註冊成立的有限公司)

核數師對審核綜合財務報表的責任 (續)

從與審核委員會的溝通事項中，我們決定該等對審核本期綜合財務報表至關重要並因此成為關鍵審核事項的事項。我們於核數師報告中描述該等事項，惟於法律或法規不允許對有關事項進行公開披露或於極端罕見的情況下，倘合理預期於我們報告中溝通某事項造成的不利後果超過該溝通產生的公眾利益，我們決定不應於報告中溝通該事項。

本獨立核數師報告的審計項目合夥人為許建輝。

安永會計師事務所
執業會計師
香港

二零二零三月九日

To the shareholders of Times China Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

From the matters communicated with the Audit Committee, 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 this independent auditor's report is Hui Kin Fai, Stephen.

Ernst & Young
Certified Public Accountants
Hong Kong

9 March 2020

綜合損益表

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

截至二零一九年十二月三十一日止年度 Year ended 31 December 2019

		附註 Notes	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
收入	REVENUE	5	42,433,383	34,375,010
銷售成本	Cost of sales		(29,997,746)	(23,754,162)
毛利	Gross profit		12,435,637	10,620,848
其他收入及收益	Other income and gains	5	1,033,777	1,030,565
銷售及市場推廣成本	Selling and marketing costs		(1,212,434)	(835,642)
行政開支	Administrative expenses		(1,554,296)	(1,111,916)
其他開支	Other expenses		(561,624)	(367,480)
融資成本	Finance costs	7	(1,010,850)	(667,219)
應佔合營企業及 聯營公司損益	Share of profits and losses of joint ventures and associates		1,208,769	(330,531)
除稅前利潤	PROFIT BEFORE TAX	6	10,338,979	8,338,625
所得稅開支	Income tax expense	10	(4,778,518)	(3,527,482)
年度利潤	PROFIT FOR THE YEAR		5,560,461	4,811,143
下列各項應佔：	Attributable to:			
本公司擁有人	Owners of the Company		5,212,623	4,399,190
非控股權益	Non-controlling interests		347,838	411,953
			5,560,461	4,811,143
本公司普通權益持有人 應佔每股盈利	EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	12		
基本及攤薄	Basic and diluted		人民幣 273分 RMB273 cents	人民幣240分 RMB240 cents

綜合全面收入表

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

截至二零一九年十二月三十一日止年度 Year ended 31 December 2019

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
年度利潤	PROFIT FOR THE YEAR	5,560,461	4,811,143
其他全面虧損	OTHER COMPREHENSIVE LOSS		
於後續期間可重新分類至 損益的其他全面虧損：	Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
應佔一間合營企業其他 全面虧損	Share of other comprehensive loss of a joint venture	(13,060)	(36,415)
換算海外業務的 匯兌差額	Exchange differences on translation of foreign operations	(237,400)	(541,535)
		(250,460)	(577,950)
於後續期間不會重新 分類至損益的 其他全面收入：	Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
指定以公允價值計量且其變動計入 其他全面收入的權益投資 收益淨額	Net gain on equity investments designated at fair value through other comprehensive income	4,103	203
年度其他全面虧損	OTHER COMPREHENSIVE LOSS FOR THE YEAR	(246,357)	(577,747)
年度全面收入總額	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5,314,104	4,233,396
下列各項應佔：	Attributable to:		
本公司擁有人	Owners of the Company	4,966,266	3,821,443
非控股權益	Non-controlling interests	347,838	411,953
		5,314,104	4,233,396

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

二零一九年十二月三十一日 31 December 2019

		附註 Notes	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
非流動資產	NON-CURRENT ASSETS			
物業、廠房及設備	Property, plant and equipment	13	1,096,102	1,549,786
物業存貨	Inventories of properties	21	1,518,010	1,476,969
使用權資產	Right-of-use assets	14(b)	138,186	–
投資物業	Investment properties	15	3,489,209	1,336,299
商譽	Goodwill	16	88,526	441,850
其他無形資產	Other intangible assets		142,927	152,605
於合營企業的權益	Interests in joint ventures	17	7,587,048	4,668,550
於聯營公司的權益	Interests in associates	18	2,520,090	488,602
指定以公允價值計量且其變動計入其他全面收入的權益投資	Equity investments designated at fair value through other comprehensive income	19	434,207	424,828
遞延稅項資產	Deferred tax assets	20	1,678,601	1,092,131
預付款項、按金及其他應收款項	Prepayments, deposits and other receivables	23	1,148,838	1,481,000
非流動資產總額	Total non-current assets		19,841,744	13,112,620
流動資產	CURRENT ASSETS			
物業存貨	Inventories of properties	21	61,460,980	50,677,350
應收貿易款項	Trade receivables	22	6,101,701	4,889,684
合同資產	Contract assets		210,434	–
合同成本	Contract costs		619,341	216,567
預付款項、按金及其他應收款項	Prepayments, deposits and other receivables	23	31,830,195	25,169,513
以公允價值計量且其變動計入損益的金融資產	Financial asset at fair value through profit or loss		–	220,500
應收合營企業的款項	Amounts due from joint ventures	24	8,423,080	5,017,516
應收聯營公司的款項	Amounts due from associates	24	1,874,858	1,094,766
預繳稅款	Tax prepayments	26	1,456,341	1,227,953
受限制銀行存款	Restricted bank deposits	27	3,404,545	4,051,526
現金及現金等價物	Cash and cash equivalents	27	25,874,865	23,374,181
流動資產總額	Total current assets		141,256,340	115,939,556
流動負債	CURRENT LIABILITIES			
應付貿易款項及票據	Trade and bills payables	28	14,470,947	8,520,818
其他應付款項及應計款項	Other payables and accruals	29	21,337,585	11,749,129
合同負債	Contract liabilities	30	21,579,362	19,028,629
應付合營企業的款項	Amounts due to joint ventures	25	4,950,359	3,417,681
計息銀行及其他借款	Interest-bearing bank and other borrowings	31	18,597,713	7,311,784
租賃負債	Lease liabilities	14(c)	51,959	–
應付稅款	Tax payable	26	7,014,368	4,557,264
流動負債總額	Total current liabilities		88,002,293	54,585,305
流動資產淨值	NET CURRENT ASSETS		53,254,047	61,354,251
資產總額減流動負債	TOTAL ASSETS LESS CURRENT LIABILITIES		73,095,791	74,466,871

綜合財務狀況表 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

二零一九年十二月三十一日 31 December 2019

		附註 Notes	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
資產總額減 流動負債	TOTAL ASSETS LESS CURRENT LIABILITIES		73,095,791	74,466,871
非流動負債	NON-CURRENT LIABILITIES			
計息銀行及其他借款	Interest-bearing bank and other borrowings	31	34,663,066	40,319,161
其他長期應付款項	Other long-term payables	29	134,934	162,603
租賃負債	Lease liabilities	14(c)	1,174,471	–
遞延稅項負債	Deferred tax liabilities	20	1,418,965	1,688,915
非流動負債總額	Total non-current liabilities		37,391,436	42,170,679
資產淨值	Net assets		35,704,355	32,296,192
權益	EQUITY			
本公司擁有人應佔權益	Equity attributable to owners of the Company			
股本	Share capital	32	154,528	145,260
儲備	Reserves	34	18,932,706	16,806,843
			19,087,234	16,952,103
非控股權益	Non-controlling interests		16,617,121	15,344,089
權益總額	Total equity		35,704,355	32,296,192

岑釗雄
Shum Chiu Hung
董事
Director

牛霽旻
Niu Jimin
董事
Director

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二零一九年十二月三十一日止年度 Year ended 31 December 2019

		本公司擁有人應佔 Attributable to owners of the Company												
						以公允價值 計量且其變動 計入其他全面 收入的金融 資產的公允 價值儲備 Fair value reserve of financial assets at fair value			法定盈餘 公積金		匯兌儲備	留存利潤	非控股 權益	權益總額
		股本 溢價賬 Share premium capital account	股份 溢價賬 Share premium account	繳入盈餘 Contributed surplus	資本儲備 Capital reserve	through other comprehensive income	Statutory surplus funds	Exchange translation reserve	Retained profits	總計 Total	Non- controlling interests	Total equity		
		人民幣千元 RMB'000 (附註32) (note 32)	人民幣千元 RMB'000	人民幣千元 RMB'000 (附註34(b)) (note 34(b))	人民幣千元 RMB'000 (附註34(c)) (note 34(c))	人民幣千元 RMB'000	人民幣千元 RMB'000 (附註34(d)) (note 34(d))	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		
於二零一八年一月一日	At 1 January 2018	145,260	750,060	8,113	5,590,414	-	982,257	(253,597)	8,349,039	15,571,546	12,374,069	27,945,615		
年度利潤	Profit for the year	-	-	-	-	-	-	-	4,399,190	4,399,190	411,953	4,811,143		
年度其他全面收入/(虧損)	Other comprehensive income/(loss) for the year	-	-	-	-	203	-	(577,950)	-	(577,747)	-	(577,747)		
年度全面收入/(虧損)總額	Total comprehensive income/(loss) for the year	-	-	-	-	203	-	(577,950)	4,399,190	3,821,443	411,953	4,233,396		
轉撥至儲備公積金(附註34(d))	Transfer to reserve funds (note 34 (d))	-	-	-	-	-	293,303	-	(293,303)	-	-	-		
非控股股東注資	Capital injection by non-controlling shareholders	-	-	-	-	-	-	-	-	-	2,755,536	2,755,536		
部分出售附屬公司權益 (並無失去控制權)	Partial disposal of interests in subsidiaries without loss of control	-	-	-	466,661	-	-	-	-	466,661	1,388,605	1,855,266		
收購附屬公司	Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	917,055	917,055		
收購非控股權益	Acquisition of non-controlling interests	-	-	-	(1,823,733)	-	-	-	(324,064)	(2,147,797)	(2,430,929)	(4,578,726)		
已向一名非控股股東宣派的股息	Dividend declared to a non-controlling shareholder	-	-	-	-	-	-	-	-	-	(72,200)	(72,200)		
宣派二零一七年末期股息	Final 2017 dividend declared	-	(750,060)	-	-	-	-	-	(9,690)	(759,750)	-	(759,750)		
於二零一八年十二月三十一日	At 31 December 2018	145,260	-*	8,113*	4,233,342*	203*	1,275,560*	(831,547)*	12,121,172*	16,952,103	15,344,089	32,296,192		

綜合權益變動表 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二零一九年十二月三十一日止年度 Year ended 31 December 2019

		本公司擁有人應佔 Attributable to owners of the Company											
		以公允價值 計量且其變動 計入其他全面 收入的金融 資產的公允 價值儲備 Fair value reserve of financial assets at fair value								法定盈餘 公積金 匯兌儲備 留存利潤 總計 Non- controlling interests		權益 權益總額 Total equity	
股本 Share capital	股份 溢價賬 Share premium account	資本儲備 Capital reserve	資本儲備 Capital reserve	資本儲備 Capital reserve	資本儲備 Capital reserve	資本儲備 Capital reserve	資本儲備 Capital reserve	資本儲備 Capital reserve	資本儲備 Capital reserve	資本儲備 Capital reserve	資本儲備 Capital reserve	資本儲備 Capital reserve	資本儲備 Capital reserve
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
(附註32) (note 32)	(附註32) (note 32)	(附註34(b)) (note 34(b))	(附註34(c)) (note 34(c))	(附註34(c)) (note 34(c))	(附註34(c)) (note 34(c))	(附註34(d)) (note 34(d))	(附註34(d)) (note 34(d))	(附註34(d)) (note 34(d))	(附註34(d)) (note 34(d))	(附註34(d)) (note 34(d))	(附註34(d)) (note 34(d))	(附註34(d)) (note 34(d))	(附註34(d)) (note 34(d))
於二零一八年十二月三十一日及 二零一九年一月一日	At 31 December 2018 and 1 January 2019	145,260	-*	8,113*	4,233,342*	203*	1,275,560*	(831,547)*	12,121,172*	16,952,103	15,344,089	32,296,192	
採納國際財務報告準則第16號的影響	Effect of adoption of IFRS 16	-	-	-	-	-	-	-	18,324	18,324	-	18,324	
於二零一九年一月一日(重列)	At 1 January 2019 (restated)	145,260	-	8,113	4,233,342	203	1,275,560	(831,547)	12,139,496	16,970,427	15,344,089	32,314,516	
年度利潤	Profit for the year	-	-	-	-	-	-	-	5,212,623	5,212,623	347,838	5,560,461	
年度其他全面收入/(虧損)	Other comprehensive income/(loss) for the year	-	-	-	-	4,103	-	(250,460)	-	(246,357)	-	(246,357)	
年度全面收入/(虧損)總額	Total comprehensive income (loss) for the year	-	-	-	-	4,103	-	(250,460)	5,212,623	4,966,266	347,838	5,314,104	
發行股份	Issue of shares	9,268	1,323,301	-	-	-	-	-	-	1,332,569	-	1,332,569	
轉撥至儲備公積金(附註34(d))	Transfer to reserve funds (note 34(d))	-	-	-	-	-	405,429	-	(405,429)	-	-	-	
非控股股東注資	Capital injection by non-controlling shareholders	-	-	-	-	-	-	-	-	-	4,872,410	4,872,410	
視作出售附屬公司(附註38)	Deemed disposals of subsidiaries (note 38)	-	-	-	-	-	(56,133)	-	56,133	-	(35,574)	(35,574)	
部分出售附屬公司權益 (並無失去控制權)	Partial disposal of interests in subsidiaries without loss of control	-	-	-	(148,880)	-	-	-	(19,536)	(168,416)	1,747,361	1,578,945	
出售指定以公允價值計量且其變動 計入其他全面收入的權益工具時 轉讓公允價值儲備	Transfer of fair value reserve upon the disposal of equity instruments designated at fair value through other comprehensive income	-	-	-	-	(2,509)	-	-	2,509	-	-	-	
收購附屬公司(附註37)	Acquisition of subsidiaries (note 37)	-	-	-	-	-	-	-	-	-	31,702	31,702	
收購非控股權益(附註36)	Acquisition of non-controlling interests (note 36)	-	-	-	(1,944,579)	-	-	-	(594,306)	(2,538,885)	(5,312,359)	(7,851,244)	
已向非控股股東宣派的股息	Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(447,703)	(447,703)	
宣派二零一八年末期股息(附註11)	Final 2018 dividend declared (note 11)	-	(1,323,301)	-	-	-	-	-	(12,087)	(1,335,388)	-	(1,335,388)	
實物分派(附註11)	Distribution in specie (note 11)	-	-	-	-	-	-	-	(139,339)	(139,339)	69,357	(69,982)	
於二零一九年十二月三十一日	At 31 December 2019	154,528	-*	8,113*	2,139,883*	1,797*	1,624,856*	(1,082,007)*	16,240,064*	19,087,234	16,617,121	35,704,355	

* 該等儲備賬包括綜合財務狀況表中的綜合儲備。

* These reserve accounts comprise the consolidated reserves in the consolidated statement of financial position.

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

截至二零一九年十二月三十一日止年度 Year ended 31 December 2019

	附註 Notes	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
經營活動所得的 現金流量	CASH FLOWS FROM OPERATING ACTIVITIES		
除稅前利潤	Profit before tax	10,338,979	8,338,625
調整：	Adjustments for:		
融資成本	Finance costs	1,010,850	667,219
應佔合營企業及聯營 公司損益	Share of profits and losses of joint ventures and associates	(1,208,769)	330,531
銀行利息收入	Bank interest income	(284,827)	(148,010)
物業、廠房及設備 折舊	Depreciation of property, plant and equipment	98,714	130,786
使用權資產折舊	Depreciation of right-of-use assets	45,016	-
其他無形資產攤銷	Amortisation of other intangible assets	12,719	11,833
投資物業公允價值的 變動	Changes in fair value of investment properties	(15,712)	(26,491)
出售物業、廠房及設備項 目的虧損	Loss on disposal of items of property, plant and equipment	827	1,646
商譽減值	Impairment of goodwill	306,094	9,719
視作出售附屬公司的收益	Gain on deemed disposals of subsidiaries	(15,573)	-
議價收購附屬公司的收益	Gain on bargain purchases of subsidiaries	-	(13,966)
議價收購一間合營企業的收益	Gain on bargain purchase of a joint venture	(8,156)	-
部分出售一間合營企業權益 (並無失去共同控制權) 的收益	Gain on partial disposal of an interest in a joint venture without loss of joint control	-	(234,927)
出售以公允價值計量且其變動 計入損益的金融資產的收益	Gain on disposals of financial assets at fair value through profit or loss	(3,643)	-
重新計量於一間合營企業的 既有權益	Remeasurement of the pre- existing interest in a joint venture	(15,764)	(330,792)
撥回貿易應付款項的收益	Gain on write-back of trade payables	(49,816)	-
提前贖回優先票據所付 的溢價	Premium paid on early redemption of senior notes	-	106,964
金融資產減值虧損	Impairment losses on financial assets	52,826	41,001
出售金融資產的虧損	Loss on disposals of financial assets	41,914	17,851
		10,305,679	8,901,989

綜合現金流量表 CONSOLIDATED STATEMENT OF CASH FLOWS

截至二零一九年十二月三十一日止年度 Year ended 31 December 2019

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
物業存貨(增加)/減少	(Increase)/decrease in inventories of properties	(6,034,578)	3,822,101
應收貿易款項增加	Increase in trade receivables	(1,883,710)	(1,604,480)
合同資產增加	Increase in contract assets	(210,434)	–
合同成本增加	Increase in contract costs	(402,774)	(216,567)
預付款項、按金及其他應收款項增加	Increase in prepayments, deposits and other receivables	(15,304,013)	(9,377,248)
應收合營企業款項增加	Increase in amounts due from joint ventures	(1,656,772)	(61,546)
應收聯營公司款項增加	Increase in amounts due from associates	(780,824)	(628,956)
應付貿易款項及票據增加	Increase in trade and bills payables	6,932,805	4,287,518
合同負債增加	Increase in contract liabilities	2,888,373	19,028,629
應付合營企業款項增加/(減少)	Increase/(decrease) in amounts due to joint ventures	1,532,678	(747,625)
其他應付款項及應計款項增加/(減少)	Increase/(decrease) in other payables and accruals	11,672,459	(17,743,111)
受限制銀行存款減少/(增加)	Decrease/(increase) in restricted bank deposits	646,010	(1,107,752)
經營所得的現金	Cash generated from operations	7,704,899	4,552,952
已收利息	Interest received	365,328	148,010
已付利息	Interest paid	(4,012,037)	(3,014,111)
已付企業所得稅	Corporate income tax paid	(1,973,157)	(1,407,160)
已付土地增值稅	Land appreciation tax paid	(1,295,962)	(802,572)
經營活動所得/(所用)現金流量淨額	Net cash flows generated from/(used in) operating activities	789,071	(522,881)

綜合現金流量表 CONSOLIDATED STATEMENT OF CASH FLOWS

截至二零一九年十二月三十一日止年度 Year ended 31 December 2019

	附註 Note	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
投資活動所得的現金流量	CASH FLOWS FROM INVESTING ACTIVITIES		
購買物業、廠房及設備 項目	Purchases of items of property, plant and equipment	(117,112)	(106,709)
添置投資物業	Addition in investment properties	(205,099)	–
購買無形資產	Purchases of intangible assets	(22,179)	(81,323)
購買指定一項以公允價值計量 且其變動計入其他全面收入 的權益投資	Purchase of an equity investment designated at fair value through other comprehensive income	(15,000)	(158,472)
出售一項以公允價值計量且 其變動計入其他全面收入 的權益投資的所得款項	Proceeds from disposal of an equity investment at fair value through other comprehensive income	–	8,928
出售物業、廠房及設備項目 的所得款項	Proceeds from disposals of items of property, plant and equipment	1,176	1,417
收購附屬公司	Acquisition of subsidiaries	(31,640)	253,593
收購附屬公司(不作為業務)	Acquisition of subsidiaries that are not businesses	(566,760)	(727,002)
由合營企業轉為附屬公司	Change from joint ventures to subsidiaries	(286,407)	(1,712,368)
收購合營企業	Acquisition of joint ventures	(84,102)	(5,628)
收購聯營公司	Acquisition of associates	–	(436,666)
收購共同經營業務	Acquisition of joint operations	–	(750)
收購非控股權益	Acquisition of non-controlling interests	(7,659,706)	(3,590,081)
視作出售附屬公司	Deemed disposals of subsidiaries	(787,262)	(5,809)
出售附屬公司	Disposals of subsidiaries	(2,268)	–
部分出售一間合營企業權益 (並無失去共同控制權)的 所得款項	Proceeds from partial disposal of an interest in a joint venture without loss of joint control	–	102,000
權益投資預付款項	Prepayment of equity investments	–	(45,689)
向業務夥伴墊款	Advance to business partners	(313,967)	(775,377)
向合營企業提供的貸款	Loans to joint ventures	(4,587,963)	(1,427,536)
償還合營企業貸款	Repayment of loans from joint ventures	2,957,841	1,628,645
向合營企業注資	Capital injection to joint ventures	(486,550)	–
向聯營公司注資	Capital injection to associates	(2,035,222)	–
投資活動所用現金流量淨額	Net cash flows used in investing activities	(14,242,220)	(7,078,827)

綜合現金流量表 CONSOLIDATED STATEMENT OF CASH FLOWS

截至二零一九年十二月三十一日止年度 Year ended 31 December 2019

		附註 Notes	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
融資活動所得的 現金流量	CASH FLOWS FROM FINANCING ACTIVITIES			
非控股股東注資	Capital injection by non-controlling shareholders		4,005,610	2,755,536
發行股份所得款項	Proceeds from issue of shares		1,332,569	–
新增計息銀行及其他借款	New interest-bearing bank and other borrowings raised		23,836,928	25,875,811
計息銀行及其他借款的還款	Repayment of interest-bearing bank and other borrowings		(16,455,924)	(13,036,497)
股息分派	Dividend distribution	11	(1,335,388)	(759,750)
就實物分派所分派的現金淨額	Net cash distributed in respect of distribution in specie	11	(163,287)	–
部分出售附屬公司權益 (並無失去控制權)的 所得款項	Proceeds from partial disposal of interests in subsidiaries without loss of control		1,578,945	1,855,266
非控股股東墊款	Advances from non-controlling shareholders		3,467,217	850,800
租賃款項的本金部分	Principal portion of lease payments		(46,581)	–
償還已收購附屬公司前 股東款項	Repayment to former shareholders of subsidiaries acquired		(441,497)	(992,743)
提前贖回優先票據所付 的溢價	Premium paid on early redemption of senior notes		–	(106,964)
融資活動產生的現金流量 淨額	Net cash flows generated from financing activities		15,778,592	16,441,459
現金及現金等價物增加 淨額	NET INCREASE IN CASH AND CASH EQUIVALENTS		2,325,443	8,839,751
年初現金及現金 等價物	Cash and cash equivalents at beginning of the year		23,374,181	14,262,982
匯率變動的影響， 淨額	Effect of foreign exchange rate changes, net		175,241	271,448
年末現金及現金 等價物	CASH AND CASH EQUIVALENTS AT END OF THE YEAR		25,874,865	23,374,181
現金及現金等價物 結餘分析	ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
現金及銀行結餘	Cash and bank balances	27	29,279,410	27,425,707
減：受限制銀行存款	Less: Restricted bank deposits	27	(3,404,545)	(4,051,526)
現金及現金等價物	Cash and cash equivalents	27	25,874,865	23,374,181

財務報表附註

NOTES TO FINANCIAL STATEMENTS

二零一九年十二月三十一日 31 December 2019

1. 公司及集團資料

本公司於二零零七年十一月十四日根據開曼群島第22章公司法於開曼群島註冊成立為一間獲豁免有限責任公司，名為Times Property (Holdings) Co., Limited。根據於二零零八年一月二十四日通過的一項特別決議案，本公司的名稱由Times Property (Holdings) Co., Limited變更為時代地產控股有限公司。根據於二零一八年一月十五日通過的一項特別決議案，本公司的名稱由時代地產控股有限公司變更為時代中國控股有限公司。註冊辦事處地址為P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands。

本公司為一間投資控股公司。年內，本公司的附屬公司在中華人民共和國（「中國」）主要從事物業開發、城市更新業務、物業租賃及物業管理。

董事認為，本公司的直接控股公司乃於英屬維爾京群島（「英屬維爾京群島」）註冊成立的豐亞企業有限公司（「豐亞」），以及最終控股公司乃於英屬維爾京群島註冊成立的佳名投資有限公司（「佳名投資」）。佳名投資由本公司及本集團創辦人岑釗雄先生（「岑先生」）全資擁有。

本公司股份於二零一三年十二月十一日在香港聯合交易所有限公司（「聯交所」）主板上市。

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the Cayman Islands on 14 November 2007 under the name of Times Property (Holdings) Co., Limited as an exempted company with limited liability under the Companies Law, Cap. 22 of the Cayman Islands. Pursuant to a special resolution passed on 24 January 2008, the Company's name was changed from Times Property (Holdings) Co., Limited to Times Property Holdings Limited. Pursuant to a special resolution passed on 15 January 2018, the Company's name was changed from Times Property Holdings Limited to Times China Holdings Limited. The registered office address is P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands.

The Company is an investment holding company. During the year, the Company's subsidiaries were mainly involved in property development, urban redevelopment business, property leasing and property management in the People's Republic of China (the "PRC").

In the opinion of the directors, the immediate holding company of the Company is Asiaciti Enterprises Ltd. ("Asiaciti"), which was incorporated in the British Virgin Islands ("BVI"), and the ultimate holding company is Renowned Brand Investments Limited ("Renowned Brand"), which was incorporated in the BVI. Renowned Brand is wholly owned by Mr. Shum Chiu Hung ("Mr. Shum"), the founder of the Company and the Group.

The Company's shares became listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "SEHK") on 11 December 2013.

1. 公司及集團資料(續)

有關附屬公司的資料

本公司主要附屬公司的詳情如下：

名稱 Name	註冊成立／設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通／ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
智銳投資有限公司(「智銳」)(附註(a)) Wisdom Sharp Investments Limited ("Wisdom Sharp") (note (a))	英屬維爾京群島 BVI	3美元 USD3	100	–	投資控股 Investment holding
Grand Highway International Ltd. (「Grand Highway」)(附註(a)) Grand Highway International Ltd. ("Grand Highway") (note (a))	英屬維爾京群島 BVI	1美元 USD1	–	100	投資控股 Investment holding
香港時代投資有限公司(「香港時代投資」)(附註(a)) Hong Kong Times Investments Limited ("Hong Kong Times Investments") (note (a))	香港 Hong Kong	10,000港元 HKD10,000	–	100	投資控股 Investment holding
時代產業集團有限公司(「時代產業」)(附註(a)) Times Industry Group Limited ("Times Industry") (note (a))	香港 Hong Kong	1港元 HKD1	–	100	投資控股 Investment holding
廣州市時代控股集團有限公司(「廣州時代」) Guangzhou Times Holdings Group Co., Ltd. ("Guangzhou Times") (notes (b),(d))	中國／中國內地 PRC/ Mainland China	830,000,000美元 USD830,000,000	–	100	投資控股 Investment holding
廣州市時代企業地產投資有限公司 (「時代地產」)(附註(a)、(c)) Guangzhou Times Enterprise Real Estate Investment Co., Ltd. ("Times Real Estate") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣6,300,000,000元 RMB6,300,000,000	–	100	投資控股 Investment holding
廣州市時代勝譽投資有限公司(「廣州勝譽」)(附註(a)、(c)) Guangzhou Times Shengyu Investment Co., Ltd. ("Guangzhou Shengyu") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣2,600,000,000元 RMB2,600,000,000	–	100	物業開發及投資控股 Property development and investment holding

1. CORPORATE AND GROUP INFORMATION (CONT'D)

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立／設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通／ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
廣東時代勝譽房地產開發有限公司 (「廣東勝譽」)(附註(a)、(c)) Guangdong Times Shengyu Real Estate Development Co., Ltd. ("Guangdong Shengyu") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣80,000,000元 RMB80,000,000	-	100	物業開發 Property development
廣州東和房地產開發有限公司(「廣州東和」)(附註(a)、(c)) Guangzhou Donghe Real Estate Development Co., Ltd. ("Guangzhou Donghe") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣161,075,800元 RMB161,075,800	-	68.96	物業租賃 Property leasing
佛山市三水裕華房地產發展有限公司 (「佛山裕華」)(附註(a)、(c)) Foshan Sanshui Yuhua Real Estate Development Co., Ltd. ("Foshan Yuhua") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣48,000,000元 RMB48,000,000	-	100	物業開發 Property development
廣州市富傑投資有限公司(「廣州富傑」)(附註(a)、(c)) Guangzhou Fujie Investment Co., Ltd. ("Guangzhou Fujie") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣20,000,000元 RMB20,000,000	-	100	物業開發 Property development
清遠市榮景投資有限公司(「清遠榮景」)(附註(a)、(c)) Qingyuan Rongjing Investment Co., Ltd. ("Qingyuan Rongjing") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣100,000,000元 RMB100,000,000	-	100	物業開發 Property development
清遠市喜龍房地產開發有限公司 (「清遠喜龍」)(附註(a)、(c)) Qingyuan Xilong Real Estate Development Co., Ltd. ("Qingyuan Xilong") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣300,000,000元 RMB300,000,000	-	100	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION (CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
中山市萬聯房地產開發有限公司(「 中山萬聯 」)(附註(a)、(c)) Zhongshan Wanlian Real Estate Development Co., Ltd. ("Zhongshan Wanlian") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣45,000,000元 RMB45,000,000	-	100	物業開發 Property development
廣州天朗商貿有限公司(「 廣州天朗 」)(附註(a)、(c)) Guangzhou Tianlang Trading Co., Ltd. ("Guangzhou Tianlang") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣50,000,000元 RMB50,000,000	-	100	物業開發 Property development
廣州市番禺南英房地產有限公司(「 廣州南英 」)(附註(a)、(c)) Guangzhou Panyu Nanying Property Co., Ltd. ("Guangzhou Nanying") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣360,000,000元 RMB360,000,000	-	99	物業開發 Property development
廣州市天合建材有限公司(「 廣州天合 」)(附註(a)、(c)) Guangzhou Tianhe Construction Material Co., Ltd. ("Guangzhou Tianhe") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣72,850,000元 RMB72,850,000	-	70.01	物業開發 Property development
廣東廣昌實業發展有限公司(「 廣東廣昌 」)(附註(a)、(c)) Guangdong Guangchang Industrial Development Co., Ltd. ("Guangdong Guangchang") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣42,300,000元 RMB42,300,000	-	100	物業開發 Property development
珠海景潤房地產開發有限公司(「 珠海景潤 」)(附註(a)、(c)) Zhuhai Jingrun Real Estate Development Co., Ltd. ("Zhuhai Jingrun") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣43,800,000元 RMB43,800,000	-	100	物業開發 Property development
珠海市佳譽房地產開發有限公司(「 珠海佳譽 」)(附註(a)、(c)) Zhuhai Jiayu Real Estate Development Co., Ltd. ("Zhuhai Jiayu") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣50,000,000元 RMB50,000,000	-	100	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION (CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立／設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通／ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
珠海市勝輝房地產開發有限公司(「 珠海勝輝 」)(附註(a)、(c)) Zhuhai Shenghui Real Estate Development Co., Ltd. ("Zhuhai Shenghui") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣40,000,000元 RMB40,000,000	-	100	物業開發 Property development
長沙玫瑰園房地產開發有限公司(「 長沙玫瑰園 」) (附註(a)、(c)) Changsha Meiguiyuan Real Estate Development Co., Ltd. ("Changsha Meiguiyuan") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣50,000,000元 RMB50,000,000	-	100	物業開發 Property development
佛山市時代永亨投資有限公司(「 佛山永亨 」)(附註(a)、(c)) Foshan Times Yongheng Investment Co., Ltd. ("Foshan Yongheng") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣300,000,000元 RMB300,000,000	-	100	物業開發 Property development
廣州市時代商業管理有限公司(「 廣州至德 」)(附註(a)、(c)) Guangzhou Times Commercial Management Co., Ltd. ("Guangzhou Zhide") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣120,000,000元 RMB120,000,000	-	100	物業租賃及管理 Property leasing and management
佛山市至德正興物業管理有限公司(「 至德正興 」) (附註(a)、(c)) Foshan Zhide Zhengxing Property Management Co., Ltd. ("Zhide Zhengxing") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣65,000,000元 RMB65,000,000	-	100	物業管理 Property management
廣州市至德科技企業孵化器有限公司(「 至德科技 」) (附註(a)、(c)) Guangzhou Zhide Technology Business Incubator Co., Ltd. ("Zhide Technology") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣10,100,000元 RMB10,100,000	-	100	物業租賃及管理 Property leasing and management

1. CORPORATE AND GROUP INFORMATION
(CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
廣州市承澤科技企業孵化器有限公司(「廣州承澤」) (附註(a)、(c)) Guangzhou Chengze Technology Business Incubator Co., Ltd. ("Guangzhou Chengze") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣30,000,000元 RMB30,000,000	-	55	物業租賃及管理 Property leasing and management
珠海國基房地產開發有限公司(「珠海國基」)(附註(a)、(c)) Zhuhai Guoji Real Estate Development Co., Ltd. ("Zhuhai Guoji") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣5,000,000元 RMB5,000,000	-	100	物業開發 Property development
廣州佳裕投資有限公司(「廣州佳裕」)(附註(a)、(c)) Guangzhou Jiayu Investment Co., Ltd. ("Guangzhou Jiayu") (notes (a),(c))	中國/中國內地 PRC/ Mainland China	人民幣10,000,000元 RMB10,000,000	-	100	物業租賃及管理 Property leasing and management
珠海市盛嘉置業有限公司(「珠海盛嘉」)(附註(a)、(c)) Zhuhai Shengjia Asset Co., Ltd. ("Zhuhai Shengjia") (notes (a),(c))	中國/中國內地 PRC/ Mainland China	人民幣62,316,000元 RMB 62,316,000	-	80.24	物業開發 Property development
珠海市百勝製衣有限公司(「珠海百勝」)(附註(a)、(b)) Zhuhai Baisheng Clothing Co., Ltd. ("Zhuhai Baisheng") (notes (a),(b))	中國/中國內地 PRC/ Mainland China	8,500,000美元 USD8,500,000	-	100	物業開發 Property development
廣州市天斯物業管理有限公司(「廣州天斯」) (附註(a)、(c)、(e)) Guangzhou Tiansi Property Management Co., Ltd. ("Guangzhou Tiansi") (notes (a), (c), (e))	中國/中國內地 PRC/ Mainland China	人民幣300,000,000元 RMB300,000,000	-	42	物業管理 Property management
廣州綠地白雲置業有限公司(「廣州綠地白雲」)(附註(a)、(c)) Guangzhou Lvdi Baiyun Asset Co., Ltd. ("Guangzhou Lvdi Baiyun") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣350,000,000元 RMB350,000,000	-	50	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION (CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立／設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通／ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
中山市恆盛房地產投資有限公司(「中山恆盛」)(附註(a)、(c)) Zhongshan Hengsheng Real Estate Investment Co., Ltd. ("Zhongshan Hengsheng") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣250,000,000元 RMB250,000,000	-	100	物業開發 Property development
佛山市順德弘泰利房地產發展有限公司(「佛山弘泰利」) (附註(a)、(c)) Foshan Shunde Hongtaili Real Estate Development Co., Ltd. ("Foshan Hongtaili") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣1,200,000,000元 RMB1,200,000,000	-	100	物業開發 Property development
廣州市豐拓房地產開發有限公司(「廣州豐拓」)(附註(a)、(c)) Guangzhou Fengtuo Property Development Co., Ltd. ("Guangzhou Fengtuo") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣800,000,000元 RMB800,000,000	-	100	物業開發 Property development
佛山市承泰房地產開發有限公司(「佛山承泰」)(附註(a)、(c)) Foshan Chengtai Property Development Co., Ltd. ("Foshan Chengtai") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣50,000,000元 RMB50,000,000	-	100	物業開發 Property development
珠海市錦榮房地產開發有限公司(「珠海錦榮」)(附註(a)、(c)) Zhuhai Jinrong Real Estate Development Co., Ltd. ("Zhuhai Jinrong") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣1,100,000,000元 RMB1,100,000,000	-	100	物業開發 Property development
佛山市時代榮錦房地產發展有限公司(「佛山榮錦」) (附註(a)、(c)) Foshan Times Rongjin Real Estate Development Co., Ltd. ("Foshan Rongjin") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣200,000,000元 RMB200,000,000	-	100	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION
(CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
珠海市弘佳房地產開發有限公司(「 珠海弘佳 」)(附註(a)、(c)) Zhuhai Hongjia Real Estate Development Co., Ltd. ("Zhuhai Hongjia") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣400,000,000元 RMB400,000,000	-	60	物業開發 Property development
佛山市時代裕景房地產開發有限公司(「 佛山裕景 」) (附註(a)、(c)) Foshan Times Yujing Real Estate Development Co., Ltd. ("Foshan Yujing") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣600,000,000元 RMB600,000,000	-	100	物業開發 Property development
佛山市時代華泰房地產有限公司(「 佛山華泰 」) (附註(a)、(c)) Foshan Huatai Real Estate Development Co., Ltd. ("Foshan Huatai") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣1,860,000,000元 RMB1,860,000,000	-	100	物業開發 Property development
廣州市弘凱房地產開發有限公司(「 廣州弘凱 」)(附註(a)、(c)) Guangzhou Hongkai Real Estate Development Co., Ltd. ("Guangzhou Hongkai") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣1,320,000,000元 RMB1,320,000,000	-	100	物業開發 Property development
廣州市凱駿房地產開發有限公司(「 廣州凱駿 」)(附註(a)、(c)) Guangzhou Kaijun Real Estate Development Co., Ltd. ("Guangzhou Kaijun") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣500,000,000元 RMB500,000,000	-	100	物業開發 Property development
惠州市惠陽區南凱實業有限公司(「 惠州南凱 」)(附註(a)、(c)) Huizhou Huiyang District Nankai Industrial Co., Ltd. ("Huizhou Nankai") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣15,000,000元 RMB15,000,000	-	80	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION (CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立／設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通／ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
佛山市時代盛景房地產開發有限公司(「佛山盛景」) (附註(a)、(c)) Foshan Times Shengjing Real Estate Development Co., Ltd. ("Foshan Shengjing") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣900,000,000元 RMB900,000,000	-	100	物業開發 Property development
廣州市麗佰嘉投資有限公司(「廣州麗佰嘉」)(附註(a)、(c)) Guangzhou Libaijia Investment Co., Ltd. ("Guangzhou Libaijia") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣357,000,000元 RMB357,000,000	-	100	物業開發 Property development
廣州市時代融信小額貸款股份有限公司(「廣州融信」) (附註(a)、(c)) Guangzhou Times Rongxin Micro-credit Co., Ltd. ("Guangzhou Rongxin") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣200,000,000元 RMB200,000,000	-	70	放債 Money lending
佛山市時代鴻泰投資有限公司(「佛山鴻泰」)(附註(a)、(c)) Foshan Hongtai Investment Co., Ltd. ("Foshan Hongtai") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣3,000,000,000元 RMB3,000,000,000	-	100	投資控股 Investment holding
珠海鑫時代投資有限公司(「珠海鑫時代」)(附註(a)、(c)) Zhuhai Xin Times Co., Ltd. ("Zhuhai Xinshidai") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣100,000,000元 RMB100,000,000	-	100	投資控股 Investment holding
佛山市時代鴻譽房地產開發有限公司(「佛山鴻譽」) (附註(a)、(c)) Foshan Times Hongyu Real Estate Development Co., Ltd. ("Foshan Hongyu") (notes (a), (c))	中國／中國內地 PRC/ Mainland China	人民幣4,600,000,000元 RMB4,600,000,000	-	75	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION (CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
佛山市時代富錦房地產開發有限公司(「佛山富錦」) (附註(a)、(c)) Foshan Times Fujin Real Estate Development Co., Ltd. ("Foshan Fujin") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣800,000,000元 RMB800,000,000	-	100	物業開發 Property development
東莞市凱業投資有限公司(「東莞凱業」)(附註(a)、(c)) Dongguan Kaiye Investments Co., Ltd. ("Dongguan Kaiye") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣950,000,000元 RMB950,000,000	-	100	物業開發 Property development
廣州市富思房地產開發有限公司(「廣州富思」)(附註(a)、(c)) Guangzhou Fusi Real Estate Development Co., Ltd. ("Guangzhou Fusi") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣1,052,630,000元 RMB1,052,630,000	-	95	物業開發 Property development
廣州坤泰實業有限公司(「廣州坤泰」)(附註(a)、(c)) Guangzhou Kuntai Industrial Co., Ltd. ("Guangzhou Kuntai") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣250,000,000元 RMB250,000,000	-	60	物業開發 Property development
珠海市長信房地產開發有限公司(「珠海長信」)(附註(a)、(c)) Zhuhai Changxin Real Estate Development Co., Ltd. ("Zhuhai Changxin") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣310,000,000元 RMB310,000,000	-	60	物業開發 Property development
東莞市裕景房地產開發有限公司(「東莞裕景」)(附註(a)、(c)) Dongguan Yujing Real Estate Development Co., Ltd. ("Dongguan Yujing") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣1,400,000,000元 RMB1,400,000,000	-	80	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION (CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
廣州市時創房地產開發有限公司(「廣州時創」)(附註(a)、(c)) Guangzhou Shichuang Real Estate Development Co., Ltd. ("Guangzhou Shichuang") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣600,000,000元 RMB600,000,000	-	60	物業開發 Property development
廣州柯拉迪尼服飾有限公司(「廣州柯拉迪尼」) (附註(a)、(c)) Guangzhou Keladini Clothing Co., Ltd. ("Guangzhou Keladini") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣148,000,000元 RMB148,000,000	-	100	物業開發 Property development
廣東保泉投資有限公司(「廣東保泉」)(附註(a)、(c)) Guangdong Baoquan Investment Co., Ltd. ("Guangdong Baoquan") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣10,000,000元 RMB10,000,000	-	100	物業租賃及管理 Property leasing and management
清遠市嘉達房地產開發有限公司(「清遠嘉達」)(附註(a)、(c)) Qingyuan Jiada Real Estate Development Co., Ltd. ("Qingyuan Jiada") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣564,000,000元 RMB564,000,000	-	100	物業開發 Property development
清遠市時代宏景投資有限公司(「清遠宏景」)(附註(a)、(c)) Qingyuan Times Hongjing Investment Co., Ltd. ("Qingyuan Hongjing") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣1,000,000,000元 RMB1,000,000,000	-	100	投資控股 Investment holding
廣州市啟竣房地產開發有限公司(「廣州啟竣」)(附註(a)、(c)) Guangzhou Qijun Real Estate Development Co., Ltd. ("Guangzhou Qijun") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣800,000,000元 RMB800,000,000	-	100	物業開發 Property development
珠海順晟投資有限公司(「珠海順晟」)(附註(a)、(c)) Zhuhai Shunsheng Investment Co., Ltd. ("Zhuhai Shunsheng") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣800,000,000元 RMB800,000,000	-	100	投資控股 Investment holding

1. CORPORATE AND GROUP INFORMATION
(CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
惠州市時代瑞譽投資發展有限公司(「惠州瑞譽」)(附註(a)、(c)) Huizhou Times Ruiyu Investment Development Co., Ltd ("Huizhou Ruiyu") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣476,908,000元 RMB476,908,000	-	100	投資控股 Investment holding
天韻(廣州)房地產開發有限公司(「天韻(廣州)」)(附註(a)、(c)) Horizon (Guangzhou) Property Development Co., Ltd. ("Horizon (Guangzhou)") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣516,153,515元 RMB516,153,515	-	60	物業開發 Property development
廣州市傲鉅投資有限公司(「廣州傲鉅」)(附註(a)、(c)) Guangzhou Aaju Investment Co., Ltd. ("Guangzhou Aaju") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣200,000,000元 RMB200,000,000	-	60	物業開發 Property development
廣東英之皇房地產開發有限公司(「廣東英之皇」) (附註(a)、(c)) Guangdong Yingzhihuang Real Estate Development Co., Ltd. ("Guangdong Yingzhihuang") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣10,000,000元 RMB10,000,000	-	80	物業開發 Property development
惠州市達潤房地產開發有限公司(「惠州達潤」)(附註(a)、(c)) Huizhou Darun Property Development Co., Ltd. ("Huizhou Darun") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣21,000,000元 RMB21,000,000	-	100	物業開發 Property development
廣州市利峰房地產開發有限公司(「廣州利峰」)(附註(a)、(c)) Guangzhou Lifeng Property Development Co., Ltd. ("Guangzhou Lifeng") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣10,000,000元 RMB10,000,000	-	100	物業開發 Property development
廣州市詩蘭房地產開發有限公司(「廣州詩蘭」)(附註(a)、(c)) Guangzhou Shilan Property Development Co., Ltd. ("Guangzhou Shilan") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣70,000,000元 RMB70,000,000	-	100	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION (CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
清遠市天富房地產投資有限公司(「清遠天富」)(附註(a)、(c)) Qingyuan Tianfu Property Investment Co., Ltd. ("Qingyuan Tianfu") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣200,000,000元 RMB200,000,000	-	100	物業開發 Property development
佛山市時代天宇房地產開發有限公司(「佛山天宇」) (附註(a)、(c)) Foshan Times Tianyu Real Estate Development Co., Ltd. ("Foshan Tianyu") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣1,250,000,000元 RMB1,250,000,000	-	51	物業開發 Property development
佛山市時代睿達房地產開發有限公司(「佛山睿達」) (附註(a)、(c)) Foshan Times Ruida Real Estate Development Co., Ltd. ("Foshan Ruida") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣1,500,000,000元 RMB1,500,000,000	-	90	物業開發 Property development
佛山市時代德暉房地產開發有限公司(「佛山德暉」) (附註(a)、(c)) Foshan Times Dehui Real Estate Development Co., Ltd. ("Foshan Dehui") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣1,000,000,000元 RMB1,000,000,000	-	100	物業開發 Property development
佛山市盛唐房地產發展有限公司(「佛山盛唐」)(附註(a)、(c)) Foshan Shengtang Real Estate Development Co., Ltd. ("Foshan Shengtang") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣50,000,000元 RMB50,000,000	-	80	物業開發 Property development
清遠市億寶房地產開發有限公司(「清遠億寶」)(附註(a)、(c)) Qingyuan Yibao Real Estate Development Co., Ltd. ("Qingyuan Yibao") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣20,000,000元 RMB20,000,000	-	80	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION (CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
廣州番禺永隆房地產開發有限公司(「廣州永隆」) (附註(a)、(c)、(f)) Guangzhou Panyu Yonglong Real Estate Development Co., Ltd. ("Guangzhou Yonglong") (notes (a), (c), (f))	中國/中國內地 PRC/ Mainland China	人民幣77,000,000元 RMB77,000,000	-	30.6	物業開發 Property development
廣州星勝房地產開發有限公司(「廣州星勝」)(附註(a)、(c)) Guangzhou Xingsheng Real Estate Development Co., Ltd. ("Guangzhou Xingsheng") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣250,000,000元 RMB250,000,000	-	60	物業開發 Property development
佛山市星英房地產開發有限公司(「佛山星英」)(附註(a)、(c)) Foshan Xingying Real Estate Development Co., Ltd. ("Foshan Xingying") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣200,000,000元 RMB200,000,000	-	75	物業開發 Property development
清遠市信騰實業有限公司(「清遠信騰」)(附註(a)、(c)) Qingyuan Xinteng Industrial Co., Ltd. ("Qingyuan Xinteng") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣40,000,000元 RMB40,000,000	-	75	物業開發 Property development
鶴山市長富投資有限公司(「鶴山長富」)(附註(a)、(c)) Heshan Changfu Investment Co., Ltd. ("Heshan Changfu") (notes (a), (c))	中國/中國內地 PRC/ Mainland China	人民幣15,000,000元 RMB15,000,000	-	90	物業開發 Property development
東莞市愛嘉房地產開發有限公司(「東莞愛嘉」)(附註(a)、(c)) Dongguan Aijia Property Development Co., Ltd. ("Dongguan Aijia") (notes (a), (c))	中國/中國內地 PRC/Mainland China	人民幣6,000,000元 RMB6,000,000	-	60	物業開發 Property development
尼克卓越(佛山三水)房地產開發有限公司(「尼克卓越」) (附註(a)、(c)) Nike Zhuoyue (Foshan Sanshui) Property Development Co., Ltd. ("Nike Zhuoyue") (notes (a), (c))	中國/中國內地 PRC/Mainland China	人民幣100,000,000元 RMB100,000,000	-	70	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION (CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立／設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通／ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
佛山市時代天盛投資有限公司(「佛山天盛」)(附註(a)、(c)) Foshan Times Tiansheng Investment Co., Ltd. ("Foshan Tiansheng") (notes (a), (c))	中國／中國內地 PRC/Mainland China	人民幣76,923,077元 RMB76,923,077	-	65	投資控股 Investment holding
江門市金恒泰房地產開發有限公司(「江門金恒泰」) (附註(a)、(c)) Jiangmen Jinhengtai Property Development Co., Ltd. ("Jiangmen Jinhengtai") (notes (a), (c))	中國／中國內地 PRC/Mainland China	人民幣10,000,000元 RMB10,000,000	-	51	物業開發 Property development
杭州明道房地產開發有限公司(「杭州明道」)(附註(a)、(c)) Hangzhou Mingdao Property Development Co., Ltd. ("Hangzhou Mingdao") (notes (a), (c))	中國／中國內地 PRC/Mainland China	人民幣625,000,000元 RMB625,000,000	-	80	物業開發 Property development
肇慶市時代鼎峰投資有限公司(「肇慶鼎峰」)(附註(a)、(c)) Zhaoqing Times Dingfeng Investment Co., Ltd. ("Zhaoqing Dingfeng") (notes (a), (c))	中國／中國內地 PRC/Mainland China	人民幣50,000,000元 RMB50,000,000	-	51	物業開發 Property development
肇慶四會豐盈房地產開發有限公司(「肇慶豐盈」) (附註(a)、(c)) Zhaoqing Sihui Fengying Property Development Co., Ltd. ("Zhaoqing Fengying") (notes (a), (c))	中國／中國內地 PRC/Mainland China	人民幣10,000,000元 RMB10,000,000	-	50	物業開發 Property development
廣州啟韻聚企業管理諮詢有限公司(「廣州啟韻聚」) (附註(a)、(c)) Guangzhou Qiyunju Enterprise Management Consulting Co., Ltd. ("Guangzhou Qiyunju") (notes (a), (c))	中國／中國內地 PRC/Mainland China	人民幣333,330,000元 RMB333,330,000	-	70	諮詢管理 Consulting management

1. CORPORATE AND GROUP INFORMATION
(CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

名稱 Name	註冊成立/設立 及營運的地點 Place of incorporation/ establishment and operations	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本公司應佔 權益百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
廣州市耀傑房地產開發有限公司(「廣州耀傑」)(附註(a)、(c)) Guangzhou Yaojie Property Development Co., Ltd. ("Guangzhou Yaojie") (notes (a), (c))	中國/中國內地 PRC/Mainland China	人民幣1,833,000,000元 RMB1,833,000,000	-	60	物業開發 Property development
河源市永晟房地產開發有限公司(「河源永晟」)(附註(a)、(c)) Heyuan Yongsheng Property Development Co., Ltd. ("Heyuan Yongsheng") (notes (a), (c))	中國/中國內地 PRC/Mainland China	人民幣10,000,000元 RMB10,000,000	-	100	物業開發 Property development
東莞市雋璟房地產開發有限公司(「東莞雋璟」)(附註(a)、(c)) Dongguan Junjing Property Development Co., Ltd. ("Dongguan Junjing") (notes (a), (c))	中國/中國內地 PRC/Mainland China	人民幣10,000,000元 RMB10,000,000	-	70	物業開發 Property development
廣州市承愛匯醫療設備有限公司(「廣州承愛匯」)(附註(a)、(c)) Guangzhou Chengaihui Medical Equipment Co., Ltd. ("Guangzhou Chengaihui") (notes (a),(c))	中國/中國內地 PRC/Mainland China	人民幣77,000,000元 RMB77,000,000	-	51.95	物業開發 Property development
海豐縣駿宏房地產開發有限公司(「海豐駿宏」)(附註(a)、(c)) Haifeng Junhong Property Development Co., Ltd. ("Haifeng Junhong") (notes (a),(c))	中國/中國內地 PRC/Mainland China	人民幣90,000,000元 RMB90,000,000	-	100	物業開發 Property development
清遠市恒豐實業發展有限公司(「清遠恒豐」)(附註(a)、(c)) Qingyuan Hengfeng Industrial Development Co., Ltd. ("Qingyuan Hengfeng") (notes (a),(c))	中國/中國內地 PRC/Mainland China	人民幣57,820,000元 RMB57,820,000	-	100	物業開發 Property development

1. CORPORATE AND GROUP INFORMATION (CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

該等公司並未註冊任何英文名稱，故於中國註冊的若干集團公司的英文名稱乃由管理層盡力以該等公司的中文名稱翻譯而得。

上表包括董事認為主要影響本年度業績或構成本集團資產淨值的主要部分的本公司附屬公司。董事認為，提供其他附屬公司的詳情將令篇幅過於冗長。

1. CORPORATE AND GROUP INFORMATION (CONT'D)

Information about subsidiaries (Cont'd)

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

The English names of certain group companies registered in the PRC represent management's best effort to translate their Chinese names as they do not have 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.

1. 公司及集團資料(續)

有關附屬公司的資料(續)

附註：

- (a) 該等附屬公司的法定財務報表未經香港安永會計師事務所或安永會計師事務所全球網絡的其他成員公司審核。
- (b) 根據中國法律註冊為外商獨資企業。
- (c) 根據中國法律註冊為內資企業。
- (d) 廣州時代的法定財務報表經安永華明會計師事務所(特殊普通合伙)審核。
- (e) 廣州市駿寶投資有限公司(「廣州駿寶」)(本公司持有70%股權的間接附屬公司)持有廣州天斯60%的股權。本集團認為，儘管其於廣州天斯擁有的股權低於50%，惟由於本集團可透過其對廣州駿寶的控制權對廣州天斯行使控制權，因此其控制廣州天斯。
- (f) 廣州市俊匯房地產開發有限公司(「廣州俊匯」)(本公司持有60%股權的間接附屬公司)持有廣州永隆51%的股權。本集團認為，儘管其於廣州永隆擁有的股權低於50%，惟由於本集團可透過其對廣州俊匯的控制權對廣州永隆行使控制權，因此其控制廣州永隆。

1. CORPORATE AND GROUP INFORMATION (CONT'D)

Information about subsidiaries (Cont'd)

Notes:

- (a) The statutory financial statements of these subsidiaries were not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.
- (b) Registered as wholly-foreign-owned enterprises under the laws of the PRC.
- (c) Registered as domestic enterprises under the laws of the PRC.
- (d) The statutory financial statements of Guangzhou Times were audited by Ernst & Young Hua Ming LLP.
- (e) Guangzhou Junbao Investment Co., Ltd. (“**Guangzhou Junbao**”), a 70%-owned indirect subsidiary of the Company, holds a 60% equity interest in Guangzhou Tiansi. The Group considers that it controls Guangzhou Tiansi even though it owns less than 50% of the equity interest in Guangzhou Tiansi because the Group can exercise the power of control over Guangzhou Tiansi through its control over Guangzhou Junbao.
- (f) Guangzhou Junhui Property Development Co., Ltd. (“**Guangzhou Junhui**”), a 60%-owned indirect subsidiary of the Company, holds a 51% equity interest in Guangzhou Yonglong. The Group considers that it controls Guangzhou Yonglong even though it owns less than 50% of the equity interest in Guangzhou Yonglong because the Group can exercise the power of control over Guangzhou Yonglong through its control over Guangzhou Junhui.

2.1 編製基準

本集團的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(「國際財務報告準則」)(包括所有國際財務報告準則、國際會計準則(「國際會計準則」)及詮釋)以及香港公司條例的披露規定編製。該等報表乃根據歷史成本慣例編製，惟於各報告期末以公允價值計量的投資物業及若干財務工具除外。

綜合基準

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零一九年十二月三十一日止年度的財務報表。

附屬公司指本公司對其直接或間接有控制權的實體(包括結構性實體)。當本集團能透過其參與承擔或享有投資對象可變回報的風險或權利，並能夠向投資對象使用其權力影響回報金額(即現有權利可使本集團能於現時指揮投資對象的相關活動)，即代表達致控制權。

當本公司直接或間接擁有投資對象少於多數的投票權或類似權利時，本集團評估其對投資對象是否擁有權力時考慮到所有相關事實及情況，包括：

- (a) 與投資對象的其他投票權持有人訂立的合同安排；
- (b) 其他合同安排所產生的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司的財務報表乃於與本公司相同的報告期間按相同的會計政策編製。附屬公司的業績由本集團取得控制權當日起計綜合入賬，並繼續綜合入賬直至有關控制權終止之日為止。

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and certain financial instruments that are carried at fair value at the end of each reporting period.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2019.

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.1 編製基準(續)

綜合基準(續)

損益及其他全面收入的各部分乃本集團母公司擁有人及非控股權益應佔，即使導致非控股權益產生虧絀結餘。有關本集團成員公司間交易的所有集團內公司間資產及負債、權益、收入、開支及現金流量均於綜合入賬時全數抵銷。

倘有事實及情況顯示上文所述三項控制因素中有一項或多項出現變化，本集團將重新評估其是否對投資對象擁有控制權。一間附屬公司的所有權權益發生變動(並未失去控制權)，則按權益交易入賬。

倘本集團失去對一間附屬公司的控制權，則終止確認(i)該附屬公司的資產(包括商譽)及負債，(ii)任何非控股權益的賬面金額及(iii)於權益內記錄的累計換算差額；及(i)確認已收代價的公允價值，(ii)確認所保留任何投資的公允價值及(iii)在損益中確認任何因此產生的盈餘或虧絀。先前於其他全面收入內確認的本集團應佔部分乃按照與本集團直接出售有關資產或負債而須遵守的相同基準，重新分類至損益或留存利潤(如適用)。

2.1 BASIS OF PREPARATION (CONT'D)

Basis of consolidation (Cont'd)

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 會計政策變動及披露

本集團首次於本年度財務報表內採納下列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 修訂本	具有負補償的提前 償付特徵
國際財務報告準則第16號	租賃
國際會計準則第19號 修訂本	計劃修訂、縮減或結算
國際會計準則第28號 修訂本	於聯營企業及合營企業 的長期權益
國際財務報告詮釋委員會 第23號	所得稅處理之不確定性
國際財務報告準則 二零一五年至二零一七年 週期的年度改進	國際財務報告準則第3 號、國際財務報告準 則第11號、國際會計 準則第12號及國際會 計準則第23號修訂本

除國際財務報告準則第9號修訂本、國際會計準則第19號修訂本及國際財務報告準則二零一五年至二零一七年週期的年度改進（其與本集團財務報表的編製無關）外，新訂及經修訂國際財務報告準則的性質及影響如下：

- (a) 國際財務報告準則第16號取代國際會計準則第17號租賃、國際財務報告詮釋委員會第4號釐定安排是否包含租賃、常設詮釋委員會第15號經營租賃－優惠及常設詮釋委員會－第27號評估牽涉租賃法律形式的交易的內容。該準則載列有關租賃的確認、計量、呈列及披露的原則，並要求承租人採用單一表內模型對所有租賃進行會計處理，以確認及計量使用權資產及租賃負債，惟若干確認豁免除外。國際財務報告準則第16號項下的出租人會計處理與國際會計準則第17號相比並無重大改變。出租人將繼續使用與國際會計準則第17號類似的原則將租賃劃分為經營租賃或融資租賃。

就轉租安排而言，轉租分類乃參考主租賃產生的使用權資產，而非參考相關資產。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation</i>
IFRS 16	<i>Leases</i>
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i>
<i>Annual Improvements to IFRSs 2015–2017 Cycle</i>	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23

Except for the amendments to IFRS 9 and IAS 19, and *Annual Improvements to IFRSs 2015–2017 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised IFRSs are described below:

- (a) IFRS 16 replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC 15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in IAS 17.

For a sublease arrangement, the classification of the sublease is made by reference to the right-of-use asset arising from the head lease, instead of by reference to the underlying asset.

2.2 會計政策變動及披露(續)

(a) (續)

本集團於二零一九年一月一日重新評估一項轉租安排(該安排先前根據二零一九年一月一日的主租賃及轉租的餘下合同條款及條件，應用國際會計準則第17號分類為經營租賃)，並應用國際財務報告準則第16號釐定此安排為一項融資租賃。因此，本集團確認轉租淨投資為人民幣36,648,000元，並終止確認主租賃相應使用權資產人民幣18,324,000元，以致於二零一九年一月一日的年初留存利潤結餘確認收益人民幣18,324,000元。

本集團已透過採用經修訂追溯採納法採納國際財務報告準則第16號，並於二零一九年一月一日首次應用。根據該方法，本集團已追溯應用該準則，並將首次採納的累計影響確認為對二零一九年一月一日留存利潤年初結餘的調整，且不會重列二零一八年的比較資料，而是繼續根據國際會計準則第17號及相關詮釋呈報。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONT'D)

(a) (Cont'd)

The Group reassessed a sublease arrangement at 1 January 2019 that was previously classified as an operating lease applying IAS 17 based on the remaining contractual terms and conditions of the head lease and sublease at 1 January 2019, and determined that this arrangement is a finance lease applying IFRS 16. Accordingly, the Group recognised a net investment in a sublease amounting to RMB36,648,000 and derecognised the corresponding right-of-use asset of the head lease amounting to RMB18,324,000, resulting in a gain of RMB18,324,000 recognised in the opening balance of retained profits at 1 January 2019.

The Group has adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption recognised as an adjustment to the opening balance of retained profits at 1 January 2019, and the comparative information for 2018 was not restated and continued to be reported under IAS 17 and related interpretations.

2.2 會計政策變動及披露(續)

(a) (續)

新租賃定義

根據國際財務報告準則第16號，倘合同為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合同為租賃或包含租賃。當客戶有權從使用可識別資產獲得絕大部分經濟利益以及擁有指示使用可識別資產的權利時，即有控制權。本集團選擇應用過渡性的實際權宜辦法以允許該準則僅適用於先前於首次應用日期已根據國際會計準則第17號及國際財務報告詮釋委員會第4號確定為租賃的合同。根據國際會計準則第17號及國際財務報告詮釋委員會第4號未確定為租賃的合同不會重新評估。因此，國際財務報告準則第16號項下的租賃定義僅適用於在二零一九年一月一日或之後訂立或變更的合同。

作為承租人－先前分類為經營租賃的租賃

採納國際財務報告準則第16號的影響性質

本集團擁有樓宇、汽車、土地及辦公室設備等不同項目的租賃合同。作為承租人，本集團先前根據對租賃是否將資產所有權的絕大部分回報及風險轉移至本集團的評估，將租賃分類為融資租賃或經營租賃。根據國際財務報告準則第16號，本集團採用單一方法確認及計量所有租賃的使用權資產及租賃負債，惟低價值資產租賃(按個別租賃基準選擇)及12個月或以下的租賃(「短期租賃」)(按相關資產類別選擇)的兩項選擇性豁免除外。本集團確認使用權資產折舊(及減值(如有))及尚未償還租賃負債的應計利息(為融資成本)，而非於自二零一九年一月一日開始的租賃期內按直線法於經營租賃項下確認租金開支。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONT'D)

(a) (Cont'd)

New definition of a lease

Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee – Leases previously classified as operating leases

Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of buildings, motor vehicles, land and office equipment. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under IFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less ("short-term leases") (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

2.2 會計政策變動及披露(續)

(a) (續)

作為承租人－先前分類為經營租賃的租賃(續)

過渡影響

於二零一九年一月一日的租賃負債按剩餘租賃付款的現值，經使用二零一九年一月一日的遞增借款利率貼現後予以確認。使用權資產按租賃負債金額計量，並就與緊接二零一九年一月一日前財務狀況表中確認的租賃相關的任何預付或應計租賃付款金額作出調整。

所有該等資產於該日均根據國際會計準則第36號就任何減值作出評估。本集團選擇於財務狀況表中單獨列示使用權資產。先前融資租賃項下概無租賃資產予以確認，因此於採納國際財務報告準則第16號後，並無重新分類物業、廠房及設備。

對於先前視作經營租賃並為賺取轉租租金收入而訂立的租賃，主租賃相關使用權資產人民幣1,993,452,000元於二零一九年一月一日按公允價值計量，並自該日起根據國際會計準則第40號分類為投資物業。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONT'D)

(a) (Cont'd)

As a lessee – Leases previously classified as operating leases (Cont'd)

Impact on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019. The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019.

All these assets were assessed for any impairment based on IAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position. No lease assets were recognised under finance leases previously, thus, there was no reclassification from property, plant and equipment upon the adoption of IFRS 16.

For the leases previously accounted for as operating leases and entered into for earning sublease rental income, the related right-of-use assets of the head leases amounting to RMB1,993,452,000 were measured at fair value at 1 January 2019, and have been accounted for and classified as investment properties applying IAS 40 from that date.

2.2 會計政策變動及披露(續)

(a) (續)

作為承租人－先前分類為經營租賃的租賃(續)

過渡影響(續)

於二零一九年一月一日應用國際財務報告準則第16號時，本集團使用以下選擇性實際權宜辦法：

- 對租期於首次應用日期起計12個月內結束的租賃應用短期租賃豁免。
- 倘合同包含延期／終止租賃的選擇權，則使用事後方式釐定租約年期。

於二零一九年一月一日的財務影響

於二零一九年一月一日自採用國際財務報告準則第16號產生的影響如下：

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONT'D)

(a) (Cont'd)

As a lessee – Leases previously classified as operating leases (Cont'd)

Impact on transition (Cont'd)

The Group has used the following elective practical expedients when applying IFRS 16 at 1 January 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application;
- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease.

Financial impact at 1 January 2019

The impact arising from the adoption IFRS 16 as at 1 January 2019 was as follows:

		增加 Increase 人民幣千元 RMB'000
資產	Assets	
使用權資產增加(附註14)	Increase in right-of-use assets (note 14)	94,764
投資物業增加(附註15)	Increase in investment properties (note 15)	1,993,452
預付款項、按金及其他應收款項增加	Increase in prepayments, deposits and other receivables	36,648
物業、廠房及設備減少(附註13)	Decrease in property, plant and equipment (note 13)	(473,542)
物業存貨減少	Decrease in inventories of properties	(449,862)
資產總額增加	Increase in total assets	1,201,460
負債	Liabilities	
租賃負債增加	Increase in lease liabilities	1,183,136
負債總額增加	Increase in total liabilities	1,183,136
留存利潤增加	Increase in retained profits	18,324

2.2 會計政策變動及披露(續)

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONT'D)

(a) (續)

於二零一九年一月一日的財務影響(續)
於二零一九年一月一日的租賃負債
與於二零一八年十二月三十一日的
經營租賃承擔的對賬如下：

(a) (Cont'd)

Financial impact at 1 January 2019 (Cont'd)

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 are as follows:

		人民幣千元 RMB'000
於二零一八年十二月三十一日的 經營租賃承擔	Operating lease commitments as at 31 December 2018	2,897,886
減：有關短期租賃的承擔及餘下租賃期為 於二零一九年十二月三十一日 或之前終止的該等租賃承擔 有關低價值資產租賃的承擔	Less: Commitments relating to short-term leases and those leases with a remaining lease term ended on or before 31 December 2019 Commitments relating to leases of low-value assets	(10,474) (6,151)
		2,881,261
於二零一九年一月一日的加權 平均增量借款利率	Weighted average incremental borrowing rate as at 1 January 2019	8.48%
於二零一九年一月一日的貼現經營租賃承擔	Discounted operating lease commitments at 1 January 2019	1,183,136
於二零一九年一月一日租賃負債	Lease liabilities as at 1 January 2019	1,183,136

2.2 會計政策變動及披露(續)

- (b) 國際會計準則第28號修訂本澄清，國際財務報告準則第9號的範圍豁免僅包括聯營公司或合營企業的權益(可應用權益法)，並不包括實質上構成於聯營公司或合營企業淨投資一部分的長期權益(不應用權益法)。因此，實體將該等長期權益入賬時採用國際財務報告準則第9號而非國際會計準則第28號，包括國際財務報告準則第9號的減值規定。國際會計準則第28號可應用於淨投資，包括長期權益，惟僅在確認聯營公司或合營企業虧損及於聯營公司或合營企業的淨投資減值的情況下方可應用。於二零一九年一月一日採納該等修訂本後，本集團評估其於聯營公司及合營企業的長期權益的業務模式，並得出結論認為，聯營公司及合營企業的長期權益繼續根據國際財務報告準則第9號按攤銷成本計量。因此，該等修訂本對本集團的財務狀況或表現並無任何影響。
- (c) 國際財務報告詮釋委員會第23號於稅項處理涉及影響國際會計準則第12號應用的不確定性(通常稱為「**不確定稅項狀況**」)時，處理該情況下的所得稅(即期及遞延)的會計處理。該詮釋不適用於國際會計準則第12號範圍以外的稅項或徵稅，尤其亦不包括不確定稅項處理相關的權益及處罰相關規定。該詮釋具體處理以下事項：(i)實體是否考慮分開處理不確定稅項；(ii)實體對稅務機關的稅項處理檢查所作的假設；(iii)實體如何釐定應課稅利潤或稅項虧損、稅基、未動用稅項虧損、未動用稅項抵免及稅率；以及(iv)實體如何考慮事實及情況變動。當應用該詮釋時，本集團認為該詮釋不會對本集團的財務狀況或表現造成任何影響。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONT'D)

- (b) Amendments to IAS 28 clarify that the scope exclusion of IFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies IFRS 9, rather than IAS 28, including the impairment requirements under IFRS 9, in accounting for such long-term interests. IAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group assessed its business model for its long-term interests in associates and joint ventures upon adoption of the amendments on 1 January 2019 and concluded that the long-term interests in associates and joint ventures continued to be measured at amortised cost in accordance with IFRS 9. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.
- (c) IFRIC 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as “**uncertain tax positions**”). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. Upon adoption of the interpretation, the Group considered the interpretation did not have any impact on the financial position or performance of the Group.

2.3 已頒佈但尚未生效的國際財務報告準則

本集團並未於該等財務報表中應用以下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3號修訂本	業務的定義 ¹
國際財務報告準則 第9號、國際會計準則 第39號及國際財務報告 準則第7號修訂本	利率基準改革 ¹
國際財務報告準則第10號 及國際會計準則第28號 修訂本	投資者與其聯營企業或 合營企業之間的資產 出售或注入 ⁴
國際財務報告準則第17號	保險合同 ²
國際會計準則第1號及 國際會計準則第8號 修訂本	重大性的定義 ¹
國際會計準則第1號 修訂本	分類負債為流動或 非流動 ³

- 1 於二零二零年一月一日或之後開始的年度期間生效
- 2 於二零二一年一月一日或之後開始的年度期間生效
- 3 於二零二二年一月一日或之後開始的年度期間生效
- 4 尚未釐定強制生效日期但可供採納

本集團現正評估首次應用該等新訂及經修訂國際財務報告準則產生的影響。至今，本集團認為，該等新訂及經修訂國際財務報告準則可能導致會計政策變動，惟不大可能嚴重影響本集團的經營業績及財務狀況。

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 3	<i>Definition of a Business</i> ¹
Amendments to IFRS 9, IAS 39 and IFRS 7	<i>Interest Rate Benchmark Reform</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
IFRS 17	<i>Insurance Contracts</i> ²
Amendments to IAS 1 and IAS 8	<i>Definition of Material</i> ¹
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> ³

- 1 Effective for annual periods beginning on or after 1 January 2020
- 2 Effective for annual periods beginning on or after 1 January 2021
- 3 Effective for annual periods beginning on or after 1 January 2022
- 4 No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group considers that these new and revised IFRSs may result in changes in accounting policies but are unlikely to have a significant impact on the Group's results of operations and financial position.

2.4 重要會計政策概要

投資聯營公司及合營企業

聯營公司指本集團持有其通常不少於20%股本表決權的長期權益並可對其發揮重大影響力的實體。重大影響力為可參與投資對象的財務及營運政策決定，而非控制或共同控制該等政策。

合營企業指一種合營安排，對安排擁有共同控制權的訂約方據此對合營企業的資產淨值擁有權利。共同控制指按照合同協定對一項安排所共有的控制，共同控制僅於有關活動要求享有控制權的訂約方作出一致同意的決定時存在。

本集團於聯營公司及合營企業的權益乃以本集團按權益會計法應佔資產淨值減任何減值虧損於綜合財務狀況表列賬。

倘出現任何不相符的會計政策，即會作出調整加以修正。

本集團應佔聯營公司及合營企業收購後業績及其他全面收入分別計入綜合損益表及綜合其他全面收入。此外，倘於聯營公司或合營企業的權益直接確認出現變動，則本集團會於綜合權益變動表確認其應佔任何變動(倘適用)。本集團與其聯營公司或合營企業間交易產生的未變現收益及虧損將以本集團於聯營公司或合營企業的權益為限對銷，惟倘未變現虧損提供所轉讓資產減值的憑證除外。收購聯營公司或合營企業所產生的商譽已作為一部分包括在本集團於聯營公司或合營企業的權益內。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's interests in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associates or joint ventures, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interests in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's interests in associates or joint ventures.

2.4 重要會計政策概要(續)

共同經營權益

共同經營為合營安排，由訂約方具有共同控制權，擁有與安排有關的資產權利及對與安排有關的負債承擔責任。

本集團就其於共同經營中的權益而確認：

- 其資產(包括應佔共同持有的任何資產)；
- 其負債(包括應佔共同產生的任何負債)；
- 其應佔來自共同經營銷售所產生的收入；
- 其應佔共同經營進行銷售所產生的收入；及
- 其開支(包括應佔共同產生的任何開支)。

與本集團於共同經營中的權益相關的資產、負債、收入及開支乃根據適用於特定資產、負債、收入及開支的國際財務報告準則計算。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation are accounted for in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

2.4 重要會計政策概要(續)

業務合併及商譽

業務合併乃以收購法列賬。轉讓代價乃以收購日期的公允價值計量，即本集團所轉讓資產於收購日期的公允價值、本集團向被收購方前擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益的總和。於各業務合併中，本集團選擇是否以公允價值或被收購方可識別資產淨值的應佔比例，計量於被收購方的非控股權益，即於被收購方中賦予持有人在清盤時按比例分佔資產淨值的現有所有權權益。非控股權益的所有其他組成部分均按公允價值計量。收購相關成本於產生時列為開支。

當本集團收購一項業務時，會根據合同條款、於收購日期的經濟環境及相關條件，評估須承擔的金融資產及負債，以作出適合的分類及標示，其中包括將被收購方主合同中的嵌入式衍生工具進行分離。

倘業務合併分階段進行，先前持有的股本權益按其於收購日期的公允價值重新計量，產生的任何損益在損益賬中確認。

收購方將轉讓的任何或然代價按收購日期的公允價值確認。分類為資產或負債的或然代價按公允價值計量，其公允價值變動於損益賬內確認。分類為權益的或然代價不重新計量及隨後結算在權益中入賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2.4 重要會計政策概要(續)

業務合併及商譽(續)

商譽初始按成本計量，即已轉讓總代價、非控股權益的確認金額及本集團先前持有的被收購方股本權益的任何公允價值總額，與所收購可識別資產淨值及所承擔負債之間的差額。如代價與其他項目的總額低於所收購資產淨值的公允價值，於重新評估後將該差額於損益賬內確認為議價收購收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行測試。本集團於十二月三十一日進行商譽的年度減值測試。為進行減值測試，因業務合併而購入的商譽自收購日期起被分配至預期可從合併產生的協同效益中獲益的本集團各現金產生單位或現金產生單位組別，而無論本集團其他資產或負債是否已分配予該等單位或單位組別。

減值乃通過評估與商譽有關的現金產生單位(或現金產生單位組別)的可收回金額釐定。倘現金產生單位(或現金產生單位組別)的可收回金額低於賬面金額，減值虧損便予以確認。已就商譽確認的減值虧損不得於後續期間撥回。

倘商譽分配至現金產生單位(或現金產生單位組別)而該單位的部分業務已出售，則在釐定出售損益時，與所出售業務相關的商譽會計入該業務的賬面金額。在該等情況下出售的商譽，乃根據所出售業務的相對價值及現金產生單位的保留份額進行計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Business combinations and goodwill (Cont'd)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 重要會計政策概要(續)

公允價值計量

本集團於各報告期末計量其投資物業及指定以公允價值計量且其變動計入其他全面收入(「以公允價值計量且其變動計入其他全面收入」)的權益投資。公允價值為市場參與者於計量日期在有序交易中出售資產所收取的價格或轉讓負債所支付的價格。公允價值計量乃根據假設出售資產或轉讓負債的交易於資產或負債主要市場或(在無主要市場情況下)最具優勢市場進行而作出。主要或最具優勢市場須為本集團可進入的市場。資產或負債的公允價值乃按假設市場參與者於資產或負債定價時會以最佳經濟利益行事計量。

非金融資產的公允價值計量須計及市場參與者最大限度使用該資產達至最佳用途，或將該資產出售予將最大限度使用該資產達至最佳用途的其他市場參與者以產生經濟效益的能力。

本集團使用適用於不同情況且具備充分數據以供計量公允價值的估值方法，以盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fair value measurement

The Group measures its investment properties and equity investments designated at fair value through other comprehensive income (“**FVOCI**”), at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.4 重要會計政策概要(續)

公允價值計量(續)

所有公允價值於財務報表計量或披露的資產及負債乃按基於對公允價值計量整體而言屬重大的最低層輸入數據的公允價值等級(如下所述)分類：

第一級 — 基於相同資產或負債於活躍市場的報價(未經調整)；

第二級 — 基於對公允價值計量而言屬重大的可觀察(直接或間接)最低層輸入數據的估值方法；

第三級 — 基於對公允價值計量而言屬重大的不可觀察最低層輸入數據的估值方法。

就按經常性基準於財務報表確認的資產及負債而言，本集團透過於各報告期末重新評估分類(基於對公允價值計量整體而言屬重大的最低層輸入數據)確定是否於不同等級間發生轉移。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fair value measurement (Cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly;

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 重要會計政策概要(續)

非金融資產減值

倘出現減值跡象，或須每年對資產(物業存貨、合同資產、遞延稅項資產、金融資產、合同成本、投資物業及非流動資產除外)作減值測試時，會估計資產的可收回金額。資產的可收回金額乃資產或現金產生單位的使用價值與其公允價值減出售成本的較高者，並就個別資產進行釐定，除非資產並不產生很大程度上獨立於其他資產或資產組別的現金流入，在此情況下，可收回金額按資產所屬的現金產生單位予以釐定。

減值虧損僅於資產的賬面金額超過其可收回金額時確認。於評估使用價值時，估計日後現金流量按能反映當時市場對貨幣時值及該項資產特定風險的評估的除稅前貼現率折算成現值。減值虧損按該減值資產的功能所屬開支分類計入其產生期間的綜合損益表。

於各報告期末，將評估是否有跡象顯示先前確認的減值虧損或已不存在或可能已減少。倘存在該跡象，可收回金額會予以估計。僅當用以釐定資產的可收回金額的估計出現變動時，先前確認的資產(商譽除外)減值虧損方可撥回，惟該數額不得超過有關資產於過往年度並未有確認減值虧損而予以釐定的賬面金額(扣除任何折舊/攤銷)。該減值虧損的撥回於產生期間計入綜合損益表。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories of properties, contract assets, deferred tax assets, financial assets, contract costs, investment properties and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the consolidated statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the consolidated statement of profit or loss in the period in which it arises.

2.4 重要會計政策概要(續)

關聯方

一方將被視為與本集團有關聯，條件為：

- (a) 該方為某一人士或該人士家屬及該人士的直系親屬，而該人士
- (i) 控制或共同控制本集團；
 - (ii) 對本集團擁有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理人員；

或

- (b) 倘該方為符合以下任何條件的實體：

- (i) 該實體及本集團為同一集團成員；
- (ii) 一個實體為另一個實體的聯營公司或合營企業(或另一個實體的母公司、附屬公司或同系附屬公司)；
- (iii) 實體及本集團為同一第三方的合營企業；
- (iv) 一個實體為第三方實體的合營企業，而另一個實體為第三方實體的聯營公司；
- (v) 實體為本集團或與本集團有關聯的實體為其僱員福利而設立的退休福利計劃；
- (vi) 實體受(a)項所述的人士控制或共同控制；
- (vii) (a)(i)項所述的人士對實體擁有重大影響力或為實體(或其母公司)的主要管理人員之一；及
- (viii) 實體或實體所屬集團的任何成員公司向本集團或本集團的母公司提供主要管理人員服務。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 重要會計政策概要(續)

物業、廠房及設備以及折舊

物業、廠房及設備按成本減累計折舊及任何減值虧損呈列。物業、廠房及設備項目的成本包括其購買價，及促使有關資產達致其營運狀況及地點作擬定用途所產生的任何直接應佔成本。

物業、廠房及設備項目投產後所產生的支出，如維修及保養，通常於產生支出期間計入綜合損益表。在符合確認準則的情況下，主要檢查的支出會作為重置，於資產賬面金額中資本化。倘物業、廠房及設備的主要部分須不時重置，則本集團會將有關部分確認為個別資產，具有指明的可使用年期及據此折舊。

折舊乃按其估計可使用年期以直線法撇銷各物業、廠房及設備項目的成本至其剩餘價值計算。為此而採用的主要年率如下：

樓宇	4.75%
租賃物業裝修	按租賃期及20%的較短者
傢俬、裝置及辦公室設備	19%
汽車	19%

倘物業、廠房及設備項目的各部分有不同可使用年期，則有關項目的成本將按各部分的合理基礎分配，而每部分將作個別折舊。剩餘價值、可使用年期及折舊法至少須於各財政年度年結日予以檢討，並作調整(倘適用)。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, plant and equipment and depreciation

Property, plant and equipment, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	4.75%
Leasehold improvements	Over the shorter of the lease terms and 20%
Furniture, fixtures and office equipment	19%
Motor vehicles	19%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

2.4 重要會計政策概要(續)

物業、廠房及設備以及折舊(續)

物業、廠房及設備項目(包括初始確認的任何重大部分)於出售或預期不會從其使用或出售獲取未來經濟利益時終止確認。於終止確認資產的年度在綜合損益表確認的任何出售或報廢損益，為有關資產出售所得款項淨額與賬面金額的差額。

投資物業

投資物業為持作賺取租金收入及／或資本增值或兩者兼得(而非用於生產或供應貨品或服務或行政目的)，或在日常業務過程中出售的土地及樓宇的權益(包括作為使用權資產持有的租賃物業(二零一八年：經營租賃下的租賃物業)否則將符合投資物業定義)。該等物業初始以成本(包括交易成本)計量。初始確認後，投資物業按公允價值呈列，反映報告期末的市況。

投資物業公允價值變動產生的損益計入所產生年度的綜合損益表。

報廢或出售投資物業的任何損益均於報廢或出售年度的綜合損益表中確認。

就投資物業轉撥至自用物業而言，物業其後作會計處理的推定成本為其於用途變更當日的公允價值。就轉撥至投資物業的物業存貨而言，該物業在當日的公允價值與其先前賬面值之間的任何差額會於綜合損益表中確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, plant and equipment and depreciation (Cont'd)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the consolidated statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Investment properties

Investment properties are interests in land and buildings (including the leasehold property held as a right-of-use asset (2018: leasehold property under an operating lease) which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the consolidated statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of investment properties are recognised in the consolidated statement of profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. For a transfer from inventories of properties to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the consolidated statement of profit or loss.

2.4 重要會計政策概要(續)

無形資產(商譽除外)

個別收購的無形資產於初步確認時按成本計量。於業務合併時收購無形資產的成本乃於收購日期的公允價值。無形資產的可使用年期評估為有限期或無限期。可使用年期有限的無形資產其後於可使用經濟年期內攤銷，並於該無形資產可能出現減值跡象時評估減值。可使用年期有限的無形資產攤銷期及攤銷方法至少於各財政年度末審閱。

無形資產的可使用年期如下：

物業管理合同收益權	3至20年
軟件	5至10年
施工資格	50年

租賃(自二零一九年一月一日起應用)

本集團於合同開始時評估合同是否屬於或包含租賃。倘合同授予權利以代價為換取在一段時間內控制已識別資產的使用，則該合同屬於或包含租賃。

本集團作為承租人

本集團對所有租賃(惟短期租賃及低價值資產租賃除外)採取單一確認及計量方法。本集團確認租賃負債以作出租賃款項，而使用權資產指使用相關資產的權利。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

The useful lives of intangible assets are as follows:

Income rights of property management contracts	3-20 years
Software	5-10 years
Construction qualification	50 years

Leases (applicable from 1 January 2019)

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.4 重要會計政策概要(續)

租賃(自二零一九年一月一日起應用)(續)

本集團作為承租人(續)

(a) 使用權資產

使用權資產於租賃開始日期(即相關資產可供使用日期)確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就重新計量租賃負債作出調整。使用權資產的成本包括已確認的租賃負債金額、已產生的初始直接成本，以及於開始日期或之前作出的租賃付款減已收取的任何租賃優惠。使用權資產在租期及估計可使用年期(以較短者為準)內按直線法計提折舊如下：

樓宇	2至10年
辦公設備	2至5年
汽車	2至3年

倘租期屆滿前將租賃資產的所有權轉移予本集團或成本反映購買選擇權的行使，則折舊以資產估計可使用年期計量。

當使用權資產與作為存貨持有的租賃土地的權益相關時，該等資產其後根據本集團的「持作開發的土地」政策按成本與可變現淨值兩者中較低者計量。倘使用權資產符合投資物業的定義，則計入投資物業。相應使用權資產初始按成本計量，其後根據本集團「投資物業」政策按公允價值計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases (applicable from 1 January 2019) (Cont'd)

Group as a lessee (Cont'd)

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	2 to 10 years
Office equipment	2 to 5 years
Motor vehicles	2 to 3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When the right-of-use assets relate to interests in leasehold land held as inventories, they are subsequently measured at the lower of cost and net realisable value in accordance with the Group's policy for "land held for development". When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for "investment properties".

2.4 重要會計政策概要(續)

租賃(自二零一九年一月一日起應用)(續)

本集團作為承租人(續)

(b) 租賃負債

租賃負債於租賃開始日期按租期內作出的租賃付款的現值予以確認。租賃付款包括固定付款(包括實質固定付款)減任何應收租賃獎勵、基於指數或利率的可變租賃付款及剩餘價值擔保下預期應付款項。租賃付款亦包括本集團合理確定行使的購買選擇權的行使價及就終止租賃支付的罰款(倘租期反映本集團行使終止選擇權)。不取決於指數或利率的可變租賃款項在出現觸發付款的事件或情況的期間確認為開支。

於計算租賃款項的現值時，倘租賃內所隱含的利率不易釐定，則本集團應用租賃開始日期的增量借款利率計算。於開始日期後，租賃負債金額的增加反映利息的增加，並因支付租賃款項而減少。此外，如租期有任何修改、變化、租賃款項變化(例如租賃款項日後因指數或利率變動而出現變動)或購買相關資產的選擇權評估有變，則重新計量租賃負債的賬面值。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases (applicable from 1 January 2019) (Cont'd)

Group as a lessee (Cont'd)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

2.4 重要會計政策概要(續)

租賃(自二零一九年一月一日起應用)(續)

本集團作為承租人(續)

(c) 短期租賃及低價值資產租賃

本集團對其辦公室設備的短期租賃(即租期為開始日期起計12個月或以內且不包含購買選擇權的租賃)應用短期租賃確認豁免。其亦將低價值資產租賃的確認豁免應用予被視為低價值的打印機及手提電腦的租賃。

短期租賃及低價值資產租賃的租賃款項在租期內按直線法確認為開支。

本集團作為出租人

本集團作為出租人時，於租賃開始(或租賃變更)時將其每項租賃分類為經營租賃或融資租賃。

本集團並未轉移資產擁有權所附帶的絕大部分風險與回報的租賃歸類為經營租賃。倘合同包括租賃及非租賃部分，則本集團根據相對獨立的售價基準將合同代價分配予各部分。租金收入由於其經營性質於租期內按直線法列賬並計入損益表的收入。於磋商及安排經營租賃時產生的初始直接成本乃計入租賃資產的賬面值，並於租期內按相同基準確認為租金收入。或然租金乃於所賺取的期間內確認為收入。

將相關資產擁有權所附帶的絕大部分風險與回報轉移予承租人的租賃，入賬列作融資租賃。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases (applicable from 1 January 2019) (Cont'd)

Group as a lessee (Cont'd)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of printers and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

2.4 重要會計政策概要(續)

租賃(自二零一九年一月一日起應用)(續)

本集團作為出租人(續)

當本集團作為中間出租人時，轉租參考主租賃產生的使用權資產分類為融資租賃或經營租賃。倘主租賃為本集團應用資產負債表內確認豁免的短期租賃，則本集團將轉租分類為經營租賃。

租賃(二零一九年一月一日前應用)

資產擁有權的絕大部分回報與風險仍歸於出租人的租賃(包括轉租)入賬列作經營租賃。倘本集團為出租人，本集團根據經營租賃所擁有的資產乃計入非流動資產且經營租賃項下來自租賃及轉租安排的應收租金乃於租賃期內以直線法計入綜合損益表。倘本集團為承租人，經營租賃的應付租金(扣除已收出租人提供的任何獎勵)均於租期以直線法計入綜合損益表。

預付土地租賃款項指日常業務過程中開發以作未來出售的租賃土地的預付款項，乃按成本及可變現淨值兩者較低者呈列，其中正常營運週期內的款項被分類為流動資產，而非正常營運週期內的則分類為非流動資產。

投資及其他金融資產

初始確認及計量

金融資產於初始確認時分類為隨後按攤銷成本計量、以公允價值計量且其變動計入其他全面收入及以公允價值計量且其變動計入損益(「以公允價值計量且其變動計入損益」)的金融資產。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases (applicable from 1 January 2019) (Cont'd)

Group as a lessor (Cont'd)

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

Leases (applicable before 1 January 2019)

Leases, including subleases, where substantially all the rewards and risks of ownership of assets remain with the lessor, are accounted for as operating leases. Where the Group is the lessor, for those assets owned by the Group under operating leases, they are included in the non-current assets and rentals receivable under the operating leases derived from lease and sublease arrangements are credited to the consolidated statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the consolidated statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments, representing prepayments for leasehold land for development for future sale in the ordinary course of business, are stated at the lower of cost and net realisable value, of which those within the normal operating cycle are classified as current assets, while those out of the normal operating cycle are classified as non-current assets.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, FVOCI, and fair value through profit or loss ("FVPL").

2.4 重要會計政策概要(續)

投資及其他金融資產(續)

初始確認及計量(續)

金融資產於初始確認時的分類視乎金融資產合同現金流量的特性及本集團管理該等資產的業務模式。除並無重大融資部分或本集團並未就此影響調整應用實際權宜方法的應收貿易款項外，本集團初始按其公允價值加(倘並非以公允價值計量且其變動計入損益的金融資產)交易成本計量金融資產。根據下文所載「收入確認」的政策，並無重大融資部分或本集團應用實際權宜方法的應收貿易款項根據國際財務報告準則第15號釐定的交易價格計量。

為將一個金融資產劃轉為按攤銷成本或以公允價值計量且其變動計入其他全面收入進行分類和計量，其需要考慮未償還本金產生的僅為支付本金及利息(「**僅為支付本金及利息**」)的現金流量。現金流量並非僅為支付本金及利息的金融資產分類為以公允價值計量且其變動計入損益，而不論業務模式為何。

本集團管理金融資產的業務模式指其為產生現金流量管理金融資產的方式。業務模式釐定現金流量來自收取合同現金流量、出售金融資產或以上兩者。以攤銷成本分類及計量的金融資產按持有金融資產旨在收取合同現金流量的業務模式持有，而以公允價值計量且其變動計入其他全面收入分類及計量的金融資產則按旨在持有以收取合同現金流量及出售的業務模式持有。不屬按上述業務模式持有的金融資產，按以公允價值計量且其變動計入損益分類及計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investments and other financial assets (Cont'd)

Initial recognition and measurement (Cont'd)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

2.4 重要會計政策概要(續)

投資及其他金融資產(續)

初始確認及計量(續)

所有一般金融資產買賣概於交易日(即本集團承諾買賣該資產當日)予以確認。一般買賣乃指按照一般市場規定或慣例在一定期間內交付資產的金融資產買賣。

後續計量

金融資產的後續計量視乎其分類如下：

按攤銷成本列賬的金融資產(債務工具)

按攤銷成本列賬的金融資產隨後採用實際利率法計量，並需進行減值評估。收益及虧損於資產終止確認、修改或減值時於損益表中確認。

指定以公允價值計量且其變動計入其他全面收入的金融資產(權益投資)

於初始確認後，倘權益投資符合國際會計準則第32號金融工具：呈列項下權益的定義，且並非持作買賣，則本集團可選擇不可撤銷地將權益投資劃分為以公允價值計量且其變動計入其他全面收入的權益投資。分類按每項工具釐定。

該等金融資產的收益及虧損永不劃轉至損益表。當確立收取款項的權利，與股息相關的經濟利益可能流入本集團且股息金額可予可靠計量時，股息於損益表中確認為其他收入，惟倘本集團因收回金融資產的部分成本而從有關所得款項中獲益，在此情況下，有關收益列賬為其他全面收入。指定以公允價值計量且其變動計入其他全面收入的權益投資毋須進行減值評估。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investments and other financial assets (Cont'd)

Initial recognition and measurement (Cont'd)

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2.4 重要會計政策概要(續)

投資及其他金融資產(續)

以公允價值計量且其變動計入損益的金融資產

以公允價值計量且其變動計入損益的金融資產於財務狀況表按公允價值入賬，而公允價值淨變動則於損益表中確認。

該類別包括本集團並無不可撤回地選擇以公允價值計量且其變動計入其他全面收入分類的衍生工具及權益投資。當付款權利確立、與股息相關的經濟利益很可能流入本集團及股息金額可予可靠計量時，劃分為以公允價值計量且其變動計入損益的金融資產的權益投資股息亦於損益表內確認為其他收入。

終止確認金融資產

金融資產(或倘適用，金融資產或類似金融資產組別的一部分)主要於下列情況終止確認(即自本集團的綜合財務狀況表轉出)：

- 從資產收取現金流量的權利已屆滿；或
- 本集團已轉讓其從資產收取現金流量的權利，或已根據「轉付」安排承擔責任，在沒有重大延誤的情況下，將已收取現金流量悉數付予第三方；及(a)本集團已轉讓資產的絕大部分風險及回報，或(b)本集團並無轉讓亦無保留資產的絕大部分風險及回報，但已轉讓資產的控制權。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investments and other financial assets (Cont'd)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4 重要會計政策概要(續)

終止確認金融資產(續)

倘本集團已轉讓從資產收取現金流量的權利或已經訂立轉付安排，其對於是否保留與該資產擁有權相關的風險及回報以及保留程度作出評估。倘其未轉讓及保留資產的絕大部分風險及回報亦未轉讓資產的控制權，則本集團繼續按本集團的持續參與程度確認轉讓的資產。在該情況下，本集團亦確認相關負債。轉讓的資產及相關負債按反映本集團保留的權利及責任的基準計量。

倘持續參與的方式為擔保獲轉讓資產，則按資產原始賬面金額與本集團可能被要求償還的代價的最高金額之間的較低者計量。

金融資產減值

本集團就並非以公允價值計量且其變動計入損益方式持有的所有債務工具確認預期信貸虧損(「預期信貸虧損」)撥備。預期信貸虧損乃基於根據合同應付的合同現金流量與本集團預期收取的所有現金流量之間的差額，按接近原有的實際利率貼現。預期現金流量將包括出售所持抵押品或合同條款所包含的其他信貸增強措施的現金流量。

一般方式

預期信貸虧損分兩個階段進行確認。就初始確認以來信貸風險並無大幅增加的信貸敞口而言，會為未來12個月可能發生的違約事件所產生的信貸虧損(12個月預期信貸虧損)計提預期信貸虧損撥備。就初始確認以來信貸風險大幅增加的信貸敞口而言，須就預期於敞口的餘下年期產生的信貸虧損計提虧損撥備，不論違約的時間(存續期預期信貸虧損)。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Derecognition of financial assets (Cont'd)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2.4 重要會計政策概要(續)

金融資產減值(續)

一般方式(續)

於各報告日期，本集團評估金融工具信貸風險是否自初始確認以來出現大幅增加。於作出此項評估時，本集團比較金融工具於報告日期產生的違約風險與金融工具於初始確認日期產生的違約風險，並考慮毋須付出不適用的成本或努力即可獲得的合理且有理據的資料(包括歷史及前瞻性資料)。

倘合同已逾期還款超過90日，則本集團認為金融資產違約。然而，在若干情況下，倘有內部或外部資料顯示於計及本集團持有的任何信貸增強措施前，本集團不大可能會悉數收到未償還合同款項，則本集團亦可認為一項金融資產違約。倘無法合理預期可收回合同現金流量，則會撇銷金融資產。

按攤銷成本列賬的金融資產須根據一般方式進行減值，並於以下階段分類以計量預期信貸虧損，不包括採用簡化方式計量的應收貿易款項及合同資產，概述如下：

第一階段 信貸風險自初始確認起並未顯著增加且其虧損撥備按等於12個月預期信貸虧損的金額計量的金融工具；

第二階段 信貸風險自初始確認起出現大幅增加(但無信貸減值金融資產)且其虧損撥備按等於存續期預期信貸虧損的金額計量的金融工具；

第三階段 於報告日期出現信貸減值(但並非購買時或原本已出現信貸減值)且其虧損撥備按等於存續期預期信貸虧損的金額計量的金融資產。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of financial assets (Cont'd)

General approach (Cont'd)

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below:

Stage 1 Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs;

Stage 2 Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs;

Stage 3 Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

2.4 重要會計政策概要(續)

金融資產減值(續)

簡化方式

倘應收貿易款項及合同資產不包含重大融資成分或倘本集團採用不調整重大融資成分影響的實際權宜方式，本集團採用簡化方式計算預期信貸虧損。根據簡化方式，本集團並不追蹤信貸風險變化，而是根據各報告日期的存續期預期信貸虧損確認虧損撥備。本集團已根據其過往信貸虧損經驗制定撥備矩陣，並就債務人特定的前瞻性因素及經濟環境予以調整。

倘應收貿易款項包含重大融資成分，本集團選擇根據其會計政策採用簡化方式按上文所述政策計算預期信貸虧損。

金融負債

初始確認及計量

金融負債初始確認時分類為貸款及其他借款以及應付款項。

於初始確認時，所有金融負債均按公允價值確認，如屬貸款及借款及應付款項，則扣除直接應佔交易成本。

本集團的金融負債包括貿易及其他應付款項、應付合營企業的款項、租賃負債、計息銀行及其他借款以及其他長期應付款項。

後續計量

金融負債的後續計量視乎其如下分類：

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of financial assets (Cont'd)

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables that contain a significant financing component, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and other borrowings, and payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, amounts due to joint ventures, lease liabilities, interest-bearing bank and other borrowings and other long-term payables.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

2.4 重要會計政策概要(續)

金融負債(續)

按攤銷成本列賬的金融負債(貸款及借款)

於初始確認後，計息銀行及其他借款其後以實際利率法按攤銷成本計量，惟倘貼現的影響並不重大，則按成本呈列。倘負債終止確認，則損益將透過實際利率法攤銷過程於綜合損益表中確認。

計算攤銷成本須計及收購時的任何折讓或溢價，且包括構成實際利率整體部分的費用或成本。實際利率攤銷計入綜合損益表的融資成本。

財務擔保合同

本集團發出的財務擔保合同乃因特定債務人無法按債務工具的條款支付到期款項，而須向持有人支付款項以彌補其因此招致的損失的合同。財務擔保合同初始乃按公允價值確認為負債，並就與發出擔保直接相關的交易成本進行調整。於初始確認後，本集團按以下兩者中較高者計量財務擔保合同：(i)根據「金融資產減值」所載政策釐定的預期信貸虧損撥備；及(ii)初始確認金額減(倘適用)已確認收入的累計金額。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial liabilities (Cont'd)

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing bank and other borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the consolidated statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

2.4 重要會計政策概要(續)

終止確認金融負債

倘負債項下的責任已解除或取消或屆滿，則終止確認金融負債。

當現有金融負債被同一貸款人以明顯不同條款提供的另一金融負債取代，或現有負債條款經大幅修訂，則相關交換或修訂被視為終止確認原始負債及確認新負債，且各賬面金額的差額於綜合損益表確認。

抵銷金融工具

倘目前有可行使的合法權利對確認的金額予以抵銷，且有意按淨額基準結算或同時變現資產及結清負債，則金融資產與金融負債會互相抵銷，而淨額會於綜合財務狀況表予以呈報。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the consolidated statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.4 重要會計政策概要(續)

物業存貨

持作開發的土地

持作開發的土地指日常業務過程中開發以作未來出售的租賃土地的預付款項，乃按成本及可變現淨值兩者較低者呈列，其中正常營運週期內的款項被分類為流動資產，而非正常營運週期內的款項則分類為非流動資產。

開發中物業

開發中物業擬於竣工後持作出售。

開發中物業乃按成本及可變現淨值兩者較低者呈列，包括土地成本、建設成本、借貸成本、專業費用及該等物業在開發階段直接應佔的其他成本。

開發中物業分類為流動資產，惟預期相關物業開發項目的建築時間超過正常的營運週期則除外。竣工後，該等物業被轉為已竣工持作出售的物業。

已竣工持作出售的物業

已竣工持作出售的物業乃按成本及可變現淨值兩者較低者呈列。成本按未出售物業應佔的土地及樓宇總成本的分攤比例釐定。可變現淨值計及最終預期變現的價格，減銷售物業中將產生的估計成本。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Inventories of properties

Land held for development

Land held for development, representing upfront prepayments for leasehold land for development for future sale in the ordinary course of business, are stated at the lower of cost and net realisable value, of which those within the normal operating cycle are classified as current assets, while those out of the normal operating cycle are classified as non-current assets.

Properties under development

Properties under development are intended to be held for sale after completion.

Properties under development are stated at the lower of cost and net realisable value and comprise land costs, construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to be beyond the normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost is determined by an apportionment of the total land and building costs attributable to unsold properties. Net realisable value takes into account the price ultimately expected to be realised, less estimated costs to be incurred in selling the properties.

2.4 重要會計政策概要(續)

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括庫存現金及活期存款，以及可隨時轉換為已知數額現金、價值變動風險極微及到期日短且一般於購入後三個月內到期的短期高流動性投資，減於要求時償還且構成本集團現金管理整體部分的銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括並未限制用途的庫存現金及銀行現金(包括定期存款及性質與現金類似的資產)。

撥備

倘因過往事件導致現有債務(法律或推定)及日後可能需要有資源流出以償還債務，則確認撥備，惟必須能可靠估計有關債務金額。

倘貼現的影響屬重大，則確認的撥備金額為預期用作償還債務的未來支出於各報告期末的現值。因時間流逝導致所貼現現值金額的增加將計入綜合損益表的融資成本。

僱員福利

退休計劃

本集團中國內地附屬公司(「中國附屬公司」)的僱員須參與地方市政府設立的中央退休金計劃。中國附屬公司須為中央退休金計劃提供佔薪酬開支特定百分比的供款。供款會於依據中央退休金計劃規則應付時計入綜合損益表。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the consolidated statement of profit or loss.

Employee benefits

Pension scheme

The employees of the Group's subsidiaries in Mainland China (the "PRC subsidiaries") are required to participate in a central pension scheme operated by the local municipal government. The PRC subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

2.4 重要會計政策概要(續)

僱員福利(續)

退休計劃(續)

本集團根據《強制性公積金計劃條例》為所有於香港的僱員實施定額供款的強制性公積金退休福利計劃(「強積金計劃」)。供款根據僱員基本薪金的一定百分比作出，並於根據強積金計劃規則應付時自損益表扣除。強積金計劃的資產與本集團的資產分開持有，並由獨立管理的基金持有。本集團的僱主供款於向強積金計劃供款時完全歸屬僱員。

住房公積金、醫療保險及其他社會保險

本集團於中國的員工有權參加政府監管的各项住房公積金、醫療保險及其他社會保險計劃。本集團每月根據僱員每月薪金若干百分比向該等基金作出供款。本集團有關該等基金的負債限於各年度應付的供款。就住房公積金、醫療保險及其他社會保險的供款於產生時列為開支。

所得稅

所得稅包括即期及遞延稅項。與於損益外確認的項目有關的所得稅於損益外(於其他全面收入或直接於權益)確認。

即期稅項資產及負債，乃按預期自稅務機關退回或付予稅務機關的金額計量，並根據各報告期末已頒佈或實質上已頒佈的稅率(及稅法)，以及計及本集團業務經營所在國家的現行詮釋與慣例釐定。

遞延稅項採用負債法就於報告期末資產及負債的稅基與兩者用作財務報告的賬面金額之間的所有暫時差額計提撥備。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Employee benefits (Cont'd)

Pension scheme (Cont'd)

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Housing funds, medical insurances and other social insurances

Employees of the Group in PRC are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees on a monthly basis. The Group's liability in respect of these funds is limited to the contribution payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 重要會計政策概要(續)

所得稅(續)

遞延稅項負債乃就所有應課稅暫時差額予以確認，惟下列情況除外：

- 遞延稅項負債乃因在一項並非業務合併的交易中初始確認商譽或資產或負債而產生，且於交易時並不影響會計利潤或應課稅損益；及
- 就與於附屬公司、聯營公司及合營企業的投資相關的應課稅暫時差額而言，倘暫時差額撥回的時間可予控制，且暫時差額可能不會於可預見的未來撥回。

遞延稅項資產乃就所有可扣減暫時差額、未動用稅項抵免及任何未動用稅項虧損的結轉而確認。遞延稅項資產僅在應課稅利潤可予動用抵銷可扣減暫時差額、結轉的未動用稅項抵免及未動用稅項虧損時確認，惟以下情況除外：

- 與可扣減暫時差額相關的遞延稅項資產乃因在一項並非業務合併的交易中初始確認資產或負債而產生，且於交易時並不影響會計利潤或應課稅損益；及
- 就與於附屬公司、聯營公司及合營企業的投資相關的可扣減暫時差額而言，遞延稅項資產僅在暫時差額可能於可預見的未來撥回，以及應課稅利潤可予動用抵銷暫時差額時確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Income tax (Cont'd)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 重要會計政策概要(續)

所得稅(續)

遞延稅項資產的賬面金額於各報告期末進行審核，並減至不再可能有足夠應課稅利潤以動用全部或部分遞延稅項資產為止。

未確認的遞延稅項資產則於各報告期末進行重估，並於將可能有足夠應課稅利潤以收回全部或部分遞延稅項資產時確認。

遞延稅項資產及負債乃按預期適用於變現資產或清償負債期間的稅率，根據於報告期末已頒佈或實質上已頒佈的稅率(及稅法)計量。

當且僅當於各未來期間(而預期於有關期間內將結清或收回大額遞延稅項負債或資產)，本集團擁有以即期稅項資產抵銷即期稅項負債的可依法執行的權利，且遞延稅項資產及遞延稅項負債與同一稅務機關對同一應課稅實體或不同應課稅實體(有意按淨額基準結算即期稅項負債及資產，或同時變現資產及結清負債)徵收的所得稅有關時，則遞延稅項資產與遞延稅項負債抵銷。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Income tax (Cont'd)

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 profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.4 重要會計政策概要(續)

政府補貼

倘可合理保證將獲得補貼及將符合所有附帶條件，則按公允價值確認政府補貼。倘該補貼與一項開支項目有關，則於擬用作補償的成本支銷期間根據系統基準確認為收入。

收入確認

來自客戶合同收入

客戶合同收入於貨品或服務的控制權按一定金額轉移予客戶時予以確認，而該金額反映本集團預期就該等貨品或服務有權獲得的代價。

當合同中的代價包括可變金額時，估計代價為本集團將貨品或服務轉移予客戶而有權獲得的金額。估計可變代價於合同開始時估計並受其約束，直至與可變代價相關的不確定因素其後獲得解決時累計已確認收入金額極有可能不會發生重大收入撥回為止。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

2.4 重要會計政策概要(續)

收入確認(續)

來自客戶合同收入(續)

當合同包含融資部分，就貨品或服務轉移予客戶而為客戶提供重大融資利益超過一年時，收入按應收金額的現值計量，並使用合同開始時本集團與客戶訂立的獨立融資交易所反映的貼現率貼現。當合同包含為本集團提供超過一年的重大融資利益的融資部分時，根據合同確認的收入包括根據實際利率法計算的合同負債利息開支。對於客戶付款與承諾貨品或服務轉移之間的期限為一年或不足一年的合同，交易價格不會根據國際財務報告準則第15號應用實際權宜方法就重大融資部分的影響進行調整。

(a) *銷售已竣工物業*

銷售已竣工物業的收入於簽署物業移交函時(即物業控制權被轉移至買家時)確認。

(b) *城市更新業務*

城市更新業務產生的收入於持作開發的土地或其他資產的控制權轉移至客戶時確認，而該確認的金額反映本集團預期就有關土地或其他資產有權獲得的代價。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue recognition (Cont'd)

Revenue from contracts with customers (Cont'd)

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) *Sale of completed properties*

Revenue from the sale of completed properties is recognised upon the signing of the property handover letter, which is taken to be the point in time when the control of the property is transferred to the buyer.

(b) *Urban redevelopment business*

Revenue arising from urban redevelopment business is recognised when control of the land held for development or other asset is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the land or other asset.

2.4 重要會計政策概要(續)

收入確認(續)

來自客戶合同收入(續)

(c) *建築服務*

提供建築服務產生的收入隨著時間的推移而確認，使用產出法計量完全履行服務的進度，因為本集團履約創建或增強客戶在資產創建或增強時控制的資產。產出法根據迄今已向客戶轉移的服務相對根據合約承諾提供的餘下服務的價值的直接計量確認收入。

(d) *提供物業管理服務*

由於客戶同時獲得及消費本集團提供的利益，故提供物業管理服務的收入按直線基準於預定期間確認。

其他來源的收入

租賃收入於租賃年期內按時間比例確認。不取決於指數或利率的可變租賃款項在其產生的會計期間內確認為收入。

其他收入

利息收入按應計基準以實際利率法透過採用將金融工具的估計未來所收現金在預計年期或較短期間(倘適用)內準確貼現至金融資產賬面金額淨值的利率予以確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue recognition (Cont'd)

Revenue from contracts with customers (Cont'd)

(c) *Construction services*

Revenue from the provision of construction services is recognised over time, using an output method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The output method recognises revenue on the basis of direct measurements of the value to the customer of the services transferred to date relative to the remaining services promised under the contract.

(d) *Provision of property management services*

Revenue from the provision of management services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

2.4 重要會計政策概要(續)

合同資產

合同資產乃就向客戶轉讓的貨品或服務而收取交換代價的權利。倘本集團於客戶支付代價或付款到期前將貨品或服務轉讓予客戶，則就附帶條件的已賺取代價確認合同資產。合同資產需進行減值評估，其詳情載於金融資產減值的會計政策。

合同負債

合同負債於本集團轉讓相關服務前向客戶收取付款或付款到期時(以較早者為準)予以確認。合同負債於本集團根據合同履約時(即向客戶轉讓相關貨品或服務的控制權)確認為收入。

合同成本

倘符合以下各項標準，除以存貨、物業、廠房及設備以及無形資產的形式資本化的成本外，履行客戶合同所產生的成本以資產的形式資本化：

- (a) 有關成本與實體可特定識別的合同或預期訂立的合同有直接關係；
- (b) 有關成本令實體將用於完成(或持續完成)日後履約責任的資源得以產生或有所增加；
- (c) 有關成本預期可收回。

本集團將資本化合同成本攤銷並按系統基準計入損益表，該系統基準與確認的相關資產收入模式一致。其他合同成本於產生時列為支出。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future;
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the pattern of the revenue to which the asset related is recognised. Other contract costs are expensed as incurred.

2.4 重要會計政策概要(續)

借貸成本

收購、建設或生產合資格資產(即需要大量時間方可實現擬定用途或出售的資產)直接應佔的借貸成本作為該等資產成本的一部分撥作資本。有關借貸成本在資產大體上可作擬定用途或出售時不再撥作資本。在將特定借款撥作合資格資產的支出前暫時用作投資所賺取的投資收入須自撥作資本的借貸成本中扣除。所有其他借貸成本在產生期間列為支出。借貸成本包括實體借用資金產生的利息及其他成本。

股息

末期股息於其在股東大會上獲股東批准時確認為負債。建議末期股息於財務報表附註中披露。

外幣

該等財務報表均以人民幣(即本集團的呈列貨幣)呈列。本公司的功能貨幣為港元,以人民幣作為本公司財務報表的呈列貨幣乃為與本集團的呈列貨幣保持一致。本集團各實體自行確定各自的功能貨幣,且各實體財務報表中的項目均使用該功能貨幣計量。本集團各實體所記錄的外幣交易初步使用各自交易當日現行的功能貨幣匯率予以記錄。以外幣計值的貨幣資產與負債按報告期末通用的功能貨幣匯率換算。結算或換算貨幣項目產生的差額於綜合損益表中確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Foreign currencies

These financial statements are presented in RMB, which is the Group's presentation currency. The functional currency of the Company is the Hong Kong dollar while RMB is used as the presentation currency of the financial statements of the Company for the purpose of aligning with the presentation currency of the Group. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss.

2.4 重要會計政策概要(續)

外幣(續)

按歷史成本以外幣計量的非貨幣項目乃按首次交易日當日的匯率換算。按公允價值以外幣計量的非貨幣項目按公允價值計量當日的匯率換算。換算按公允價值計量的非貨幣項目所產生的損益，按與確認該項目公允價值變動的損益一致的方法(即公允價值損益於其他全面收入或損益內確認的項目產生的換算差額亦分別於其他全面收入或損益內確認)處理。

於釐定相關資產初始確認的匯率、終止確認與預付代價有關的非貨幣資產或非貨幣負債的開支或收入時，首次交易日期為本集團初始確認預付代價產生的非貨幣資產或非貨幣負債當日。倘涉及多筆預付款項或預收款項，則本集團須釐定每次支付或收取預付代價的交易日期。

若干於中國內地以外地區運營的附屬公司的功能貨幣並非人民幣。於報告期末，該等實體的資產及負債按報告期末的現行匯率換算為人民幣，且其損益表按年度的加權平均匯率換算為人民幣。因此產生的匯兌差額於其他全面收入內確認並累計計入匯兌儲備。當出售海外業務時，有關特定海外業務的其他全面收入部分於綜合損益表中確認。

就綜合現金流量表而言，非中國實體的現金流量按現金流量產生當日的匯率換算為人民幣。非中國實體於該年內產生的循環現金流量通常按該年度的加權平均匯率換算為人民幣。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Foreign currencies (Cont'd)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain subsidiaries operating outside Mainland China are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of non-PRC entities are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of non-PRC entities which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. 重大會計判斷及估計

編製本集團的綜合財務報表時，管理層須作出會影響收入、開支、資產及負債的報告金額及各自的相關披露事項以及或然負債披露的判斷、估計及假設。有關假設及估計的不確定因素可導致須就未來受影響的資產或負債賬面金額作出重大調整。

判斷

在應用本集團的會計政策過程中，除涉及對綜合財務報表中已確認金額構成最重大影響的估計的會計政策外，管理層已作出以下判斷：

投資物業及業主自用物業間的分類

本集團確定物業是否符合投資物業資格，並已制定作出該判斷的標準。投資物業為持作賺取租金或資本增值或兩者兼有的物業。因此，本集團考慮物業產生的現金流量是否很大程度上獨立於本集團持有的其他資產。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment properties are properties held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

3. 重大會計判斷及估計(續)

判斷(續)

投資物業及業主自用物業間的分類(續)

若干物業包含持作賺取租金或資本增值部分，而另一部分持作用於生產或供應貨品或服務或作行政用途。倘該等部分可獨立出售或根據融資租賃獨立出租，則本集團需將該等部分獨立入賬。倘該等部分不能獨立出售，則僅在小部分持作用於生產或供應貨品或服務或作行政用途的情況下，該物業方為投資物業。

對個別物業分別作出判斷，以釐定配套服務是否足以導致物業不符合投資物業資格。

投資物業的遞延稅項

就計量使用公允價值模式計量的投資物業所產生的遞延稅項負債而言，本集團管理層已審閱本集團的投資物業，並認為本集團在一種商業模式下持有投資物業，該商業模式的目的乃為隨時間推移消耗絕大部分包含在投資物業內的經濟利益。因此，在釐定本集團投資物業的遞延稅項時，董事已決定推翻透過銷售收回使用公允價值模式計量的投資物業的假設。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Judgements (Cont'd)

Classification between investment properties and owner-occupied properties (Cont'd)

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, the management of the Group has reviewed the Group's investment properties 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 that investment properties measured using the fair value model are recovered through sale is rebutted.

3. 重大會計判斷及估計(續)

判斷(續)

投資物業的遞延稅項(續)

因此，本集團根據管理層的最佳估計確認該等投資物業公允價值變動的遞延稅項，假設未來稅務結果乃透過將該等物業用作租賃用途而非出售引致。倘投資物業隨後由本集團出售而非以租賃方式隨時間推移消耗絕大部分包含在投資物業內的經濟利益，則最終的稅務結果可能有別於在綜合財務報表中確認的遞延稅項負債。若投資物業被出售，鑒於企業所得稅及土地增值稅的影響，本集團在出售時可能要承擔較高稅項。

估計不確定因素

有關於報告期末估計不確定因素的未來及其他主要來源的主要假設(存在會導致下一個財政年度內資產及負債賬面金額出現重大調整的重大風險)，於下文論述。

中國企業所得稅

本集團須繳納中國內地的企業所得稅。由於所得稅若干相關事宜尚未獲當地稅務局確認，所以於釐定將要作出的所得稅撥備時需依據目前頒佈的稅法、法規及其他相關政策進行客觀估計和判斷。倘該等事宜的最終稅務結果與最初記錄的金額不同，差額將影響差額變現期間的所得稅及稅項撥備。進一步詳情載列於財務報表中的附註10及26。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Judgements (Cont'd)

Deferred taxation on investment properties (Cont'd)

Accordingly, the Group recognises deferred tax in respect of the changes in fair value of the investment properties based on management's best estimate assuming future tax consequences through usage of such properties for rental purposes, rather than through sale. The final tax outcome could be different from the deferred tax liabilities recognised in the consolidated financial statements should the investment properties be subsequently disposed of by the Group, rather than all of the economic benefits embodied in the investment properties being consumed substantially by leasing over time. In the event that the investment properties are being disposed of, the Group may be liable for higher tax upon disposal considering the impact of corporate income tax and land appreciation tax.

Estimation uncertainty

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, are described below.

PRC corporate income tax

The Group is subject to corporate income taxes in Mainland China. Due to the fact that certain matters relating to the income taxes have not been confirmed by the local tax bureau, objective estimation and judgement based on currently enacted tax laws, regulations and other related policies are required in determining the provision for income taxes to be made. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the income tax and tax provision in the period in which the differences realise. Further details are given in notes 10 and 26 to the financial statements.

3. 重大會計判斷及估計(續)

估計不確定因素(續)

中國土地增值稅

本集團須繳納中國內地的土地增值稅。土地增值稅的撥備以管理層根據其對相關中國稅務法律及法規列明的規定的理解所作出的最佳估計為基準。實際土地增值稅負債於完成物業開發項目後由稅務機關釐定。本集團尚未就若干物業開發項目與稅務機關落實土地增值稅的計算與付款。

最終結果可能與最初記錄的金額不同，且任何差額均會影響差額變現期間的土地增值稅開支與相關撥備。進一步詳情載列於財務報表中的附註10及26。

遞延稅項資產

未動用稅項虧損在很可能出現應課稅利潤用以抵銷虧損的情況下確認遞延稅項資產。釐定可予確認遞延稅項資產金額時，須根據未來應課稅利潤的可能時間及水平以及未來稅務規劃策略作出重大管理層判斷。

有關開發中物業的建設成本的確認及分配

於建造期間，物業開發成本於開發中物業項下入賬，在竣工後，將轉撥至已竣工持作出售物業項下。確認銷售物業後，該等成本的分配於綜合損益表中予以確認。於最終結算有關銷售物業的開發成本及其他成本前，該等成本乃由本集團按管理層的最佳估計予以累計。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Estimation uncertainty (Cont'd)

PRC land appreciation tax

The Group is subject to land appreciation tax in Mainland China. The provision for land appreciation tax is based on management's best estimates according to its understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual land appreciation tax liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its land appreciation tax calculations and payments with the tax authorities for certain property development projects.

The final outcome could be different from the amounts that were initially recorded, and any differences will impact the land appreciation tax expenses and the related provision in the period in which the differences realise. Further details are given in notes 10 and 26 to the financial statements.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Recognition and allocation of construction cost on properties under development

Development costs of properties are recorded as properties under development during the construction stage and will be transferred to completed properties held for sale upon completion. Apportionment of these costs will be recognised in the consolidated statement of profit or loss upon the recognition of the sale of the properties. Before the final settlement of the development costs and other costs relating to the sale of the properties, these costs are accrued by the Group based on management's best estimate.

3. 重大會計判斷及估計(續)

估計不確定因素(續)

有關開發中物業的建設成本的確認及分配(續)

當開發物業時，本集團或會將開發項目分為多期。與某一期開發直接相關的特定成本會作為該期的成本入賬。各期共有的成本則根據整個項目估計可銷售面積分配至各期。

當最終結算成本及相關成本分配有別於最初估計時，開發成本及其他成本的任何增加或減少將會影響未來年度的損益。

投資物業公允價值的估計

如活躍市場中未有類似物業的當前價格，本集團考慮不同來源的資料，包括：

- (i) 不同性質、狀況或地點的物業於活躍市場的當前價格(經就該等差異作出調整)；
- (ii) 近期類似物業於較不活躍市場的價格，並作出調整以反映自按該等價格進行交易日期起的任何經濟狀況變化；及
- (iii) 基於對未來現金流量的可靠估計，輔以任何現有租約與其他合同的條款及(如可能)外在因素(如地點及狀況相同的類似物業的當時市場租金)，並採用可反映目前市場對現金流量金額及時間不確定因素的評估的貼現率得出的貼現現金流量預測。

進一步詳情(包括用作計量公允價值的主要假設)載列於財務報表中的附註15。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Estimation uncertainty (Cont'd)

Recognition and allocation of construction cost on properties under development (Cont'd)

When developing properties, the Group may divide the development projects into phases. Specific costs directly related to the development of a phase are recorded as the cost of such phase. Costs that are common to phases are allocated to individual phases based on the estimated saleable area of the entire project.

Where the final settlement of costs and the related cost allocation is different from the initial estimates, any increase or decrease in the development costs and other costs would affect the profit or loss in future years.

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

- (i) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;
- (ii) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the dates of the transactions that occurred at those prices; and
- (iii) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

Further details, including the key assumptions used for fair value measurement, are given in note 15 to the financial statements.

3. 重大會計判斷及估計(續)

估計不確定因素(續)

金融工具的公允價值計量

截至二零一九年十二月三十一日，本集團金額為人民幣434,207,000元指定以公允價值計量且其變動計入其他全面收入的權益投資按公允價值計量，而相關公允價值使用估值方法根據不可觀察輸入數據釐定。於確定相關估值方法及所使用的相關輸入數據時須作出判斷及估計。與該等因素相關的假設變動可能影響該等工具的呈報公允價值。

應收貿易款項及合同資產的預期信貸損失撥備

本集團使用撥備矩陣計算應收貿易款項及合同資產的預期信貸損失。撥備率基於具有類似損失模式的多個客戶分部組別(即客戶類型及評級)的逾期日數計算。

撥備矩陣最初基於本集團的過往觀察違約率。本集團將校準矩陣以使用前瞻性資料調整過往信貸損失經驗。例如，倘預測經濟狀況(如國內生產總值)預期於未來一年內惡化，進而可能導致製造業的違約數量增加，則會對過往違約率進行調整。於各報告日期，將會更新過往觀察違約率並分析前瞻性估計變動。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Estimation uncertainty (Cont'd)

Fair value measurement of financial instruments

The Group's equity investments designated at FVOCI amounting to RMB434,207,000 as at 31 December 2019 are measured at fair values with fair values being determined based on unobserved inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair values of these instruments.

Provision for ECLs on trade receivable and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

3. 重大會計判斷及估計(續)

估計不確定因素(續)

應收貿易款項及合同資產的預期信貸損失撥備(續)

過往觀察違約率、預測經濟狀況及預期信貸損失間的相關性評估是一項重要估計。預期信貸損失的金額對環境變化及預測經濟狀況較為敏感。本集團的過往信貸損失經驗及對經濟狀況的預測亦可能無法代表客戶未來的實際違約。有關本集團應收貿易款項及合同資產的預期信貸損失的資料於財務報表附註22中披露。

租賃－估算增量借款利率

本集團無法輕易釐定租賃內所隱含的利率，因此，使用增量借款利率(「**增量借款利率**」)計量租賃負債。增量借款利率為本集團於類似經濟環境中為取得與使用權資產價值相近的資產，而以類似抵押品與類似期間借入所需資金應支付的利率。因此，增量借款利率反映本集團「應支付」的利率，當無可觀察的利率時(例如就並無訂立融資交易的附屬公司而言)或當須對利率進行調整以反映租賃之條款及條件時(例如當租賃並非以附屬公司的功能貨幣訂立時)，則須作出利率估計。當可觀察輸入數據可用時，本集團使用可觀察輸入數據(例如市場利率)估算增量借款利率並須作出若干實體特定的估計(例如附屬公司的獨立信貸評級)。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Estimation uncertainty (Cont'd)

Provision for ECLs on trade receivables and contract assets (Cont'd)

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in note 22 to the financial statements.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“**IBR**”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4. 運營分部資料

就管理而言，本集團由以下呈報運營分部組成：

- | | |
|-------------|------------------------------|
| (a) 物業開發： | 物業開發及銷售以及提供建築服務 |
| (b) 城市更新業務： | 銷售持作開發的土地及其他相關活動 |
| (c) 物業租賃： | 物業租賃(包括租賃自有物業及轉租租賃物業)及其他相關活動 |
| (d) 物業管理： | 提供物業管理服務 |

於二零一九年十二月十九日分拆時代鄰里控股有限公司(「時代鄰里」，其先前為物業管理的呈報分部)後，本集團剩餘三個呈報分部，分別為物業開發、城市更新業務及物業租賃。

為確定資源分配及績效評估，管理層會分別監督本集團運營分部的業績。分部績效將根據呈報分部損益予以評估，此乃除稅前經調整損益的一種計量方式。除稅前經調整損益始終根據本集團的除稅前利潤予以計量，惟銀行利息收入、非租賃相關融資成本、應佔合營企業及聯營公司損益以及總部及企業收入與開支排除在該計量之外。

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into the following reportable operating segments:

- | | |
|-----------------------------------|--|
| (a) Property development: | Development and sale of properties and provision of construction services |
| (b) Urban redevelopment business: | Sale of land held for development and other related activities |
| (c) Property leasing: | Property leasing (including the leasing of self-owned properties and subleasing of leased properties) and other related activities |
| (d) Property management: | Provision of property management services |

Upon the spin-off of Times Neighborhood Holdings Limited (“Times Neighborhood”) on 19 December 2019, which was previously of the reportable segment of property management, the Group has the remaining three reportable segments of property development, urban redevelopment business and property leasing.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group’s profit before tax except that bank interest income, non-lease-related finance costs, share of profits and losses of joint ventures and associates, as well as head office and corporate income and expenses are excluded from this measurement.

4. 運營分部資料(續)

本集團自外部客戶所得收入完全來自於其在中國內地的業務。除了本集團金額為1,253,000美元(相當於約人民幣8,726,000元)的若干指定以公允價值計量且其變動計入其他全面收入的權益投資(二零一八年：若干指定以公允價值計量且其變動計入其他全面收入的權益投資為1,238,000美元，相當於約人民幣8,521,000元)及本公司金額為人民幣4,081,000元(二零一八年：人民幣5,066,000元)的物業、廠房及設備外，本集團的非流動資產均位於中國內地。除了本集團金額合共為3,862,826,000美元(相當於約人民幣24,750,173,000元)(二零一八年：合共2,395,125,000美元，相當於約人民幣16,482,148,000元)的優先票據及銀團貸款的若干計息銀行及其他借款以及應付利息外，本集團的負債均位於中國內地。

分部資產不包括於合營企業的權益、於聯營公司的權益、指定以公允價值計量且其變動計入其他全面收入的權益投資、遞延稅項資產、應收合營企業的款項、應收聯營公司的款項、預繳稅款、受限制銀行存款、現金及現金等價物，以及其他未分配的總部及企業資產，因該等資產乃以組別基準予以管理。

分部負債不包括應付合營企業的款項、計息銀行及其他借款、應付利息、應付稅項、遞延稅項負債，其他長期應付款項以及其他未分配的總部及企業負債，因該等負債乃以組別基準予以管理。

年內，概無來自單一外部客戶交易的收入佔本集團收入總額10%或以上(二零一八年：無)。

4. OPERATING SEGMENT INFORMATION (CONT'D)

The Group's revenue from external customers is derived solely from its operations in Mainland China. Except for the Group's certain equity investments designated at FVOCI amounting to USD1,253,000 (approximately equivalent to RMB8,726,000) (2018: certain equity investments designated at FVOCI amounting to USD1,238,000 (approximately equivalent to RMB8,521,000)) and the Company's property, plant and equipment of RMB4,081,000 (2018: RMB5,066,000), the Group's non-current assets are located in Mainland China. Except for the Group's certain interest-bearing bank and other borrowings of senior notes and syndicated loans, and interest payable amounting to USD3,862,826,000 in total (approximately equivalent to RMB24,750,173,000) (2018: USD2,395,125,000 in total (approximately equivalent to RMB16,482,148,000)), the Group's liabilities are located in Mainland China.

Segment assets exclude interests in joint ventures, interests in associates, equity investments designated at FVOCI, deferred tax assets, amounts due from joint ventures, amounts due from associates, tax prepayments, restricted bank deposits, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude amounts due to joint ventures, interest-bearing bank and other borrowings, interest payable, tax payable, deferred tax liabilities, other long-term payables and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

During the year, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue (2018: Nil).

4. 運營分部資料(續)

4. OPERATING SEGMENT INFORMATION (CONT'D)

截至二零一九年 十二月三十一日止年度	Year ended 31 December 2019	物業開發 Property development 人民幣千元 RMB'000	城市更新業務 Urban redevelopment business 人民幣千元 RMB'000	物業租賃 Property leasing 人民幣千元 RMB'000	物業管理 Property management 人民幣千元 RMB'000	抵銷 Elimination 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
分部收入(附註5)	Segment revenue (note 5)						
外部客戶銷售	Sales to external customers	39,079,896	2,167,574	461,056	724,857	-	42,433,383
分部間銷售	Intersegment sales	-	-	46,784	231,173	(277,957)	-
		39,079,896	2,167,574	507,840	956,030	(277,957)	42,433,383
分部業績	Segment results	8,734,204	1,074,632	165,362	45,315	-	10,019,513
對賬:	Reconciliation:						
銀行利息收入	Bank interest income						284,827
未分配的企業支出	Unallocated corporate expenses						(259,424)
融資成本(租賃負債的 利息除外)	Finance costs (other than interest on lease liabilities)						(914,706)
應佔合營企業及 聯營公司損益	Share of profits and losses of joint ventures and associates						1,208,769
除稅前利潤	Profit before tax						10,338,979
分部資產	Segment assets	93,267,674	10,136,828	4,429,268	-	-	107,833,770
對賬:	Reconciliation:						
未分配的資產	Unallocated assets						53,264,314
資產總額	Total assets						161,098,084
分部負債	Segment liabilities	54,944,937	740,570	2,072,517	-	-	57,758,024
對賬:	Reconciliation:						
未分配的負債	Unallocated liabilities						67,635,705
負債總額	Total liabilities						125,393,729
其他分部資料	Other segment information						
金融資產減值虧損	Impairment losses on financial assets	(49,118)	(2,946)	(977)	215	-	(52,826)
商譽減值	Impairment of goodwill	(306,094)	-	-	-	-	(306,094)
出售金融資產虧損	Loss on disposals of financial assets	(41,914)	-	-	-	-	(41,914)
物業、廠房及設備折舊	Depreciation of property, plant and equipment	(62,587)	(87)	(31,691)	(4,349)	-	(98,714)
使用權資產折舊	Depreciation of right-of-use assets	(44,199)	-	(817)	-	-	(45,016)
其他無形資產攤銷:	Amortisation of other intangible assets						
已分配的金額	Allocated amounts	(11,789)	-	(128)	(135)	-	(12,052)
未分配的金額	Unallocated amounts						(667)
投資物業的公允價值 收益	Fair value gains on investment properties	-	-	15,712	-	-	15,712

4. 運營分部資料(續)

4. OPERATING SEGMENT INFORMATION (CONT'D)

截至二零一八年 十二月三十一日止年度	Year ended 31 December 2018	物業開發 Property development 人民幣千元 RMB'000	城市更新業務 Urban redevelopment business 人民幣千元 RMB'000	物業租賃 Property leasing 人民幣千元 RMB'000	物業管理 Property management 人民幣千元 RMB'000	抵銷 Elimination 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
分部收入(附註5)	Segment revenue (note 5)						
外部客戶銷售	Sales to external customers	30,779,000	2,775,626	328,044	492,340	-	34,375,010
分部間銷售	Intersegment sales	9,585	-	37,698	165,142	(212,425)	-
		30,788,585	2,775,626	365,742	657,482	(212,425)	34,375,010
分部業績	Segment results	7,803,200	1,765,213	20,681	54,612	-	9,643,706
<i>對賬：</i>	<i>Reconciliation:</i>						
銀行利息收入	Bank interest income						148,010
未分配的企業支出	Unallocated corporate expenses						(455,341)
融資成本	Finance costs						(667,219)
應佔合營企業及 聯營公司損益	Share of profits and losses of joint ventures and associates						(330,531)
除稅前利潤	Profit before tax						8,338,625
分部資產	Segment assets	76,298,588	7,762,244	2,807,154	520,829	-	87,388,815
<i>對賬：</i>	<i>Reconciliation:</i>						
未分配的資產	Unallocated assets						41,663,361
資產總額	Total assets						129,052,176
分部負債	Segment liabilities	36,889,809	944,665	452,632	267,754	-	38,554,860
<i>對賬：</i>	<i>Reconciliation:</i>						
未分配的負債	Unallocated liabilities						58,201,124
負債總額	Total liabilities						96,755,984
其他分部資料	Other segment information						
金融資產減值損失	Impairment losses on financial assets	(40,208)	(435)	(143)	(215)	-	(41,001)
商譽減值	Impairment of goodwill	-	(9,719)	-	-	-	(9,719)
出售金融資產的虧損	Loss on disposals of financial assets	(17,851)	-	-	-	-	(17,851)
物業、廠房及設備折舊	Depreciation of property, plant and equipment	(35,389)	(6,782)	(83,546)	(5,069)	-	(130,786)
無形資產攤銷	Amortisation of intangible assets						
已分配的金額	Allocated amounts	(10,143)	-	(128)	(895)	-	(11,166)
未分配的金額	Unallocated amounts						(667)
投資物業的公允價值 收益	Fair value gains on investment properties	-	-	26,491	-	-	26,491

5. 收入、其他收入及收益

本集團收入的分析如下：

5. REVENUE, OTHER INCOME AND GAINS

An analysis of the Group's revenue is as follows:

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
來自客戶合同收入	Revenue from contracts with customers	41,972,327	34,046,966
來自其他來源收入	Revenue from other sources		
來自投資物業經營租賃的	Gross rental income from investment		
租賃收入總額：	property operating leases:		
租賃自有物業	Leases of self-owned properties	22,646	22,705
轉租租賃物業	Subleases of leased properties	438,410	305,339
		461,056	328,044
		42,433,383	34,375,010

來自客戶合同收入

(i) 分拆收入資料
截至二零一九年十二月三十一日止
年度

Revenue from contracts with customers

(i) Disaggregated revenue information
For the year ended 31 December 2019

分部	Segments	物業開發	城市更新業務	物業管理	總計
		Property development	Urban redevelopment business	Property management	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
貨品或服務種類	Type of goods or services				
出售已竣工物業	Sale of completed properties	38,630,145	-	-	38,630,145
建造服務收入	Construction services income	449,751	-	-	449,751
城市更新收入	Urban redevelopment income	-	2,167,574	-	2,167,574
物業管理服務收入	Property management services income	-	-	724,857	724,857
來自客戶合同總收入	Total revenue from contracts with customers	39,079,896	2,167,574	724,857	41,972,327
收入確認時間	Time of revenue recognition				
於某一時點轉讓的貨品	Goods transferred at a point in time	38,630,145	2,167,574	-	40,797,719
隨時間轉讓的服務	Services transferred over time	449,751	-	724,857	1,174,608
來自客戶合同總收入	Total revenue from contracts with customers	39,079,896	2,167,574	724,857	41,972,327

5. 收入、其他收入及收益(續)

來自客戶合同收入(續)

(i) 分拆收入資料(續)

截至二零一八年十二月三十一日止
年度

分部	Segments	物業開發 Property development 人民幣千元 RMB'000	城市更新業務 Urban redevelopment business 人民幣千元 RMB'000	物業管理 Property management 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
貨品或服務種類	Type of goods or services				
出售已竣工物業	Sale of completed properties	30,779,000	-	-	30,779,000
城市更新收入	Urban redevelopment income	-	2,775,626	-	2,775,626
物業管理服務收入	Property management services income	-	-	492,340	492,340
來自客戶合同總收入	Total revenue from contracts with customers	30,779,000	2,775,626	492,340	34,046,966
收入確認時間	Time of revenue recognition				
於某一時點轉讓的貨品	Goods transferred at a point in time	30,779,000	2,775,626	-	33,554,626
隨時間轉讓的服務	Services transferred over time	-	-	492,340	492,340
來自客戶合同總收入	Total revenue from contracts with customers	30,779,000	2,775,626	492,340	34,046,966

5. REVENUE, OTHER INCOME AND GAINS (CONT'D)

Revenue from contracts with customers (Cont'd)

(i) Disaggregated revenue information (Cont'd)

For the year ended 31 December 2018

5. 收入、其他收入及收益(續)

來自客戶合同收入(續)

(i) 分拆收入資料(續)

來自客戶合同收入與於分部資料披露的金額的對賬載列如下：

截至二零一九年十二月三十一日止
年度

分部	Segments	物業開發	城市更新業務	物業管理	總計
		Property development	Urban redevelopment business	Property management	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
來自客戶合同收入	Revenue from contracts with customers				
外部客戶	External customers	39,079,896	2,167,574	724,857	41,972,327
分部間銷售	Intersegment sales	-	-	231,173	231,173
		39,079,896	2,167,574	956,030	42,203,500
抵銷	Elimination	-	-	(231,173)	(231,173)
來自客戶合同總收入	Total revenue from contracts with customers	39,079,896	2,167,574	724,857	41,972,327

截至二零一八年十二月三十一日止
年度

For the year ended 31 December 2019

For the year ended 31 December 2018

分部	Segments	物業開發	城市更新業務	物業管理	總計
		Property development	Urban redevelopment business	Property management	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
來自客戶合同收入	Revenue from contracts with customers				
外部客戶	External customers	30,779,000	2,775,626	492,340	34,046,966
分部間銷售	Intersegment sales	9,585	-	165,142	174,727
		30,788,585	2,775,626	657,482	34,221,693
抵銷	Elimination	(9,585)	-	(165,142)	(174,727)
來自客戶合同總收入	Total revenue from contracts with customers	30,779,000	2,775,626	492,340	34,046,966

5. 收入、其他收入及收益(續)

來自客戶合同收入(續)

(i) 分拆收入資料(續)

下表載列計入報告期初合同負債於本報告期內確認的收入金額：

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
出售已竣工物業	Sale of completed properties	12,861,956	10,037,225
物業管理服務收入	Property management services income	38,835	37,672
		12,900,791	10,074,897

(ii) 履約責任

有關本集團履約責任的資料概述如下：

出售已竣工物業

就出售已竣工物業與客戶訂立的合同而言，本集團於將相關物業轉讓予客戶前並無可強制執行付款的權利。因此，出售已竣工物業收入於已竣工物業轉讓予客戶的某一時點確認，即客戶取得已竣工物業的控制權且本集團擁有收取代價的現時權利及很可能收回代價之時。

5. REVENUE, OTHER INCOME AND GAINS (CONT'D)

Revenue from contracts with customers (Cont'd)

(i) Disaggregated revenue information (Cont'd)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of completed properties

For contracts entered into with customers on the sale of completed properties, the Group does not have an enforceable right to payment prior to transfer of the relevant properties to customer. Revenue from the sale of completed properties is therefore recognised at a point in time when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property and the Group has a present right to payment and collection of the consideration is probable.

5. 收入、其他收入及收益(續)

來自客戶合同收入(續)

(ii) 履約責任(續)

建築服務

履約責任隨提供的服務而獲履行，且款項一般於開出發票日期起三至九個月內到期。由於本集團收取最終款項的權利取決於客戶在合同規定的若干期間內對服務素質的滿意程度，故客戶保留若干比例款項，直到保留金期結束。

城市更新業務

履約責任於持作發展用途的土地或其他資產的控制權轉移予客戶之時獲履行。

5. REVENUE, OTHER INCOME AND GAINS (CONT'D)

Revenue from contracts with customers (Cont'd)

(ii) Performance obligations (Cont'd)

Construction services

The performance obligation is satisfied over time as services are rendered and payment is generally due within three to nine months from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

Urban redevelopment business

The performance obligation is satisfied at the point in time when control of the land held for development or other asset is transferred to the customer.

5. 收入、其他收入及收益(續)

來自客戶合同收入(續)

(ii) 履約責任(續)

物業管理服務

履約責任隨提供的服務而獲履行，且於提供服務前通常需要支付短期預付款項。物業管理服務合同期限長，並無明確到期日，故根據產生的時間開賬單。

於十二月三十一日，分配予剩餘履約責任(未履行或部分履行)的交易價格如下：

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
預計將確認為	Amounts expected to be		
收入的金額：	recognised as revenue:		
一年內	Within one year	17,215,082	26,960,319
一年以上	After one year	2,816,833	1,131,745
		20,031,915	28,092,064

預計將於一年後確認為收入的分配予剩餘履約責任的交易價格金額涉及出售具有重大融資部分的已竣工物業，且將於兩年內履行。

5. REVENUE, OTHER INCOME AND GAINS (CONT'D)

Revenue from contracts with customers (Cont'd)

(ii) Performance obligations (Cont'd)

Property management services

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. Property management service contracts are for periods of long time and have no definite expiration date, and are billed based on the time incurred.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to the sale of completed properties with a significant financing component and are to be satisfied within two years.

5. 收入、其他收入及收益(續)

5. REVENUE, OTHER INCOME AND GAINS (CONT'D)

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
其他收入	<i>Other income</i>		
銀行利息收入	Bank interest income	284,827	148,010
來自第三方及合營企業的 利息收入	Interest income from third parties and joint ventures	237,044	58,037
管理費收入	Management fee income	239,829	23,996
補償收入	Compensation income	92,722	110,548
其他	Others	70,335	78,336
		924,757	418,927
收益淨額	<i>Gains, net</i>		
部分出售一間合營企業權益 (並無失去共同控制權)的收益	Gain on partial disposal of an interest in a joint venture without loss of joint control	-	234,927
重新計量於一間合營企業的既有 權益(附註37(c))	Remeasurement of the pre-existing interest in a joint venture (note 37(c))	15,764	330,792
投資物業的公允價值收益 (附註15)	Fair value gains on investment properties (note 15)	15,712	26,491
撥回貿易應付款項的收益	Gain on write-back of trade payables	49,816	-
議價收購附屬公司的收益 (附註37(a))	Gain on bargain purchases of subsidiaries (note 37(a))	-	13,966
視作出售附屬公司收益	Gain on deemed disposals of subsidiaries	15,573	-
議價收購一間合營企業的收益	Gain on bargain purchase of a joint venture	8,156	-
出售以公允價值計量且其變動計入 損益的金融資產的收益	Gain on disposals of financial assets at fair value through profit or loss	3,643	-
外匯淨收益	Foreign exchange gain, net	356	5,462
		109,020	611,638
		1,033,777	1,030,565

6. 除稅前利潤

本集團的除稅前利潤已扣除／(計入)下列各項：

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	附註 Notes	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
已出售已竣工物業成本	Cost of completed properties sold	27,850,302	22,171,138
提供建築服務成本	Cost of construction services provided	440,756	–
城市更新業務成本	Cost of urban redevelopment business	1,082,024	982,656
租賃自有物業的直接經營開支 (包括維修及保養)	Direct operating expenses (including repairs and maintenance) arising on leasing of self-owned properties	6,159	2,874
租賃物業的轉租業務的直接經營開支(包括維修及保養) (二零一八年：包括租金及租賃物業裝修折舊)	Direct operating expenses (including repairs and maintenance) (2018: including rental and depreciation of leasehold improvements) arising on subleasing of leased properties	87,464	189,079
提供物業管理服務的成本	Cost of property management services provided	531,041	408,415
物業、廠房及設備折舊	Depreciation of property, plant and equipment	13 98,714	130,786
使用權資產折舊	Depreciation of right-of-use assets	14(b) 45,016	–
其他無形資產攤銷	Amortisation of other intangible assets	12,719	11,833
投資物業公允價值的變動	Changes in fair value of investment properties	15 (15,712)	(26,491)
核數師薪酬	Auditors' remuneration	9,377	8,335
員工福利開支 (不包括董事及最高行政人員薪酬 (附註8))：	Employee benefit expense (excluding directors' and chief executive's remuneration (note 8))：		
工資及薪金	Wages and salaries	1,411,618	1,217,122
退休金計劃供款	Pension scheme contributions	115,772	62,446
減：開發中物業的資本化金額	Less: Amount capitalised in properties under development	(690,073)	(599,868)
		837,317	679,700

6. 除稅前利潤(續)

本集團的除稅前利潤已扣除/(計入)下列各項：(續)

6. PROFIT BEFORE TAX (CONT'D)

The Group's profit before tax is arrived at after charging/(crediting): (Cont'd)

	附註 Notes	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
辦公室物業及轉租業務的租賃物業的經營租賃最低租賃款項	Minimum lease payments under operating leases regarding office premises and leased properties for the subleasing business	-	147,605
未計入租賃負債計量的租賃付款	Lease payments not included in the measurement of lease liabilities	14(d) 20,927	-
附屬公司的議價收購收益	Gain on bargain purchases of subsidiaries	-	(13,966)
視作出售附屬公司收益	Gain on deemed disposals of subsidiaries	38 (15,573)	-
議價收購一間合營企業的收益	Gain on bargain purchase of a joint venture	(8,156)	-
出售以公允價值計量且其變動計入損益的金融資產的收益	Gain on disposals of financial assets at fair value through profit or loss	(3,643)	-
部分出售一間合營企業權益(並無失去共同控制權)的收益	Gain on partial disposal of an interest in a joint venture without loss of joint control	-	(234,927)
重新計量於一間合營企業的既有權益	Remeasurement of the pre-existing interests in a joint venture	37(c) (15,764)	(330,792)
出售物業、廠房及設備項目的虧損	Loss on disposal of items of property, plant and equipment	827	1,646
金融資產減值虧損：	Impairment losses on financial assets:		
應收貿易款項減值虧損	Impairment loss on trade receivables	22 33,855	20,206
計入預付款項、按金及其他應收款項的金融資產減值虧損	Impairment loss on financial assets included in prepayments, deposits and other receivables	23 18,971	20,795
出售金融資產的虧損	Loss on disposal of financial assets	41,914	17,851
商譽減值	Impairment of goodwill	16 306,094	9,719
外匯淨差額	Foreign exchange differences, net	(356)	(5,462)
提前贖回優先票據所付的溢價	Premium paid on early redemption of senior notes	-	106,964

7. 融資成本

來自持續經營的融資成本分析如下：

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
利息開支	Interest expense	4,333,985	3,184,996
收入合同產生的利息開支	Interest expense arising from revenue contracts	298,195	128,594
租賃負債利息(附註14(c))	Interest on lease liabilities (note 14(c))	96,144	–
未以公允價值計量且其變動計入損益的金融負債利息開支總額	Total interest expense on financial liabilities not at fair value through profit or loss	4,728,324	3,313,590
減：資本化利息	Less: Interest capitalised	(3,717,474)	(2,646,371)
		1,010,850	667,219

7. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

8. 董事及最高行政人員薪酬

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條以及公司(披露董事利益資料)規例第2部披露的董事及最高行政人員的年度薪酬如下：

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
袍金	Fees	933	933
其他酬金：	Other emoluments:		
薪金、津貼及實物利益	Salaries, allowances and benefits in kind	14,684	15,049
表現掛鈎花紅	Performance-related bonuses	50,333	17,658
退休金計劃供款	Pension scheme contributions	522	301
		65,539	33,008
		66,472	33,941

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

於截至二零一九年及二零一八年十二月三十一日止年度，概無董事及最高行政人員獲授購股權。

For the years ended 31 December 2019 and 2018, no directors and chief executive were granted share options.

8. 董事及最高行政人員薪酬 (續)

(a) 獨立非執行董事

年內已支付予獨立非執行董事的袍金如下：

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
孫惠女士	Ms. Sun Hui	311	311
黃偉文先生	Mr. Wong Wai Man	311	311
靳慶軍先生	Mr. Jin Qingjun	311	311
		933	933

年內並無應付獨立非執行董事的其他酬金(二零一八年：無)。

(b) 執行董事及最高行政人員

		薪金、津貼 及實物利益 Salaries, allowances and benefits in kind 人民幣千元 RMB'000	表現掛鈎 花紅 Performance related bonuses 人民幣千元 RMB'000	退休金 計劃供款 Pension scheme contributions 人民幣千元 RMB'000	薪酬總額 Total remuneration 人民幣千元 RMB'000
截至二零一九年 十二月三十一日 止年度	Year ended 31 December 2019				
岑先生	Mr. Shum	3,318	12,588	88	15,994
關建輝先生	Mr. Guan Jianhui	2,668	7,662	88	10,418
白錫洪先生	Mr. Bai Xihong	2,649	12,426	88	15,163
李強先生	Mr. Li Qiang	2,500	8,360	88	10,948
岑兆雄先生	Mr. Shum Siu Hung	1,651	3,036	82	4,769
牛霽旻先生	Mr. Niu Jimin	1,898	6,261	88	8,247
		14,684	50,333	522	65,539

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONT'D)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

There were no other emoluments payable to the independent non-executive directors during the year (2018: Nil).

(b) Executive directors and the chief executive

**8. 董事及最高行政人員薪酬
(續)**

**(b) 執行董事及最高行政人員
(續)**

**8. DIRECTORS' AND CHIEF EXECUTIVE'S
REMUNERATION (CONT'D)**

**(b) Executive directors and the chief executive
(Cont'd)**

		薪金、津貼 及實物利益 Salaries, allowances and benefits in kind 人民幣千元 RMB'000	表現掛鈎 花紅 Performance related bonuses 人民幣千元 RMB'000	退休金 計劃供款 Pension scheme contributions 人民幣千元 RMB'000	薪酬總額 Total remuneration 人民幣千元 RMB'000
截至二零一八年 十二月三十一日 止年度	Year ended 31 December 2018				
岑先生	Mr. Shum	3,721	6,541	51	10,313
關建輝先生	Mr. Guan Jianhui	2,708	2,714	53	5,475
白錫洪先生	Mr. Bai Xihong	2,689	2,693	53	5,435
李強先生	Mr. Li Qiang	2,328	2,811	53	5,192
岑兆雄先生	Mr. Shum Siu Hung	1,678	1,061	38	2,777
牛霽旻先生	Mr. Niu Jimin	1,925	1,838	53	3,816
		15,049	17,658	301	33,008

年內概無董事或最高行政人員放棄或同意放棄任何薪酬的安排(二零一八年：無)。

There was no arrangement under which a director or chief executive waived or agreed to waive any remuneration during the year (2018: Nil).

9. 五名最高薪酬僱員

年內，五名最高薪酬僱員包括三名董事(當中包括最高行政人員)(二零一八年：四名董事，當中包括最高行政人員)，該等董事的薪酬詳情載列於上述附註8。年內，剩餘兩名(二零一八年：一名)最高薪酬僱員(彼並非本公司的董事及最高行政人員)的薪酬詳情如下：

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
薪金、津貼及實物利益	Salaries, allowances and benefits in kind	3,503	1,905
表現掛鈎花紅	Performance related bonuses	21,441	2,658
退休金計劃供款	Pension scheme contributions	169	53
		25,113	4,616

薪酬介乎下列範圍的最高薪酬非董事及非首席執行官的僱員人數如下：

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員數目	
		二零一九年 2019	二零一八年 2018
5,000,001港元至10,000,000港元	HKD5,000,001 to HKD10,000,000	-	1
10,000,001港元至15,000,000港元	HKD10,000,001 to HKD15,000,000	2	-

10. 所得稅開支

本集團須按實體基準就產生自或源於本集團成員公司所屬及經營所在司法管轄區的利潤繳納所得稅。根據開曼群島及英屬維爾京群島規則與規例，本集團實體(於開曼群島及英屬維爾京群島註冊成立)毋須繳納任何所得稅。

香港利得稅

在香港產生估計應課稅溢利的香港利得稅法定稅率為16.5%(二零一八年：16.5%)。由於本集團於年內在香港並無產生應課稅溢利，故並無作出香港利得稅撥備(二零一八年：無)。

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors, including the chief executive (2018: four directors, including the chief executive), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining two (2018: one) highest paid employees who are neither a director nor chief executive of the Company are as follows:

10. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and BVI, the entities of the Group which were incorporated in the Cayman Islands and BVI are not subject to any income tax.

Hong Kong profits tax

The statutory rate of Hong Kong profits tax was 16.5% (2018: 16.5%) on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax was made as the Group had no assessable profits arising in Hong Kong during the year (2018: Nil).

10. 所得稅開支(續)

中國企業所得稅(「企業所得稅」)

根據現行法規、詮釋及慣例，本集團有關於中國內地經營業務的所得稅撥備按兩個年度的應課稅利潤以適用稅率計算。本集團若干中國附屬公司於兩個年度內可享有15%的優惠企業所得稅率。

中國土地增值稅(「土地增值稅」)

中國土地增值稅以土地增值按累進稅率介乎30%至60%之累進稅率，即銷售已竣工物業所得款項減可扣除開支(包括土地成本、借款成本及相關物業開發開支)，且按所得稅開支計入綜合損益表中。

10. INCOME TAX EXPENSE (CONT'D)

PRC corporate income tax ("CIT")

The Group's income tax provision in respect of its operations in mainland China has been calculated at the applicable tax rates on the taxable profits for both years, based on the existing legislation, interpretations and practices in respect thereof. Certain of the Group's PRC subsidiaries enjoyed a preferential CIT rate of 15% during both years.

PRC land appreciation tax ("LAT")

PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of completed properties less deductible expenditures including cost of land, borrowing costs and relevant property development expenditures, and is included in the consolidated statement of profit or loss as income tax expense.

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
即期：	Current:		
企業所得稅	CIT	2,853,316	2,808,394
土地增值稅	LAT	2,978,954	1,327,257
遞延(附註20)	Deferred (note 20)	(1,053,752)	(608,169)
年度稅項支出總額	Total tax charge for the year	4,778,518	3,527,482

10. 所得稅開支(續)

使用法定稅率計算的除稅前利潤的適用稅項開支與按實際稅率計算的稅項開支的對賬及適用稅率(即法定稅率)與實際稅率的對賬如下：

10. INCOME TAX EXPENSE (CONT'D)

A reconciliation of the tax expense applicable to profit before tax using the statutory tax rate to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

		二零一九年 2019		二零一八年 2018	
		人民幣千元 RMB'000	%	人民幣千元 RMB'000	%
除稅前利潤	Profit before tax	10,338,979		8,338,625	
按中國法定稅率計算的稅項	Tax at the PRC statutory tax rate	2,584,745	25.0	2,084,656	25.0
調整若干公司的不同稅率	Adjustment for different tax rates of certain companies	131,420	1.3	81,329	1.0
毋須繳稅的收入	Income not subject to tax	(84,079)	(0.8)	(43,405)	(0.5)
不可扣稅的支出	Expenses not deductible for tax	450,986	4.4	94,400	1.1
土地增值稅撥備	Provision for LAT	2,618,603	25.3	1,250,665	15.0
土地增值稅的稅務影響	Tax effect of LAT	(654,651)	(6.3)	(312,666)	(3.7)
未確認的稅項虧損	Tax losses not recognised	22,669	0.2	268,664	3.2
自過往期間起動用的稅項虧損	Tax losses utilised from previous periods	(177,801)	(1.7)	(7,673)	(0.1)
應佔聯營公司及合營企業 損益	Profits and losses attributable to associates and joint ventures	(302,192)	(2.9)	82,633	1.0
中國內地附屬公司 未分配利潤的預扣稅	Withholding taxes on undistributed profits of the subsidiaries in Mainland China	188,818	1.8	28,879	0.3
按本集團的實際稅率計算的 稅項支出	Tax charge at the Group's effective rate	4,778,518	46.3	3,527,482	42.3

11. 股息

(a) 股息

二零一八年的建議末期股息每股人民幣68.77分(合共人民幣1,335,388,000元)已由本公司股東於二零一九年五月十七日舉行的股東週年大會上批准，並於二零一九年七月派發。

董事會建議派發截至二零一九年十二月三十一日止年度的末期股息每股人民幣84.45分，合共人民幣1,639,865,000元(二零一八年：人民幣68.77分)。

本年度的建議末期股息須待本公司股東於應屆股東週年大會上批准，方可作實。

(b) 實物分派

於二零一九年十二月十九日(「分派日期」)，本公司就本公司當時的全資附屬公司時代鄰里於聯交所主板上市將時代鄰里的全部已發行股本分派予本公司當時的現有股東。自此，時代鄰里成為本公司的同系附屬公司，且本公司及時代鄰里於該分派前後最終均由佳名投資控制。本公司已確認以實物向股東分派人民幣139,339,000元，相當於本公司擁有人於分派日期應佔時代鄰里資產淨值的賬面值。

11. DIVIDENDS

(a) Dividends

The proposed 2018 final dividend of RMB68.77 cents per share totalling RMB1,335,388,000 was approved by the Company's shareholders at the annual general meeting on 17 May 2019 and was distributed in July 2019.

The board of directors recommended the payment of a final dividend of RMB84.45 cents per share totalling RMB1,639,865,000 for the year ended 31 December 2019 (2018: RMB68.77 cents).

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

(b) Distribution in specie

On 19 December 2019 (the "**Distribution Date**"), in connection with the listing of Times Neighborhood, the Company's then wholly-owned subsidiary, on the Main Board of the SEHK, the entire issued share capital of Times Neighborhood was distributed to the then existing shareholders of the Company. Since then, Times Neighborhood became a fellow subsidiary of the Company and both the Company and Times Neighborhood are ultimately controlled by Renowned Brand before and after the distribution. A distribution in specie to shareholders of RMB139,339,000 was recognised, which represented the carrying value of net assets of Times Neighborhood attributable to the owners of the Company as at the Distribution Date.

11. 股息

(b) 實物分派(續)

時代鄰里於分派日期的資產淨值詳情載列如下：

		人民幣千元 RMB'000
資產總額	Total assets	815,426
負債總額	Total liabilities	(676,087)
可識別資產淨值總額	Total identifiable net assets	139,339
分派予本公司擁有人應佔資產淨值的賬面值	Carrying value of net assets attributable to the owners of the Company distributed	139,339
由以下各項列示：	Represented by:	
— 留存利潤	— Retained profits	139,339

有關分派的現金及現金等價物流出淨額分析如下：

Analysis of net outflow of cash and cash equivalents in respect of the distribution:

		人民幣千元 RMB'000
分派所得款項現金	Cash proceeds on distribution	-
時代鄰里於分派日期的現金及現金等價物	Cash and cash equivalents of Times Neighborhood as at the Distribution Date	(163,287)
有關實物分派的已分派現金淨額	Net cash distributed in respect of the distribution in specie	(163,287)

12. 本公司普通權益持有人應佔每股盈利

每股基本及攤薄盈利乃根據本公司普通權益持有人應佔年度利潤及年內已發行普通股的加權平均數1,906,606,000股(二零一八年：1,833,817,000股)計算。

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculations of the basic and the diluted earnings per share amount are based on the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares of 1,906,606,000 (2018: 1,833,817,000) in issue during the year.

		二零一九年 2019	二零一八年 2018
本公司普通權益持有人應佔利潤(人民幣千元)	Profit attributable to ordinary equity holders of the Company (RMB'000)	5,212,623	4,399,190
已發行普通股的加權平均數(以千計)	Weighted average number of ordinary shares in issue (in thousand)	1,906,606	1,833,817
每股基本及攤薄盈利(每股人民幣分)	Basic and diluted earnings per share (RMB cents per share)	273	240

截至二零一九年及二零一八年十二月三十一日止年度，本集團均無任何已發行潛在攤薄普通股。

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2019 and 2018 respectively.

13. 物業、廠房及設備

13. PROPERTY, PLANT AND EQUIPMENT

		樓宇 Buildings 人民幣千元 RMB'000	租賃物業 裝修 Leasehold improve- ments 人民幣千元 RMB'000	傢俬、裝置及 辦公室設備 Furniture, fixtures and office equipment 人民幣千元 RMB'000	汽車 Motor vehicles 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
二零一九年十二月三十一日	31 December 2019					
成本：	Cost:					
於二零一九年一月一日	At 1 January 2019	895,113	971,247	184,161	27,794	2,078,315
採納國際財務會計準則 第16號的影響	Effect of adoption of IFRS 16	-	(723,410)	-	-	(723,410)
於二零一九年一月一日 (重列)	At 1 January 2019 (restated)	895,113	247,837	184,161	27,794	1,354,905
添置	Additions	-	101,604	13,917	1,591	117,112
收購附屬公司	Acquisition of subsidiaries	-	7,500	3,477	1,401	12,378
出售	Disposals	-	(1,016)	(5,841)	(1,611)	(8,468)
實物分派	Distribution in specie	-	(14,942)	(38,271)	(2,963)	(56,176)
出售及視作出售附屬公司	Disposals and deemed disposals of subsidiaries	-	-	(374)	-	(374)
轉撥自投資物業 (附註15)	Transfer from investment properties (note 15)	28,072	-	-	-	28,072
於二零一九年 十二月三十一日	At 31 December 2019	923,185	340,983	157,069	26,212	1,447,449
累計折舊：	Accumulated depreciation:					
於二零一八年十二月三十一日	At 31 December 2018	86,945	344,317	83,467	13,800	528,529
採納國際財務會計準則 第16號的影響	Effect of adoption of IFRS 16	-	(249,868)	-	-	(249,868)
於二零一九年一月一日 (重列)	At 1 January 2019 (restated)	86,945	94,449	83,467	13,800	278,661
本年度已撥備的折舊	Depreciation provided during the year	32,479	39,158	22,810	4,267	98,714
收購附屬公司	Acquisition of subsidiaries	-	736	2,640	1,083	4,459
出售	Disposals	-	(1,016)	(4,283)	(1,166)	(6,465)
實物分派	Distribution in specie	-	(6,117)	(15,766)	(2,105)	(23,988)
出售及視作出售附屬公司	Disposals and deemed disposals of subsidiaries	-	-	(34)	-	(34)
於二零一九年 十二月三十一日	At 31 December 2019	119,424	127,210	88,834	15,879	351,347
賬面淨額	Net carrying amount	803,761	213,773	68,235	10,333	1,096,102
於二零一八年十二月三十一日	31 December 2018					
成本：	Cost:					
於二零一八年一月一日	At 1 January 2018	706,409	897,996	161,711	27,184	1,793,300
添置	Additions	182	67,515	25,772	1,707	95,176
收購附屬公司	Acquisition of subsidiaries	-	6,031	15,044	1,089	22,164
出售	Disposals	-	(295)	(18,366)	(2,186)	(20,847)
轉撥自投資物業 (附註15)	Transfer from investment properties (note 15)	188,522	-	-	-	188,522
於二零一八年 十二月三十一日	At 31 December 2018	895,113	971,247	184,161	27,794	2,078,315
累計折舊：	Accumulated depreciation:					
於二零一八年一月一日	At 1 January 2018	63,893	262,545	77,433	10,493	414,364
本年度已撥備的折舊	Depreciation provided during the year	23,052	81,692	21,082	4,960	130,786
收購附屬公司	Acquisition of subsidiaries	-	124	21	424	569
出售	Disposals	-	(44)	(15,069)	(2,077)	(17,190)
於二零一八年 十二月三十一日	At 31 December 2018	86,945	344,317	83,467	13,800	528,529
賬面淨額	Net carrying amount	808,168	626,930	100,694	13,994	1,549,786

13. 物業、廠房及設備(續)

於二零一九年十二月三十一日，賬面淨額約人民幣495,792,000元(二零一八年：人民幣252,374,000元)的本集團若干樓宇已抵押予銀行，以取得授予本集團的銀行貸款(附註31(c))。

14. 租賃**本集團作為承租人**

本集團擁有用於其營運的物業、辦公室設備、汽車、樓宇等不同項目的租賃合同。本集團已提前作出一次性付款，以向業主收購租賃土地，租期為10至35年，且根據該等土地租賃條款，本集團將不會支付任何進一步款項。辦公室設備的租期通常介乎3至5年，而汽車的租期通常介乎2至5年。其他設備的租期通常為12個月或以下及/或個別價值較低。

(a) 預付土地租賃款項

於二零一八年十二月三十一日，於中國持作開發以作銷售目的的租賃土地的預付款項人民幣3,285,419,000元分類為預付土地租賃款項。於二零一九年，為進行管理，本集團已將二零一九年十二月三十一日結餘及比較數字重新分類為持作開發土地，並歸入物業存貨組別。

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

At 31 December 2019, certain of the Group's buildings with a net carrying amount of approximately RMB495,792,000 (2018: RMB252,374,000) were pledged to banks to secure bank loans granted to the Group (note 31(c)).

14. LEASES**The Group as a lessee**

The Group has lease contracts for various items of property, office equipment, motor vehicles, buildings used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 10 to 35 years, and no ongoing payments will be made under the terms of these land leases. Leases of office equipment generally have lease terms between 3 and 5 years, while motor vehicles generally have lease terms between 2 and 5 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value.

(a) Prepaid land lease payments

Upfront payments for leasehold lands in the PRC amounting to RMB3,285,419,000 held for development for sale purpose, were classified as prepaid land lease payments as at 31 December 2018. In 2019, the Group has reclassified the balance as at 31 December 2019 and the comparative figure as land held for development and grouped into inventories of properties for managing purpose.

14. 租賃(續)

本集團作為承租人(續)

(b) 使用權資產

年內本集團使用權資產的賬面值及變動如下：

		樓宇 Buildings 人民幣千元 RMB'000	辦公室設備 Office equipment 人民幣千元 RMB'000	汽車 Motor vehicles 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一九年一月一日	At 1 January 2019	91,376	113	3,275	94,764
添置	Additions	82,252	1,323	9,976	93,551
實物分派	Distribution in specie	(4,922)	-	(191)	(5,113)
年內已計提撥備的折舊	Depreciation provided during the year	(40,509)	(208)	(4,299)	(45,016)
於二零一九年十二月三十一日	At 31 December 2019	128,197	1,228	8,761	138,186

14. LEASES (CONT'D)

The Group as a lessee (Cont'd)

(b) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

14. 租賃(續)

本集團作為承租人(續)

(c) 租賃負債

年內租賃負債的賬面值及變動如下：

14. LEASES (CONT'D)

The Group as a lessee (Cont'd)

(c) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

		二零一九年 2019 人民幣千元 RMB'000
於一月一日的賬面值	Carrying amount at 1 January	1,183,136
新租賃	New leases	93,551
收購附屬公司(附註37(a))	Acquisition of subsidiaries (note 37(a))	10,089
實物分派	Distribution in specie	(13,765)
年內已確認利息	Interest recognised during the year	96,144
付款	Payments	(142,725)
於十二月三十一日的賬面值	Carrying amount at 31 December	1,226,430
分析為：	Analysed into:	
流動部分	Current portion	51,959
非流動部分	Non-current portion	1,174,471
分析為：	Analysed into:	
一年內	Within one year	51,959
第二年	In the second year	33,698
第三至第五年(包含首尾兩年)	In the third to fifth years, inclusive	51,457
超過五年	Beyond five years	1,089,316
		1,226,430

14. 租賃(續)

本集團作為承租人(續)

(d) 於損益中確認的租賃相關款項如下：

14. LEASES (CONT'D)

The Group as a lessee (Cont'd)

(d) The amounts recognised in profit or loss in relation to leases are as follows:

		二零一九年 2019 人民幣千元 RMB'000
租賃負債利息	Interest on lease liabilities	96,144
使用權資產折舊	Depreciation of right-of-use assets	45,016
與短期租賃及餘下租期 於二零一九年十二月三十一日或 之前屆滿的其他租賃有關的開支 (計入行政開支)	Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019 (included in administrative expenses)	18,234
與低價值資產租賃有關的開支 (計入行政開支)	Expense relating to leases of low-value assets (included in administrative expenses)	2,693
於損益中確認的款項總額	Total amount recognised in profit or loss	162,087

14. 租賃(續)

本集團作為承租人(續)

- (e) 租賃現金流出及與尚未開始租賃有關的未來現金流出總額分別於財務報表附註39(c)及42披露。

本集團作為出租人

本集團根據經營租賃安排於中國出租其投資物業(附註15)，包括九項商業物業。租賃條款通常要求租戶支付保證金並根據當時市況定期調整租金。年內，本集團的已確認租金收入為人民幣461,056,000元(二零一八年：人民幣328,044,000元)，詳情載於財務報表附註5。

於二零一九年十二月三十一日，根據與租戶的不可撤銷經營租賃，本集團於未來期間的應收未貼現租賃款項如下：

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
一年內	Within one year	367,145	231,356
一年以上但兩年以內	After one year but within two years	264,530	303,312
兩年以上但三年以內	After two years but within three years	194,791	165,351
三年以上但四年以內	After three years but within four years	139,421	131,903
四年以上但五年以內	After four years but within five years	50,183	84,206
超過五年	After five years	156,752	204,592
		1,172,822	1,120,720

14. LEASES (CONT'D)

The Group as a lessee (Cont'd)

- (e) The total cash outflows for leases and future cash outflows relating to leases that have not yet commenced are disclosed in notes 39(c) and 42, respectively, to the financial statements.

The Group as a lessor

The Group leases its investment properties (note 15) consisting of 9 commercial properties in the PRC under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB461,056,000 (2018: RMB328,044,000), details of which are included in note 5 to the financial statements.

At 31 December 2019, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

15. 投資物業

15. INVESTMENT PROPERTIES

		已竣工 投資物業及 使用權資產	開發中 投資物業及 使用權資產	總計
		Completed investment properties and right-of-use assets	properties under development and right-of-use assets	Total
	附註 Notes	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於二零一八年一月一日的賬面值	Carrying amount at 1 January 2018	1,498,330	-	1,498,330
轉撥至自用物業	Transfer to owner-occupied properties	(188,522)	-	(188,522)
公允價值變動	Changes in fair value	26,491	-	26,491
於二零一八年十二月三十一日的賬面值	Carrying amount at 31 December 2018	1,336,299	-	1,336,299
採納國際財務報告準則第16號的影響	Effect of adoption of IFRS 16	977,315	1,016,137	1,993,452
於二零一九年一月一日的賬面值 (重列)	Carrying amount at 1 January 2019 (restated)	2,313,614	1,016,137	3,329,751
自投資開發中物業轉撥至已竣工投資物業	Transfer from investment properties under development to completed investment properties	797,447	(797,447)	-
添置	Additions	-	205,099	205,099
終止確認融資轉租	Derecognition of financing subleases	(26,039)	(7,242)	(33,281)
轉撥至自用物業	Transfer to owner-occupied properties	(28,072)	-	(28,072)
公允價值變動	Changes in fair value	(2,381)	18,093	15,712
於二零一九年十二月三十一日的賬面值	Carrying amount at 31 December 2019	3,054,569	434,640	3,489,209

本集團的投資物業包括於中國內地的九項商業物業。本公司董事決定，根據各項物業的所有權，投資物業包括兩類資產，即業主自用投資物業及轉租投資物業。投資物業主要根據經營租賃安排出租予第三方，進一步詳情概要載於財務報表附註14。

The Group's investment properties consist of 9 commercial properties in Mainland China. The directors of the Company have determined that the investment properties consist of two classes of asset, i.e., owner-occupied investment properties and sub-leased investment properties, based on the ownership of each property. The investment properties are mainly leased to third parties under operating lease arrangements, further summary details of which are included in note 14 to the financial statements.

15. 投資物業(續)

於二零一九年十二月三十一日，本集團自用投資物業的公開市值由獨立合資格專業估值師公司戴德梁行有限公司按現有用途基準重新估值為人民幣1,326,240,000元(二零一八年：人民幣1,336,299,000元)。

於採納國際財務報告準則第16號後，本集團用於轉租活動的七項使用權資產滿足投資物業的定義，並於其後以公允價值計量。於二零一九年十二月三十一日，本集團轉租投資物業的公開市值由獨立合資格專業估值師公司廣東致信資產評估房地產土地估價有限公司(Guangdong Zhixin Assets Evaluation Real Estate Land Appraisal Co., Ltd.)按現有用途基準重新估值為人民幣2,162,969,000元。

本集團每半年選定並委任一名外聘估值師負責對本集團物業進行外部估值，甄選標準包括市場知識、聲譽、獨立性及是否維持專業水準。本集團於就財務申報目的進行估值時與該估值師就估值假設及估值結果進行商討。

於二零一九年十二月三十一日，本集團金額約人民幣579,426,000元(二零一八年：人民幣861,045,000元)的若干自用投資物業已作抵押，以取得授予本集團的銀行貸款(附註31(c))。

15. INVESTMENT PROPERTIES (CONT'D)

The Group's owner-occupied investment properties were revalued on 31 December 2019 at RMB1,326,240,000 (2018: RMB1,336,299,000) by DTZ Cushman & Wakefield Limited, an independent firm of professionally qualified valuers, on an open market, existing use basis.

Upon the adoption of IFRS 16, seven of the Group's right-of-use assets, which are used in sub-leasing activities, meet the definition of investment properties, and are subsequently measured at fair value. The Group's sub-leased investment properties were revalued on 31 December 2019 at RMB2,162,969,000 by Guangdong Zhixin Assets Evaluation Real Estate Land Appraisal Co., Ltd., an independent firm of professionally qualified valuers, on an open market, existing use basis.

Every half year, the Group decides to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group has discussions with the valuer on the valuation assumptions and valuation results when the valuation is performed for financial reporting.

At 31 December 2019, certain of the Group's owner-occupied investment properties with an amount of approximately RMB579,426,000 (2018: RMB861,045,000) were pledged to secure the bank loans granted to the Group (note 31(c)).

15. 投資物業(續)

公允價值層級

於二零一九年及二零一八年十二月三十一日，本集團的投資物業的公允價值採用重大不可觀察輸入數據(第三級)計量。

年內，第一級與第二級之間並無公允價值計量轉移，亦無公允價值計量轉入或轉出第三級(二零一八年：無)。

投資物業所用估值方法及估值的重大輸入數據的概要載列如下：

業主自用物業

估值方法	重大不可觀察 輸入數據	範圍或加權平均數	
		二零一九年	二零一八年
時代地產中心 -零售	直接比較法 市場單位銷售率 (每平方米 (「平方米」) 人民幣元)	53,950至 83,000	41,500至 83,000
時代地產中心 -辦公室	直接比較法 市場單位銷售率 (每平方米 人民幣元)	31,000	30,600
時代地產中心 -停車位	直接比較法 市場單位銷售率 (每個車位 人民幣元)	510,000	510,000
時代傾城(中山) 第26座： -1樓至3樓	投資法 年期收益率復歸 收益率市場 單位月租金 (每平方米 人民幣元)	3.50% 4.00% 73至91	3.50% 4.00% 65至108
時代傾城(中山) 第26座： -4樓至5樓	投資法 年期收益率復歸 收益率市場 單位月租金 (每平方米 人民幣元)	4.00% 4.50% 48至64	4.00% 4.50% 43至54

15. INVESTMENT PROPERTIES (CONT'D)

Fair value hierarchy

As at 31 December 2019 and 2018, fair values of the Group's investment properties were measured using significant unobservable inputs (Level 3).

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2018: Nil).

Below is a summary of the valuation techniques used and the key inputs to the valuations of investment properties:

Owner-occupied properties

Valuation techniques	Significant unobservable inputs	Range or weighted average	
		2019	2018
Times Property Center - Retail	Direct comparison method Market unit sale rate (RMB/square metre ("sq.m."))	53,950 to 83,000	41,500 to 83,000
Times Property Center - Office	Direct comparison method Market unit sale rate (RMB/sq.m.)	31,000	30,600
Times Property Center - Car parking	Direct comparison method Market unit sale rate (RMB/space)	510,000	510,000
Block No. 26 of Times King City (Zhongshan): - 1st to 3rd Floors	Investment method Term yield Reversionary yield Market unit monthly rental (RMB/sq.m.)	3.50% 4.00% 73 to 91	3.50% 4.00% 65 to 108
Block No. 26 of Times King City (Zhongshan): - 4th to 5th Floors	Investment method Term yield Reversionary yield Market unit monthly rental (RMB/sq.m.)	4.00% 4.50% 48 to 64	4.00% 4.50% 43 to 54

15. 投資物業(續)

公允價值層級(續)

轉租物業

	估值方法	重大不可觀察 輸入數據	範圍或 加權平均數
			二零一九年
時代•寶灣國際物流園 —倉庫	投資法	估用率	55%-85%
		貼現率	7.00%
		市場單位每月租金 (每平方米人民幣元)	27至37
時代•寶灣國際物流園 —辦公室	投資法	估用率	60%-80%
		貼現率	7.50%
		市場單位每月租金 (每平方米人民幣元)	30至40
時代•寶灣國際物流園 —停車位	投資法	貼現率	7.50%
		市場單位每月租金 (每個車位人民幣元)	2,202至 5,918
時代TIT廣場 —零售	投資法	估用率	75%-85%
		貼現率	8.00%
		市場單位每月租金 (每平方米人民幣元)	63至69
時代TIT廣場 —辦公室	投資法	估用率	75%-85%
		貼現率	7.50%
		市場單位每月租金 (每平方米人民幣元)	62至68
時代鑽匯方洲 —零售	投資法	估用率	70%-85%
		貼現率	8.00%
		市場單位每月租金 (每平方米人民幣元)	46至64
時代鑽匯方洲 —辦公室	投資法	估用率	70%-85%
		貼現率	7.50%
		市場單位每月租金 (每平方米人民幣元)	44至60
時代鑽匯方洲 —停車位	投資法	貼現率	7.50%
		市場單位每月租金 (每個車位人民幣元)	367至508

15. INVESTMENT PROPERTIES (CONT'D)

Fair value hierarchy (Cont'd)

Subleased properties

	Valuation techniques	Significant unobservable inputs	Range or weighted average
			2019
Times • Blogis International LogisPark — Ware house	Investment method	Occupancy rate	55%-85%
		Discount rate	7.00%
		Market unit monthly rental (RMB/sq.m.)	27 to 37
Times • Blogis International LogisPark — Office	Investment method	Occupancy rate	60%-80%
		Discount rate	7.50%
		Market unit monthly rental (RMB/sq.m.)	30 to 40
Times • Blogis International LogisPark-Car parking	Investment method	Discount rate	7.50%
		Market unit monthly rental (RMB/space)	2,202 to 5,918
Times TIT Plaza — Retail	Investment method	Occupancy rate	75%-85%
		Discount rate	8.00%
		Market unit monthly rental (RMB/sq.m.)	63 to 69
Times TIT Plaza — Office	Investment method	Occupancy rate	75%-85%
		Discount rate	7.50%
		Market unit monthly rental (RMB/sq.m.)	62 to 68
Times ARK — Retail	Investment method	Occupancy rate	70%-85%
		Discount rate	8.00%
		Market unit monthly rental (RMB/sq.m.)	46 to 64
Times ARK — Office	Investment method	Occupancy rate	70%-85%
		Discount rate	7.50%
		Market unit monthly rental (RMB/sq.m.)	44 to 60
Times ARK — Car parking	Investment method	Discount rate	7.50%
		Market unit monthly rental (RMB/space)	367 to 508

15. 投資物業(續)

公允價值層級(續)

轉租物業(續)

	估值方法	重大不可觀察 輸入數據	範圍或 加權平均數	Valuation techniques	Significant unobservable inputs	Range or weighted average
			二零一九年			2019
時代遠景大韓城-零售	投資法	佔用率 貼現率 市場單位每月租金 (每平方米人民幣元)	70%-85% 8.00% 98至110	The Korea Town-Retail	Investment method Occupancy rate Discount rate Market unit monthly rental (RMB/sq.m.)	70%-85% 8.00% 98 to 110
時代遠景大韓城-辦公室	投資法	佔用率 貼現率 市場單位每月租金 (每平方米人民幣元)	70%-85% 7.50% 67至75	The Korea Town-Office	Investment method Occupancy rate Discount rate Market unit monthly rental (RMB/sq.m.)	70%-85% 7.50% 67 to 75
國際單位時尚科技園 -零售	投資法	佔用率 貼現率 市場單位每月租金 (每平方米人民幣元)	75%-85% 8.00% 62至70	Fashion Technology Park - Retail	Investment method Occupancy rate Discount rate Market unit monthly rental (RMB/sq.m.)	75%-85% 8.00% 62 to 70
國際單位時尚科技園 -辦公室	投資法	佔用率 貼現率 市場單位每月租金 (每平方米人民幣元)	75%-85% 7.50% 55至63	Fashion Technology Park - Office	Investment method Occupancy rate Discount rate Market unit monthly rental (RMB/sq.m.)	75%-85% 7.50% 55 to 63
時代E-PARK (番禺) -第一期 -零售	投資法	佔用率 貼現率 市場單位每月租金 (每平方米人民幣元)	70%-85% 8.00% 110至139	Times E-PARK (Pan Yu) - Phrase I - Retail	Investment method Occupancy rate Discount rate Market unit monthly rental (RMB/sq.m.)	70%-85% 8.00% 110 to 139
時代E-PARK (番禺) -第一期 -辦公室	投資法	佔用率 貼現率 市場單位每月租金 (每平方米人民幣元)	70%-85% 7.50% 95至119	Times E-PARK (Pan Yu) - Phrase I - Office	Investment method Occupancy rate Discount rate Market unit monthly rental (RMB/sq.m.)	70%-85% 7.50% 95 to 119
時代E-PARK (番禺) -第二期	成本法	土地使用權的 市場單位每月租金 (每平方米人民幣元) 貼現率	29至52 7.45%	Times E-PARK (Pan Yu) - Phrase II	Cost approach Market unit monthly rental of land use right (RMB/sq.m.) Discount rate	29 to 52 7.45%
時代•方洲 (海珠)	成本法	土地使用權的 市場單位每月租金 (每平方米人民幣元) 貼現率	21至42 7.45%	Times ARK (Hai Zhu)	Cost approach Market unit monthly rental of land use right (RMB/sq.m.) Discount rate	21 to 42 7.45%

15. INVESTMENT PROPERTIES (CONT'D)

Fair value hierarchy (Cont'd)

Subleased properties (Cont'd)

	Valuation techniques	Significant unobservable inputs	Range or weighted average
			2019
The Korea Town-Retail	Investment method	Occupancy rate Discount rate Market unit monthly rental (RMB/sq.m.)	70%-85% 8.00% 98 to 110
The Korea Town-Office	Investment method	Occupancy rate Discount rate Market unit monthly rental (RMB/sq.m.)	70%-85% 7.50% 67 to 75
Fashion Technology Park - Retail	Investment method	Occupancy rate Discount rate Market unit monthly rental (RMB/sq.m.)	75%-85% 8.00% 62 to 70
Fashion Technology Park - Office	Investment method	Occupancy rate Discount rate Market unit monthly rental (RMB/sq.m.)	75%-85% 7.50% 55 to 63
Times E-PARK (Pan Yu) - Phrase I - Retail	Investment method	Occupancy rate Discount rate Market unit monthly rental (RMB/sq.m.)	70%-85% 8.00% 110 to 139
Times E-PARK (Pan Yu) - Phrase I - Office	Investment method	Occupancy rate Discount rate Market unit monthly rental (RMB/sq.m.)	70%-85% 7.50% 95 to 119
Times E-PARK (Pan Yu) - Phrase II	Cost approach	Market unit monthly rental of land use right (RMB/sq.m.) Discount rate	29 to 52 7.45%
Times ARK (Hai Zhu)	Cost approach	Market unit monthly rental of land use right (RMB/sq.m.) Discount rate	21 to 42 7.45%

16. 商譽

16. GOODWILL

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
於一月一日	At 1 January	441,850	201,765
收購附屬公司(附註37(a))	Acquisition of subsidiaries (note 37(a))	21,611	249,804
實物分派	Distribution in specie	(68,841)	–
年內減值	Impairment during the year	(306,094)	(9,719)
於十二月三十一日 的成本及賬面淨額	Cost and net carrying amount at 31 December	88,526	441,850
於十二月三十一日：	At 31 December:		
成本	Cost	404,339	451,569
累計減值	Accumulated impairment	(315,813)	(9,719)
賬面淨額	Net carrying amount	88,526	441,850

商譽的減值測試

本集團透過業務合併獲得的商譽分配至下列現金產生單位(「現金產生單位」)以作減值測試。該等現金產生單位的可回收金額已根據使用價值計算釐定，採用的現金流量預期乃以高級管理層批准的財務預算(涵蓋六年期間)為基準。

Impairment testing of goodwill

The Group's goodwill acquired through business combinations was allocated to the following cash-generating units ("CGUs") for impairment testing. The recoverable amounts of the CGUs were determined based on value-in-use calculations using cash flow projections based on financial budgets covering six years' periods approved by senior management.

16. 商譽(續)

商譽的減值測試(續)

現金產生單位 CGU	商譽		主營業務 Principal business	財務預算 期間 Financial budget period	貼現率	
	Goodwill				Discount rate	
	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000			二零一九年 2019	二零一八年 2018
天韻(廣州) ⁽¹⁾ Horizon (Guangzhou) ⁽¹⁾	18,540	144,047	物業開發 Property development	六年 Six-year	8.21%	56.32%
廣州星勝 ⁽¹⁾ Guangzhou Xingsheng ⁽¹⁾	28,296	208,883	物業開發 Property development	六年 Six-year	13.14%	56.11%
廣州璟竣 Guangzhou Jingjun	31,202	31,202	物業開發 Property development	六年 Six-year	28.82%	21.70%
廣州利峰 Guangzhou Lifeng	10,488	10,488	物業管理 Property development	六年 Six-year	21.55%	14.52%
廣東駿安 ⁽²⁾ Guangdong Junan ⁽²⁾	-	18,732	電梯安裝及維修 Elevator installation and maintenance			
珠海原興 ⁽²⁾ Zhuhai Yuanxing ⁽²⁾	-	2,429	物業管理 Property management			
佛山順德合泰 ⁽²⁾ Foshan Shunde Hetai ⁽²⁾	-	3,608	物業管理 Property management			
廣州萬寧 ⁽²⁾ Guangzhou Wanning ⁽²⁾	-	22,461	物業管理 Property management			

附註：

(1) 截至二零一九年十二月三十一日止年度，天韻(廣州)及廣州星勝銷售已竣工物業的收入已確認。隨後，按照兩個現金產生單位使用價值的減幅已計提撥備商譽減值人民幣125,507,000元及人民幣180,587,000元。

(2) 截至二零一九年十二月三十一日止年度，廣東駿安、珠海原興、佛山順德合泰、廣州萬寧及新收購附屬公司(附註37(a))的現金產生單位商譽於時代鄰里實物分派後相應分拆。

16. GOODWILL (CONT'D)

Impairment testing of goodwill (Cont'd)

現金產生單位 CGU	商譽		主營業務 Principal business	財務預算 期間 Financial budget period	貼現率	
	Goodwill				Discount rate	
	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000			二零一九年 2019	二零一八年 2018
天韻(廣州) ⁽¹⁾ Horizon (Guangzhou) ⁽¹⁾	18,540	144,047	物業開發 Property development	六年 Six-year	8.21%	56.32%
廣州星勝 ⁽¹⁾ Guangzhou Xingsheng ⁽¹⁾	28,296	208,883	物業開發 Property development	六年 Six-year	13.14%	56.11%
廣州璟竣 Guangzhou Jingjun	31,202	31,202	物業開發 Property development	六年 Six-year	28.82%	21.70%
廣州利峰 Guangzhou Lifeng	10,488	10,488	物業管理 Property development	六年 Six-year	21.55%	14.52%
廣東駿安 ⁽²⁾ Guangdong Junan ⁽²⁾	-	18,732	電梯安裝及維修 Elevator installation and maintenance			
珠海原興 ⁽²⁾ Zhuhai Yuanxing ⁽²⁾	-	2,429	物業管理 Property management			
佛山順德合泰 ⁽²⁾ Foshan Shunde Hetai ⁽²⁾	-	3,608	物業管理 Property management			
廣州萬寧 ⁽²⁾ Guangzhou Wanning ⁽²⁾	-	22,461	物業管理 Property management			

Notes:

(1) During the year ended 31 December 2019, Horizon (Guangzhou) and Guangzhou Xingsheng have recognised revenue from the sale of completed properties. After that, goodwill of impairment RMB125,507,000 and RMB180,587,000 has been provided according to the decrease in value-in-use of the two CGUs.

(2) During the year ended 31 December 2019, goodwill of CGUs of Guangdong Junan, Zhuhai Yuanxing, Foshan Shunde Hetai, Guangzhou Wanning and the newly acquired subsidiaries (note 37(a)) have been spun off accordingly upon the distribution in specie of Times Neighborhood.

16. 商譽(續)

商譽的減值測試(續)

計算上述現金產生單位於二零一九年十二月三十一日的使用價值時已使用假設。下文概述管理層編製現金流量預測以進行商譽減值測試時所依據的各項主要假設：

貼現率 – 採用的貼現率為未除稅，反映相關單位有關特殊風險。

營商環境 – 中國(現金產生單位進行其業務的地點)的現有政治、法律及經濟狀況概無重大變化。

本集團管理層認為，使用價值計算的主要假設出現的任何合理可能變動不會導致其賬面金額超出現金產生單位的剩餘可收回金額。因此，管理層決定，其任何現金產生單位並無出現減值，惟天韻(廣州)及廣州星勝的商譽減值則除外。

17. 於合營企業的權益

16. GOODWILL (CONT'D)

Impairment testing of goodwill (Cont'd)

Assumptions were used in the value-in-use calculations of the above mentioned CGUs for 31 December 2019. The following describes each key assumption on which management had based its cash flow projections to undertake impairment testing of goodwill:

Discount rate – The discount rate used is before tax and reflects specific risks relating to the relevant unit.

Business environment – There was no major change in the existing political, legal and economic conditions in the PRC in which the CGUs carried on their business.

The management of the Group believes that any reasonably possible change in the key assumptions of the value-in-use calculation would not cause the carrying amount to exceed the remaining recoverable amount of the CGUs. Thus, management determined that there were no impairment of any of its CGUs except the impairment of the goodwill of Horizon (Guangzhou) and Guangzhou Xingsheng.

17. INTERESTS IN JOINT VENTURES

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
應佔資產淨值	Share of net assets	6,987,374	4,036,130
收購所產生的商譽 (減累計減值)	Goodwill on acquisition (less cumulative impairment)	599,674	632,420
		7,587,048	4,668,550

17. 於合營企業的權益(續)

本集團重大合營企業的詳情如下：

17. INTERESTS IN JOINT VENTURES (CONT'D)

Particulars of the Group's material joint ventures are as follows:

名稱 Name	註冊及 營運地點 Place of registration and business	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	百分比 Percentage of						主要業務 Principal activities
			所有者權益 Ownership interest 十二月三十一日 31 December		投票權 Voting power 十二月三十一日 31 December		溢利分享 Profit sharing 十二月三十一日 31 December		
			二零一九年 2019	二零一八年 2018	二零一九年 2019	二零一八年 2018	二零一九年 2019	二零一八年 2018	
珠海祥越投資有限公司(「珠海祥越」) ^{**} Zuhai Xiangyue Investment Co., Ltd. ^ (「Zuhai Xiangyue」) ^{**}	中國/中國內地 PRC/ Mainland China	人民幣 337,780,000元 RMB337,780,000	49	49	50	50	49	49	物業開發 Property development
廣州市時代紫宸投資有限公司 (「廣州紫宸」) ^{**} Guangzhou Times Zichen Investment Co., Ltd. ^ (「Guangzhou Zichen」) ^{**}	中國/中國內地 PRC/ Mainland China	人民幣 11,000,000元 RMB11,000,000	90.91	90.91	50	50	90.91	90.91	物業開發 Property development
廣州市庭凱投資有限公司(「廣州庭凱」) ^{**} Guangzhou Tingkai Investment Co., Ltd. ^ (「Guangzhou Tingkai」) ^{**}	中國/中國內地 PRC/ Mainland China	人民幣 484,000,000元 RMB484,000,000	90.91	90.91	50	50	90.91	90.91	物業開發 Property development
清遠市錦盛房地產開發有限公司 (「清遠錦盛」) ^{**} Qingyuan Jinsheng Property Development Co., Ltd. ^ (「Qingyuan Jinsheng」) ^{**}	中國/中國內地 PRC/ Mainland China	人民幣 500,000,000元 RMB500,000,000	90	90	50	50	90	90	物業開發 Property development
江門銀雁房地產開發有限公司 (「江門銀雁」) ^{**} Jiangmen Yinyan Property Development Co., Ltd. ^ (「Jiangmen Yinyan」) ^{**}	中國/中國內地 PRC/ Mainland China	人民幣 102,040,800元 RMB102,040,800	51	51	50	50	51	51	物業開發 Property development
珠海弘璟投資有限公司(「珠海弘璟」) [*] Zuhai Hongjing Investment Co., Ltd. ^ (「Zuhai Hongjing」) [*]	中國/中國內地 PRC/ Mainland China	人民幣 1,400,000,000元 RMB1,400,000,000	50	50	50	50	50	50	物業開發 Property development

17. 於合營企業的權益(續)

附註：

- * 該等公司於年內的財務報表未經香港安永會計師事務所或安永會計師事務所全球網絡的其他成員公司審核。
- ^ 該等公司並未註冊任何正式英文名稱，故該等公司的英文名稱乃由本公司董事盡力以該等公司的中文名稱直譯而得。
- # 根據本集團與該等公司股東訂立的股份轉讓協議及根據該等公司的組織章程細則及合作協議，本集團與該等公司股東對該等公司擁有共同控制權；而有關該等公司相關活動的決策權須本集團與該等公司股東的一致共識。因此，於該等公司的投資被視為本集團於合營企業的投資，並運用權益法處理。

17. INTERESTS IN JOINT VENTURES (CONT'D)

Notes:

- * The financial statements of these companies for the year were not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.
- ^ The English names of these companies represent the best effort made by the directors of the Company to directly translate their Chinese names as they do not register any official English names.
- # Pursuant to the share transfer agreements entered into between the Group and these companies' shareholders and in accordance with the articles of association and co-operation agreements of these companies, the Group and these companies' shareholders have joint control over these companies; and the decision about the relevant activities of these companies requires the unanimous consent of the Group and these companies' shareholders. The investments in these companies are, therefore, treated as investments in joint ventures of the Group and the equity method is applied.

17. 於合營企業的權益(續)

(a) 重大合營企業的財務資料概要

截至二零一九年十二月三十一日止年度，珠海祥越、廣州庭凱、清遠錦盛、江門銀雁、珠海弘環及廣州紫宸(均被視為本集團的重大合營企業)(二零一八年：珠海祥越、廣州庭凱、清遠錦盛、江門銀雁及珠海弘環)乃中國內地的物業開發商並以權益法入賬。

下表列示重大合營企業的財務資料概要，已就會計政策的任何差異作出調整及與綜合財務報表的賬面值對賬：

17. INTERESTS IN JOINT VENTURES (CONT'D)

(a) Summarised financial information of material joint ventures

Zhuhai Xiangyue, Guangzhou Tingkai, Qingyuan Jinsheng, Jiangmen Yinyan, Zhuhai Hongjing and Guangzhou Zichen, which are considered material joint ventures of the Group for the year ended 31 December 2019 (2018: Zhuhai Xiangyue, Guangzhou Tingkai, Qingyuan Jinsheng, Jiangmen Yinyan and Zhuhai Hongjing), are property developers in Mainland China and are accounted for using the equity method.

The following table illustrates the summarised financial information in respect of material joint ventures adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

		珠海祥越 Zhuhai Xiangyue	廣州庭凱 Guangzhou Tingkai	清遠錦盛 Qingyuan Jinsheng	江門銀雁 Jiangmen Yinyan	珠海弘環 Zhuhai Hongjing	廣州紫宸 Guangzhou Zichen	總計 Total
		二零一九年 2019	二零一九年 2019	二零一九年 2019	二零一九年 2019	二零一九年 2019	二零一九年 2019	二零一九年 2019
		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
現金及現金等價物	Cash and cash equivalents	132,162	132,805	199,763	92,657	713,884	15,917	1,287,188
其他流動資產	Other current assets	648,671	2,665,497	2,760,990	1,816,868	6,362,556	2,064,927	16,319,509
流動資產	Current assets	780,833	2,798,302	2,960,753	1,909,525	7,076,440	2,080,844	17,606,697
非流動資產	Non-current assets	110	331,882	678	74,403	19,443	519,385	945,901
收購商譽	Goodwill on acquisition	-	41,406	-	7,593	-	-	48,999
應付貿易款項	Trade payables	(98,286)	(128,411)	(495,277)	(64)	(10,927)	(7,397)	(740,362)
其他應付款項及應計款項	Other payables and accruals	(42,933)	(1,418,125)	(1,308,456)	(702,942)	(3,151,671)	(1,728,933)	(8,353,060)
計息銀行及其他借款	Interest-bearing bank and other borrowings	-	-	-	-	(940,000)	-	(940,000)
應付稅項	Tax payable	-	(448,510)	(157,871)	-	(270,790)	(283,732)	(1,160,903)
流動負債	Current liabilities	(141,219)	(1,995,046)	(1,961,604)	(703,006)	(4,373,388)	(2,020,062)	(11,194,325)
計息銀行及其他借款	Interest-bearing bank and other borrowings	-	(526,047)	-	(595,000)	-	-	(1,121,047)
其他非流動負債	Other non-current liabilities	-	-	-	-	(304,563)	-	(304,563)
非流動負債	Non-current liabilities	-	(526,047)	-	(595,000)	(304,563)	-	(1,425,610)

17. 於合營企業的權益(續)

17. INTERESTS IN JOINT VENTURES (CONT'D)

(a) 重大合營企業的財務資料概要(續)

(a) Summarised financial information of material joint ventures (Cont'd)

		珠海祥越 Zhuhai Xiangyue 二零一九年 2019 人民幣千元 RMB'000	廣州庭凱 Guangzhou Tingkai 二零一九年 2019 人民幣千元 RMB'000	清遠錦盛 Qingyuan Jinsheng 二零一九年 2019 人民幣千元 RMB'000	江門銀雁 Jiangmen Yinyan 二零一九年 2019 人民幣千元 RMB'000	珠海弘環 Zhuhai Hongjing 二零一九年 2019 人民幣千元 RMB'000	廣州紫宸 Guangzhou Zichen 二零一九年 2019 人民幣千元 RMB'000	總計 Total 二零一九年 2019 人民幣千元 RMB'000
資產淨值	Net assets	639,724	650,497	999,827	693,515	2,417,932	580,167	5,981,662
資產淨值(不包括商譽)	Net assets, excluding goodwill	639,724	609,091	999,827	685,922	2,417,932	580,167	5,932,663
與本集團於合營企業的權益對賬：	Reconciliation to the Group's interests in joint ventures:							
本集團所有權比例	Proportion of the Group's ownership interest	49.00%	90.91%	90.00%	51.00%	50.00%	90.91%	
應佔合營企業的資產淨值(不包括商譽)	Share of net assets of the joint ventures, excluding goodwill	313,465	553,725	899,844	349,820	1,208,966	527,430	3,853,250
收購所產生的商譽(減去累計減值)	Goodwill on acquisition (less cumulative impairment)	-	41,406	-	7,593	-	-	48,999
投資內的賬面值	Carrying amount of the investments	313,465	595,131	899,844	357,413	1,208,966	527,430	3,902,249
收入	Revenue	36,688	1,950,433	2,461,756	19,479	2,170,104	1,186,840	7,825,300
銀行利息收入	Bank interest income	1,243	1,844	2,576	341	3,039	176	9,219
折舊及攤銷	Depreciation and amortisation	(55)	(4,934)	(14)	(3,685)	(119)	(6)	(8,813)
利息開支	Interest expense	-	(40,698)	(15,085)	(138)	-	(9,964)	(65,885)
所得稅開支	Income tax expense	(59,481)	(448,922)	(207,963)	-	(409,317)	(283,268)	(1,408,951)
年度利潤/(虧損)及全面收入/(虧損)總額	Profit/(loss) and total comprehensive income/(loss) for the year	77,950	383,319	453,731	(64,882)	372,916	441,664	1,664,698

17. 於合營企業的權益(續)

(a) 重大合營企業的財務資料概要(續)

17. INTERESTS IN JOINT VENTURES (CONT'D)

(a) Summarised financial information of material joint ventures (Cont'd)

		珠海祥越 Zhuhai Xiangyue 二零一八年 2018 人民幣千元 RMB'000	廣州庭凱 Guangzhou Tingkai 二零一八年 2018 人民幣千元 RMB'000	清遠錦盛 Qingyuan Jinsheng 二零一八年 2018 人民幣千元 RMB'000	江門銀雁 Jiangmen Yinyan 二零一八年 2018 人民幣千元 RMB'000	珠海弘璟 Zhuhai Hongjing 二零一八年 2018 人民幣千元 RMB'000	總計 Total 二零一八年 2018 人民幣千元 RMB'000
現金及現金等價物	Cash and cash equivalents	264,672	101,109	29,695	19,013	520,745	935,234
其他流動資產	Other current assets	674,260	1,630,401	1,853,274	2,194,328	5,313,663	11,665,926
流動資產	Current assets	938,932	1,731,510	1,882,969	2,213,341	5,834,408	12,601,160
非流動資產	Non-current assets	97	901,926	56	77,912	17,689	997,680
應付貿易款項	Trade payables	(339,232)	(15,468)	(94,911)	(264)	(3,171)	(453,046)
其他應付款項及應計款項	Other payables and accruals	(38,023)	(1,528,279)	(732,178)	(786,310)	(1,376,394)	(4,461,184)
應付稅項	Tax payable	-	(518)	(1,784)	-	(28,941)	(31,243)
流動負債	Current liabilities	(377,255)	(1,544,265)	(828,873)	(786,574)	(1,408,506)	(4,945,473)
遞延稅項負債及 非流動負債	Deferred tax liabilities and non-current liabilities	-	(863,398)	(508,057)	(753,875)	(2,398,575)	(4,523,905)
資產淨值	Net assets	561,774	225,773	546,095	750,804	2,045,016	4,129,462
與本集團於合營企業的 權益對賬：	Reconciliation to the Group's interests in joint ventures:						
本集團所有權比例	Proportion of the Group's ownership interest	49.00%	90.91%	90.00%	51.00%	50.00%	
應佔合營企業的 資產淨值	Share of net assets of the joint ventures	275,269	205,250	491,486	382,910	1,022,508	2,377,423
收入	Revenue	335,385	161	-	81,943	-	417,489
銀行利息收入	Bank interest income	2,126	562	377	195	815	4,075
折舊及攤銷	Depreciation and amortisation	(51)	(4,283)	(13)	(25)	-	(4,372)
所得稅(開支)/抵免	Income tax (expense)/credit	(14,268)	3,456	(894)	-	8,849	(2,857)
年度利潤及全面 收入/(虧損)總額	Profit and total comprehensive income/(loss) for the year	42,803	(74,992)	(24,046)	(37,526)	(15,973)	(109,734)

17. 於合營企業的權益(續)

(b) 個別並不重大的合營企業的總財務資料

下表列示個別並不重大的本集團合營企業的總財務資料：

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
應佔合營企業年內虧損	Share of the joint ventures' losses for the year	(191,984)	(236,868)
應佔合營企業的全面虧損總額	Share of the joint ventures' total comprehensive loss	(205,044)	(262,358)
本集團於合營企業的權益的總賬面值	Aggregate carrying amount of the Group's interests in joint ventures	3,684,799	2,291,127

本集團與合營企業的結餘於財務報表附註24及25中披露。

於二零一九年及二零一八年十二月三十一日，本集團於合營企業的若干權益已抵押予銀行，以取得授予本集團的銀行貸款(附註31(c))。

17. INTERESTS IN JOINT VENTURES (CONT'D)

(b) Aggregate financial information of joint ventures that are not individually material

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

The Group's balances with joint ventures are disclosed in notes 24 and 25 to the financial statements.

At 31 December 2019 and 2018, certain of the Group's interests in joint ventures were pledged to banks to secure bank loans granted to the Group (note 31(c)).

18. 於聯營公司的權益

18. INTERESTS IN ASSOCIATES

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
應佔資產淨值	Share of net assets	2,498,602	467,114
收購所產生的商譽	Goodwill on acquisition	21,488	21,488
		2,520,090	488,602

18. 於聯營公司的權益(續)

本集團重大聯營公司的詳情如下：

名稱 Name	註冊及 營運地點 Place of registration and business	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本集團應佔 股本權益百分比 Percentage of equity interest attributable to the Group 十二月三十一日 31 December		主要業務 Principal activities
			二零一九年 2019	二零一八年 2018	
廣州市嘉恒房地產開發有限公司(「廣州嘉恒」)* Guangzhou Jiaheng Property Development Co., Ltd. ^ ("Guangzhou Jiaheng") *	中國/中國內地 PRC/Mainland China	人民幣 1,412,505,000元 RMB 1,412,505,000	49	-	物業開發 Property development
佛山市禪城區正華置業有限公司(「佛山正華」) (1)* Foshan Chancheng Zhenghua Property Co., Ltd. ^ ("Foshan Zhenghua") (1)*	中國/中國內地 PRC/Mainland China	人民幣 2,150,000,000元 RMB 2,150,000,000	32.5	-	物業開發 Property development

附註：

(1) 本集團透過65%持有的附屬公司佛山天盛於二零一九年十一月注資人民幣107,500,000元，間接獲得佛山正華的50%權益。本集團認為，儘管其間接擁有佛山正華的50%股本權益，惟由於本集團擁有的投票權低於50%及僅可對佛山正華產生重大影響，故此其僅可對本公司有關策略性財務及營運政策的決定產生重大影響。

* 該等公司於年內的財務報表未經香港安永會計師事務所或安永會計師事務所全球網絡的其他成員公司審核。

^ 該等公司並未註冊任何正式英文名稱，故該等公司的英文名稱乃由本公司董事盡力以該等公司的中文名稱直譯而得。

18. INTERESTS IN ASSOCIATES (CONT'D)

Particulars of the Group's material associates are as follows:

名稱 Name	註冊及 營運地點 Place of registration and business	已發行普通/ 註冊股本 Issued ordinary/ registered share capital	本集團應佔 股本權益百分比 Percentage of equity interest attributable to the Group 十二月三十一日 31 December		主要業務 Principal activities
			二零一九年 2019	二零一八年 2018	
廣州市嘉恒房地產開發有限公司(「廣州嘉恒」)* Guangzhou Jiaheng Property Development Co., Ltd. ^ ("Guangzhou Jiaheng") *	中國/中國內地 PRC/Mainland China	人民幣 1,412,505,000元 RMB 1,412,505,000	49	-	物業開發 Property development
佛山市禪城區正華置業有限公司(「佛山正華」) (1)* Foshan Chancheng Zhenghua Property Co., Ltd. ^ ("Foshan Zhenghua") (1)*	中國/中國內地 PRC/Mainland China	人民幣 2,150,000,000元 RMB 2,150,000,000	32.5	-	物業開發 Property development

Notes:

(1) The Group indirectly obtained a 50% equity interest in Foshan Zhenghua with a capital injection of RMB107,500,000 in November 2019 through a 65% owned subsidiary Foshan Tiansheng. The Group considers that it could only exercise significant influence in the strategic financial and operating policy decisions of the company after the injection even though it indirectly owns 50% of the equity interest in Foshan Zhenghua because the Group owns less than 50% of the voting rights and can only exercise significant influence over Foshan Zhenghua.

* The financial statements of these companies for the year were not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

^ The English names of these companies represent the best effort made by the directors of the Company to directly translate their Chinese names as they do not register any official English names.

18. 於聯營公司的權益(續)

(a) 重大聯營公司的財務資料概要

截至二零一九年十二月三十一日止年度，廣州嘉恒及佛山正華(均被視為本集團的重大聯營公司)(二零一八年：無)乃中國內地的物業開發商並以權益法入賬。

下表列示重大聯營公司的財務資料概要，已就會計政策的任何差異作出調整及與綜合財務報表的賬面值對賬：

18. INTERESTS IN ASSOCIATES (CONT'D)

(a) Summarised financial information of material associates

Guangzhou Jiaheng and Foshan Zhenghua, which are considered material associates of the Group for the year ended 31 December 2019 (2018: Nil), are property developers in Mainland China and are accounted for using the equity method.

The following table illustrates the summarised financial information in respect of material associates adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

		廣州嘉恒 Guangzhou Jiaheng 二零一九年 2019 人民幣千元 RMB'000	佛山正華 Foshan Zhenghua 二零一九年 2019 人民幣千元 RMB'000	總計 Total 二零一九年 2019 人民幣千元 RMB'000
現金及現金等價物	Cash and cash equivalents	21,085	43,915	65,000
其他流動資產	Other current assets	1,497,992	2,208,036	3,706,028
流動資產	Current assets	1,519,077	2,251,951	3,771,028
非流動資產	Non-current assets	607	324	931
應付貿易款項	Trade payables	(17,825)	-	(17,825)
其他應付款項及應計款項	Other payables and accruals	(90,717)	(103,246)	(193,963)
流動負債	Current liabilities	(108,542)	(103,246)	(211,788)
資產淨值	Net assets	1,411,142	2,149,029	3,560,171
與本集團於聯營公司的 權益對賬：	Reconciliation to the Group's interests in associates:			
本集團溢利分享比例	Proportion of the Group's profit sharing	49.00%	50.00%	
應佔聯營公司的資產淨值	Share of net assets of the associates	691,460	1,074,515	1,765,975
銀行利息收入	Bank interest income	224	31	255
折舊及攤銷	Depreciation and amortisation	(3)	-	(3)
所得稅開支	Income tax expense	(454)	(324)	(778)
年度虧損及全面虧損總額	Loss and total comprehensive loss for the year	(1,363)	(970)	(2,333)

18. 於聯營公司的權益(續)

(b) 個別並不重大的聯營公司的總財務資料

下表列示個別並不重大的本集團聯營公司的總財務資料：

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
應佔聯營公司年度 (虧損)/利潤	Share of the associates' (losses)/profits for the year	(3,039)	2,305
應佔聯營公司的 全面(虧損)/收入總額	Share of the associates' total comprehensive (loss)/income	(3,039)	2,305
本集團於聯營公司的 權益的總賬面值	Aggregate carrying amount of the Group's interests in associates	754,115	488,602

本集團與其聯營公司的結餘於財務報表附註24中披露。

The Group's balances with its associates are disclosed in note 24 to the financial statements.

19. 指定以公允價值計量且其變動計入其他全面收入的權益投資

19. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
指定以公允價值計量且其變動 計入其他全面收入的權益投資： 非上市權益投資	Equity investments designated at FVOCI: Unlisted equity investments	434,207	424,828

由於本集團認為該等投資屬戰略性質，故上述權益投資不可撤回地指定為以公允價值計量且其變動計入其他全面收入。

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

20. 遞延稅項資產及負債

遞延稅項資產

報告期間遞延稅項資產的變動如下：

20. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets

The movements in deferred tax assets during the reporting period are as follows:

		稅項虧損 Tax losses	土地 增值稅撥備 Provision for LAT	應計款項及 其他可扣減 暫時差額 Accruals and other deductible temporary differences	遞延收入 Deferred income	本集團及 合營企業間 交易產生的 未變現收益 Unrealised gains resulting from transactions between the Group and joint ventures	金融資產 減值虧損撥備 Provision for impairment losses of financial assets	其他 Others	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
於二零一八年一月一日	At 1 January 2018	265,960	258,265	23,842	240,189	-	-	1,170	789,426
收購附屬公司	Acquisition of subsidiaries	396	-	-	-	-	-	-	396
年內於損益計入/(扣除)	Credited/(charged) to profit or loss during the year	93,421	212,534	44,603	(71,571)	12,307	10,250	-	301,544
年內於其他全面收入計入	Credited to other comprehensive income during the year	-	-	-	-	-	-	765	765
於二零一八年十二月三十一日 及二零一九年一月一日	At 31 December 2018 and at 1 January 2019	359,777	470,799	68,445	168,618	12,307	10,250	1,935	1,092,131
收購附屬公司 (附註37(a)、(b))	Acquisition of subsidiaries (note 37(a), (b))	15	-	3,115	-	-	-	-	3,130
視作出售附屬公司 (附註38)	Deemed disposals of subsidiaries (note 38)	(8,251)	(74,581)	(3,625)	-	-	-	-	(86,457)
實物分派	Distribution in specie	-	-	(15,446)	-	-	(3,105)	-	(18,551)
年內於損益計入/(扣除)	Credited/(charged) to profit or loss during the year	274,176	487,793	12,412	(110,753)	9,400	16,311	-	689,339
年內於其他全面收入扣除	Charged to other comprehensive income during the year	-	-	-	-	-	-	(991)	(991)
於二零一九年十二月三十一日	At 31 December 2019	625,717	884,011	64,901	57,865	21,707	23,456	944	1,678,601

20. 遞延稅項資產及負債(續)

遞延稅項負債

報告期間遞延稅項負債的變動如下：

		收購附屬 公司導致的 公允價值調整 Fair value adjustment arising from acquisition of subsidiaries 人民幣千元 RMB'000	投資 物業重估 Revaluation of investment properties 人民幣千元 RMB'000	中國 附屬公司 未分配利潤 的稅項 Taxes on undistributed profits of the subsidiaries in the PRC 人民幣千元 RMB'000	獲得合同 的成本 Costs to obtain contracts 人民幣千元 RMB'000	城市更新 業務的暫時 差額 Temporary difference on urban redevelopment business 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一八一月一日	At 1 January 2018	1,072,060	278,841	110,291	-	-	1,461,192
收購附屬公司	Acquisition of subsidiaries	534,348	-	-	-	-	534,348
年內於損益(計入)/ 扣除	(Credited)/charged to profit or loss during the year	(338,675)	694	28,879	2,477	-	(306,625)
於二零一八年 十二月三十一日及 二零一九年一月一日	At 31 December 2018 and at 1 January 2019	1,267,733	279,535	139,170	2,477	-	1,688,915
收購附屬公司 (附註37(a)、(c))	Acquisition of subsidiaries (note 37(a), (c))	116,033	-	-	-	-	116,033
視作出售附屬公司 (附註38)	Deemed disposals of subsidiaries (note 38)	(17,723)	-	-	-	-	(17,723)
實物分派	Distribution in specie	(3,847)	-	-	-	-	(3,847)
年內於損益(計入)/ 扣除	(Credited)/charged to profit or loss during the year	(859,735)	(1,453)	158,818	(178)	338,135	(364,413)
於二零一九年 十二月三十一日	At 31 December 2019	502,461	278,082	297,988	2,299	338,135	1,418,965

20. DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

Deferred tax liabilities

The movements in deferred tax liabilities during the reporting period are as follows:

20. 遞延稅項資產及負債(續)

於二零一九年十二月三十一日，本集團在中國內地產生的若干稅項虧損為人民幣165,978,827元(二零一八年：人民幣901,874,710元)，該等虧損可自產生年度起定期轉結，以抵銷呈虧的公司日後應課稅利潤。本集團並無就該等虧損確認遞延稅項資產，因產生虧損的附屬公司已呈虧一段時間，並認為不大可能會產生應課稅利潤以抵銷可動用稅項虧損。

根據中國企業所得稅法，應對於中國內地成立的外商投資企業宣派予外國投資者的股息徵收10%的預扣稅。該規定自二零零八年一月一日起生效，適用於自二零零七年十二月三十一日後獲得的盈利。如中國內地與外國投資者所在司法管轄區訂有稅收協定，則可適用較低預扣稅率。對本集團適用的稅率為5%。因此，本集團須就其於中國內地成立的附屬公司就二零零八年一月一日起產生的盈利分派的股息繳納預扣稅。

並無就本集團於中國內地成立的附屬公司於二零一九年十二月三十一日的應繳納預扣稅的未匯出盈利人民幣9,216,393,000元(二零一八年：人民幣7,054,880,000元)所應付的預扣稅確認遞延稅項。董事認為，該等附屬公司於可預見的未來不大可能分派有關盈利。

20. DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

The Group had certain tax losses arising in Mainland China of RMB165,978,827 as at 31 December 2019 (2018: RMB901,874,710), which can be carried forward for a definite period from the year in which the losses arose for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the application rate is 5%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

No deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings of RMB9,216,393,000 as at 31 December 2019 (2018: RMB7,054,880,000) that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future.

21. 物業存貨

21. INVENTORIES OF PROPERTIES

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
開發中物業(附註(a))	Properties under development (note (a))	45,982,304	40,432,457
已竣工持作出售的物業(附註(b))	Completed properties held for sale (note (b))	11,701,272	8,436,443
持作開發的土地(附註(c))	Land held for development (note (c))	5,295,414	3,285,419
		62,978,990	52,154,319
即期部分	Current portion	61,460,980	50,677,350
非即期部分	Non-current portion	1,518,010	1,476,969
		62,978,990	52,154,319

附註：

Notes:

(a) 開發中物業

(a) Properties under development

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
預期於下列時間內竣工的 開發中物業：	Properties under development expected to be recovered:		
一年內	Within one year	19,578,152	27,533,854
一年後	After one year	26,404,152	12,898,603
		45,982,304	40,432,457

本集團的開發中物業均位於中國內地。

The Group's properties under development are all located in Mainland China.

於二零一九年及二零一八年十二月三十一日，本集團若干開發中物業已抵押予銀行，以取得授予本集團的銀行貸款(附註31(c))。

At 31 December 2019 and 2018, certain of the Group's properties under development were pledged to banks to secure bank loans granted to the Group (note 31(c)).

21. 物業存貨(續)

附註：(續)

- (b) 已竣工持作出售的物業
本集團已竣工持作出售的物業位於中國內地。所有已竣工持作出售的物業乃按成本與可變現淨值兩者的較低者列賬。

於二零一九年十二月三十一日，本集團若干已竣工持作出售的物業已抵押予銀行，以取得授予本集團的銀行貸款(二零一八年：無)(附註31(c))。

- (c) 持作開發的土地
持作開發土地位於中國內地且按長期租賃持有，其上施工尚未開始，且其結餘將於施工開始後轉撥至開發中物業。

於二零一九年十二月三十一日，本集團總賬面值約人民幣205,800,000元的若干持作開發地塊(二零一八年：人民幣543,759,000元)已予抵押，以取得授予本集團的銀行貸款(附註31(c))。

22. 應收貿易款項

應收貿易款項主要來自銷售已竣工物業、城市更新業務、物業租賃及建築服務。已銷售竣工物業的代價由買方按相關買賣協議條款支付；來自城市更新業務的應收款項由政府按城市更新合同支付；有關出租物業的租金一般預先收取；及建築服務費用一般授出三個月至九個月的信貸期。

21. INVENTORIES OF PROPERTIES (CONT'D)

Notes: (Cont'd)

- (b) Completed properties held for sale
The Group's completed properties held for sale are located in Mainland China. All completed properties held for sale are stated at the lower of cost and net realisable value.

At 31 December 2019, certain of the Group's completed properties held for sale were pledged to banks to secure bank loans granted to the Group (2018: Nil) (note 31(c)).

- (c) Land held for development
The land held for development is situated in Mainland China and is held under a long term lease, construction on which has not yet commenced. The balances will be transferred to properties under development when construction commences.

Certain parcels of the Group's land held for development with an aggregate carrying amount of approximately RMB205,800,000 as at 31 December 2019 (2018: RMB543,759,000) have been pledged to secure bank loans granted to the Group (note 31(c)).

22. TRADE RECEIVABLES

Trade receivables are mainly arisen from sales of completed properties, urban redevelopment business, property leasing and construction services. Considerations in respect of the completed properties sold are payable by the purchasers in accordance with the terms of the related sale and purchase agreements; receivables from urban redevelopment business are payable by government in accordance with urban redevelopment contracts; rentals in respect of leased properties are generally received in advance; and construction services fees are generally granted a credit term of three months to nine months.

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
應收貿易款項	Trade receivables	6,155,762	4,909,890
減值	Impairment	(54,061)	(20,206)
		6,101,701	4,889,684

22. 應收貿易款項(續)

於報告期末，根據收據日期及經扣除虧損撥備的貿易應收款項的賬齡分析載列如下：

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
三個月內	Within 3 months	4,398,144	3,381,960
四至六個月	4 to 6 months	305,113	32,013
七至十二個月	7 to 12 months	575,916	369,821
一年後	Over 1 year	822,528	1,105,890
		6,101,701	4,889,684

應收貿易款項減值虧損撥備的變動如下：

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
於年初	At beginning of year	(20,206)	-
減值虧損	Impairment loss	(33,855)	(20,206)
於年末	At end of year	(54,061)	(20,206)

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分類組別(即客戶類型及評級)的逾期天數釐定。該計算反映概率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前狀況及未來經濟條件預測的合理及可靠資料。

22. TRADE RECEIVABLES (CONT'D)

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

The movements in the loss allowance for impairment of trade receivables are as follows:

An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

22. 應收貿易款項(續)

下表載列有關本集團使用撥備矩陣的應收貿易款項信貸風險的資料：

於二零一九年十二月三十一日

		逾期 Past due				總計 Total
		即期 Current	一至六個月 1 to 6 months	七至十二個月 7 to 12 months	一年後 Over 1 year	
預期信貸虧損率	Expected credit loss rate	0.6%	10.0%	20.0%	30.0%	
總賬面值(人民幣千元)	Gross carrying amount (RMB'000)	6,043,957	65,681	26,088	20,036	6,155,762
預期信貸虧損(人民幣千元)	Expected credit loss (RMB'000)	(36,264)	(6,568)	(5,218)	(6,011)	(54,061)

於二零一八年十二月三十一日

		逾期 Past due				總計 Total
		即期 Current	一至六個月 1 to 6 months	七至十二個月 7 to 12 months	一年後 Over 1 year	
預期信貸虧損率	Expected credit loss rate	0.3%	10.0%	20.0%	30.0%	
總賬面值(人民幣千元)	Gross carrying amount (RMB'000)	4,878,555	16,605	5,091	9,639	4,909,890
預期信貸虧損(人民幣千元)	Expected credit loss (RMB'000)	(14,635)	(1,661)	(1,018)	(2,892)	(20,206)

廣州時代透過抵押應收貿易款項人民幣1,039,085,000元與一家第三方資產管理公司訂立資產抵押證券(「廣州時代資產抵押證券」)安排及透過抵押應收貿易款項人民幣1,622,808,000元與一家第三方資產管理公司訂立粵灣資產抵押證券(「粵灣資產抵押證券」)安排。

22. TRADE RECEIVABLES (CONT'D)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2019

As at 31 December 2018

Guangzhou Times entered into an asset-backed securities ("Guangzhou Times ABS") arrangement with a third-party asset management company by the pledge of trade receivables amounting to RMB1,039,085,000 and the Yuewan asset-backed securities ("Yuewan ABS") arrangement with a third-party asset management company by the pledge of trade receivables amounting to RMB1,622,808,000.

23. 預付款項、按金及其他應收款項

23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		附註 Notes	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
按金及其他應收款項	Deposits and other receivables	(a)	11,893,033	10,954,445
來自非控股股東的其他應收款項	Other receivables from non-controlling shareholders		8,213,586	6,447,365
預付持作開發的土地款項	Prepayments for land held for development	(b)	2,591,886	2,229,970
其他預付款項	Other prepayments	(c)	9,216,518	6,255,321
向第三方提供的貸款	Loans to third parties	(d)	1,103,776	784,207
減值撥備	Impairment allowance		(39,766)	(20,795)
			32,979,033	26,650,513
即期部分	Current portion		31,830,195	25,169,513
非即期部分	Non-current portion		1,148,838	1,481,000
			32,979,033	26,650,513

附註：

(a) 按金及其他應收款項主要指租賃按金、供應商按金及應收第三方的其他應收款項。上述結餘中包含的金融資產與近期並無違約及逾期金額記錄的應收款項有關。於二零一九年及二零一八年十二月三十一日，虧損撥備被評估為最低。

(b) 預付土地租賃款項指就正在申請土地使用權證的持作開發土地的預付款項。

(c) 其他預付款項指購買建築材料的預付款項、廣告預付款項、其他預付稅項等。

(d) 向第三方提供的貸款按介乎4%至18%的利率計息且須於一年內償還。

上述結餘(向第三方提供的貸款除外)均為無擔保、免息，且按要求償還。

Notes:

(a) Deposits and other receivables mainly represent rental deposits, deposits with suppliers and other receivables due from third parties. The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2019 and 2018, the loss allowance was assessed to be minimal.

(b) Prepayments for leasehold land represent the prepayments for land held for development with the application of land use right certificates in progress.

(c) Other prepayments represent prepayments for purchases of construction materials, prepayments for advertisement, other tax prepayments and others.

(d) Loans to third parties bear interest at rates ranging from 4% to 18% and are repayable within one year.

The above balances except for loans to third parties are unsecured, interest-free and repayable on demand.

23. 預付款項、按金及其他應收款項(續)

於二零一九年十二月三十一日，預付款項、按金及其他應收款項所包括的金融資產的信貸風險歸類為第一階段，並計提減值撥備人民幣39,766,000元(二零一八年：人民幣20,795,000元)。截至二零一九年十二月三十一日止年度的預付款項、按金及其他應收款項所包括的金融資產的減值評估詳情載於附註46。

24. 應收合營企業及聯營公司的款項

本集團與合營企業及聯營公司有以下結餘。

23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONT'D)

As at 31 December 2019, the credit exposure of financial assets included in prepayments, deposits and other receivables was classified as Stage 1, and a provision for impairment of RMB39,766,000 (2018: RMB20,795,000) was provided. Details of impairment assessment of financial assets included in prepayments, deposits and other receivables for the year ended 31 December 2019 are set out in note 46.

24. AMOUNTS DUE FROM JOINT VENTURES AND ASSOCIATES

The Group had the following balances with joint ventures and associates.

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
應收合營企業的款項：	Amounts due from joint ventures:		
— 貿易	— Trade	1,362,693	—
— 非貿易	— Non-trade	7,060,387	5,017,516
		8,423,080	5,017,516
應收聯營公司的款項：	Amounts due from associates:		
— 貿易	— Trade	24,310	—
— 非貿易	— Non-trade	1,850,548	1,094,766
		1,874,858	1,094,766

24. 應收合營企業及聯營公司的款項(續)

於二零一九年十二月三十一日，與合營企業及聯營公司的所有未支付貿易結餘來自已售建築材料以及向合營企業及聯營公司提供的建築服務。結餘為無抵押、免息及信貸期為三個月至九個月。

於二零一九年及二零一八年十二月三十一日，與合營企業及聯營公司的所有未支付非貿易結餘主要指由本集團代表合營企業及聯營公司購買持作開發土地已付款項、城市更新項目按金，以及為合營企業及聯營公司經營活動提供款項的報銷金額。除人民幣2,742,884,000元(二零一八年：零)(其為無抵押、按介乎7.2%至11.3%年利率計息且須於二零一九年內償還)外，應收合營企業及聯營公司的款項為無抵押、免息，且按要求償還。

本集團已採用一般方法為應收合營企業及聯營公司的款項的預期信貸虧損計提撥備。於二零一九年及二零一八年十二月三十一日，由於本集團評估應收合營企業及聯營公司的款項的整體預期信貸虧損率極低，故未就預期信貸虧損計提撥備，且結餘屬於第一階段，減值撥備被評估為不重大。

25. 應付合營企業的款項

應付合營企業的款項為非貿易性質、無抵押、免息，且按要求償還。

24. AMOUNTS DUE FROM JOINT VENTURES AND ASSOCIATES (CONT'D)

As at 31 December 2019, all outstanding trade balances with joint ventures and associates were derived from construction materials sold and construction services provided to joint ventures and associates. The balances were unsecured, interest free and within credit of three to nine months.

As at 31 December 2019 and 2018, all outstanding non-trade balances with joint ventures and associates mainly represented payments for purchases of land held for development, deposits of urban redevelopment projects paid by the Group on behalf of the joint ventures and associates, and the disbursement to finance operating activities of joint ventures and associates. Except for the amounts of RMB2,742,884,000 (2018: Nil) which are unsecured, bear interest at rates ranging from 7.2% to 11.3% per annum and are repayable in 2019, amounts due from joint ventures and associates are unsecured, interest-free and repayable on demand.

The Group has applied the general approach to provide for the ECL on the amounts due from joint ventures and associates. As at 31 December 2019 and 2018, no ECL was provided as the Group assessed that the overall ECL rate for the amounts due from joint ventures and associates was very low, the balances were in Stage 1 and the provision for impairment was assessed to be immaterial.

25. AMOUNTS DUE TO JOINT VENTURES

The amounts due to joint ventures are of non-trade nature, unsecured, interest-free and repayable on demand.

26. 預繳稅款／應付稅項

(a) 預繳稅款

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
預繳企業所得稅	Prepaid CIT	219,713	261,573
預繳土地增值稅	Prepaid LAT	1,236,628	966,380
		1,456,341	1,227,953

(b) 應付稅項

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
預繳土地增值稅	CIT payable	3,478,325	2,674,069
預繳土地增值稅	LAT payable	3,536,043	1,883,195
		7,014,368	4,557,264

26. TAX PREPAYMENTS/TAX PAYABLE

(a) Tax prepayments

(b) Tax payable

27. 現金及現金等價物以及受限制銀行存款

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
現金及銀行結餘	Cash and bank balances	29,279,410	27,425,707
減：受限制銀行存款(附註(a))	Less: Restricted bank deposits (note (a))	(3,404,545)	(4,051,526)
現金及現金等價物	Cash and cash equivalents	25,874,865	23,374,181
以人民幣計值(附註(b))	Denominated in RMB (note (b))	22,052,606	22,537,614
以其他貨幣計值	Denominated in other currencies	3,822,259	836,567
		25,874,865	23,374,181

27. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

27. 現金及現金等價物以及受限制銀行存款(續)

附註：

- (a) 根據中國相關法規，本集團的若干物業開發公司須於指定銀行賬戶中存放一定金額的已收預售所得款項，以供特殊用途。於二零一九年十二月三十一日，該等受限制現金為人民幣2,258,303,000元(二零一八年：人民幣3,238,192,000元)。

於二零一九年十二月三十一日金額達人民幣281,706,000元(二零一八年：人民幣426,218,000元)的受限制銀行存款指於銀行指定的監控賬戶內的貸款所得款項，須獲得銀行批准後，方能使用該受限制銀行存款。金額達人民幣864,536,000元(二零一八年：人民幣387,116,000元)的剩餘受限制銀行存款主要為銀行貸款及銀行承兌票據的履約保證金、共同管理賬戶結餘及工資保證金。

- (b) 人民幣不可自由兌換成其他貨幣，但是，根據中國政府頒佈的外匯管制相關規定及法規，本集團獲准透過獲授權開展外匯交易業務的銀行，將人民幣兌換成其他貨幣。

存放於銀行的現金根據銀行每日存款利率按浮動利率賺取利息收入。現金及現金等價物以及受限制銀行存款的賬面值與其公允價值相若。銀行結餘與受限制銀行存款須存放於近期無違約記錄且信譽良好的銀行。

27. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS (CONT'D)

Notes:

- (a) Pursuant to the relevant regulations in the PRC, certain property development companies of the Group are required to place certain amounts of pre-sale proceeds received in designated bank accounts for specific uses. As at 31 December 2019, such restricted cash amounted to RMB2,258,303,000 (2018: RMB3,238,192,000).

The restricted bank deposits as at 31 December 2019 amounting to RMB281,706,000 (2018: RMB426,218,000) represented the loan proceeds in the monitored accounts designated by the banks, where the use of the restricted bank deposits is subject to the banks' approval. The remaining restricted bank deposits amounting to RMB864,536,000 (2018: RMB387,116,000) primarily included performance deposits for bank loans and bank acceptance bills, jointly-managed account balances and wage margin deposits.

- (b) The RMB is not freely convertible into other currencies, however, subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest income at floating rates based on daily bank deposit rates. The carrying amounts of the cash and cash equivalents and the restricted bank deposits approximate to their fair values. The bank balances and restricted bank deposits are deposited with credit-worthy banks with no recent history of default.

28. 應付貿易款項及票據

應付貿易款項及票據的賬齡分析如下：

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
一年內	Within 1 year	13,306,676	8,057,054
一年後	Over 1 year	1,164,271	463,764
		14,470,947	8,520,818

應付貿易款項及票據為無抵押、不計息，且於正常營業週期內或按要求償還。

28. TRADE AND BILLS PAYABLES

The ageing analysis of the trade and bills payables is as follows:

The trade and bills payables are unsecured, interest-free and repayable within the normal operating cycle or on demand.

29. 其他應付款項及應計款項

		附註 Notes	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
已收按金及預收款項	Deposits received and receipts in advance		82,888	42,838
應計款項及其他應付款項	Accruals and other payables		4,161,211	5,508,066
非控股股東墊款	Advances from non-controlling shareholders		3,467,217	850,800
收購附屬公司應付款項	Payables for acquisition of subsidiaries		817,348	679,397
應付利息	Interest payable		856,300	743,716
財務擔保合同	Financial guarantee contracts	(a)	61,160	27,172
向非控股股東支付 其他應付款項	Other payables to non-controlling shareholders	(b)	11,891,461	3,897,140
			21,337,585	11,749,129

29. OTHER PAYABLES AND ACCRUALS

29. 其他應付款項及應計款項 (續)

附註：

(a) 財務擔保合同

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
即期部分	Current portion	61,160	27,172
非即期部分	Non-current portion	134,934	162,603
		196,094	189,775

財務擔保合同指就一名關聯方、若干聯營公司及合營企業獲授的融資向銀行提供的擔保。

財務擔保合同初始按其公平值計量，其後按預期信貸虧損撥備與初始已確認金額的較高者減已確認收入的累計金額計量。預期信貸虧損撥備透過估計現金短缺計量，而現金短缺按預期就其所產生信貸虧損向持有人(即銀行)補償的款項減去本集團預期自債務人(即合營企業)收取的金額計算。

於二零一九年及二零一八年十二月三十一日，本公司董事已進行減值評估，並認為信貸風險自財務擔保合同初始確認以來並無顯著增加。因此，於採納國際財務報告準則第9號後，本集團所發行財務擔保合同的虧損撥備按相等於12個月預期信貸虧損的金額計量。概無於二零一九年及二零一八年十二月三十一日損益確認虧損撥備，原因是已收溢價減於損益確認的累計金額高於虧損撥備的預期金額。財務擔保合同的信貸敞口歸類於第一階段。截至二零一九年十二月三十一日止年度，各階段之間並無轉移(二零一八年：無)。

(b) 結餘指應付附屬公司非控股股東的款項，該等結餘為無抵押及按要求償還。

29. OTHER PAYABLES AND ACCRUALS (CONT'D)

Notes:

(a) Financial guarantee contracts

The financial guarantee contracts represent guarantees given to banks in connection with facilities granted to a related party, certain associates and joint ventures.

The financial guarantee contracts are measured initially at their fair values, and are subsequently measured at the higher of the ECL allowance and the amount initially recognised less the cumulative amount of income recognised. The ECL allowance is measured by estimating the cash shortfalls, which are based on the expected payments to reimburse the holders (i.e., the banks) for a credit loss that it incurs less any amounts that the Group expects to receive from the debtor (i.e., the joint ventures).

As at 31 December 2019 and 2018, the directors of the Company have performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Accordingly, the loss allowance for financial guarantee contracts issued by the Group is measured at an amount equal to 12-month ECL upon the adoption of IFRS 9. No loss allowance was recognised in profit or loss as at 31 December 2019 and 2018 because the premium received less the cumulative amount recognised in profit or loss was higher than the expected amount of the loss allowance. The credit exposure of the financial guarantee contracts is classified as Stage 1. During the year ended 31 December 2019, there were no transfers between stages (2018: Nil).

(b) The balances represent amounts due to non-controlling shareholders of the subsidiaries and are unsecured and repayable on demand.

30. 合同負債

30. CONTRACT LIABILITIES

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
合同負債	Contract liabilities	21,579,362	19,028,629

有關合同負債詳情如下：

Details of contract liabilities are as follows:

		二零一九年 十二月三十一日 31 December 2019 人民幣千元 RMB'000	二零一八年 十二月三十一日 31 December 2018 人民幣千元 RMB'000	二零一八年 一月一日 1 January 2018 人民幣千元 RMB'000
向客戶收取的墊款	Advances received from customers			
銷售已竣工物業	Sale of completed properties	21,579,362	18,963,248	20,098,985
物業管理服務	Property management services	-	65,381	64,228
		21,579,362	19,028,629	20,163,213

31. 計息銀行及其他借款

31. INTEREST-BEARING BANK AND OTHER BORROWINGS

		二零一九年十二月三十一日 31 December 2019			二零一八年十二月三十一日 31 December 2018		
		實際利率 Effective interest rate	到期 Maturity	金額 Amount	實際利率 Effective interest rate	到期 Maturity	金額 Amount
		%		人民幣千元 RMB'000	%		人民幣千元 RMB'000
		%		RMB'000	%		RMB'000
即期	Current						
銀行貸款－無抵押	Bank loans – unsecured	4.7-6.8	2020	683,710	5.0-5.8	2019	388,000
銀行貸款－有抵押	Bank loans – secured	5.4-9.7	2020	1,380,216	5.1-7.9	2019	631,790
其他借款－無抵押	Other borrowings – unsecured	8.5-11.5	2020	477,621	8.2-9.0	2019	1,067,064
其他借款－有抵押	Other borrowings – secured	9.9-14.8	2020	1,776,467	6.2-9.5	2019	1,414,656
優先票據－有抵押 (附註(f))	Senior notes – secured (note (f))	6.9-11.8	2020	4,683,647	–	–	–
公司債券(附註(g))	Corporate bonds (note (g))	8.9-10.8	2020	8,289,675	8.2-8.9	2019	3,489,957
銀團貸款(附註(h))	Syndicated loans (note (h))	5.9-6.1	2020	1,306,377	5.7-6.4	2019	320,317
				18,597,713			7,311,784
非即期	Non-current						
銀行貸款－無抵押	Bank loans – unsecured	6.1-10.4	2021-2023	2,776,874	5.1-8.6	2020-2022	3,478,687
銀行貸款－有抵押	Bank loans – secured	5.4-11.6	2021-2029	6,061,435	5.2-9.8	2020-2026	8,148,725
其他借款－有抵押	Other borrowings – secured	8.8-11.9	2021	4,198,149	7.1-10.3	2020-2026	3,201,748
優先票據－有抵押 (附註(f))	Senior notes – secured (note (f))	6.1-8.5	2021-2023	17,067,386	6.1-11.8	2020-2023	14,628,763
公司債券(附註(g))	Corporate bonds (note (g))	8.5-8.8	2021-2024	3,427,640	8.2-9.8	2020-2023	9,579,972
銀團貸款(附註(h))	Syndicated loans (note (h))	5.1-6.2	2023	1,131,582	5.7-6.4	2020	1,281,266
				34,663,066			40,319,161
				53,260,779			47,630,945

31. 計息銀行及其他借款(續)

31. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONT'D)

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
分析：	Analysed into:		
應償還銀行貸款：	Bank loans repayable:		
一年內	Within one year	2,063,926	1,019,790
第二年	In the second year	3,080,497	5,669,269
第三至第五年(包含首尾兩年)	In the third to fifth years, inclusive	5,305,392	5,318,619
超過五年	Beyond five years	452,420	639,524
		10,902,235	12,647,202
其他應償還借款 (包括優先票據、 公司債券及銀團貸款)：	Other borrowings (including senior notes, corporate bonds and syndicated loans) repayable:		
一年內	Within one year	16,533,787	6,291,994
第二年	In the second year	13,964,111	9,944,814
第三至第五年(包含首尾兩年)	In the third to fifth years, inclusive	11,860,646	18,387,655
超過五年	Beyond five years	-	359,280
		42,358,544	34,983,743
		53,260,779	47,630,945

附註：

- (a) 除金額為人民幣3,115,735,000元(二零一八年：人民幣1,340,106,000元)的若干即期銀行及其他借款以及金額為人民幣9,368,391,000元(二零一八年：人民幣11,784,739,000元)的非即期銀行及其他借款以浮動利率計息外，本集團於報告期末的所有計息銀行及其他借款以固定利率計息。

Notes:

- (a) Except for certain current bank and other borrowings amounting to RMB3,115,735,000 (2018: RMB1,340,106,000) and non-current bank and other borrowings amounting to RMB9,368,391,000 (2018: RMB11,784,739,000), both bearing interest at floating rates, all the Group's interest-bearing bank and other borrowings bear interest at fixed rates as at the end of the reporting period.

31. 計息銀行及其他借款(續)

附註：(續)

- (b) 除金額為人民幣21,751,033,000元(二零一八年：人民幣14,628,763,000元)的若干優先票據以美元(「美元」)計值、金額為人民幣1,990,349,000元(二零一八年：人民幣1,383,665,000元)及人民幣447,610,000元(二零一八年：人民幣217,918,000元)的銀團貸款以美元及港元(「港元」)計值外，本集團於報告期末的所有計息銀行及其他借款以人民幣計值。
- (c) 於報告期末，本集團的若干資產已抵押予銀行及其他貸款人，以取得授予本集團的計息銀行及其他借款。

該等資產的賬面金額如下：

			二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
	附註 Notes			
物業、廠房及設備	Property, plant and equipment	13	495,792	252,374
投資物業	Investment properties	15	579,426	861,045
於合營企業的權益	Interests in joint ventures	17	510,247	562,135
物業存貨：	Inventories of properties:	21		
持作開發土地	Land held for development		205,800	543,759
開發中物業	Properties under development		6,659,062	3,360,218
已竣工持作出售的物業	Completed properties held for sale		1,183,418	—
應收貿易款項	Trade receivables	22	2,661,893	—
			12,295,638	5,579,531

31. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONT'D)

Notes: (Cont'd)

- (b) Except for certain senior notes amounting to RMB21,751,033,000 (2018: RMB14,628,763,000) denominated in United States dollars ("USD"), syndicated loans amounting to RMB1,990,349,000 (2018: RMB1,383,665,000) denominated in USD and RMB447,610,000 (2018: RMB217,918,000) denominated in Hong Kong dollars ("HKD"), all the Group's interest-bearing bank and other borrowings were denominated in RMB as at the end of the reporting period.
- (c) At the end of the reporting period, certain of the Group's assets were pledged to banks and other lenders to secure the interest-bearing bank and other borrowings granted to the Group.

The carrying amounts of these assets are as follows:

31. 計息銀行及其他借款(續)

附註：(續)

(d) 於二零一九年十二月三十一日，本集團總計為人民幣7,039,946,000元(二零一八年：人民幣6,640,332,000元)的若干計息銀行及其他借款乃以本集團的若干附屬公司股權作抵押。

(e) 於二零一九年十二月三十一日，本集團合營企業中山金沙的51.15%股權已予抵押作為總計人民幣250,140,000元(二零一八年：人民幣363,840,000元)的若干計息銀行及其他借款的擔保。

(f) 優先票據

(i) 二零二零年到期的6.250%美元優先票據

於二零一七年一月二十三日，本公司按票據本金額的100%發行於二零二零年到期本金額為375,000,000美元(相當於約人民幣2,571,450,000元)的6.250%優先票據(「二零二零年到期的6.250%美元優先票據」)。二零二零年到期的6.250%美元優先票據於聯交所上市，並自二零一七年一月二十三日(包括該日)起以6.250%的年利率計息，每半年支付一次。

本公司已於二零二零年一月二十日，按相等於所贖回本金額100%另加截至到期日期的應計未付利息的贖回價，贖回全部二零二零年到期的6.250%美元優先票據。

31. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONT'D)

Notes: (Cont'd)

(d) At 31 December 2019, equity interests of certain subsidiaries of the Group were pledged as security for certain of the Group's interest-bearing bank and other borrowings with an aggregate amount of RMB7,039,946,000 (2018: RMB6,640,332,000).

(e) At 31 December 2019, a 51.15% equity interest in a joint venture, Zhongshan Jinsha, was pledged as security for certain of the Group's interest-bearing bank and other borrowings with an aggregate amount of RMB250,140,000 (2018: RMB363,840,000).

(f) Senior notes

(i) USD 6.250% Senior Notes due 2020

On 23 January 2017, the Company issued 6.250% senior notes due in 2020 in a principal amount of USD375,000,000 (approximately equivalent to RMB2,571,450,000) at 100% of the principal amount of such notes (the "USD 6.250% Senior Notes due 2020"). The USD 6.250% Senior Notes due 2020 are listed on the SEHK and bear interest from and including 23 January 2017 at the rate of 6.250% per annum, payable semi-annually in arrears.

On 20 January 2020, the Company has redeemed the USD 6.250% Senior Notes due 2020 in whole, at a redemption price equal to 100% of the principal amount redeemed plus the accrued and unpaid interest to the due date.

31. 計息銀行及其他借款(續)

附註：(續)

- (f) 優先票據(續)
 (ii) 二零二二年到期的5.750%美元
 優先票據

於二零一七年四月二十六日，本公司按票據本金額的100%發行於二零二二年到期本金額為225,000,000美元(相當於約人民幣1,549,013,000元)的5.750%優先票據(「二零二二年到期的**5.750%美元優先票據**」)。二零二二年到期的5.750%美元優先票據於聯交所上市，並自二零一七年四月二十六日(包括該日)起以5.750%的年利率計息，每半年支付一次。

本公司可選擇於二零二零年四月二十六日之前的任何時間，按相等於所贖回本金額100%另加適用溢價的贖回價，贖回全部而非部分二零二二年到期的5.750%美元優先票據。本公司可於二零二零年四月二十六日或之後的任何時間，按相等於所贖回本金額某一百分比的贖回價，贖回全部或部分二零二二年到期的5.750%美元優先票據。本公司亦可在二零二二年四月二十六日到期日之前的任何時間，運用在股本發售中透過一次或多次出售本公司普通股的所得款項現金淨額，按相等於所贖回本金額105.75%的贖回價，贖回二零二二年到期的5.750%美元優先票據本金總額中的最多35%。

31. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONT'D)

Notes: (Cont'd)

- (f) Senior notes (Cont'd)
 (ii) USD 5.750% Senior Notes due 2022

On 26 April 2017, the Company issued 5.750% senior notes due in 2022 in a principal amount of USD225,000,000 (approximately equivalent to RMB1,549,013,000) at 100% of the principal amount of such notes (the "**USD 5.750% Senior Notes due 2022**"). The USD 5.750% Senior Notes due 2022 are listed on the SEHK and bear interest from and including 26 April 2017 at the rate of 5.750% per annum, payable semi-annually in arrears.

At any time prior to 26 April 2020, the Company may at its option redeem the USD 5.750% Senior Notes due 2022, in whole but not in part, at a redemption price equal to 100% of the principal amount redeemed plus the applicable premium. At any time on or after 26 April 2020, the Company may redeem the USD 5.750% Senior Notes due 2022, in whole or in part, at a redemption price equal to a certain percentage of the principal amount redeemed. The Company may also redeem up to 35% of the aggregate principal amount of the USD 5.750% Senior Notes due 2022 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 105.75% of the principal amount redeemed at any time prior to the maturity date of 26 April 2022.

31. 計息銀行及其他借款(續)

附註：(續)

- (f) 優先票據(續)
- (iii) 二零二三年到期的6.600%美元優先票據
- 於二零一七年十一月三十日，本公司按票據本金額的100%發行於二零二三年到期本金額為300,000,000美元(相當於約人民幣1,981,020,000元)的6.600%優先票據(「二零二三年到期的6.600%美元優先票據」)。二零二三年到期的6.600%美元優先票據於聯交所上市，並自二零一七年十一月三十日(包括該日)起以6.600%的年利率計息，每半年支付一次。

本公司可選擇於二零二零年十一月三十日之前的任何時間，按相等於所贖回本金額100%另加適用溢價的贖回價，贖回全部而非部分二零二三年到期的6.600%美元優先票據。本公司亦可於二零二零年十一月三十日或之後的任何時間，按相等於所贖回本金額某一百分比的贖回價，贖回全部或部分二零二三年到期的6.600%美元優先票據。本公司亦可在二零二三年三月二日到期日之前的任何時間，運用在股本發售中透過一次或多次出售本公司普通股的所得款項現金淨額，按相等於所贖回本金額106.6%的贖回價，贖回二零二三年到期的6.600%美元優先票據本金總額中的最多35%。

31. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONT'D)

Notes: (Cont'd)

- (f) Senior notes (Cont'd)
- (iii) USD 6.600% Senior Notes due 2023

On 30 November 2017, the Company issued 6.600% senior notes due in 2023 in a principal amount of USD300,000,000 (approximately equivalent to RMB1,981,020,000) at 100% of the principal amount of such notes (the “**USD 6.600% Senior Notes due 2023**”). The USD 6.600% Senior Notes due 2023 are listed on the SEHK and bear interest from and including 30 November 2017 at the rate of 6.600% per annum, payable semi-annually in arrears.

At any time prior to 30 November 2020, the Company may at its option redeem the USD 6.600% Senior Notes due 2023, in whole but not in part, at a redemption price equal to 100% of the principal amount redeemed plus the applicable premium. At any time on or after 30 November 2020, the Company may redeem the USD 6.600% Senior Notes due 2023, in whole or in part, at a redemption price equal to a certain percentage of the principal amount redeemed. The Company may also redeem up to 35% of the aggregate principal amount of the USD 6.600% Senior Notes due 2023 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 106.6% of the principal amount redeemed at any time prior to the maturity date of 2 March 2023.

31. 計息銀行及其他借款(續)

附註：(續)

- (f) 優先票據(續)
- (iv) 二零二一年到期的6.250%美元優先票據
- 於二零一八年一月十七日，本公司按票據本金額的100%發行於二零二一年到期本金額為500,000,000美元(相當於約人民幣3,296,573,000元)的6.250%優先票據(「二零二一年到期的**6.250%美元優先票據**」)。二零二一年到期的6.250%美元優先票據於聯交所上市，並自二零一八年一月十七日(包括該日)起以6.250%的年利率計息，每半年支付一次。

本公司可選擇於二零二零年一月十七日之前的任何時間，按相等於所贖回本金額100%另加適用溢價的贖回價，贖回全部而非部分二零二一年到期的6.250%美元優先票據。本公司亦可於二零二一年一月十七日之前的任何時間，運用在股本發售中透過一次或多次出售本公司普通股的所得款項現金淨額，按相當於所贖回票據本金額106.25%的贖回價加截至贖回日期(但不包括該日)的應計未付利息(如有)，贖回二零二一年到期的6.250%美元優先票據本金總額中的最多35%。

31. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONT'D)

Notes: (Cont'd)

- (f) Senior notes (Cont'd)
- (iv) USD 6.250% Senior Notes due 2021

On 17 January 2018, the Company issued 6.250% senior notes due in 2021 in a principal amount of USD500,000,000 (approximately equivalent to RMB3,296,573,000) at 100% of the principal amount of such notes (the "**USD 6.250% Senior Notes due 2021**"). The USD 6.250% Senior Notes due 2021 are listed on the SEHK and bear interest from and including 17 January 2018 at the rate of 6.250% per annum, payable semi-annually in arrears.

At any time prior to 17 January 2020, the Company may at its option redeem the USD 6.250% Senior Notes due 2021, in whole but not in part, at a redemption price equal to 100% of the principal amount redeemed plus the applicable premium. At any time prior to 17 January 2021, the Company may redeem up to 35% of the aggregate principal amount of the USD 6.250% Senior Notes due 2021 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 106.25% of the principal amount of the notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

31. 計息銀行及其他借款(續)

附註：(續)

- (f) 優先票據(續)
- (v) 二零二一年到期的7.850%美元優先票據
- 於二零一八年六月四日，本公司按票據本金額的100%發行於二零二一年到期本金額為450,000,000美元(相當於約人民幣2,884,954,000元)的7.850%優先票據(「二零二一年到期的7.850%美元優先票據」)。二零二一年到期的7.850%美元優先票據於聯交所上市，並自二零一八年六月四日(包括該日)起以7.850%的年利率計息，每半年支付一次。

本公司可選擇於二零二零年六月四日之前的任何時間，按相等於所贖回本金額100%另加適用溢價的贖回價，贖回全部而非部分二零二一年到期的7.850%美元優先票據。本公司亦可於二零二一年六月四日之前的任何時間，運用在股本發售中透過一次或多次出售本公司普通股的所得款項現金淨額，按相當於所贖回本金額107.85%的贖回價加截至贖回日期(但不包括該日)的應計未付利息(如有)，贖回二零二一年到期的7.850%美元優先票據本金總額中的最多35%。

31. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONT'D)

Notes: (Cont'd)

- (f) Senior notes (Cont'd)
- (v) USD 7.850% Senior Notes due 2021

On 4 June 2018, the Company issued 7.850% senior notes due in 2021 in a principal amount of USD450,000,000 (approximately equivalent to RMB2,884,954,000) at 100% of the principal amount of such notes (the “**USD 7.850% Senior Notes due 2021**”). The USD 7.850% Senior Notes due 2021 are listed on the SEHK and bear interest from and including 4 June 2018 at the rate of 7.850% per annum, payable semi-annually in arrears.

At any time prior to 4 June 2020, the Company may at its option redeem the USD 7.850% Senior Notes due 2021, in whole but not in part, at a redemption price equal to 100% of the principal amount redeemed plus the applicable premium. At any time prior to 4 June 2021, the Company may redeem up to 35% of the aggregate principal amount of the USD 7.850% Senior Notes due 2021 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 107.85% of the principal amount redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

31. 計息銀行及其他借款(續)

附註：(續)

- (f) 優先票據(續)
- (vi) 二零二零年到期的10.950%美元優先票據
- 於二零一八年十一月二十七日，本公司按票據本金額的99.912%發行於二零二零年到期本金額為300,000,000美元(相當於約人民幣2,087,726,000元)的10.950%優先票據(「二零二零年到期的**10.950%美元優先票據**」)。二零二零年到期的10.950%美元優先票據於香港聯交所上市，並自二零一八年十一月二十七日(包括該日)起以10.950%的年利率計息，每半年支付一次。

本公司可選擇於二零二零年十一月二十七日之前的任何時間，按相等於所贖回本金額100%另加適用溢價的贖回價，贖回全部而非部分二零二零年到期的10.950%美元優先票據。本公司亦可於二零二零年十一月二十七日之前的任何時間，運用在股本發售中透過一次或多次出售本公司普通股的所得款項現金淨額，按相當於所贖回本金額110.95%的贖回價加載至贖回日期(但不包括該日)的應計未付利息(如有)，贖回二零二零年到期的10.950%美元優先票據本金總額中的最多35%。

31. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONT'D)

Notes: (Cont'd)

- (f) Senior notes (Cont'd)
- (vi) USD 10.950% Senior Notes due 2020

On 27 November 2018, the Company issued 10.950% senior notes due in 2020 in a principal amount of USD300,000,000 (approximately equivalent to RMB2,087,726,000) at 99.912% of the principal amount of such notes (the "**USD 10.950% Senior Notes due 2020**"). The USD 10.950% Senior Notes due 2020 are listed on the SEHK and bear interest from and including 27 November 2018 at the rate of 10.950% per annum, payable semi-annually in arrears.

At any time prior to 27 November 2020, the Company may at its option redeem the USD 10.950% Senior Notes due 2020, in whole but not in part, at a redemption price equal to 100% of the principal amount redeemed plus the applicable premium. At any time prior to 27 November 2020, the Company may redeem up to 35% of the aggregate principal amount of the USD 10.950% Senior Notes due 2020 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 110.95% of the principal amount redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

31. 計息銀行及其他借款(續)

附註：(續)

- (f) 優先票據(續)
- (vii) 二零二二年到期的7.625%美元優先票據
- 於二零一九年二月二十一日，本公司按票據本金額的100%發行於二零二二年到期本金額為500,000,000美元(相當於約人民幣3,348,725,000元)的7.625%優先票據(「二零二二年到期的7.625%美元優先票據」)。二零二二年到期的7.625%美元優先票據於聯交所上市，並自二零一九年二月二十一日(包括該日)起以7.625%的年利率計息，每半年支付一次。

本公司可選擇於二零二一年二月二十一日之前的任何時間，按相等於所贖回本金額100%另加適用溢價的贖回價，贖回全部而非部分二零二二年到期的7.625%美元優先票據。本公司亦可於二零二一年二月二十一日之前的任何時間，運用在股本發售中透過一次或多次出售本公司普通股的所得款項現金淨額，按相當於所贖回本金額107.625%的贖回價加載至贖回日期(但不包括該日)的應計未付利息(如有)，贖回二零二二年到期的7.625%美元優先票據本金總額中的最多35%。

31. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONT'D)

Notes: (Cont'd)

- (f) Senior notes (Cont'd)
- (vii) USD 7.625% Senior Notes due 2022

On 21 February 2019, the Company issued 7.625% senior notes due in 2022 in a principal amount of USD500,000,000 (approximately equivalent to RMB3,348,725,000) at 100% of the principal amount of such notes (the “**USD 7.625% Senior Notes due 2022**”). The USD 7.625% Senior Notes due 2022 are listed on the SEHK and bear interest from and including 21 February 2019 at the rate of 7.625% per annum, payable semi-annually in arrears.

At any time prior to 21 February 2021, the Company may at its option redeem the USD 7.625% Senior Notes due 2022, in whole but not in part, at a redemption price equal to 100% of the principal amount redeemed plus the applicable premium. At any time prior to 21 February 2021, the Company may redeem up to 35% of the aggregate principal amount of the USD 7.625% Senior Notes due 2022 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 107.625% of the principal amount redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

31. 計息銀行及其他借款(續)

附註：(續)

- (f) 優先票據(續)
- (viii) 二零二三年到期的6.750%美元優先票據
- 於二零一九年七月十六日，本公司按票據本金額的100%發行於二零二三年到期本金額為400,000,000美元(相當於約人民幣2,754,133,000元)的6.750%優先票據(「二零二三年到期的6.750%美元第一期優先票據」)。於二零一九年九月四日，本公司按票據本金額的100%發行於二零二三年到期本金額為100,000,000美元(相當於約人民幣714,940,000元)的6.750%額外優先票據(「二零二三年到期的6.750%美元第二期優先票據」)。該等票據於聯交所上市，並自二零一九年七月十六日(包括該日)起以年利率6.750%計息，每半年支付一次。額外票據與二零二三年到期的400,000,000美元6.750%優先票據整合後構成單一系列(統稱「二零二三年到期的6.750%美元優先票據」)。

本公司可選擇於二零二二年七月十六日之前的任何時間，按相等於所贖回本金額100%另加適用溢價的贖回價，贖回全部而非部分二零二三年到期的6.750%美元優先票據。本公司亦可於二零二二年七月十六日之前不時及任何時間，運用在股本發售中透過一次或多次出售本公司普通股的所得款項現金淨額，按相當於所贖回票據本金額106.75%的贖回價加載至贖回日期(但不包括該日)的應計未付利息(如有)，贖回二零二三年到期的6.750%美元優先票據本金總額中的最多35%。

31. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONT'D)

Notes: (Cont'd)

- (f) Senior notes (Cont'd)
- (viii) USD 6.750% Senior Notes due 2023

On 16 July 2019, the Company issued 6.750% senior notes due in 2023 in a principal amount of USD400,000,000 (approximately equivalent to RMB2,754,133,000) at 100% of the principal amount of such notes (the “**USD 6.750% Senior Notes I due 2023**”). On 4 September 2019, the Company issued additional 6.750% senior notes due in 2023 in a principal amount of USD100,000,000 (approximately equivalent to RMB714,940,000) at 100% of the principal amount of such notes (the “**USD 6.750% Senior Notes II due 2023**”). The notes are listed on the SEHK and bear interest from and including 16 July 2019 at the rate of 6.750% per annum, payable semi-annually in arrears. The additional notes were consolidated and form a single series with the 6.750% senior notes of USD400,000,000 due in 2023 (collectively “**USD 6.750% Senior Notes due 2023**”).

At any time prior to 16 July 2022, the Company may at its option redeem the USD 6.750% Senior Notes due 2023, in whole but not in part, at a redemption price equal to 100% of the principal amount redeemed plus the applicable premium. At any time and from time to time prior to 16 July 2022, the Company may redeem up to 35% of the aggregate principal amount of the USD 6.750% Senior Notes due 2023 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 106.75% of the principal amount redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

31. 計息銀行及其他借款(續)

附註：(續)

(f) 優先票據(續)

優先票據是由本集團若干於中國境外註冊成立的附屬公司(「附屬公司擔保人」)共同及個別提供擔保，並以質押該等附屬公司擔保人的若干股權的方式作抵押。

二零二零年到期的6.250%美元優先票據、二零二二年到期的5.750%美元優先票據、二零二三年到期的6.600%美元優先票據、二零二一年到期的6.250%美元優先票據、二零二一年到期的7.850%美元優先票據及二零二零年到期的10.950%美元優先票據、二零二二年到期的7.625%美元優先票據、二零二三年到期的6.750%美元第一期優先票據及二零二三年到期的6.750%美元第二期優先票據的實際利率分別為6.90%、6.12%、6.98%、6.89%、8.46%、11.78%、8.10%、7.14%及7.44%。

31. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONT'D)

Notes: (Cont'd)

(f) Senior notes (Cont'd)

The senior notes are jointly and severally guaranteed by certain subsidiaries of the Group which are incorporated outside the PRC (“**Subsidiary Guarantors**”) and are secured by the pledge of certain equity interests of such Subsidiary Guarantors.

The effective interest rates of the USD 6.250% Senior Notes due 2020, the USD 5.750% Senior Notes due 2022, the USD 6.600% Senior Notes due 2023, the USD 6.250% Senior Notes due 2021, the USD 7.850% Senior Notes due 2021 and the USD 10.950% Senior Notes due 2020, the USD 7.625% Senior Notes due 2022, the USD 6.750% Senior Notes I due 2023 and the USD 6.750% Senior Notes II due 2023 are 6.90%, 6.12%, 6.98%, 6.89%, 8.46%, 11.78%, 8.10%, 7.14% and 7.44%, respectively.

31. 計息銀行及其他借款(續)

附註：(續)

(f) 優先票據(續)

於綜合財務報表確認的優先票據計算如下：

		二零二零年	二零二零年	二零二二年	二零二三年	二零二一年	二零二一年	二零二零年	二零二二年	二零二三年	
		到期的	到期的	到期的	到期的	到期的	到期的	到期的	到期的	到期的	
		11.450%美元	6.250%人民幣	5.750%美元	6.600%美元	6.250%美元	7.850%美元	10.950%美元	7.625%美元	6.750%美元	
		優先票據	優先票據	優先票據	優先票據	優先票據	優先票據	優先票據	優先票據	優先票據	
		USD11.450%	RMB6.250%	USD5.750%	USD6.600%	USD6.250%	USD7.850%	USD10.950%	USD7.625%	USD6.750%	
		Senior Notes	Senior Notes	Senior Notes	Senior Notes	Senior Notes	Senior Notes	Senior Notes	Senior Notes	Senior Notes	總計
		due 2020	due 2020	due 2022	due 2023	due 2021	due 2021	due 2020	due 2022	due 2023	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	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	RMB'000	RMB'000	RMB'000	RMB'000
於二零一八年一月一日的	Carrying amount as at 1 January										
賬面值	2018	1,798,660	2,409,586	1,444,427	1,917,322	-	-	-	-	-	7,569,995
年內已發行	Issuance during the year	-	-	-	-	3,296,573	2,884,954	2,087,726	-	-	8,269,253
交易成本	Transaction costs	-	-	-	-	(51,197)	(40,699)	(29,061)	-	-	(120,957)
利息支出	Interest charged	61,239	169,060	89,899	137,548	214,409	143,410	21,436	-	-	837,001
已付利息及計入其他	Interest paid and interest payable										
應付款項及應計款項的	included in other payables and										
應付利息	accruals	(37,587)	(154,863)	(85,484)	(130,828)	(199,028)	(136,156)	(20,500)	-	-	(764,446)
贖回	Redemption	(1,783,927)	-	-	-	-	-	-	-	-	(1,783,927)
匯兌調整	Exchange realignment	(38,385)	139,293	83,330	110,649	142,596	209,054	(24,693)	-	-	621,844
於二零一八年十二月三十一日	Carrying amount as										
及二零一九年一月一日的	at 31 December 2018 and										
賬面值	1 January 2019	-	2,563,076	1,532,172	2,034,691	3,403,353	3,060,563	2,034,908	-	-	14,628,763
年內已發行	Issuance during the year	-	-	-	-	-	-	-	3,348,725	3,469,073	6,817,798
交易成本	Transaction costs	-	-	-	-	-	-	-	(44,003)	(59,406)	(103,409)
利息支出	Interest charged	-	177,079	93,897	142,610	232,751	260,430	240,226	236,594	105,918	1,489,505
已付利息及計入其他	Interest paid and interest										
應付款項及應計款項的	payable included in other										
應付利息	payables and accruals	-	(161,259)	(89,015)	(136,231)	(215,012)	(246,425)	(226,020)	(227,339)	(101,916)	(1,403,217)
匯兌調整	Exchange realignment	-	31,003	18,477	24,535	41,127	36,960	24,634	131,767	13,090	321,593
於二零一九年十二月三十一日	Carrying amount as										
的賬面值	at 31 December 2019	-	2,609,899	1,555,531	2,065,605	3,462,219	3,111,528	2,073,748	3,445,744	3,426,759	21,751,033

31. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONT'D)

Notes: (Cont'd)

(f) Senior notes (Cont'd)

The senior notes recognised in the consolidated financial statements are calculated as follows:

31. 計息銀行及其他借款(續)

附註：(續)

- (g) 公司債券
- 於二零一五年七月十日，廣州時代(其為本公司於中國成立的全資附屬公司)於中國按人民幣2,000,000,000元的面值發行境內公司債券(「二零二零年到期的**6.75%人民幣公司債券**」)。二零二零年到期的6.75%人民幣公司債券將於發行日期起計五年後到期。於發行日期起計第三年末，廣州時代有權上調票面利率而債券持有人有權按面值回售全部或部分二零二零年到期的6.75%人民幣公司債券。二零二零年到期的6.75%人民幣公司債券於上海證券交易所(「上交所」)上市，並以6.75%的年利率計息，每年支付一次。於二零一八年七月十日，本公司以相等於該等票據本金額100%的贖回價人民幣184,392,000元，贖回本金總額為人民幣184,392,000元的二零二零年到期的6.75%人民幣公司債券。自二零一八年七月十日，債券利率自每年6.75%增長至每年7.50%(「二零二零年到期的**7.50%人民幣公司債券**」)。

於二零一六年一月十八日，廣州時代於中國按人民幣3,000,000,000元的面值發行票面利率為每年7.88%的三年期非公開境內公司債券(「二零一九年到期的**7.88%人民幣公司債券**」)，廣州時代有權於第二年末選擇贖回債券。二零一九年到期的7.88%人民幣公司債券為無擔保及於深圳證券交易所上市。於二零一九年一月十八日，本公司以贖回價人民幣3,236,400,000元(相當於該等票據本金額100%加截至到期日期的應計未付利息)贖回二零一九年到期本金總額為人民幣3,000,000,000元所有未贖回的7.88%人民幣公司債券。

31. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONT'D)

Notes: (Cont'd)

- (g) Corporate bonds
- On 10 July 2015, Guangzhou Times, a wholly-owned subsidiary of the Company established in the PRC, issued domestic corporate bonds at a par value of RMB2,000,000,000 in the PRC (the "**RMB6.75% Corporate Bonds due 2020**"). The RMB6.75% Corporate Bonds due 2020 will mature in five years from the issue date. Upon the third anniversary of the issue date, Guangzhou Times shall be entitled to increase the coupon rate and the bond holders shall be entitled to sell back the whole or part of the RMB6.75% Corporate Bonds due 2020 at par. The RMB6.75% Corporate Bonds due 2020 are listed on the Shanghai Stock Exchange (the "**SSE**") and bear interest at the rate of 6.75% per annum, payable annually in arrears. On 10 July 2018, the Company redeemed an aggregate principal amount of RMB184,392,000 of the RMB6.75% Corporate Bonds due 2020 at a redemption price of RMB184,392,000, which equals to 100% of the principal amount of such notes. From 10 July 2018, the interest rate of the bonds increased from 6.75% per annum to 7.50% per annum (the "**RMB7.50% Corporate Bonds due 2020**").

On 18 January 2016, Guangzhou Times issued non-public domestic corporate bonds at a par value of RMB3,000,000,000 in the PRC with a term of three years at the coupon rate of 7.88% per annum (the "**RMB7.88% Corporate Bonds due 2019**"), with the option to redeem by Guangzhou Times at the end of the second year. The RMB7.88% Corporate Bonds due 2019 are non-guaranteed and are listed on the Shenzhen Stock Exchange. On 18 January 2019, the Company redeemed an aggregate principal amount of RMB3,000,000,000 of all of the outstanding RMB7.88% Corporate Bonds due 2019 at a redemption price of RMB3,236,400,000, which equals to 100% of the principal amount of such notes plus the accrued and unpaid interest to the due date.

31. 計息銀行及其他借款(續)

附註：(續)

(g) 公司債券(續)

於二零一七年九月八日，廣州時代於中國按人民幣1,100,000,000元的面值發行票面利率為每年8.20%的五年期非公開境內公司債券(「二零二二年到期的**8.20%人民幣公司債券**」)，廣州時代有權於第三年末調整票面利率而投資者有權回售債券。二零二二年到期的8.20%人民幣公司債券為無擔保及於上交所上市。

於二零一七年九月八日，廣州時代於中國按人民幣500,000,000元的面值發行票面利率為每年7.75%的三年期非公開境內公司債券(「二零二零年到期的**7.75%人民幣公司債券**」)，廣州時代有權於第二年末調整票面利率而投資者有權回售債券。二零二零年到期的7.75%人民幣公司債券為無擔保及於上交所上市。自二零一九年九月八日，債券利率自每年7.75%減少至每年7.20%(「二零二零年到期的**7.20%人民幣公司債券**」)。

於二零一八年八月二十日，廣州時代於中國按人民幣2,200,000,000元的面值發行票面利率為每年8.40%的三年期非公開境內公司債券(「二零二一年到期的**8.40%人民幣第一期公司債券**」)，廣州時代有權於第二年末調整票面利率而投資者有權回售債券。二零二一年到期的8.40%人民幣第一期公司債券為無擔保及於上交所上市。

31. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONT'D)

Notes: (Cont'd)

(g) Corporate bonds (Cont'd)

On 8 September 2017, Guangzhou Times issued non-public domestic corporate bonds at a par value of RMB1,100,000,000 in the PRC with a term of five years at the coupon rate of 8.20% per annum (the “**RMB8.20% Corporate Bonds due 2022**”), with the option to adjust the coupon rate by Guangzhou Times and the investors have the option to sell back the bonds at the end of the third year. The RMB8.20% Corporate Bonds due 2022 are non-guaranteed and are listed on the SSE.

On 8 September 2017, Guangzhou Times issued non-public domestic corporate bonds at a par value of RMB500,000,000 in the PRC with a term of three years at the coupon rate of 7.75% per annum (the “**RMB7.75% Corporate Bonds due 2020**”), with the option to adjust the coupon rate by Guangzhou Times and the investors have the option to sell back the bonds at the end of the second year. The RMB7.75% Corporate Bonds due 2020 are non-guaranteed and are listed on the SSE. From 8 September 2019, the interest rate of the bonds decreased from 7.75% per annum to 7.20% per annum (the “**RMB 7.20% Corporate Bonds due 2020**”).

On 20 August 2018, Guangzhou Times issued non-public domestic corporate bonds at a par value of RMB2,200,000,000 in the PRC with a term of three years at the coupon rate of 8.40% per annum (the “**RMB8.40% Corporate Bonds I due 2021**”), with the option to adjust the coupon rate by Guangzhou Times and the investors have the option to sell back the bonds at the end of the second year. The RMB8.40% Corporate Bonds I due 2021 are non-guaranteed and are listed on the SSE.

31. 計息銀行及其他借款(續)

附註：(續)

- (g) 公司債券(續)
於二零一八年十月十七日，廣州時代於中國按人民幣1,700,000,000元的面值發行票面利率為每年8.40%的三年期非公開境內公司債券(「二零二一年到期的**8.40%人民幣第二期公司債券**」)，廣州時代有權於第二年末調整票面利率而投資者有權回售債券。二零二一年到期的8.40%人民幣第二期公司債券為無擔保及於上交所上市。

於二零一八年十二月七日，廣州時代於中國按人民幣1,100,000,000元的面值發行票面利率為每年7.50%的三年期公開境內公司債券(「二零二一年到期的**7.50%人民幣公司債券**」)，廣州時代有權於第二年末調整票面利率而投資者有權回售債券。二零二一年到期的7.50%人民幣公司債券為無擔保及於上交所上市。

於二零一八年十二月七日，廣州時代於中國按人民幣1,900,000,000元的面值發行票面利率為每年8.10%的五年期公開境內公司債券(「二零二三年到期的**8.10%人民幣公司債券**」)，廣州時代有權於第三年末調整票面利率而投資者有權回售債券。二零二三年到期的8.10%人民幣公司債券為無擔保及於上交所上市。

31. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONT'D)

Notes: (Cont'd)

- (g) Corporate bonds (Cont'd)
On 17 October 2018, Guangzhou Times issued non-public domestic corporate bonds at a par value of RMB1,700,000,000 in the PRC with a term of three years at the coupon rate of 8.40% per annum (the “**RMB8.40% Corporate Bonds II due 2021**”), with the option to adjust the coupon rate by Guangzhou Times and the investors have the option to sell back the bonds at the end of the second year. The RMB8.40% Corporate Bonds II due 2021 are non-guaranteed and are listed on the SSE.

On 7 December 2018, Guangzhou Times issued public domestic corporate bonds at a par value of RMB1,100,000,000 in the PRC with a term of three years at the coupon rate of 7.50% per annum (the “**RMB7.50% Corporate Bonds due 2021**”), with the option to adjust the coupon rate by Guangzhou Times and the investors have the option to sell back the bonds at the end of the second year. The RMB7.50% Corporate Bonds due 2021 are non-guaranteed and are listed on the SSE.

On 7 December 2018, Guangzhou Times issued public domestic corporate bonds at a par value of RMB1,900,000,000 in the PRC with a term of five years at the coupon rate of 8.10% per annum (the “**RMB8.10% Corporate Bonds due 2023**”), with the option to adjust the coupon rate by Guangzhou Times and the investors have the option to sell back the bonds at the end of the third year. The RMB8.10% Corporate Bonds due 2023 are non-guaranteed and are listed on the SSE.

31. 計息銀行及其他借款(續)

附註：(續)

(g) 公司債券(續)

於二零一九年一月二十四日，廣州時代於中國按人民幣1,100,000,000元的面值發行票面利率為每年7.50%的三年期非公開境內公司債券(「二零二二年到期的**7.50%人民幣公司債券**」)，廣州時代有權於第二年末調整票面利率而投資者有權回售債券。二零二二年到期的7.50%人民幣公司債券為無擔保及於上交所上市。

於二零一九年六月六日，廣州時代於中國按人民幣500,000,000元的面值發行票面利率為每年6.80%的五年期公開境內公司債券(「二零二四年到期的**6.80%人民幣公司債券**」)。二零二四年到期的6.80%人民幣公司債券為無擔保及於上交所上市。

二零二零年到期的7.50%人民幣公司債券、二零一九年到期的7.88%人民幣公司債券、二零二二年到期的8.20%人民幣公司債券、二零二零年到期的7.20%人民幣公司債券、二零二一年到期的8.40%人民幣第一期公司債券、二零二一年到期的8.40%人民幣第二期公司債券、二零二一年到期的7.50%人民幣公司債券、二零二三年到期的8.10%人民幣公司債券、二零二二年到期的7.50%人民幣公司債券及二零二四年到期的6.80%人民幣公司債券的實際利率分別為10.75%、8.63%、9.18%、8.87%、9.82%、9.82%、9.12%、8.79%、8.63%及8.46%。

31. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONT'D)

Notes: (Cont'd)

(g) Corporate bonds (Cont'd)

On 24 January 2019, Guangzhou Times issued non-public domestic corporate bonds at a par value of RMB1,100,000,000 in the PRC with a term of three years at the coupon rate of 7.50% per annum (the “**RMB7.50% Corporate Bonds due 2022**”), with the option to adjust the coupon rate by Guangzhou Times and the investors have the option to sell back the bonds at the end of the second year. The RMB7.50% Corporate Bonds due 2022 are non-guaranteed and are listed on the SSE.

On 6 June 2019, Guangzhou Times issued public domestic corporate bonds at a par value of RMB500,000,000 in the PRC with a term of five years at the coupon rate of 6.80% per annum (the “**RMB6.80% Corporate Bonds due 2024**”). The RMB6.80% Corporate Bonds due 2024 are non-guaranteed and are listed on the SSE.

The effective interest rates of the RMB7.50% Corporate Bonds due 2020, RMB7.88% Corporate Bonds due 2019, RMB8.20% Corporate Bonds due 2022, RMB7.20% Corporate Bonds due 2020, RMB8.40% Corporate Bonds I due 2021, RMB8.40% Corporate Bonds II due 2021, RMB7.50% Corporate Bonds due 2021, RMB8.10% Corporate Bonds due 2023, RMB7.50% Corporate Bonds due 2022 and RMB6.80% Corporate Bonds due 2024 are 10.75%, 8.63%, 9.18%, 8.87%, 9.82%, 9.82%, 9.12%, 8.79%, 8.63% and 8.46%, respectively.

31. 計息銀行及其他借款(續)

附註：(續)

- (g) 公司債券(續)
於綜合財務報表確認的公司債券計算如下：

31. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONT'D)

Notes: (Cont'd)

- (g) Corporate bonds (Cont'd)
The corporate bonds recognised in the consolidated financial statements are calculated as follows:

		二零二零年 到期的 7.50%人民幣 公司債券 RMB7.50% Corporate Bonds due 2020 人民幣千元 RMB'000	二零一八年 到期的 7.85%人民幣 公司債券 RMB7.85% Corporate Bonds due 2018 人民幣千元 RMB'000	二零一九年 到期的 7.88%人民幣 公司債券 RMB7.88% Corporate Bonds due 2019 人民幣千元 RMB'000	二零二二年 到期的 8.20%人民幣 公司債券 RMB8.20% Corporate Bonds due 2022 人民幣千元 RMB'000	二零二零年 到期的 7.75%人民幣 公司債券 RMB7.75% Corporate Bonds due 2020 人民幣千元 RMB'000	二零二一年 到期的 8.40%人民幣 第一期公司債券 RMB8.40% Corporate Bonds I due 2021 人民幣千元 RMB'000
於二零一八年一月一日的 賬面值	Carrying amount as at 1 January 2018	1,987,390	2,993,621	2,992,125	1,066,314	484,842	-
年內已發行	Issuance during the year	-	-	-	-	-	2,200,000
利息支出	Interest charged	148,882	199,295	243,980	100,985	44,160	78,185
交易成本、已付利息及 計入其他應付款項及 應計款項的應付利息	Transaction cost, interest paid and interest payable included in other payables and accruals	(212,866)	(192,916)	(236,400)	(90,200)	(38,750)	(134,636)
提前贖回	Early redemption	(184,392)	-	-	-	-	-
到期贖回	Redemption on maturity	-	(3,000,000)	-	-	-	-
於二零一八年十二月三十一日 及二零一九年一月一日的 賬面值	Carrying amount as at 31 December 2018 and 1 January 2019	1,739,014	-	2,999,705	1,077,099	490,252	2,143,549
年內已發行	Issuance during the year	-	-	-	-	-	-
利息支出	Interest charged	192,671	-	11,953	100,224	44,044	214,597
交易成本、已付利息及 計入其他應付款項及 應計款項的應付利息	Transaction cost, interest paid and interest payable included in other payables and accruals	(139,268)	-	(11,658)	(90,200)	(39,815)	(187,328)
年內償還	Repaid during the year	-	-	(3,000,000)	-	-	-
於二零一九年十二月三十一日 的賬面值	Carrying amount as at 31 December 2019	1,792,417	-	-	1,087,123	494,481	2,170,818

31. 計息銀行及其他借款(續)

附註：(續)

- (g) 公司債券(續)
於綜合財務報表確認的公司債券計算如下：(續)

31. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONT'D)

Notes: (Cont'd)

- (g) Corporate bonds (Cont'd)
The corporate bonds recognised in the consolidated financial statements are calculated as follows: (Cont'd)

		二零二一年 到期的 8.40%人民幣 第二期 公司債券 RMB8.40%	二零二一年 到期的 7.50%人民幣 公司債券 RMB7.50%	二零二三年 到期的 8.10%人民幣 公司債券 RMB8.10%	二零二二年 到期的 7.50%人民幣 公司債券 RMB7.50%	二零二四年 到期的 6.80%人民幣 公司債券 RMB6.80%	總計 Total
		Corporate Bonds II due 2021	Corporate Bonds due 2021	Corporate Bonds due 2023	Corporate Bonds due 2022	Corporate Bonds due 2024	人民幣千元 RMB'000
於二零一八年一月一日的	Carrying amount as at						
賬面值	1 January 2018	-	-	-	-	-	9,524,292
年內已發行	Issuance during the year	1,700,000	1,100,000	1,900,000	-	-	6,900,000
利息支出	Interest charged	31,762	5,569	10,253	-	-	863,071
交易成本、已付利息及 計入其他應付款項及 應計款項的應付利息	Transaction cost, interest paid and interest payable included in other payables and accruals	(66,063)	(30,401)	(30,810)	-	-	(1,033,042)
提前贖回	Early redemption	-	-	-	-	-	(184,392)
到期贖回	Redemption on maturity	-	-	-	-	-	(3,000,000)
於二零一八年十二月三十一日 及二零一九年一月一日的	Carrying amount as at 31 December 2018 and 1 January 2019	1,665,699	1,075,168	1,879,443	-	-	13,069,929
賬面值	1 January 2019						
年內已發行	Issuance during the year	-	-	-	1,100,000	500,000	1,600,000
利息支出	Interest charged	162,091	99,541	166,006	88,231	23,611	1,102,969
交易成本、已付利息及 計入其他應付款項及 應計款項的應付利息	Transaction cost, interest paid and interest payable included in other payables and accruals	(158,828)	(98,835)	(161,169)	(106,614)	(61,868)	(1,055,583)
年內償還	Repaid during the year	-	-	-	-	-	(3,000,000)
於二零一九年十二月三十一日 的賬面值	Carrying amount as at 31 December 2019	1,668,962	1,075,874	1,884,280	1,081,617	461,743	11,717,315

31. 計息銀行及其他借款(續)

附註：(續)

(h) 銀團貸款

- (i) 於二零一七年七月三十一日，本公司與(其中包括)多家金融機構(作為貸款人)及香港上海滙豐銀行有限公司(作為融資代理)就美元及港元雙幣可轉讓定期貸款融資訂立總額分別為204,000,000美元及248,000,000港元的融資協議，自二零一七年七月三十一日起計為期36個月(「二零一七年滙豐融資」)。

二零一七年滙豐融資項下的未償還本金額一般參考按倫敦銀行同業拆息或香港銀行同業拆息計算的浮動利率計息。

- (ii) 於二零一九年十一月八日，本公司與(其中包括)多家金融機構(作為貸款人)及恒生銀行有限公司(作為融資代理)就美元及港元雙幣可轉讓定期貸款融資訂立總額分別為128,000,000美元及312,000,000港元的融資協議，自二零一九年十一月八日起計為期48個月(「二零一九年恆生融資」)。

二零一九年恆生融資項下的未償還本金額一般參考按倫敦銀行同業拆息或香港銀行同業拆息計算的浮動利率計息。

31. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONT'D)

Notes: (Cont'd)

(h) Syndicated loans

- (i) On 31 July 2017, the Company entered into a facility agreement with, among others, various financial institutions as lenders and The Hong Kong and Shanghai Banking Corporation Limited as a facility agent for a USD and HKD dual-currency transferable term loan facility in an aggregate amount of USD204,000,000 and HKD248,000,000, respectively, for a term of 36 months commencing from 31 July 2017 (the "2017 HSBC Facility").

The principal amounts outstanding under the 2017 HSBC Facility generally bear interest at floating rates calculated with reference to the London Interbank Offered Rate or Hong Kong Interbank Offered Rate.

- (ii) On 8 November 2019, the Company entered into a facility agreement with, among others, various financial institutions as lenders and Hang Seng Bank Limited as a facility agent for a USD and HKD dual-currency transferable term loan facility in an aggregate amount of USD128,000,000 and HKD312,000,000, respectively, for a term of 48 months commencing from 8 November 2019 (the "2019 Heng Seng Facility").

The principal amounts outstanding under the 2019 Heng Seng Facility generally bear interest at floating rates calculated with reference to the London Interbank Offered Rate or Hong Kong Interbank Offered Rate.

32. 股本

32. SHARE CAPITAL

		二零一九年 2019	二零一八年 2018
法定：	Authorised:		
10,000,000,000股(二零一八年： 10,000,000,000股)每股面值 0.10港元的普通股	10,000,000,000 (2018: 10,000,000,000) ordinary shares of HKD0.10 each	1,000,000,000 港元 HKD1,000,000,000	1,000,000,000港元 HKD1,000,000,000
已發行及已繳足：	Issued and fully paid:		
1,941,817,000股(二零一八年： 1,833,817,000股)每股面值 0.10港元的普通股	1,941,817,000 (2018: 1,833,817,000) ordinary shares of HKD0.10 each	194,182,000 港元 HKD194,182,000	183,382,000港元 HKD183,382,000
相當於	Equivalent to	人民幣 154,528,000 元 RMB154,528,000	人民幣145,260,000元 RMB145,260,000

本公司股本變動的概要如下：

A summary of movements in the Company's share capital is as follows:

		已發行股份數目 Number of shares in issue	股本 Share Capital 人民幣千元 RMB'000
於二零一八年一月一日及 二零一八年十二月三十一日	At 1 January 2018 and 31 December 2018	1,833,817,000	145,260,000
新發行	New issue	108,000,000	9,268,000
於二零一九年十二月三十一日	At 31 December 2019	1,941,817,000	154,528,000

於二零一九年四月三十日，按發行價每股14.54港元發行108,000,000股股份，扣除開支前的總現金代價為1,570,320,000港元（相當於人民幣1,343,566,000元）。

On 30 April 2019, 108,000,000 shares was issued, at an issue price of HKD14.54 per share for a total cash consideration, before expenses, of HKD1,570,320,000 (equivalent to RMB1,343,566,000).

33. 購股權計劃

本公司實行購股權計劃(「計劃」)，旨在激勵及獎勵對本集團營運成功作出貢獻的合資格參與者。計劃的合資格參與者包括本公司任何僱員、管理層成員或董事，或計劃的條款所載的任何其他合資格參與者。計劃根據於二零一三年十一月十九日(「採納日期」)通過的全體股東決議案而採納，並將自採納日期起計10年期間內有效及生效。

除獲本公司股東批准外，本公司於根據計劃及本公司其他購股權計劃將予授出的所有購股權獲行使時可發行的股份最高數目，合共不得超過上市日期已發行股份總數的10%(即172,296,000股股份)，且不得超過不時已發行股份總數的30%。除獲本公司股東批准外，於任何十二個月期間，因每名承授人獲授予的購股權(包括已行使及尚未行使的購股權)獲行使而發行及將予發行的股份總數不得超過已發行股份總數的1%。

承授人於申請或接受購股權時應付的金額為1.00港元。根據購股權須承購股份的期間由董事會全權酌情決定，惟於任何情況下，該期間不得超過根據計劃授出任何個別購股權日期起計10年。

因根據計劃授出的購股權獲行使而發行的每股股份的認購價將由董事會全權釐定，惟不得低於下列的最高者：(i)於授出日期(須為聯交所開市進行證券買賣的日子)聯交所每日報價表所列的股份正式收市價；(ii)於緊接授出日期前五個營業日聯交所每日報價表所列的股份平均正式收市價；及(iii)股份面值。

自二零一三年十一月十九日採納計劃起，概無根據計劃授出任何購股權。

33. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include any employee, management member or director of the Company, or any other eligible participants upon the terms set out in the Scheme. The Scheme was adopted pursuant to the resolutions of all the shareholders passed on 19 November 2013 (the "Adoption Date") and shall be valid and effective for a period of 10 years commencing on the Adoption Date.

The maximum number of shares which may be issued upon exercise of all options to be granted under the Scheme and other share option schemes of the Company shall not in aggregate exceed 10% of the total number of shares in issue as at the Listing Date (i.e., 172,296,000 shares) unless the Company obtains approval from its shareholders and must not exceed 30% of the total number of shares in issue from time to time. The total number of shares issued and to be issued upon exercise of the options granted to each grantee (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue, unless approval of the Company's shareholders is obtained.

The amount payable by the grantee on application or acceptance of an option shall be HKD1.00. The period within which the shares must be taken up under an option shall be determined by the board at its absolute discretion and, in any event, such period shall not be longer than 10 years from the date upon which any particular option is granted in accordance with the Scheme.

The subscription price in respect of each share issued pursuant to the exercise of an option granted under the Scheme shall be solely determined by the board and shall not be less than the highest of: (i) the official closing price of the shares as stated in the SEHK's daily quotation sheet on the date of grant, which must be a day on which the SEHK is open for the business of dealing in securities; (ii) the average of the official closing prices of the shares as stated in the SEHK's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share.

Since the adoption of the Scheme on 19 November 2013, no options have been granted pursuant to the Scheme.

34. 儲備

(a) 本集團於本年度及過往年度的儲備金額及變動均於本集團的綜合權益變動表中呈列。

(b) 繳入盈餘

本集團的繳入盈餘指截至二零零八年十二月三十一日止年度期間根據重組所收購附屬公司已繳股本的面值總額與本公司發行以作交換的股份面值之間的差額。

(c) 資本儲備

資本儲備主要指(在收購附屬公司其他非控股權益的情況下)收購成本與購入非控股權益之間的差額或(在向非控股股東出售附屬公司部分股本權益的情況下)出售所得款項與售出非控股權益(並無失去控制權)之間的差額。

(d) 法定盈餘公積金

根據中國相關法律及法規，本集團在中國註冊的現有旗下公司須將一定比例的按照中國企業普遍適用的會計原則計算的除稅後純利(抵銷任何過往年度的虧損後)撥至儲備公積金。當該等儲備公積金結餘達實體資本50%，可選擇不作出任何進一步撥款。法定盈餘公積金可用於抵銷過往年度虧損或增加資本。然而，須確保法定盈餘公積金作該等用途後其結餘不低於資本的25%。

34. RESERVES

(a) The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the Group.

(b) Contributed surplus

The contributed surplus of the Group represents the difference between the aggregate of the nominal value of the paid-up capital of the subsidiaries acquired pursuant to the reorganisation and the nominal value of the Company's shares issued in exchange therefor during the year ended 31 December 2008.

(c) Capital reserve

The Capital reserve mainly represents the difference between the cost of acquisition and the non-controlling interests acquired in the case of acquisition of additional non-controlling interests of subsidiaries, or, the difference between the proceeds from disposal and the non-controlling interests disposed of in the case of disposal of partial equity interests in subsidiaries to non-controlling shareholders without loss of control.

(d) Statutory surplus funds

Pursuant to the relevant laws and regulations in the PRC, the companies now comprising the Group which are registered in the PRC shall appropriate a certain percentage of their net profit after tax (after offsetting any prior years' losses) calculated under the accounting principles generally applicable to the PRC enterprises to reserve funds. When the balances of these reserve funds reach 50% of the entity's capital, any further appropriation is optional. The statutory surplus reserve can be utilised to offset prior years' losses or to increase capital. However, the balance of the statutory surplus reserve must be maintained at a minimum of 25% of the capital after those usages.

35. 擁有部分權益且非控股權益屬重大的附屬公司

擁有重大非控股權益的本集團附屬公司的詳情載列如下：

35. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	附註 Notes	二零一九年 2019	二零一八年 2018
非控股權益持有的股本 權益百分比：	Percentage of equity interest held by non-controlling interests:		
佛山鴻譽	Foshan Hongyu	25%	25%
廣州時創	Guangzhou Shichuang (a)	40%	40%
廣州耀杰	Guangzhou Yaojie (b)	40%	40%
佛山睿達	Foshan Ruida	10%	10%
珠海長信	Zhuhai Changxin	40%	40%
佛山天宇	Foshan Tianyu (a)	49%	40%
佛山冠亨	Foshan Guanheng (b)	40%	–
長沙啟譽	Changsha Qiyu (b)	40%	–
佛山德暉	Foshan Dehui (c)	–	40%
佛山華泰	Foshan Huatai (c)	–	49%
廣州凱駿	Guangzhou Kaijun (c)	–	40%
東莞凱業	Dongguan Kaiye (c)	–	48%

附註：

- (a) 於二零一九年五月六日，本集團向非控股股東收購佛山天宇餘下的40%權益，現金代價為人民幣1,514,240,000元(附註36(a))。於二零一九年五月十四日，本集團按現金代價人民幣955,500,000元(附註36(b))將佛山天宇的49%股權轉讓予另一名獨立第三方，後者已成為本集團非控股股東。
- (b) 於二零一九年，本集團分別按代價人民幣198,000,000元及人民幣840,000,000元將佛山冠亨及長沙啟譽的40%股權轉讓予一名獨立第三方，其已成為本集團的非控股股東(附註36(b))。
- (c) 於二零一九年，本集團自非控股股東收購佛山德暉、佛山華泰、廣州凱駿及東莞凱業的全部非控股權益(附註36(a))。

Notes:

- (a) On 6 May 2019, the Group acquired the remaining 40% interest in Foshan Tianyu at a cash consideration of RMB1,514,240,000 from the non-controlling shareholder (note 36(a)). On 14 May 2019, the Group transferred a 49% equity interest in Foshan Tianyu to another independent third party which became a non-controlling shareholder of the Group, at a cash consideration of RMB955,500,000 (note 36(b)).
- (b) During 2019, the Group transferred a 40% equity interest in Foshan Guanheng and Changsha Qiyu to an independent third party which became a non-controlling shareholder of the Group, at a consideration of RMB198,000,000 and RMB840,000,000, respectively (note 36(b)).
- (c) During 2019, the Group acquired the whole non-controlling interest in Foshan Dehui, Foshan Huatai, Guangzhou Kaijun and Dongguan Kaiye from the non-controlling shareholder (note 36(a)).

35. 擁有部分權益且非控股權益屬重大的附屬公司(續)

擁有重大非控股權益的本集團附屬公司的詳情載列如下：(續)

35. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONT'D)

Details of the Group's subsidiaries that have material non-controlling interests are set out below: (Cont'd)

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
分配予非控股權益的年度利潤／(虧損)：	Profit/(loss) for the year allocated to non-controlling interests:		
佛山鴻譽	Foshan Hongyu	84,884	28,333
廣州時創	Guangzhou Shichuang	233,654	(43,947)
廣州耀傑	Guangzhou Yaojie	(47,897)	(1,477)
佛山睿達	Foshan Ruida	39,568	(10,810)
珠海長信	Zhuhai Changxin	(10,002)	203,039
佛山天宇	Foshan Tianyu	33,927	(29,298)
佛山冠亨	Foshan Guanheng	(14,897)	–
長沙啟譽	Changsha Qiyu	(640)	–
佛山德暉	Foshan Dehui	(18,375)	(25,668)
佛山華泰	Foshan Huatai	(105)	42,960
廣州凱駿	Guangzhou Kaijun	(2,392)	188,888
東莞凱業	Dongguan Kaiye	(1,391)	46,046
於報告日期的非控股權益的累計結餘：	Accumulated balances of non-controlling interests at the reporting date:		
佛山鴻譽	Foshan Hongyu	1,705,125	1,620,241
廣州時創	Guangzhou Shichuang	2,579,178	2,345,524
廣州耀杰	Guangzhou Yaojie	1,549,466	730,563
佛山睿達	Foshan Ruida	1,469,021	1,429,453
珠海長信	Zhuhai Changxin	662,090	672,092
佛山天宇	Foshan Tianyu	941,765	744,756
佛山冠亨	Foshan Guanheng	976,525	–
長沙啟譽	Changsha Qiyu	839,360	–
佛山德暉	Foshan Dehui	–	1,750,101
佛山華泰	Foshan Huatai	–	1,382,752
廣州凱駿	Guangzhou Kaijun	–	1,085,110
東莞凱業	Dongguan Kaiye	–	494,572

35. 擁有部分權益且非控股權益屬重大的附屬公司(續)

下表說明上述附屬公司的財務資料概要。所披露的金額為於進行任何公司間抵銷前的金額：

二零一九年	2019	佛山鴻譽 Foshan Hongyu 人民幣千元 RMB'000	廣州時創 Guangzhou Shichuang 人民幣千元 RMB'000	廣州耀杰 Guangzhou Yaojie 人民幣千元 RMB'000	佛山睿達 Foshan Ruida 人民幣千元 RMB'000	珠海長信 Zhuhai Changxin 人民幣千元 RMB'000	佛山天宇 Foshan Tianyu 人民幣千元 RMB'000	佛山冠亨 Foshan Guanheng 人民幣千元 RMB'000	長沙啟譽 Changsha Qiyu 人民幣千元 RMB'000
收入	Revenue	4,899,670	6,989,229	-	4,139,859	-	983,160	-	-
總開支	Total expenses	(4,333,773)	(5,528,890)	(119,742)	(3,744,182)	(25,004)	(923,079)	(46,323)	(1,600)
年度利潤/(虧損)	Profit/(loss) for the year	565,897	1,460,339	(119,742)	395,677	(25,004)	60,081	(46,323)	(1,600)
年度全面收入/(虧損)總額	Total comprehensive income/(loss) for the year	565,897	1,460,339	(119,742)	395,677	(25,004)	60,081	(46,323)	(1,600)
流動資產	Current assets	15,365,977	9,148,870	9,470,703	5,975,818	2,513,232	4,905,558	7,062,409	3,755,311
非流動資產	Non-current assets	7,535	344,901	41,635	6,103	47,681	11,877	20,584	581
流動負債	Current liabilities	(9,256,100)	(4,866,070)	(6,938,872)	(1,751,215)	(910,720)	(2,995,465)	(5,128,681)	(857,492)
非流動負債	Non-current liabilities	(345,000)	(39,451)	-	-	-	-	-	(800,000)
經營活動(使用)/所得的現金流量淨額	Net cash flows (used in)/from operating activities	2,919,906	(227,610)	(972,966)	1,470,697	(642,582)	1,483,455	(2,356,845)	(2,097,688)
投資活動使用的現金流量淨額	Net cash flows used in investing activities	(154)	(76)	(51)	(18)	-	(16)	(47)	(49)
融資活動(使用)/所得的現金流量淨額	Net cash flows (used in)/from financing activities	(2,582,918)	2,591	981,149	(1,362,988)	(92,000)	(1,144,354)	1,262,797	2,900,000
現金及現金等價物的增加/(減少)淨額	Net increase/(decrease) in cash and cash equivalents	336,834	(225,095)	8,132	107,691	(734,582)	339,085	(1,094,095)	802,263

35. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONT'D)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

**35. 擁有部分權益且非控股權益
屬重大的附屬公司(續)**

**35. PARTLY-OWNED SUBSIDIARIES WITH
MATERIAL NON-CONTROLLING
INTERESTS (CONT'D)**

		佛山鴻譽 Foshan Hongyu 人民幣千元 RMB'000	佛山華泰 Foshan Huatai 人民幣千元 RMB'000	廣州時創 Guangzhou Shichuang 人民幣千元 RMB'000	廣州凱駿 Guangzhou Kaijun 人民幣千元 RMB'000	佛山德暉 Foshan Dehui 人民幣千元 RMB'000	佛山睿達 Foshan Ruida 人民幣千元 RMB'000	東莞凱業 Dongguan Kaiye 人民幣千元 RMB'000	珠海長信 Zhuhai Changxin 人民幣千元 RMB'000
二零一八年	2018								
收入	Revenue	2,995,764	280,273	-	4,235,842	-	-	1,873,362	1,909,884
總開支	Total expenses	(2,806,879)	(267,794)	49,545	(3,186,469)	(64,169)	(108,098)	(1,566,385)	(1,407,318)
應佔一間合營企業 損益	Share of profits or losses of a joint venture	-	-	(1,838)	-	-	-	-	-
年度利潤/(虧損)	Profit/(loss) for the year	188,885	12,479	47,707	1,049,373	(64,169)	(108,098)	306,977	502,566
年度全面收入/(虧損) 總額	Total comprehensive income/ (loss) for the year	188,885	12,479	47,707	1,049,373	(64,169)	(108,098)	306,977	502,566
流動資產	Current assets	17,436,896	3,319,962	9,098,499	5,026,793	8,189,264	8,175,469	2,054,213	2,769,863
非流動資產	Non-current assets	13,736	54,564	385,304	81,327	29,769	48,354	4,158	47,751
流動負債	Current liabilities	(9,882,596)	(552,582)	(5,771,477)	(1,817,013)	(5,916,779)	(4,388,794)	(817,233)	(1,142,417)
非流動負債	Non-current liabilities	(2,361,521)	-	(584,415)	-	-	-	-	-
經營活動(使用)/所得 現金流量淨額	Net cash flows (used in)/from operating activities	(273,885)	1,204,391	(1,134,479)	47,721	(320,453)	(44,770)	366,817	743,794
投資活動(使用)/所得 現金流量淨額	Net cash flows (used in)/from investing activities	(4,321)	-	(149,836)	(42,979)	-	-	(582)	60
融資活動(使用)/所得 現金流量淨額	Net cash flows (used in)/from financing activities	361,860	(937,500)	1,823,933	-	594,000	-	(602,660)	-
現金及現金等價物 增加/(減少)淨額	Net increase/(decrease) in cash and cash equivalents	83,654	266,891	539,618	4,742	273,547	(44,770)	(236,425)	743,854

36. 與非控股權益的主要交易

(a) 收購非控股權益

- (1) 於二零一九年一月一日，本集團以現金代價人民幣911,400,000元向非控股股東收購佛山華泰餘下49%權益。年內，於佛山華泰的所有權權益變動對本集團擁有人應佔權益的影響概述如下：

		人民幣千元 RMB'000
所收購非控股權益的賬面值	Carrying amount of non-controlling interest acquired	968,662
支付予非控股權益的代價	Consideration paid to non-controlling interest	(165,725)
以非控股股東其他應收款項結算的代價	Consideration settled with other receivables from non-controlling shareholder	(745,675)
於資本儲備確認的已付代價盈餘	Surplus of consideration paid recognised in capital reserve	57,262

- (2) 於二零一九年四月一日，本集團以現金代價人民幣331,417,000元向非控股股東收購清遠聯景餘下40%權益。年內，於清遠聯景的所有權權益變動對本集團擁有人應佔權益的影響概述如下：

		人民幣千元 RMB'000
所收購非控股權益的賬面值	Carrying amount of non-controlling interest acquired	299,936
支付非控股權益的代價	Consideration paid to non-controlling interest	(300,000)
以非控股股東其他應收款項結算的代價	Consideration settled with other receivables from non-controlling shareholder	(31,417)
於留存利潤確認的已付代價虧絀	Deficit of consideration paid recognised in retained profits	(31,481)

36. MAJOR TRANSACTIONS WITH NON-CONTROLLING INTERESTS

(a) Acquisition of non-controlling interests

- (1) On 1 January 2019, the Group acquired the remaining 49% interest in Foshan Huatai at a cash consideration of RMB911,400,000 from the non-controlling shareholder. The effect of change in ownership of interest of Foshan Huatai on the equity attributable to owners of the Group during this year is summarised as follows:

- (2) On 1 April 2019, the Group acquired the remaining 40% interest in Qingyuan Lianjing at a cash consideration of RMB331,417,000 from the non-controlling shareholder. The effect of change in ownership interest of Qingyuan Lianjing on the equity attributable to owners of the Group during this year is summarised as follows:

36. 與非控股權益的主要交易 (續)

(a) 收購非控股權益(續)

- (3) 於二零一九年五月六日，本集團以現金代價人民幣1,514,240,000元向非控股股東收購佛山天宇40%權益。年內，於佛山天宇的所有權權益變動對本集團擁有人應佔權益的影響概述如下：

		人民幣千元 RMB'000
所收購非控股權益的賬面值	Carrying amount of non-controlling interest acquired	724,808
支付予非控股權益的代價	Consideration paid to non-controlling interest	(1,328,447)
以非控股股東其他應收款項 結算的代價	Consideration settled with other receivables from non-controlling shareholder	(185,792)
於資本儲備確認的已付代價虧絀	Deficit of consideration paid recognised in capital reserve	(789,431)

- (4) 於二零一九年七月三十日，本集團以現金代價人民幣2,044,029,000元向非控股股東收購佛山德暉餘下40%權益。年內，於佛山德暉的所有權權益變動對本集團擁有人應佔權益的影響概述如下：

		人民幣千元 RMB'000
所收購非控股權益的賬面值	Carrying amount of non-controlling interest acquired	1,731,726
支付予非控股權益的代價	Consideration paid to non-controlling interest	(1,696,458)
以非控股股東其他應收款項 結算的代價	Consideration settled with other receivables from non-controlling shareholder	(347,571)
於資本儲備確認的已付代價虧絀	Deficit of consideration paid recognised in capital reserve	(65,868)
於留存利潤確認的已付代價虧絀	Deficit of consideration paid recognised in retained profits	(246,435)

36. MAJOR TRANSACTIONS WITH NON-CONTROLLING INTERESTS (CONT'D)

(a) Acquisition of non-controlling interests (Cont'd)

- (3) On 6 May 2019, the Group acquired a 40% interest in Foshan Tianyu at a cash consideration of RMB1,514,240,000 from the non-controlling shareholder. The effect of change in ownership of interest of Foshan Tianyu on the equity attributable to owners of the Group during this year is summarised as follows:

		人民幣千元 RMB'000
Carrying amount of non-controlling interest acquired		724,808
Consideration paid to non-controlling interest		(1,328,447)
Consideration settled with other receivables from non-controlling shareholder		(185,792)
Deficit of consideration paid recognised in capital reserve		(789,431)

- (4) On 30 July 2019, the Group acquired the remaining 40% interest in Foshan Dehui at a cash consideration of RMB2,044,029,000 from the non-controlling shareholder. The effect of change in ownership of interest of Foshan Dehui on the equity attributable to owners of the Group during this year is summarised as follows:

		人民幣千元 RMB'000
Carrying amount of non-controlling interest acquired		1,731,726
Consideration paid to non-controlling interest		(1,696,458)
Consideration settled with other receivables from non-controlling shareholder		(347,571)
Deficit of consideration paid recognised in capital reserve		(65,868)
Deficit of consideration paid recognised in retained profits		(246,435)

36. 與非控股權益的主要交易 (續)

(a) 收購非控股權益(續)

- (5) 於二零一九年九月二十五日，本集團以現金代價人民幣2,512,070,000元向非控股股東收購廣州凱駿餘下40%權益。年內，於廣州凱駿的所有權權益變動對本集團擁有人應佔權益的影響概述如下：

		人民幣千元 RMB'000
所收購非控股權益的賬面值	Carrying amount of non-controlling interest acquired	1,082,718
支付予非控股權益的代價	Consideration paid to non-controlling interest	(1,300,811)
以非控股股東其他應收款項 結算的代價	Consideration settled with other receivables from non-controlling shareholder	(1,211,259)
於資本儲備確認的已付代價虧絀	Deficit of consideration paid recognised in capital reserve	(1,112,962)
於留存利潤確認的已付代價虧絀	Deficit of consideration paid recognised in retained profits	(316,390)

- (6) 於二零一九年十月十八日，本集團以現金代價人民幣538,089,000元向非控股股東收購東莞凱業餘下48%權益。年內，於東莞凱業的所有權權益變動對本集團擁有人應佔權益的影響概述如下：

		人民幣千元 RMB'000
所收購非控股權益的賬面值	Carrying amount of non-controlling interest acquired	493,181
支付予非控股權益的代價	Consideration paid to non-controlling interest	(470,339)
以非控股股東其他應收款項 結算的代價	Consideration settled with other receivables from non-controlling shareholder	(67,750)
於資本儲備確認的已付代價虧絀	Deficit of consideration paid recognised in capital reserve	(44,908)

36. MAJOR TRANSACTIONS WITH NON- CONTROLLING INTERESTS (CONT'D)

(a) Acquisition of non-controlling interests (Cont'd)

- (5) On 25 September 2019, the Group acquired the remaining 40% interest in Guangzhou Kaijun at a cash consideration of RMB2,512,070,000 from the non-controlling shareholder. The effect of change in ownership of interest of Guangzhou Kaijun on the equity attributable to owners of the Group during this year is summarised as follows:

		人民幣千元 RMB'000
Carrying amount of non-controlling interest acquired		1,082,718
Consideration paid to non-controlling interest		(1,300,811)
Consideration settled with other receivables from non-controlling shareholder		(1,211,259)
Deficit of consideration paid recognised in capital reserve		(1,112,962)
Deficit of consideration paid recognised in retained profits		(316,390)

- (6) On 18 October 2019, the Group acquired the remaining 48% interest in Dongguan Kaiye at a cash consideration of RMB538,089,000 from the non-controlling shareholder. The effect of change in ownership interest of Dongguan Kaiye on the equity attributable to owners of the Group during this year is summarised as follows:

		人民幣千元 RMB'000
Carrying amount of non-controlling interest acquired		493,181
Consideration paid to non-controlling interest		(470,339)
Consideration settled with other receivables from non-controlling shareholder		(67,750)
Deficit of consideration paid recognised in capital reserve		(44,908)

36. 與非控股權益的主要交易 (續)

(b) 向非控股權益出售附屬公司 部分權益：

於二零一九年，本集團於並無失去控制權的情況下向獨立第三方出售下列附屬公司的部分股權，該等第三方已成為本集團非控股股東。

36. MAJOR TRANSACTIONS WITH NON- CONTROLLING INTERESTS (CONT'D)

(b) Major disposals of partial interests in subsidiaries to non-controlling interests:

During the year 2019, the Group disposed of partial equity interests in below subsidiaries without loss of control to independent third parties, which have become non-controlling shareholders of the Group.

出售日期 Disposal date	公司名稱 Company name	代價 Consideration 人民幣元 RMB	股權 Equity interest
二零一九年四月一日 1 April 2019	廣州耀傑 Guangzhou Yaojie	866,800,000	40%
二零一九年四月一日 1 April 2019	東莞裕景 Dongguan Yujing	280,000,000	20%
二零一九年四月一日 1 April 2019	四會盛景 Sihui Shengjing	250,000,000	50%
二零一九年四月一日 1 April 2019	佛山冠亨 Foshan Guanheng	198,000,000	40%
二零一九年五月一日 1 May 2019	廣州天合 Guangzhou Tianhe	135,211,000	29.99%
二零一九年五月六日 6 May 2019	佛山天宇 Foshan Tianyu	955,500,000	49%
二零一九年六月一日 1 June 2019	長沙啟運 Changsha Qiyun	236,400,000	40%
二零一九年六月一日 1 June 2019	長沙啟譽 Changsha Qiyu	840,000,000	40%
二零一九年六月一日 1 June 2019	佛山天峰 Foshan Tianfeng	195,000,000	30%
二零一九年七月二十八日 28 July 2019	廣州傲鉅 Guangzhou Aoju	80,000,000	22%
二零一九年八月一日 1 August 2019	成都雲泰 Chengdu Yuntai	525,000,000	30%
二零一九年八月六日 6 August 2019	廣州瑞業 Guangzhou Ruiye	421,211,000	30%

37. 收購附屬公司

(a) 業務合併

於二零一九年二月，本集團與獨立第三方訂立股權轉讓協議，以收購廣州東康物業服務有限公司（「東康物業服務」）的100%股本權益，代價為人民幣45,364,000元。該收購事項於二零一九年三月完成。

於二零一八年十二月，本集團與獨立第三方訂立股權轉讓協議，以收購清遠市榮泰物業管理有限公司（「清遠榮泰」）的100%股本權益，代價為人民幣9,065,000元。該收購事項於二零一九年四月完成。

於二零一九年四月，本集團與一名獨立第三方訂立股權轉讓協議，以收購佛山市南海區桂城宜信物業管理有限公司（「佛山宜信」）的100%股本權益，代價為人民幣1,682,000元。該收購事項於二零一九年九月完成。

該等收購事項讓本集團在物業管理業務上可進一步實現業務擴展。於二零一九年十二月十九日的時代鄰里分拆交易後，該等從事物業管理業務的新收購附屬公司的全部股權已相應分拆。

37. ACQUISITION OF SUBSIDIARIES

(a) Business combinations

In February 2019, the Group entered into an equity transfer agreement with an independent third party for the acquisition of 100% equity interest in Guangzhou Dongkang Property Management Co., Ltd. (“**Dongkang Property Management**”) at a consideration of RMB45,364,000. The acquisition has been completed in March 2019.

In December 2018, the Group entered into an equity transfer agreement with independent third parties for the acquisition of 100% equity interest in Qingyuan Rongtai Property Management Co., Ltd. (“**Qingyuan Rongtai**”) at a consideration of RMB9,065,000. The acquisition has been completed in April 2019.

In April 2019, the Group entered into an equity transfer agreement with an independent third party for the acquisition of 100% equity interest in Foshan Nanhai Guicheng Yixin Property Management Co., Ltd. (“**Foshan Yixin**”) at a consideration of RMB1,682,000. The acquisition has been completed in September 2019.

These acquisitions allow the Group for further business expansion on property management business. Following the spin-off transaction of Times Neighborhood on 19 December 2019, the entire equity interests of these newly acquired subsidiaries engaged in property management have been spun-off accordingly.

37. 收購附屬公司(續)

(a) 業務合併(續)

於收購日期，上述已收購公司的可識別資產及負債的公允價值總額如下：

		東康物業服務 Dongkang Property Management 人民幣千元 RMB'000	清遠榮泰 Qingyuan Rongtai 人民幣千元 RMB'000	佛山宜信 Foshan Yixin 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
物業、廠房及設備	Property, plant and equipment	1,090	21	-	1,111
其他無形資產	Other intangible assets	4,166	1,523	393	6,082
遞延稅項資產	Deferred tax assets	3,115	-	-	3,115
應收貿易款項	Trade receivables	28,340	1,517	1,025	30,882
以公允價值計量且其變動計入損益的金融資產	Financial asset at FVPL	12,000	-	-	12,000
預付款項、按金及其他應收款項	Prepayments, deposits and other receivables	22,818	464	379	23,661
受限制銀行存款	Restricted bank deposits	3,029	-	-	3,029
現金及現金等價物	Cash and cash equivalents	18,630	5,308	1,169	25,107
應付貿易款項及票據	Trade and bills payables	(1,649)	-	(258)	(1,907)
其他應付款項及應計款項	Other payables and accruals	(46,761)	(1,757)	(915)	(49,433)
合同負債	Contract liabilities	(6,241)	(168)	-	(6,409)
租賃負債	Lease liabilities	(10,089)	-	-	(10,089)
應付稅項	Tax payable	(1,136)	(5)	(19)	(1,160)
遞延稅項負債	Deferred tax liabilities	(1,016)	(381)	(92)	(1,489)
所收購資產淨值的公允價值	Fair value of net assets acquired	26,296	6,522	1,682	34,500
收購所產生的商譽	Goodwill on acquisitions	19,068	2,543	-	21,611
總代價	Total consideration	45,364	9,065	1,682	56,111
以現金支付	Satisfied by cash	45,364	9,065	1,682	56,111

有關上述收購事項的現金及現金等價物流出淨額分析如下

An analysis of the net outflow of cash and cash equivalents in respect of the above acquisition is as follows

		東康物業服務 Dongkang Property Management 人民幣千元 RMB'000	清遠榮泰 Qingyuan Rongtai 人民幣千元 RMB'000	佛山宜信 Foshan Yixin 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
現金代價	Cash consideration	(45,364)	(9,065)	(1,682)	(56,111)
將於本年度後支付的代價	Consideration to be paid subsequent to current year	-	310	323	633
所收購的現金及現金等價物	Cash and cash equivalents acquired	18,630	5,308	1,169	25,107
有關收購事項的現金流出淨額	Net cash outflow in respect of the acquisition	(26,734)	(3,447)	(190)	(30,371)

37. 收購附屬公司(續)

(a) 業務合併(續)

於收購日期，貿易應收款項及其他應收款項的公允價值分別為人民幣30,882,000元及人民幣16,748,000元。貿易應收款項及其他應收款項的合同總額分別為人民幣31,050,000元及人民幣16,748,000元，其中，貿易應收款項人民幣168,000元預期不可收回。

(b) 收購附屬公司(不作為業務)

年內，本集團訂立買賣協議，以透過收購不作為業務的附屬公司收購資產及負債。收購詳情載列如下：

37. ACQUISITION OF SUBSIDIARIES (CONT'D)

(a) Business combinations (Cont'd)

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to RMB30,882,000 and RMB16,748,000, respectively. The gross contractual amounts of trade receivables and other receivables were RMB31,050,000 and RMB16,748,000, respectively, of which trade receivables of RMB168,000 are expected to be uncollectible.

(b) Acquisition of subsidiaries that are not businesses

During the year, the Group entered into sale and purchase agreements to acquire assets and liabilities through acquisition of subsidiaries that are not businesses. The acquisition details are as follows:

收購日期 Acquisition date	公司名稱 Company name	代價 Consideration 人民幣 RMB	股權 Equity interest
二零一九年一月二十一日 21 January 2019	佛山新生 Foshan Xinsheng	61,323,000	100%
二零一九年四月十九日 19 April 2019	鶴山郁豪電光源有限公司(「鶴山郁豪」) Heshan Yuhao Electric Light Sources Co., Ltd. (“Heshan Yuhao”)	21,185,000	51%
二零一九年四月三十日 30 April 2019	廣州建義投資有限公司(「廣州建義」) Guangzhou Jianyi Investment Co., Ltd. (“Guangzhou Jianyi”)	175,036,000	100%
二零一九年五月三十一日 31 May 2019	廣州承愛匯 Guangzhou Chengaihui	40,000,000	80%
二零一九年六月十三日 13 June 2019	珠海澤江貿易發展有限公司(「珠海澤江」) Zhuhai Zejiang Trading & Developing Co.,Ltd (“Zhuhai Zejiang”)	150,433,000	100%
二零一九年六月二十日 20 June 2019	清遠恒豐 Qingyuan Hengfeng	420,500,000	100%
二零一九年七月十八日 18 July 2019	海豐縣駿宏房地產開發有限公司 (「海豐駿宏」) Haifeng Junhong Property Development Co., Ltd. (“Haifeng Junhong”)	100,000,000	100%

37. 收購附屬公司(續)

(b) 收購附屬公司(不作為業務) (續)

上述交易入賬為透過收購附屬公司所收購資產。因該項收購所收購資產及所承擔負債的詳情如下：

37. ACQUISITION OF SUBSIDIARIES (CONT'D)

(b) Acquisition of subsidiaries that are not businesses (Cont'd)

The above transactions are accounted for as acquisition of assets through acquisition of subsidiaries. Details of the assets acquired and liabilities assumed by the acquisition are as follows:

		佛山新生 Foshan Xinsheng	鶴山郁豪 Heshan Yuhao	廣州建義 Guangzhou Jianyi	廣州承愛匯 Guangzhou Chengaihui	珠海澤江 Zhuhai Zejiang	清遠恒豐 Qingyuan Hengfeng	海豐駿宏 Haifeng Junhong	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	
物業、廠房及設備	Property, plant and equipment	-	-	-	33	1,278	5,483	-	6,794
物業存貨	Inventories of properties	69,932	264,409	161,499	269,390	199,291	493,796	106,977	1,565,294
預付款項、按金及其他	Prepayments, deposits and								
應收款項	other receivables	245	-	13,291	867,523	-	11,211	601	892,871
現金及現金等價物	Cash and cash equivalents	1,146	2	290	480	9	20	80	2,027
遞延稅項資產	Deferred tax assets	-	-	-	-	-	-	15	15
應付貿易款項及票據	Trade and bills payables	-	-	-	(3,983)	-	(90,010)	(6,859)	(100,852)
其他應付款項及應計款項	Other payables and accruals	(10,000)	(222,871)	(44)	(1,083,443)	(50,145)	-	(814)	(1,367,317)
所收購資產淨值的公允價值	Fair value of net assets acquired	61,323	41,540	175,036	50,000	150,433	420,500	100,000	998,832
非控股權益	Non-controlling interests	-	(20,355)	-	(10,000)	-	-	-	(30,355)
以現金支付	Satisfied by cash	61,323	21,185	175,036	40,000	150,433	420,500	100,000	968,477

37. 收購附屬公司(續)

(b) 收購附屬公司(不作為業務)
(續)

有關上述收購事項的現金及現金等價物流出淨額分析如下：

		佛山新生 Foshan Xinsheng 人民幣千元 RMB'000	鶴山郁豪 Heshan Yuhao 人民幣千元 RMB'000	廣州建義 Guangzhou Jianyi 人民幣千元 RMB'000	廣州承愛匯 Guangzhou Chengaihui 人民幣千元 RMB'000	珠海澤江 Zhuhai Zejiang 人民幣千元 RMB'000	清遠恒豐 Qingyuan Hengfeng 人民幣千元 RMB'000	海豐駿宏 Haifeng Junhong 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
現金代價	Cash consideration	(61,323)	(21,185)	(175,036)	(40,000)	(150,433)	(420,500)	(100,000)	(968,477)
本年度前已付代價	Consideration paid prior to current year	-	-	-	-	150,433	-	-	150,433
將於本年度後支付的代價	Consideration to be paid subsequent to current year	6,853	-	175,036	-	-	178,800	-	360,689
所收購的現金及銀行結餘	Cash and bank balances acquired	1,146	2	290	480	9	20	80	2,027
有關收購的現金(流出)/流入淨額	Net cash (outflow)/inflow in respect of the acquisition	(53,324)	(21,183)	290	(39,520)	9	(241,680)	(99,920)	(455,328)

(c) 合營企業轉為附屬公司

於二零一九年八月及二零一九年十月，非控股股東已分別將廣州隆亞及汕頭凱業的8.59%及50%股權轉讓予本集團，控制權亦已轉讓予本集團。因此，於合營企業的投資在本集團取得控制權當日重新計量至公允價值，並視作已出售以換作附屬公司合併。重新計量產生的收益於綜合損益表確認。

37. ACQUISITION OF SUBSIDIARIES (CONT'D)

(b) Acquisition of subsidiaries that are not businesses (Cont'd)

An analysis of the net outflow of cash and cash equivalents in respect of the above acquisition is as follows:

(c) Change from joint ventures to subsidiaries

In August 2019 and October 2019, the non-controlling shareholders transferred a 8.59% and 50% equity interest in Guangzhou Longya and Shantou Kaiye to the Group, respectively, of which the controlling rights have also been transferred to the Group. Accordingly, the investments in joint ventures are remeasured to fair values at the dates when the Group obtained the control and are deemed to have been disposed of in exchange for the consolidation of the subsidiaries. The resulting gains from the remeasurement are recognised in the consolidated statement of profit or loss.

37. 收購附屬公司(續)

(c) 合營企業轉為附屬公司(續)

下表概述於合併日期的合營企業投資重新計量收益以及所收購可識別資產及所承擔負債的公允價值：

37. ACQUISITION OF SUBSIDIARIES (CONT'D)

(c) Change from joint ventures to subsidiaries (Cont'd)

The following table summarises the remeasurement gains of the investments in the joint ventures and the fair values of identifiable assets acquired and liabilities assumed at the consolidation date:

		廣州隆亞 Guangzhou Longya 人民幣千元 RMB'000	汕頭凱業 Shantou Kaiye 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
物業、廠房及設備	Property, plant and equipment	–	14	14
物業存貨	Inventories of properties	1,072,909	372,310	1,445,219
預付款項、按金及其他 應收款項	Prepayments, deposits and other receivables	9,696	279,612	289,308
現金及現金等價物	Cash and cash equivalents	648	35,705	36,353
應付貿易款項及票據	Trade and bills payables	(2,545)	(10,711)	(13,256)
其他應付款項及應計款項	Other payables and accruals	(357,788)	(38,970)	(396,758)
計息銀行及其他借款	Interest-bearing bank and other borrowings	(337,700)	–	(337,700)
遞延稅項負債	Deferred tax liabilities	(114,544)	–	(114,544)
可識別資產淨值總額	Total identifiable net assets	270,676	637,960	908,636
非控股權益	Non-controlling interests	(1,347)	–	(1,347)
		269,329	637,960	907,289
以下列方式支付：	Satisfied by:			
現金	Cash	3,780	318,980	322,760
本集團於合營企業權益 的賬面值	Carrying amount of the Group's interests in the joint ventures	249,785	318,980	568,765
重新計算於合營企業的 既有權益(附註5)	Remeasurement of the pre-existing interests in the joint ventures (note 5)	15,764	–	15,764
於合營企業權益的 公允價值	Fair value of the interests in the joint ventures	265,549	318,980	584,529
		269,329	637,960	907,289
現金代價	Cash consideration	(3,780)	(318,980)	(322,760)
所收購的現金及銀行結餘	Cash and bank balances acquired	648	35,705	36,353
有關收購事項的現金 流出淨額	Net cash outflow in respect of the acquisition	(3,132)	(283,275)	(286,407)

37. 收購附屬公司(續)

截至二零一九年十二月三十一日止年度，收購相關成本並不重大，已確認為一項開支並已計入綜合損益表「行政開支」項下。自收購後，廣州隆亞在截至二零一九年十二月三十一日止年度為本集團貢獻收入人民幣1,369,297,000元及綜合利潤人民幣212,345,000元。除廣州隆亞外，收購上述附屬公司的業績對本集團截至二零一九年十二月三十一日止年度的綜合收入或利潤並無重大影響。

38. 視作出售附屬公司

於二零一九年四月三十日，本集團與一名獨立第三方訂立股份轉讓協議，以轉讓於江門弘聚的9.09%股本權益。

於二零一九年五月三十一日，本集團訂立股份轉讓協議，出售於廣東聚賢、佛山百盈達、中山捷越、中山冠富及佛山冠鴻的9.09%、9.09%、9.09%、9.09%及50.1%股本權益。數名獨立第三方分別注資人民幣4,000,000元、人民幣21,000,000元、人民幣15,146,000元、人民幣6,836,000元及人民幣50,200,000元到以上公司。

於二零一九年十一月三十日，本集團訂立股份轉讓協議，出售於佛山共榮及中山恆盛的50%及20%股本權益。數名獨立第三方分別注資人民幣50,000,000元及人民幣2,500,000元到以上公司。

於二零一九年十一月三十日，本集團分別與佛山豐凱及鶴山郁豪的非控股股東訂立合作協議，以向佛山豐凱及鶴山郁豪行使共同控制權。

37. ACQUISITION OF SUBSIDIARIES (CONT'D)

Acquisition related costs were insignificant and have been recognised as expenses in the year ended 31 December 2019, and included in "Administrative expenses" in the consolidated statement of profit or loss. Since the acquisition, Guangzhou Longya has contributed RMB1,369,297,000 to the Group's revenue and RMB212,345,000 to the consolidated profit for the year ended 31 December 2019. Except for Guangzhou Longya, the results of the above subsidiaries acquired have had no significant impact on the Group's consolidated revenue or profit for the year ended 31 December 2019.

38. DEEMED DISPOSALS OF SUBSIDIARIES

On 30 April 2019, the Group entered into share transfer agreements to transfer 9.09% equity interests in Jiangmen Hongju to an independent third party.

On 31 May 2019, the Group entered into share transfer agreements to dispose of 9.09%, 9.09%, 9.09%, 9.09% and 50.1% equity interests in Guangdong Juxian, Foshan Baiyingda, Zhongshan Jieyue, Zhongshan Guanfu and Foshan Guanhong with the capital injection of RMB4,000,000, RMB21,000,000, RMB15,146,000, RMB6,836,000 and RMB50,200,000 by independent third parties, respectively.

On 30 November 2019, the Group entered into share transfer agreements to dispose of 50% and 20% equity interests in Foshan Gongrong and Zhongshan Hengsheng with the capital injection of RMB50,000,000 and RMB2,500,000 by independent third parties, respectively.

On 30 November 2019, the Group entered into a cooperative agreement with Foshan Fengkai and Heshan Yuhao's non-controlling shareholder to exercise joint control over Foshan Fengkai and Heshan Yuhao, respectively.

38. 視作出售附屬公司(續)

根據股份轉讓協議及組織章程細則，本集團及該等公司的股東分別對該等公司行使共同控制權。該等股份轉讓交易已按視作出售附屬公司入賬，而本集團於本年度已失去對該等公司的控制權。

於出售日期出售資產淨值詳情如下：

38. DEEMED DISPOSALS OF SUBSIDIARIES (CONT'D)

Pursuant to the share transfer agreements and articles of association, the Group and these companies' shareholders exercise joint control over these companies respectively. The share transfer transactions were accounted for as deemed disposals of subsidiaries and the Group has lost control over these companies in the current year.

Details of the net asset disposed of as at the disposal dates are as follows:

	江門弘聚	廣東聚賢	佛山百盈達	中山捷越	中山冠富	佛山冠鴻	佛山共榮	中山恆盛	佛山豐凱	鶴山郁豪	總計	
	Jiangmen	Guangdong	Foshan	Zhongshan	Zhongshan	Foshan	Foshan	Zhongshan	Foshan	Heshan	Total	
	Hongju	Juxian	Baiyingda	Jieyue	Guanfu	Guanhong	Gongrong	Hengsheng	Fengkai	Yuhao	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	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	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
物業、廠房及設備	Property, plant and equipment	-	61	22	24	16	-	-	92	-	16	231
遞延稅項資產	Deferred tax assets	-	5,964	78,191	20	9	-	-	2,258	-	15	86,457
物業存貨	Inventories of properties	-	393,197	52,294	243,430	171,243	-	-	453,451	-	255,789	1,569,404
應收貿易款項	Trade receivables	-	432	51,494	-	-	-	320,276	-	-	-	372,202
預付款項、按金及 其他應收款項	Prepayments, deposits and other receivables	129,728	1,003,060	3,497,381	756,871	630,413	548,569	130,740	924,083	277,921	1,121,989	9,020,755
預繳稅款	Tax prepayments	1	11,636	-	7,469	2,720	65	-	164	-	3,000	25,055
現金及現金等價物	Cash and cash equivalents	1,632	13,742	408,476	15,120	2,122	50,752	97,641	36,326	60,225	101,226	787,262
應付貿易款項及票據	Trade and bills payables	-	(187,320)	(202,638)	(127,957)	(65,931)	-	(188,116)	(167,682)	-	(3,630)	(943,274)
其他應付款項及應計款項	Other payables and accruals	(131,361)	(836,358)	(2,411,810)	(398,099)	(372,662)	(549,386)	(795)	(869,825)	(156,713)	(1,143,815)	(6,870,824)
合同負債	Contract liabilities	-	(2,667)	(39,182)	(90,684)	(25,503)	-	-	(38,962)	-	-	(196,998)
應付稅項	Tax payable	-	-	(323,812)	-	-	-	-	-	-	-	(323,812)
計息銀行及其他借款	Interest-bearing bank and other borrowings	-	(352,451)	(900,000)	(250,678)	(251,158)	-	(330,000)	(300,000)	(136,000)	(294,000)	(2,814,287)
遞延稅項負債	Deferred tax liabilities	-	(8,629)	-	(3,239)	(5,855)	-	-	-	-	-	(17,723)
		-	40,667	210,416	152,277	85,414	50,000	29,746	39,905	45,433	40,590	694,448
非控股權益	Non-controlling interests	-	-	-	(316)	(2,203)	-	-	-	(13,631)	(19,424)	(35,574)
已出售資產淨值	Net assets disposed of	-	40,667	210,416	151,961	83,211	50,000	29,746	39,905	31,802	21,166	658,874

38. 視作出售附屬公司(續)

於出售日期出售資產淨值的詳情如下：
(續)

	江門弘聚	廣東聚賢	佛山百盈達	中山捷越	中山冠富	佛山冠鴻	佛山共榮	中山恆盛	佛山豐凱	鶴山郁豪	總計	
	Jiangmen	Guangdong	Foshan	Zhongshan	Zhongshan	Foshan	Foshan	Zhongshan	Foshan	Heshan	Total	
	Hongju	Juxian	Baiyingda	Jieyue	Guanfu	Guanhong	Gongrong	Hengsheng	Fengkai	Yuhao	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	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	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
現金代價	Cash consideration	-	-	-	-	-	-	-	-	-	-	
於合營企業的保留股本	Fair value of the retained equity											
權益的公允價值	interests in joint ventures	-	83,348	175,144	143,008	94,521	50,000	39,873	4,745	31,803	52,005	674,447
已售出資產淨值	Net assets disposed of	-	(40,667)	(210,416)	(151,961)	(83,211)	(50,000)	(29,746)	(39,905)	(31,802)	(21,166)	(658,874)
視作出售附屬公司的	Gain/(loss) on deemed											
收益/(虧損)	disposals of subsidiaries	-	42,681	(35,272)	(8,953)	11,310	-	10,127	(35,160)	1	30,839	15,573

有關視作出售附屬公司的現金及現金等價
物流出淨額分析如下：

An analysis of the net outflow of cash and cash equivalents in
respect of the deemed disposals of subsidiaries is as follows:

	江門弘聚	廣東聚賢	佛山百盈達	中山捷越	中山冠富	佛山冠鴻	佛山共榮	中山恆盛	佛山豐凱	鶴山郁豪	總計	
	Jiangmen	Guangdong	Foshan	Zhongshan	Zhongshan	Foshan	Foshan	Zhongshan	Foshan	Heshan	Total	
	Hongju	Juxian	Baiyingda	Jieyue	Guanfu	Guanhong	Gongrong	Hengsheng	Fengkai	Yuhao	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	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	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
現金代價	Cash consideration	-	-	-	-	-	-	-	-	-	-	
所出售的現金及銀行	Cash and bank balances											
結餘	disposed of	(1,632)	(13,742)	(408,476)	(15,120)	(2,122)	(50,752)	(97,641)	(36,326)	(60,225)	(101,226)	(787,262)
有關出售的	Net cash outflow in											
現金流出淨額	respect of the disposal	(1,632)	(13,742)	(408,476)	(15,120)	(2,122)	(50,752)	(97,641)	(36,326)	(60,225)	(101,226)	(787,262)

39. 綜合現金流量表附註

(a) 主要非現金交易

除該等財務報表別處披露的非現金交易外，本集團於年內有以下重大非現金交易：

截至二零一九年十二月三十一日止年度，本集團一間附屬公司已向非控股股東派付人民幣447,703,000元的股息，並以應收非控股股東款項的其他應收款項經常賬相抵(二零一八年：人民幣72,200,000元)。

截至二零一九年十二月三十一日止年度，一名非控股股東向本集團一間附屬公司注資，總代價為人民幣866,800,000元，以其他應付款項及應計款項的經常賬相抵。

年內，本集團有關廠房及設備的租賃安排的使用權資產及租賃負債的非現金增加分別為人民幣93,551,000元及人民幣93,551,000元(二零一八年：無)。

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

In addition to the non-cash transactions disclosed elsewhere in these financial statements, the Group had the following material non-cash transactions during the year:

During the year ended 31 December 2019, a subsidiary of the Group distributed dividends of RMB447,703,000 to non-controlling shareholders which were settled with the current account of other receivables due from non-controlling shareholder (2018: RMB72,200,000).

During the year ended 31 December 2019, a non-controlling shareholder injected capital to a subsidiary of the Group, where the total consideration amounting to RMB866,800,000 was settled with the current account of other payables and accruals.

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB93,551,000 and RMB93,551,000, respectively, in respect of lease arrangements for plant and equipment (2018: Nil).

39. 綜合現金流量表附註(續)

(b) 融資活動產生的負債變動

		計息銀行 及其他借款 Interest- bearing bank and other borrowings 人民幣千元 RMB'000	租賃負債 Lease liabilities 人民幣千元 RMB'000	其他應付款項 及應計款項 Other payables and accruals 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	At 1 January 2018	33,289,087	–	28,474,399	61,763,486
融資所得	Changes from				
現金流量變動	financing cash flows	12,839,314	–	(992,743)	11,846,571
其他應付款項及 應計款項變動	Changes in other payables and accruals	–	–	(15,732,527)	(15,732,527)
外匯變動	Foreign exchange movement	706,377	–	–	706,377
利息開支	Interest expense	1,794,071	–	–	1,794,071
分類為經營現金流量 的已付利息	Interest paid classified as operating cash flows	(1,651,219)	–	–	(1,651,219)
收購附屬公司 所產生增加	Increase arising from acquisition of subsidiaries	529,698	–	–	529,698
其他非現金變動	Other non-cash movements	123,617	–	–	123,617
於二零一八年十二月 三十一日	At 31 December 2018	47,630,945	–	11,749,129	59,380,074
採納國際財務報告 準則第16號的影響	Effect of adoption of IFRS 16	–	1,183,136	–	1,183,136
於二零一九年 一月一日(重列)	At 1 January 2019 (restated)	47,630,945	1,183,136	11,749,129	60,563,210
融資所得現金流量 變動	Changes from financing cash flows	7,381,004	(46,581)	(441,497)	6,892,926
新租賃	New leases	–	93,551	–	93,551
其他應付款項及 應計款項變動	Changes in other payables and accruals	–	–	15,087,269	15,087,269
外匯變動	Foreign exchange movement	330,337	–	–	330,337
利息開支	Interest expense	2,689,614	96,144	–	2,785,758
分類為經營現金流量 的已付利息	Interest paid classified as operating cash flows	(2,463,707)	(96,144)	–	(2,559,851)
收購附屬公司 所產生增加	Increase arising from acquisition of subsidiaries	337,700	10,089	1,813,508	2,161,297
視作出售附屬公司 所產生減少	Decrease arising from deemed disposals of subsidiaries	(2,814,287)	–	(6,870,824)	(9,685,111)
實物分派所產生減少	Decrease arising from distribution in specie	–	(13,765)	–	(13,765)
其他非現金變動	Other non-cash movements	169,173	–	–	169,173
於二零一九年 十二月三十一日	At 31 December 2019	53,260,779	1,226,430	21,337,585	75,824,794

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

(b) Changes in liabilities arising from financing activities

39. 綜合現金流量表附註(續)

(c) 租賃的現金流出總額

載於現金流量表的租賃的現金流出總額如下：

		二零一九年 2019 人民幣千元 RMB'000
經營活動中	Within operating activities	30,536
融資活動中	Within financing activities	46,581
		77,117

40. 或然負債

於報告期末，本集團就若干銀行授予的按揭借款提供擔保，該等按揭借款是為本集團物業的若干購買者安排的按揭貸款。根據擔保條款，倘該等購買者拖欠按揭付款，本集團應負責向銀行償還違約購買者欠付的未償還按揭本金連同應計利息及罰金，且本集團有權接管相關物業的合法業權及管有權。本集團的擔保期由相關按揭貸款的授出日期開始，並於房地產所有權證發出後結束，房地產所有權證一般於購買者擁有相關物業後一至兩年內發出。

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

40. CONTINGENT LIABILITIES

As at the end of the reporting period, the Group has provided guarantees in respect of the mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principal together with the accrued interest and penalty owed by the defaulted purchasers to the banks, and the Group is entitled to take over the legal titles and possession of the related properties. The Group's guarantee periods start from the dates of grant of the relevant mortgage loans and end upon the issuance of real estate ownership certificates which is generally within one to two years after the purchasers have taken possession of the relevant properties.

40. 或然負債(續)

於報告期末就授予本集團物業購買者的按揭借款而向銀行提供的擔保金額如下：

40. CONTINGENT LIABILITIES (CONT'D)

The amount of guarantees given to banks for mortgage facilities granted to the purchasers of the Group's properties as at the end of the reporting period is as follows:

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
就本集團物業若干購買者的按揭借款提供的擔保	Guarantees in respect of the mortgage facilities for certain purchasers of the Group's properties	24,026,422	18,017,374

董事認為，在拖欠付款的情況下，相關物業的可變現淨值可用作償還未償還按揭本金連同應計利息及罰金，因此，在綜合財務報表中尚未就擔保作出撥備。

The directors consider that in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principal together with the accrued interest and penalty, and therefore, no provision has been made in the consolidated financial statements for the guarantees.

41. 資產及權益的抵押

本集團就計息銀行及其他借款所抵押的資產及權益的詳情，載於財務報表附註31。

41. PLEDGE OF ASSETS AND EQUITY INTERESTS

Details of the Group's assets and equity interests pledged for the interest-bearing bank and other borrowings are included in note 31 to the financial statements.

42. 承擔

- (a) 本集團於報告期末擁有以下資本承擔：

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
已訂約但未作出撥備：	Contracted, but not provided for:		
物業存貨	Inventories of properties	10,328,946	12,864,229
權益投資	Equity investments	2,806,096	558,800
向合營企業注資	Capital contributions payable to joint ventures	416,112	396,963
		13,551,154	13,819,992

- (b) 於二零一八年十二月三十一日的經營租賃承擔
本集團根據經營租賃安排租用若干辦公室物業及商業物業(見下文(c)項)。議定的物業租期介乎6個月至38年。

於二零一八年十二月三十一日，根據不可撤銷經營租賃，本集團於下列期間到期的未來最低租賃款項總額如下：

		二零一八年 2018 人民幣千元 RMB'000
一年內	Within one year	185,244
第二至第五年(包括首尾兩年)	In the second to fifth years, inclusive	617,376
五年後	After five years	2,095,266
		2,897,886

- (c) 於二零一九年十二月三十一日，本集團有多份尚未開始的租賃合同。該等不可撤銷租賃合同的未來租賃款項中，人民幣17,103,000元於一年內到期、人民幣200,382,000元於第二年至第五年(包括首尾兩年)到期及人民幣2,017,746,000元於五年後到期。

42. COMMITMENTS

- (a) The Group had the following capital commitments at the end of the reporting period:

- (b) Operating lease commitments as at 31 December 2018
The Group leased certain of the office properties and commercial properties (see (c) below) under operating lease arrangements. Leases for the properties are negotiated for terms ranging from 6 months to 38 years.

As at 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

- (c) The Group has various lease contracts that have not yet commenced as at 31 December 2019. The future lease payments for these non-cancellable lease contracts are RMB17,103,000 due within one year, RMB200,382,000 due in the second to fifth years, inclusive and RMB2,017,746,000 due after five years.

43. 關聯方交易

- (a) 除該等財務報表其他章節披露的交易及結餘外，本集團於年內與關聯方之間存有以下重大交易：

43. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
	附註 Notes		
向廣州市時代發展企業集團有限公司及李一萍女士租賃的辦公室物業	Lease of office premises from Guangzhou Times Development Enterprise Group Company Limited and Ms. Li Yiping (1)	1,295	1,295
向一間合營企業支付的利息開支	Interest expense paid to a joint venture (2)	-	22,923
時代鄰里所提供物業管理及相關服務	Property management and related services by Times Neighborhood (3)	37,346	-
來自主要管理層的物業管理服務費	Property management service fee from key managements (3)	(707)	(542)
向合營企業提供的貸款	Loans to joint ventures (4)	4,587,963	-
合營企業償還貸款	Repayment of loans to joint ventures (4)	2,957,841	-
來自合營企業利息收入	Interest income from joint ventures (4)	(82,333)	(58,037)
向合營企業及一間聯營公司銷售建築材料	Sales of construction materials to joint ventures and an associate (5)/(7)	(883,592)	(109,694)
向合營企業提供建築及裝修服務	Construction and decoration services to joint ventures (5)/(7)	(522,131)	-
來自合營企業及聯營公司的物業管理及相關服務收入	Property management and related service income from joint ventures and associates (5)/(7)	(52,986)	(23,359)
來自時代鄰里的租金收入	Rental income from Times Neighborhood (5)	(194)	-
來自合營企業的諮詢服務費	Consultation service fee from joint ventures (5)/(7)	(113,408)	-
向主要管理人員銷售物業	Sales of properties to key management (6)	(71,044)	(25,236)

43. 關聯方交易(續)

(a) (續)

附註：

- (1) 廣州市時代發展企業集團有限公司(「時代發展集團」)乃一間自二零一九年五月中起由岑先生的母親關婉姬女士控制的公司。該公司此前由岑先生的父親岑建財先生控制。李一萍女士為岑先生的配偶。租賃費率及條件與提供予獨立第三方的費率及條件相若。
- (2) 基於雙方商定的條款由一間合營企業提供計息貸款。
- (3) 服務價格及條件與向獨立第三方提供的該等條款類似。
- (4) 基於雙方商定的條款向合營企業提供計息貸款。
- (5) 收入源自向合營企業及聯營公司提供的銷售建築材料、建築服務、裝修服務、物業管理及相關服務、諮詢服務以及自時代鄰里的租金(價格與載於本集團第三方客戶所訂立合同的條款及條件類似)。
- (6) 向本集團主要管理人員銷售物業乃根據向本集團第三方客戶提供的已公佈價格及條件作出。
- (7) 所披露的金額為於作出任何抵銷前的金額。

43. RELATED PARTY TRANSACTIONS (CONT'D)

(a) (Cont'd)

Notes:

- (1) Guangzhou Times Development Enterprise Group Company Limited ("Times Development Group") is a company controlled by Ms. Guan Wanji, mother of Mr. Shum, from mid May 2019, which was previously controlled by Mr. Cen Jiancai, father of Mr. Shum. Ms. Li Yiping is the spouse of Mr. Shum. The rates and conditions of the lease are similar to those offered to independent third parties.
- (2) An interest-bearing loan was provided by a joint venture based on mutually agreed terms.
- (3) The rates and conditions of the services are similar to those offered to independent third parties.
- (4) Interest-bearing loans were provided to joint ventures based on mutually agreed terms.
- (5) The income was derived from the sale of construction materials, construction services, decoration services, property management and related services, consultation services provided to joint ventures and associates, and rental from Times Neighborhood at rates similar to the terms and conditions set out in the contracts entered into with third party customers of the Group.
- (6) The properties sold to the key management of the Group were made according to the published price and conditions offered to third-party customers of the Group.
- (7) The amounts disclosed are before any eliminations.

43. 關聯方交易(續)**(b) 與關聯方的其他交易**

- (i) 於截至二零一九年及二零一八年十二月三十一日止年度，本集團在免專利使用費的基礎上使用時代發展集團註冊的若干商標。
- (ii) 於截至二零一九年及二零一八年十二月三十一日止年度，本公司的全資附屬公司時代地產找免租形式使用及佔用岑先生的配偶李一萍女士擁有的一項建築面積約111平方米的物業。
- (iii) 於二零一九年十二月三十一日，本集團聯營公司及合營企業的若干計息銀行及其他借款人民幣3,859,360,000元(二零一八年：人民幣1,550,000,000元)以將本集團於聯營公司及合營企業的股權抵押作為擔保，其於報告期末的總賬面金額約人民幣1,047,992,000元(二零一八年：人民幣103,428,000元)。
- (iv) 年內，本集團就關聯方(包括聯營公司、合營企業及其聯繫人)獲授的銀行融資提供擔保。人民幣9,261,923,000元(二零一八年：人民幣7,218,611,000元)的擔保已動用。於二零一九年十二月三十一日，由本集團向關聯方提供擔保的該等計息銀行及其他借款的未償還結餘總額為人民幣8,244,032,000元(二零一八年：人民幣6,349,947,000元)。

43. RELATED PARTY TRANSACTIONS (CONT'D)**(b) Other transactions with related parties**

- (i) The Group used certain trademarks registered by Times Development Group on a royalty free basis for the years ended 31 December 2019 and 2018.
- (ii) Times Real Estate, a wholly-owned subsidiary of the Company, used and occupied a property with a gross floor area of approximately 111 sq.m. owned by Ms. Li Yiping, the spouse of Mr. Shum, on a rental free basis for the years ended 31 December 2019 and 2018.
- (iii) At 31 December 2019, certain of the interest-bearing bank and other borrowings of the Group's associates and joint ventures at RMB3,859,360,000 (2018: RMB1,550,000,000) were secured by pledges over the Group's equity interests in associates and joint ventures with an aggregate carrying amount at the end of the reporting period of approximately RMB1,047,992,000 (2018: RMB103,428,000).
- (iv) During the year, the Group has guaranteed banking facilities granted to related parties, including associates, joint ventures and its associate. Guarantee of RMB9,261,923,000 (2018: RMB7,218,611,000) was utilised. As at 31 December 2019, the outstanding balance of these interest-bearing bank and other borrowings guaranteed by the Group for the related parties was in an aggregate amount of RMB8,244,032,000 (2018: RMB6,349,947,000).

43. 關聯方交易(續)

(c) 與關聯方的未償還結餘

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
應收關聯方的預付款項及 應收款項：	Prepayments and receivables due from related parties:		
— 一名非控股股東	— A non-controlling shareholder	8,646	8,634
— 主要管理人員	— Key management	37,946	6,760
— 時代鄰里	— Times Neighborhood	3,367	-
		49,959	15,394
應收關聯方的合同資產：	Contract assets due from related parties:		
— 合營企業	— Joint ventures	27,859	-
— 聯營公司	— Associates	1,127	-
		28,986	-
應付一間同系附屬公司的應付款項：	Payables due to a fellow subsidiary:		
— 時代鄰里	— Times Neighborhood	(81,517)	-

此外，本集團與合營企業及聯營公司的未償還結餘(並無計入上文)於附註24及附註25披露。

In addition, the Group's outstanding balances with joint ventures and associates, which are not included above, are disclosed in note 24 and note 25.

(d) 本集團主要管理人員(包括董事)的薪酬：

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
薪金、津貼及實物利益	Salaries, allowances and benefits in kind	106,466	101,264
表現掛鈎花紅	Performance related bonuses	211,803	52,501
退休金計劃供款	Pension scheme contributions	7,017	3,117
		325,286	156,882

有關董事薪酬的進一步詳情載於財務報表附註8。

Further details of directors' remuneration are included in note 8 to the financial statements.

43. RELATED PARTY TRANSACTIONS (CONT'D)

(c) Outstanding balances with related parties

(d) Compensation for key management personnel (including directors) of the Group:

44. 按類別劃分的金融工具

於報告期末，各類別的金融工具的賬面值如下：

二零一九年

金融資產

44. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2019

Financial assets

		按攤銷成本 列賬的 金融資產	以公允價值 計量且其變動 計入損益的 金融資產	指定以 公允價值計量 且其變動計入 其他全面收入 的權益投資	總計
		Financial assets at amortised cost	Financial assets at FVPL	Equity investments designated at FVOCI	Total
			強制要求 Mandatorily required		
		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
指定以公允價值計量且其變動計入 其他全面收入的權益投資	Equity investments designated at FVOCI	-	-	434,207	434,207
應收貿易款項	Trade receivables	6,101,701	-	-	6,101,701
計入預付款項、按金及其他 應收款項的金融資產	Financial assets included in prepayments, deposits and other receivables	21,210,395	-	-	21,210,395
應收合營企業的款項	Amounts due from joint ventures	8,423,080	-	-	8,423,080
應收聯營公司的款項	Amounts due from associates	1,874,858	-	-	1,874,858
受限制銀行存款	Restricted bank deposits	3,404,545	-	-	3,404,545
現金及現金等價物	Cash and cash equivalents	25,874,865	-	-	25,874,865
		66,889,444	-	434,207	67,323,651

44. 按類別劃分的金融工具(續)

於報告期末，各類別的金融工具的賬面值如下：(續)

二零一九年(續)

金融負債

44. FINANCIAL INSTRUMENTS BY CATEGORY (CONT'D)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (Cont'd)

2019 (Cont'd)

Financial liabilities

		按攤銷成本 列賬的金融負債 Financial liabilities at amortised cost 人民幣千元 RMB'000
應付貿易款項及票據	Trade and bills payables	14,470,947
計入其他應付款項及 應計款項的金融負債	Financial liabilities included in other payables and accruals	19,973,457
應付合營企業的款項	Amounts due to joint ventures	4,950,359
租賃負債	Lease liabilities	1,226,430
計息銀行及其他借款	Interest-bearing bank and other borrowings	53,260,779
其他長期應付款項	Other long-term payables	134,934
		94,016,906

44. 按類別劃分的金融工具(續)

於報告期末，各類別的金融工具的賬面值如下：(續)

二零一八年

金融資產

44. FINANCIAL INSTRUMENTS BY CATEGORY (CONT'D)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (Cont'd)

2018

Financial assets

		按攤銷成本 列賬的 金融資產	以公允價值 計量且其變動 計入損益的 金融資產	指定以 公允價值計量 且其變動計入 其他全面收入 的權益投資	總計
		Financial assets at amortised cost	Financial assets at FVPL	Equity investments designated at FVOCI	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
指定以公允價值計量且其變動 計入其他全面收入的權益投資	Equity investments designated at FVOCI	-	-	424,828	424,828
以公允價值計量且其變動 計入損益的金融資產	Financial asset at FVPL	-	220,500	-	220,500
應收貿易款項	Trade receivables	4,889,684	-	-	4,889,684
計入預付款項、按金及其他 應收款項的金融資產	Financial assets included in prepayments, deposits and other receivables	18,186,017	-	-	18,186,017
應收合營企業的款項	Amounts due from joint ventures	4,093,638	923,878	-	5,017,516
應收聯營公司的款項	Amounts due from associates	1,094,766	-	-	1,094,766
受限制銀行存款	Restricted bank deposits	4,051,526	-	-	4,051,526
現金及現金等價物	Cash and cash equivalents	23,374,181	-	-	23,374,181
		55,689,812	1,144,378	424,828	57,259,018

44. 按類別劃分的金融工具(續)

於報告期末，各類別的金融工具的賬面值如下：(續)

二零一八年(續)

金融負債

44. FINANCIAL INSTRUMENTS BY CATEGORY (CONT'D)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (Cont'd)

2018 (Cont'd)

Financial liabilities

		按攤銷成本 列賬的金融負債 Financial liabilities at amortised cost 人民幣千元 RMB'000	於初始確認後 指定以公允價值 計量且其變動 計入損益的 金融資產 Financial liabilities at FVPL designated as such upon initial recognition 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
應付貿易款項及票據	Trade and bills payables	8,520,818	-	8,520,818
計入其他應付款項及 應計款項的金融負債	Financial liabilities included in other payables and accruals	10,500,829	52,615	10,553,444
應付合營企業的款項	Amounts due to joint ventures	3,417,681	-	3,417,681
計息銀行及其他借款	Interest-bearing bank and other borrowings	47,630,945	-	47,630,945
其他長期應付款項	Other long-term payables	162,603	-	162,603
		70,232,876	52,615	70,285,491

45. 金融工具的公允價值及公允價值層級

本集團的金融工具(賬面值為公允價值的合理約數者除外)的賬面值及公允價值如下：

45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

二零一九年	2019	賬面值 Carrying amounts 人民幣千元 RMB'000	公允價值 Fair values 人民幣千元 RMB'000
金融資產	Financial assets		
指定以公允價值計量且其變動計入其他全面收入的權益投資	Equity investments designated at FVOCI	432,184	434,207
金融負債	Financial liabilities		
計息銀行及其他借款	Interest-bearing bank and other borrowings	53,260,779	54,926,998
二零一八年	2018	賬面值 Carrying amounts 人民幣千元 RMB'000	公允價值 Fair values 人民幣千元 RMB'000
金融資產	Financial asset		
以公允價值計量且其變動計入損益的金融資產	Financial asset at FVPL	220,500	220,500
指定以公允價值計量且其變動計入其他全面收入的權益投資	Equity investments designated at FVOCI	425,390	424,828
以公允價值計量且其變動計入損益的應收一間合營企業款項	Amount due from a joint venture at FVPL	923,878	923,878
		1,569,768	1,569,206
金融負債	Financial liabilities		
計息銀行及其他借款	Interest-bearing bank and other borrowings	47,630,945	51,980,815

管理層已評估，應收貿易款項、計入預付款項、按金及其他應收款項的金融資產、應收合營企業款項、應收聯營公司款項、受限制銀行存款、現金及現金等價物、應付貿易款項及票據、計入其他應付款項及應計款項的金融負債以及應付合營企業款項的公允價值與其賬面值相若，主要由於該等工具在短期內到期。

Management has assessed that the fair values of trade receivables, financial assets included in prepayments, deposits and other receivables, amounts due from joint ventures, amounts due from associates, restricted bank deposits, cash and cash equivalents, trade and bills payables, financial liabilities included in other payables and accruals and amounts due to joint ventures approximate to their carrying amounts largely due to the short-term maturities of these instruments.

45. 金融工具的公允價值及公允價值層級(續)

金融資產及負債的公允價值以該工具自願交易方(強迫或清盤出售除外)當前交易下可交易金額入賬。以下方法及假設均用來估算公允價值。

計息銀行及其他借款以及其他長期應付款項的公允價值已就預期未來現金流量按條款、信貸風險及剩餘到期情況相類似的工具的目前可用比率折現計算。於二零一九年十二月三十一日，本集團計息銀行及其他借款的未履約風險被評定為不重大。

基於無法取得可觀察市價或比率的假設，指定以公允價值計量且其變動計入其他全面收入的未上市權益投資的公允價值已用基於市場估值技術進行估計。估值要求董事根據行業、規模、槓桿率及戰略確定可比較的公開公司(同業)，並計算合適的價格倍數。董事認為自估值技術產生的估計公允價值(計入綜合財務狀況表)及公允價值的相關變動(計入其他全面收入)屬合理，且於報告期末該等數據為最適當的價值。

45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONT'D)

The fair values of the financial assets and liabilities are included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The fair values of the interest-bearing bank and other borrowings and other long-term payables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at 31 December 2019 were assessed to be insignificant.

The fair values of unlisted equity investments designated at FVOCI have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

45. 金融工具的公允價值及公允價值層級(續)

下表列示於二零一九年十二月三十一日的金融工具估值連同定量敏感度分析的重大不可觀察輸入數據概要：

45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONT'D)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2019:

	估值技術 Valuation techniques	重大不可觀察輸入數據 Significant unobservable inputs	範圍 Range	輸入數據對公允價值的敏感度 Sensitivity of fair value to the input
廣州工商協會聯盟投資有限公司(「廣州工商協會聯盟」)－零售 Guangzhou Industrial and Commercial Alliance Investment Co., Ltd. ("Guangzhou Industrial and Commercial Alliance") – Retail	假設開發方法 Hypothetical development method	市場單位售價 (每平方米人民幣元) Market unit sale rate (RMB/sq.m.)	67,500	倍數增加/減少5%將導致公允價值增加/減少 人民幣2,246,000元/ 人民幣4,000,000元 5% increase/decrease in multiple would result in increase/decrease in fair value by RMB2,246,000/ RMB4,000,000
廣州工商協會聯盟－辦公室 Guangzhou Industrial and Commercial Alliance – Office	假設開發方法 Hypothetical development method	市場單位售價 (每平方米人民幣元) Market unit sale rate (RMB/sq.m.)	40,000	
廣州工商協會聯盟－停車位 Guangzhou Industrial and Commercial Alliance – Car parking	假設開發方法 Hypothetical development method	市場單位售價 (每個車位人民幣元) Market unit sale rate (RMB/space)	300,000	
廣州工商協會聯盟－辦公室 Guangzhou Industrial and Commercial Alliance – Office	假設開發方法 Hypothetical development method	市場單位月租金 (每平方米人民幣元) Market unit monthly rental (RMB/sq.m.)	135	倍數增加/減少5%將導致公允價值增加/減少 人民幣4,200,000元/ 人民幣4,000,000元 5% increase/decrease in multiple would result in increase/decrease in fair value by RMB4,200,000/ RMB4,000,000

45. 金融工具的公允價值及公允價值層級(續)

45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONT'D)

	估值技術 Valuation techniques	重大不可觀察輸入數據 Significant unobservable inputs	範圍 Range	輸入數據對公允價值的敏感度 Sensitivity of fair value to the input
廣州工商協會聯盟 Guangzhou Industrial and Commercial Alliance	假設開發方法 Hypothetical development method	除稅後貼現率 Post-tax discount rate	11.00%	倍數增加/減少1%將導致 公允價值減少/增加 人民幣904,000元/ 人民幣927,000元 1% increase/decrease in multiple would result in decrease/ increase in fair value by RMB904,000/RMB927,000
You plus group (「You plus」)-住宅 You plus group(「You plus」) - Residential	貼現現金流方法 Discounted cash flow method	市場單位月租金 (每平方米人民幣元) Market unit monthly rental (RMB/sq.m.)	自17至122 17 to 122	倍數增加/減少5%將導致 公允價值增加/減少 人民幣16,613,000元/ 人民幣15,297,000元 5% increase/decrease in multiple would result in increase/ decrease in fair value by RMB16,613,000/ RMB15,297,000
You plus-住宅 You plus - Residential	貼現現金流方法 Discounted cash flow method	除稅後貼現率 Post-tax discount rate	10.97%	倍數增加/減少1%將導致 公允價值減少/增加 人民幣9,141,000元/ 人民幣11,780,000元 1% increase/decrease in multiple would result in decrease/ increase in fair value by RMB9,141,000/ RMB11,780,000

45. 金融工具的公允價值及公允價值層級(續)

45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONT'D)

	估值技術 Valuation techniques	重大不可觀察輸入數據 Significant unobservable inputs	範圍 Range	輸入數據對公允價值的敏感度 Sensitivity of fair value to the input
寰圖(中國)有限公司 ATLAS (CHINA) LIMITED	貼現現金流方法 Discounted cash flow method	市場單位月租金 (每平方米人民幣元) Market unit monthly rental (RMB/sq.m.)	250至750 250 to 750	倍數增加/減少5%將導致公允價值增加/減少人民幣53,745,000元/人民幣49,483,000元 5% increase/decrease in multiple would result in increase/decrease in fair value by RMB53,745,000/RMB49,483,000
寰圖(中國)有限公司 ATLAS (CHINA) LIMITED	貼現現金流方法 Discounted cash flow method	除稅後貼現率 Post-tax discount rate	12.58% 12.58%	倍數增加/減少1%將導致公允價值減少/增加人民幣22,500,000元/人民幣28,396,000元 1% increase/decrease in multiple would result in decrease/increase in fair value by RMB22,500,000/RMB28,396,000

45. 金融工具的公允價值及公允價值層級(續)

公允價值層級

下表列示本集團金融工具的公允價值計量層級：

按公允價值計量的資產：

於二零一九年十二月三十一日 As at 31 December 2019

		以下列方式進行的公允價值計量			總計 Total 人民幣千元 RMB'000
		活躍市場的報價 (第一級) Quoted prices in active markets (Level 1) 人民幣千元 RMB'000	重大可觀察 輸入數據 (第二級) Significant observable inputs (Level 2) 人民幣千元 RMB'000	重大不可觀察 輸入數據 (第三級) Significant unobservable inputs (Level 3) 人民幣千元 RMB'000	
指定以公允價值計量且其變動計入 其他全面收入的權益投資	Equity investments designated at FVOCI	-	-	434,207	434,207

於二零一八年十二月三十一日 As at 31 December 2018

		以下列方式進行的公允價值計量			總計 Total 人民幣千元 RMB'000
		活躍市場的報價 (第一級) Quoted prices in active markets (Level 1) 人民幣千元 RMB'000	重大可觀察 輸入數據 (第二級) Significant observable inputs (Level 2) 人民幣千元 RMB'000	重大不可觀察 輸入數據 (第三級) Significant unobservable inputs (Level 3) 人民幣千元 RMB'000	
以公允價值計量且其變動計入 損益的金融資產	Financial asset at FVPL	-	-	220,500	220,500
指定以公允價值計量且其變動計入 其他全面收入的權益投資	Equity investments designated at FVOCI	-	-	424,828	424,828
以公允價值計量且其變動計入 損益的應收一間合營企業款項	Amount due from a joint venture measured at FVPL	-	-	923,878	923,878
		-	-	1,569,206	1,569,206

45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONT'D)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair values:

45. 金融工具的公允價值及公允價值層級(續)

公允價值層級(續)

按公允價值計量的負債：

		以下列方式進行的公允價值計量			
		Fair value measurement using			
		重大可觀察	重大不可觀察		
		輸入數據	輸入數據		
		(第一級)	(第二級)	(第三級)	
		Quoted prices	Significant	Significant	
		in active	observable	unobservable	
		markets	inputs	inputs	總計
		(Level 1)	(Level 2)	(Level 3)	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
於二零一八年十二月三十一日	As at 31 December 2018				
計入其他應付款項及	Financial liability included in other				
應計款項的金融負債	payables and accruals	-	52,615	-	52,615

公平值已予披露的負債：

Liabilities for which fair values are disclosed:

		以下列方式進行的公允價值計量			
		Fair value measurement using			
		重大可觀察	重大不可觀察		
		輸入數據	輸入數據		
		(第一級)	(第二級)	(第三級)	
		Quoted prices	Significant	Significant	
		in active	observable	unobservable	
		markets	inputs	inputs	總計
		(Level 1)	(Level 2)	(Level 3)	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
於二零一九年十二月三十一日	As at 31 December 2019				
計息銀行及其他借款	Interest-bearing bank and other borrowings	-	54,926,998	-	54,926,998
於二零一八年十二月三十一日	As at 31 December 2018				
計息銀行及其他借款	Interest-bearing bank and other borrowings	-	51,980,815	-	51,980,815

45. 金融工具的公允價值及公允價值層級(續)

年內，第一級與第二級之間並無公允價值計量轉移，亦無金融資產及金融負債轉入或轉出第三級(二零一八年：無)。

46. 金融風險管理目標及政策

本集團的金融資產主要包括應收貿易款項、計入預付款項、按金及其他應收款項的金融資產、應收合營企業的款項、應收聯營公司的款項、指定以公允價值計量且其變動計入其他全面收入的權益投資、受限制銀行存款以及現金及現金等價物。本集團的金融負債主要包括應付貿易款項、計入其他應付款項及應計款項的金融負債、應付合營企業的款項、計息銀行及其他借款以及其他長期應付款項。

(a) 利率風險

本集團面臨的市場利率變動風險主要與本集團以浮動利率計息的計息銀行及其他借款相關。本集團尚未使用任何利率掉期來對沖其利率風險。

於二零一九年十二月三十一日，合共人民幣12,484,126,000元(二零一八年：人民幣13,124,845,000元)的銀行貸款及其他借款均以浮動利率計息(附註31(a))。

45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONT'D)

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2018: Nil).

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial assets of the Group mainly include trade receivables, financial assets included in prepayments, deposits and other receivables, amounts due from joint ventures, amounts due from associates, equity investments designated at FVOCI, restricted bank deposits and cash and cash equivalents. The financial liabilities of the Group mainly include trade payables, financial liabilities included in other payables and accruals, amounts due to joint ventures, interest-bearing bank and other borrowings and other long-term payables.

(a) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank and other borrowings bearing interest at floating interest rates. The Group has not used any interest rate swaps to hedge its interest rate risk.

As at 31 December 2019, total bank loans and other borrowings of RMB12,484,126,000 (2018: RMB13,124,845,000) were with floating interest rates (note 31(a)).

46. 金融風險管理目標及政策(續)

(a) 利率風險(續)

下表說明在所有其他變量保持不變的情況下，年內本集團除稅前利潤(透過浮動利率銀行及其他借款的影響)以及開發中物業(透過資本化相關借貸成本)對利率的合理可能變動的敏感性。對本集團的其他股權概無影響。

除稅前利潤及開發中物業的增加／(減少)

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
如利率降低100個基點：	If 100 basis points decrease in interest rates:		
除稅前利潤提高	Increase in profit before tax	23,135	26,353
開發中物業降低	Decrease in properties under development	(85,082)	(104,524)
如利率提高100個基點：	If 100 basis points increase in interest rates:		
除稅前利潤降低	Decrease in profit before tax	(23,135)	(26,353)
開發中物業提高	Increase in properties under development	85,082	104,524

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Interest rate risk (Cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact of floating interest rate bank and other borrowings) and the properties under development (through the capitalisation of relevant borrowing costs) during the year. There was no impact on the Group's other equity.

Increase/(decrease) in profit before tax and properties under development

46. 金融風險管理目標及政策(續)

(b) 外匯風險

本集團的業務位於中國內地，多數交易均以人民幣進行。本集團的資產及負債主要以人民幣計值，而若干銀行結餘、若干其他應付款項以及若干計息銀行及其他借款則以其他外幣計值。本集團尚未對沖其外匯風險。

下表說明在所有其他變量保持不變的情況下，在報告期末，本集團除稅前利潤(由於貨幣資產及負債公允價值發生變動)及本集團的股權(由於換算海外業務)對人民幣兌港元匯率的合理可能變動的敏感性。

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Foreign currency risk

The Group's businesses are located in Mainland China and most of the transactions are conducted in RMB. The Group's assets and liabilities are principally denominated in RMB, while certain bank balances, certain other payables and certain interest-bearing bank and other borrowings are denominated in other foreign currencies. The Group has not hedged its foreign exchange risk.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rate against HKD, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity (due to translation of foreign operations).

		匯率 上升/(下降) Increase/ (decrease) in exchange rate %	除稅前利潤 上升/(下降) Increase/ (decrease) in profit before tax 人民幣千元 RMB'000	股本* 增加/(減少) Increase/ (decrease) in equity* 人民幣千元 RMB'000
二零一九年	2019			
如人民幣兌港元貶值	If the RMB weakens against the HKD	5	(22,921)	46,206
如人民幣兌港元升值	If the RMB strengthens against the HKD	(5)	22,921	(46,206)
二零一八年	2018			
如人民幣兌港元貶值	If the RMB weakens against the HKD	5	(578)	3,973
如人民幣兌港元升值	If the RMB strengthens against the HKD	(5)	578	(3,973)

* 不包括留存利潤

* Excluding retained profits

46. 金融風險管理目標及政策(續)**(c) 信貸風險****應收貿易款項**

為降低信貸風險，本集團管理層已委派一支團隊負責釐定信貸限額及信貸審批。本集團於接納前評估信貸質素並根據客戶界定信貸限額。本集團制定相關政策，以確保向具有適當財務實力及支付適當比例訂金的買方作出銷售。本集團根據與客戶協定的付款計劃密切監管客戶付款的收款狀況，並採取跟進行動收回逾期債務(如有)。

同時，一旦客戶拖欠還款，本集團有權取消合同。此外，本集團定期審閱各單獨的貿易及其他應收款項的可收回金額，確保就不可收回金額作出足夠減值撥備。本集團並無重大信貸集中風險，而風險分散於若干交易對手及客戶。

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**(c) Credit risk****Trade receivables**

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. The Group assesses the credit quality and defines credit limits by customer before acceptance. The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments. The Group closely monitors the collection of progress payments from customers in accordance with the payment schedule agreed with customers and follow-up action is taken to recover overdue debts, if any.

Meanwhile, the Group has the right to cancel the contracts once repayment from the customers is in default. In addition, the Group regularly reviews the recoverable amount of each of the individual trade and other receivables to ensure that adequate impairment provisions are made for irrecoverable amounts. The Group has no significant concentrations of credit risk, with exposure spreading over a number of counterparties and customers.

46. 金融風險管理目標及政策(續)

(c) 信貸風險(續)

應收貿易款項(續)

再者，本集團根據各項結餘的預期信貸虧損模型或根據撥備矩陣進行減值評估。就此而言，本公司董事認為本集團信貸風險顯著降低。

計入預付款項、按金及其他應收款項的金融資產、應收合營企業款項以及應收聯營公司款項

計入預付款項、按金及其他應收款項、應收合營企業的款項、應收聯營公司的款項的金融資產信貸風險透過內部流程進行管理。在作出預付款項之前，已調查各對手方的信貸質素。本集團積極監察未償還款項並及時識別任何信貸風險，以減低信貸虧損的風險。本集團密切監察合營企業及聯營公司的財務表現，且相信合營企業及聯營公司的未償還結餘並無固有重大信貸風險。此外，本集團就可收回性定期進行集體評估，並根據預期信貸虧損模型就計入預付款項、按金及其他應收款項的金融資產未償還結餘進行減值評估，因此，本集團董事相信有關該等結餘的信貸風險已顯著降低。

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Credit risk (Cont'd)

Trade receivables (Cont'd)

In addition, the Group performs impairment assessment under the ECL model on balances individually or based on a provision matrix. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Financial assets included in prepayments, deposits and other receivables, amounts due from joint ventures and amounts due from associates

The credit risk for financial assets included in prepayments, deposits and other receivables, amounts due from joint ventures and amounts due from associates are managed through internal process. The credit quality of each counterparty is investigated before an advance is made. The Group actively monitors the outstanding amounts and identifies any credit risks in a timely manner in order to reduce the risk of credit loss. The Group closely monitors the financial performance of the joint ventures and associates and believes that there is no material credit risk inherent to the outstanding balances with joint ventures and associates. In addition, the Group makes periodic collective assessments on the recoverability and performs impairment assessment under ECL model on the outstanding balances of financial assets included in prepayments, deposits and other receivables, thus, the directors of the Group believe that credit risk relating these balances is significantly reduced.

46. 金融風險管理目標及政策(續)

(c) 信貸風險(續)

受限制銀行存款以及現金及現金等價物

為管理該風險，銀行存款主要存放在國有金融機構及信譽良好的銀行，其均為高信用質素的金融機構。

本集團已為其物業單位的若干購房者安排銀行融資，並提供擔保以確保該等購房者履行償付責任。該等擔保的披露詳情載於財務報表附註40。

最大風險及年末階段

下表顯示基於本集團信貸政策的信用質素及所面臨最大信貸風險，該信貸政策主要基於過往到期資料(除非有其他無需過高成本或努力即可獲得的資料)及於十二月三十一日的年末階段分類。所呈列金額為金融資產的賬面總值及財務擔保合同的信貸風險。

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Credit risk (Cont'd)

Restricted bank deposits and cash and cash equivalents

To manage this risk, bank deposits are mainly placed with state-owned financial institutions and reputable banks which are all high-credit-quality financial institutions.

The Group has arranged bank financing for certain purchasers of its property units and provided guarantees to secure the obligations of these purchasers for repayments. A detailed disclosure of these guarantees is made in note 40 to the financial statements.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

46. 金融風險管理目標及政策(續)

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) 信貸風險(續)

於二零一九年十二月三十一日

(c) Credit risk (Cont'd)

As at 31 December 2019

		12個月預期 信貸虧損 12-month ECLs	存續期預期信貸虧損 Lifetime ECLs			總計 Total 人民幣千元 RMB'000
		階段一 Stage 1 人民幣千元 RMB'000	階段二 Stage 2 人民幣千元 RMB'000	階段三 Stage 3 人民幣千元 RMB'000	簡化方法 Simplified approach 人民幣千元 RMB'000	
應收貿易款項*	Trade receivables*	-	-	-	6,155,762	6,155,762
合同資產*	Contract assets*				210,434	210,434
計入預付款項、按金及 其他應收款項的金融資產	Financial assets included in prepayments, deposits and other receivables					
- 正常**	- Normal**	21,210,395	-	-	-	21,210,395
- 可疑**	- Doubtful**	-	-	-	-	-
應收合營企業的款項	Amounts due from joint ventures					
- 正常**	- Normal**	8,423,080	-	-	-	8,423,080
應收聯營公司的款項	Amounts due from associates					
- 正常**	- Normal**	1,874,858	-	-	-	1,874,858
受限制銀行存款	Restricted bank deposits					
- 尚未逾期	- Not yet past due	3,404,545	-	-	-	3,404,545
現金及現金等價物	Cash and cash equivalents					
- 尚未逾期	- Not yet past due	25,874,865	-	-	-	25,874,865
就關聯方獲授的融資提供 予銀行的擔保	Guarantees given to banks in connection with facilities parties					
- 尚未逾期	- Not yet past due	8,240,962	-	-	-	8,240,962
		69,028,705	-	-	6,366,196	75,394,901

46. 金融風險管理目標及政策(續)

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) 信貸風險(續)

於二零一八年十二月三十一日

(c) Credit risk (Cont'd)

As at 31 December 2018

		12個月預期	存續期預期信貸虧損			總計
		12-month	Lifetime ECLs			
		ECLs	ECLs			
			階段一	階段二	階段三	簡化方法
			Stage 1	Stage 2	Stage 3	Simplified
		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
應收貿易款項*	Trade receivables*	-	-	-	-	4,909,890
計入預付款項、按金及其他	Financial assets included in prepayments,					
應收款項的金融資產	deposits and other receivables					
— 正常**	— Normal**	18,186,017	-	-	-	18,186,017
— 可疑**	— Doubtful**	-	-	-	-	-
以公允價值計量且其變動計入	Financial asset at FVPL					
損益的金融資產						
— 正常**	— Normal**	220,500	-	-	-	220,500
應收合營企業的款項	Amounts due from joint ventures	4,093,638	-	-	-	4,093,638
應收聯營公司的款項	Amounts due from associates	1,094,766	-	-	-	1,094,766
受限制銀行存款	Restricted bank deposits					
— 尚未逾期	— Not yet past due	4,051,526	-	-	-	4,051,526
現金及現金等價物	Cash and cash equivalents					
— 尚未逾期	— Not yet past due	23,374,181	-	-	-	23,374,181
就關聯方獲授的	Guarantees given to banks in					
融資提供予銀行的擔保	connection with facilities					
	granted to related parties					
— 尚未逾期	— Not yet past due	6,349,947	-	-	-	6,349,947
		57,370,575	-	-	-	4,909,890
						62,280,465

46. 金融風險管理目標及政策(續)

(c) 信貸風險(續)

附註：

* 就本集團應用簡化減值方法的應收貿易款項及合同資產而言，基於撥備矩陣的資料於財務報表附註22披露。

** 計入預付款項、按金及其他應收款項的金融資產的信貸質素於尚未逾期時被視為「正常」，並未有資料顯示自初始確認以來金融資產的信貸風險顯著增加，否則，金融資產的信貸質素被視為「可疑」。

(d) 流動性風險

本集團的管理層旨在維持充足的現金及現金等價物，且本集團透過充足的已承諾信貸融通額度以可用資金滿足其施工承諾。

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Credit risk (Cont'd)

Notes:

* For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 22 to the financial statements.

** The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

(d) Liquidity risk

The management of the Group aims to maintain sufficient cash and cash equivalents, and the Group has available funding through an adequate amount of committed credit facilities to meet its construction commitments.

46. 金融風險管理目標及政策(續)

(d) 流動性風險(續)

本集團於報告期末基於已訂約但未貼現款項的金融負債的到期情況載列如下：

		2019 二零一九年					
		於要求時	少於3個月	3至12個月	1至5年	超過5年	總計
		On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	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
應付貿易款項及票據	Trade and bills payables	13,438,724	412,700	619,523	-	-	14,470,947
租賃負債	Lease liabilities	-	926	51,033	49,213	1,125,258	1,226,430
計入其他應付款項及應計款項的金融負債	Financial liabilities included in other payables and accruals	19,920,842	-	-	52,615	-	19,973,457
應付合營企業的款項	Amounts due to joint ventures	4,950,359	-	-	-	-	4,950,359
計息銀行貸款及其他借款	Interest-bearing bank and other borrowings	-	5,077,343	16,882,227	37,140,758	516,704	59,617,032
就關聯方獲授融資向銀行提供的擔保	Guarantees given to banks in connection with facilities granted to related parties	-	1,412,360	851,314	5,977,288	-	8,240,962
		38,309,925	6,903,329	18,404,097	43,219,874	1,641,962	108,479,187

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Liquidity risk (Cont'd)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

46. 金融風險管理目標及政策(續)

(d) 流動性風險(續)

下表概述本集團於報告期末基於已訂約但未貼現款項的金融負債的到期情況：(續)

		2018 二零一八年					
		於要求時	少於3個月	3至12個月	1至5年	超過5年	總計
		On	Less than	3 to 12	1 to 5	Over	Total
		demand	3 months	months	years	5 years	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
應付貿易款項及票據	Trade and bills payables	7,798,433	28,453	693,932	-	-	8,520,818
計入其他應付款項及	Financial liabilities included in						
應計款項的金融負債	other payables and accruals	10,500,829	-	-	52,615	-	10,553,444
應付合營企業的款項	Amounts due to joint ventures	3,417,681	-	-	-	-	3,417,681
計息銀行及其他借款	Interest-bearing bank						
	and other borrowings	-	1,370,004	9,090,180	42,728,218	1,104,118	54,292,520
就關聯方獲授融資向	Guarantees given to banks						
銀行提供的擔保	in connection with facilities						
	granted to related parties	-	-	1,936,961	4,412,986	-	6,349,947
		21,716,943	1,398,457	11,721,073	47,193,819	1,104,118	83,134,410

資本管理

本集團資本管理的目標為保障本集團繼續以持續基準經營的能力，為股東提供回報及為其他利益相關者提供利益，並維持最佳資本架構以減少資本成本。

為維持或調整資本架構，本集團可調整支付股東的股息、向股東發還資本、發行新股份或出售資產以減少債務。

本集團以負債與權益比率為基準監控資本。該比率以負債淨額及權益計算。負債淨額乃按計息銀行及其他借款總額(如綜合財務狀況表所示)減現金及銀行結餘(包括受限制銀行存款)計算。

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Liquidity risk (Cont'd)

The table below summarises the maturity profile of the Group's financial liabilities at the end of the reporting period based on the contractual undiscounted payments: (Cont'd)

Capital management

The Group's objectives of capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of a net debt-to-equity ratio. This ratio is calculated based on net debt and equity. Net debt is calculated as total interest-bearing bank and other borrowings (as shown in the consolidated statement of financial position) less cash and bank balances (including restricted bank deposits).

46. 金融風險管理目標及政策(續)

資本管理(續)

於報告期末，負債淨額與權益比率如下：
(續)

		附註 Notes	二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
計息銀行及其他借款	Interest-bearing bank and other borrowings	31	53,260,779	47,630,945
減：現金及銀行結餘	Less: Cash and bank balances	27	(29,279,410)	(27,425,707)
負債淨額	Net debt		23,981,369	20,205,238
權益	Equity		35,704,355	32,296,192
負債淨額與權益比率	Net debt-to-equity ratio		67.2%	62.6%

47. 報告期後事項

於二零二零年二月二十一日，廣州時代於中國按面值人民幣1,315,000,000元發行合共兩批公開境內公司債券。第一批發行票面年利率為6.2%，為期七年（「二零二七年到期的6.2%人民幣公開發行境內公司債券I」），廣州時代可選擇調整票面利率及投資者可選擇於第五年末回售債券。第二批發行票面年利率為5.0%，為期五年（「二零二五年到期的5.0%人民幣公開發行境內公司債券II」），廣州時代可選擇調整票面利率及投資者可選擇於第三年末回售債券。二零二七年到期的6.2%人民幣公開發行境內公司債券I及二零二五年到期的5.0%人民幣公開發行境內公司債券II均為無擔保且於上交所上市。進一步詳情已載列於本公司日期為二零二零年二月二十一日的相關公告。

48. 比較數字

誠如財務報表附註2.2進一步說明，本集團於二零一九年一月一日使用修改追溯方式採納國際財務報告準則第16號。根據該方法，財務報表內的比較數字並無重列，並持續根據過往準則、國際會計準則第17號及相關詮釋的規定報告。

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Capital management (Cont'd)

The net debt-to-equity ratios at the end of the reporting periods are as follows: (Cont'd)

47. EVENTS AFTER THE REPORTING PERIOD

On 21 February 2020, Guangzhou Times issued public domestic corporate bonds at a par value of RMB1,315,000,000 in the PRC collectively in two batches. The first batch was issued with a term of seven years at the coupon rate of 6.2% per annum (the "RMB 6.2% Corporate Bonds I due 2027"), with the option to adjust the coupon rate by Guangzhou Times, and the investors have the option to sell back the bonds at the end of the fifth year. The second batch was issued with a term of five years at the coupon rate of 5.0% per annum (the "RMB 5.0% Corporate Bonds II due 2025"), with the option to adjust the coupon rate by Guangzhou Times, and the investors have the option to sell back the bonds at the end of the third year. The RMB 6.2% Corporate Bonds I due 2027 and the RMB 5.0% Corporate Bonds II due 2025 are non-guaranteed and are listed on the SSE. Further details have been set out in the related announcement of the Company dated 21 February 2020.

48. COMPARATIVE AMOUNTS

As further explained in note 2.2 to the financial statements, the Group has adopted IFRS 16 on 1 January 2019 using the modified retrospective approach. Under this approach, the comparative amounts in the financial statements were not restated and continued to be reported under the requirements of the previous standard, IAS 17, and related interpretations.

49. 本公司的財務狀況表

有關本公司於報告期末的財務狀況表的資料如下：

49. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000
非流動資產	NON-CURRENT ASSETS		
物業、廠房及設備	Property, plant and equipment	2,228	2,627
於附屬公司的投資	Investments in subsidiaries	3,560	17,999
非流動資產總值	Total non-current assets	5,788	20,626
流動資產	CURRENT ASSETS		
預付款項、按金及其他應收款項	Prepayments, deposits and other receivables	3,113	126
應收附屬公司的款項	Amounts due from subsidiaries	23,048,399	16,351,706
應收一間合營企業的款項	Amount due from a joint venture	36,505	73,366
現金及現金等價物	Cash and cash equivalents	3,740,640	456,718
流動資產總值	Total current assets	26,828,657	16,881,916
流動負債	CURRENT LIABILITIES		
其他應付款項及應計款項	Other payables and accruals	505,372	272,173
應付附屬公司的款項	Amounts due to subsidiaries	137,851	134,213
應付一間合營企業的款項	Amount due to a joint venture	2,745	4,220
計息銀行及其他借款	Interest-bearing bank and other borrowings	5,990,024	320,317
流動負債總額	Total current liabilities	6,635,992	730,923
流動資產淨值	NET CURRENT ASSETS	20,192,665	16,150,993
資產總值減流動負債	TOTAL ASSETS LESS CURRENT LIABILITIES	20,198,453	16,171,619
非流動負債	NON-CURRENT LIABILITIES		
計息銀行及其他借款	Interest-bearing bank and other borrowings	18,198,968	15,910,029
其他長期應付款項	Other long-term payable	-	17,999
非流動負債總額	Total non-current liabilities	18,198,968	15,928,028
資產淨值	Net assets	1,999,485	243,591
權益	EQUITY		
股本	Share capital	154,528	145,260
儲備(附註)	Reserves (note)	1,844,957	98,331
權益總額	Total equity	1,999,485	243,591

岑釗雄
Shum Chiu Hung
董事
Director

牛霽旻
Niu Jimin
董事
Director

49. 本公司的財務狀況表(續)

附註：

本公司的儲備概述如下：

		股份溢價賬 Share premium account 人民幣千元 RMB'000	匯兌波動儲備 Exchange fluctuation reserve 人民幣千元 RMB'000	留存利潤/ (累計虧損) Retained profits/ (Accumulated losses) 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的結餘	Balance at 1 January 2018	750,060	(179,840)	(1,103,357)	(533,137)
本年度全面收入總額	Total comprehensive income for the year	-	(23,646)	1,414,864	1,391,218
宣派二零一七年末期股息	Final 2017 dividend declared	(750,060)	-	(9,690)	(759,750)
於二零一八年十二月三十一日及 二零一九年一月一日	At 31 December 2018 and 1 January 2019	-	(203,486)	301,817	98,331
本年度全面收入總額	Total comprehensive income for the year	-	57,913	1,700,800	1,758,713
發行股份	Issue of shares	1,323,301	-	-	1,323,301
宣派二零一八年末期股息	Final 2018 dividend declared	(1,323,301)	-	(12,087)	(1,335,388)
於二零一九年十二月三十一日	At 31 December 2019	-	(145,573)	1,990,530	1,844,957

50. 財務報表的批准

財務報表已於二零二零年三月九日獲董事會批准及授權刊發。

50. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 9 March 2020.

五年財務概要

FIVE-YEAR FINANCIAL SUMMARY

摘自己發佈的經審核財務報表的本集團過去五個財政年度的業績與資產、負債及權益概要載列如下：

A summary of the results and of the assets, liabilities and equity of the Group for the last five financial years, as extracted from the published audited financial statements is set out below:

		截至十二月三十一日止年度 Year ended 31 December				
		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000	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	二零一五年 2015 人民幣千元 RMB'000
業績	RESULTS					
收入	REVENUE	42,433,383	34,375,010	23,109,961	16,206,451	13,638,163
銷售成本	Cost of sales	(29,997,746)	(23,754,162)	(16,660,052)	(11,956,202)	(10,091,717)
毛利	GROSS PROFIT	12,435,637	10,620,848	6,449,909	4,250,249	3,546,446
其他收入及收益	Other income and gains	1,033,777	1,030,565	818,208	362,900	130,376
銷售及市場推廣成本	Selling and marketing costs	(1,212,434)	(835,642)	(622,915)	(657,499)	(487,988)
行政開支	Administrative expenses	(1,554,296)	(1,111,916)	(732,284)	(537,144)	(342,988)
其他開支	Other expenses	(561,624)	(367,480)	(448,485)	(84,164)	(49,105)
融資成本	Finance costs	(1,010,850)	(667,219)	(400,874)	(239,857)	(175,131)
應佔合營企業及 聯營公司損益	Share of profits and losses of joint ventures and associates	1,208,769	(330,531)	224,622	66,090	(298)
除稅前利潤	PROFIT BEFORE TAX	10,338,979	8,338,625	5,288,181	3,160,575	2,621,312
所得稅開支	Income tax expense	(4,778,518)	(3,527,482)	(1,947,271)	(1,178,176)	(1,070,244)
年度利潤	PROFIT FOR THE YEAR	5,560,461	4,811,143	3,340,910	1,982,399	1,551,068
下列各項應佔：	Attributable to:					
本公司擁有人	Owners of the Company	5,212,623	4,399,190	2,667,154	1,955,020	1,420,590
非控股權益	Non-controlling interests	347,838	411,953	673,756	27,379	130,478
		5,560,461	4,811,143	3,340,910	1,982,399	1,551,068

資產、負債及權益

ASSETS, LIABILITIES AND EQUITY

		於十二月三十一日 As at 31 December				
		二零一九年 2019 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000	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	二零一五年 2015 人民幣千元 RMB'000
資產總值	TOTAL ASSETS	161,098,084	129,052,176	101,379,091	69,088,944	45,870,283
負債總額	TOTAL LIABILITIES	(125,393,729)	(96,755,984)	(73,433,476)	(52,898,012)	(36,612,288)
權益總額	TOTAL EQUITY	35,704,355	32,296,192	27,945,615	16,190,932	9,257,995

REGISTERED OFFICE AND PLACE OF BUSINESS IN HONG KONG

<i>Registered office</i>	<i>Place of Business in Hong Kong</i>
Times China Holdings Limited Windward 3 Regatta Office Park PO Box 1350 Grand Cayman KY1-1108 Cayman Islands	Times China Holdings Limited Suites 3905-3908 39/F, Two Exchange Square 8 Connaught Place Central Hong Kong

TRUSTEE AND COLLATERAL AGENT

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Hong Kong

PAYING AGENT, TRANSFER AGENT AND NOTE REGISTRAR

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c/o Citibank, N.A., Dublin Branch
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