
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this Scheme Document, the Scheme, or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Future Land Development Holdings Limited, you should at once hand this Scheme Document and the accompanying forms of proxy to the purchaser or to the licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser.

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**Wealth Zone Hong Kong
Investments Limited**
富域香港投資有限公司

*(Incorporated in the British Virgin Islands with
limited liability)*

**Future Land Development
Holdings Limited**
新城發展控股有限公司

*(Incorporated in the Cayman Islands with
limited liability)*

(Stock Code: 1030)

**PROPOSED PRIVATISATION OF FUTURE LAND DEVELOPMENT
HOLDINGS LIMITED BY THE OFFEROR
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 86 OF THE COMPANIES LAW)
AND
PROPOSED WITHDRAWAL OF LISTING OF
SHARES**

Financial Adviser to the Offeror



華泰金融控股(香港)有限公司
HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

Independent Financial Adviser to the Independent Board Committee



SOMERLEY CAPITAL LIMITED

Unless the context requires otherwise, capitalised terms used in this Scheme Document are defined under the section headed "Definitions" in Part I of this Scheme Document.

A letter from the Board is set out in Part IV of this Scheme Document. A letter from the Independent Board Committee, containing its advice to the Independent Shareholders in relation to the Proposal and the Scheme is set out in Part V of this Scheme Document. A letter from Somerley, being the Independent Financial Adviser to the Independent Board Committee, containing its advice to the Independent Board Committee in relation to the Proposal and the Scheme is set out in Part VI of this Scheme Document. An Explanatory Memorandum regarding the Scheme is set out in Part VII of this Scheme Document.

Notices convening the Court Meeting and the EGM to be held on Tuesday, October 17, 2017 are set out in Appendix V and Appendix VI, respectively, to this Scheme Document. Whether or not you are able to attend the Court Meeting and/or the EGM or any adjournment thereof, you are strongly urged to complete and sign the enclosed **pink** form of proxy in respect of the Court Meeting and the enclosed **white** form of proxy in respect of the EGM, in accordance with the instructions printed thereon, and to lodge them at the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than the respective times and dates as stated under "Part II – Actions to be taken" of this Scheme Document. If the **pink** form of proxy is not so lodged, it may also be handed to the chairman of the Court Meeting at the Court Meeting who shall have absolute discretion as to whether or not to accept it.

This Scheme Document is issued jointly by the Offeror and the Company.

The English language text of this Scheme Document shall prevail over the Chinese language text.

September 22, 2017

TABLE OF CONTENTS

		<i>Page</i>
PART I	- DEFINITIONS	1
PART II	- ACTIONS TO BE TAKEN	8
PART III	- EXPECTED TIMETABLE	11
PART IV	- LETTER FROM THE BOARD	14
PART V	- LETTER FROM THE INDEPENDENT BOARD COMMITTEE	24
PART VI	- LETTER FROM SOMERLEY	26
PART VII	- EXPLANATORY MEMORANDUM	71
APPENDIX I	- FINANCIAL INFORMATION ON THE COMPANY	I-1
APPENDIX II	- SUMMARY OF PROPERTY VALUATION OF THE GROUP	II-1
APPENDIX III	- GENERAL INFORMATION ON THE COMPANY AND THE OFFEROR	III-1
APPENDIX IV	- SCHEME OF ARRANGEMENT	IV-1
APPENDIX V	- NOTICE OF COURT MEETING	V-1
APPENDIX VI	- NOTICE OF EXTRAORDINARY GENERAL MEETING	VI-1

In this Scheme Document, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning ascribed to it in the Takeovers Code and “concert party(ies)” shall be construed accordingly
“Agent”	Pioneer Festive Limited, a wholly owned subsidiary of Huatai Financial, as a special purpose vehicle set up solely for the purposes of the Loan Facility
“Announcement Date”	July 18, 2017, being the date of the announcement made by the Company pursuant to Rule 3.5 of the Takeovers Code
“Approvals”	has the meaning ascribed to it under the section headed “4. Conditions of the Proposal and the Scheme” in the Explanatory Memorandum
“associates”	has the meaning ascribed to it in the Takeovers Code
“Authority(ies)”	government, quasi-governmental and/or governmental body(ies), statutory or regulatory body(ies), court(s), or designated authorised body(ies) or agency(ies) of any of the foregoing
“A-share Listed Subsidiary”	Future Land Holdings Co., Ltd. (新城控股集團股份有限公司), a 67.1% subsidiary of the Company with its A shares listed on the Shanghai Stock Exchange
“Beneficial Owner”	any beneficial owner of the Shares
“Board”	the board of directors of the Company
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“Cancellation Price”	the cancellation price of HK\$3.30 per Scheme Share payable in cash by the Offeror to the Scheme Shareholders for every Scheme Share cancelled pursuant to the Scheme
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

“CCASS Participant”	a person admitted to participate in CCASS as a participant
“Companies Law”	the Companies Law (2016 Revision) of the Cayman Islands
“Company”	Future Land Development Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are currently listed on the Main Board of the Stock Exchange
“Condition(s)”	the condition(s) to the implementation of the Proposal and the Scheme as set out in the section headed “4. Conditions of the Proposal and the Scheme” in the Explanatory Memorandum
“Consents”	has the meaning ascribed to it under the section headed “4. Conditions of the Proposal and the Scheme” in the Explanatory Memorandum
“Court Meeting”	a meeting of the holders of Scheme Shares as at the Meeting Record Date to be convened at the direction of the Grand Court at which the Scheme (with or without modification) will be voted upon, which is to be held at 9:00 a.m. at Function Room – Cherry, Second Floor, InterContinental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong on Tuesday, October 17, 2017, notice of which is set out in Appendix V to this Scheme Document, or any adjournment thereof
“Deed of Undertaking”	the deed of undertaking dated July 18, 2017 entered into between the Company and the Agent
“Director(s)”	director(s) of the Company
“Disclosure Period”	the period beginning from the date which is six months prior to the Offer Period Commencement Date and ending with the Latest Practicable Date, both dates inclusive
“DTZ”	DTZ Cushman & Wakefield Limited, an independent property valuer

“Effective Date”	the date on which the Scheme, if approved and sanctioned by the Grand Court, becomes effective in accordance with its terms and the Companies Law, being the date on which a copy of the court order of the Grand Court sanctioning the Scheme is delivered to the Registrar of Companies in the Cayman Islands for registration pursuant to Section 86(3) of the Companies Law, and which is expected to be Wednesday, November 1, 2017 (Cayman Islands time)
“EGM”	the extraordinary general meeting of the Company to be held at 10:00 a.m. at Function Room – Cherry, Second Floor, InterContinental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong on Tuesday, October 17, 2017 (or so soon thereafter as the Court Meeting convened on the same day and place shall have been concluded or adjourned), notice of which is set out in Appendix VI to this Scheme Document, or any adjournment thereof
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate thereof
“Existing Notes”	the 6.25% senior notes due November 12, 2017 in the principal amount of US\$250,000,000 and the 5.0% senior notes due February 16, 2020 in the principal amount of US\$350,000,000 issued by the Company
“Explanatory Memorandum”	the explanatory memorandum set out in Part VII of this Scheme Document and issued in compliance with the Rules of the Grand Court of the Cayman Islands 1995 (revised)
“Facility Agreement”	the facility agreement dated July 7, 2017 entered into among, the Offeror (as the borrower), Huatai Financial (as the sole mandated lead arranger and as the original lender) and the Agent (as agent and as security agent), as amended and restated
“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huatai Financial”	Huatai Financial Holdings (Hong Kong) Limited, the financial adviser to the Offeror in connection with the Proposal. Huatai Financial is a corporation licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
“Huatai Financial Group”	Huatai Financial and persons controlling, controlled by or under the same control (with the meanings ascribed to such terms in the Takeovers Code) as Huatai Financial
“Independent Board Committee”	the independent board committee of the Company established by the Board to make a recommendation to the Independent Shareholders in respect of the Proposal and the Scheme
“Independent Financial Adviser” or “Somerley”	Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee in respect of the Proposal and the Scheme
“Independent Shareholder(s)”	the Shareholder(s) other than the Offeror and the Offeror Concert Parties and any other Shareholders who are interested in or involved in the Proposal and/or the Scheme (if any)
“Investor Participant”	a person admitted to participate in CCASS as an investor participant
“Irrevocable Notices”	the irrevocable notices to be issued by the Company to the noteholders of the Existing Notes via their trustee for the redemption in full of the 6.25% senior notes due 2017 in the principal amount of US\$250,000,000 and the 5.0% senior notes due 2020 in the principal amount of US\$350,000,000 pursuant to the terms of the Existing Notes

“Latest Practicable Date”	September 19, 2017, being the latest practicable date prior to the printing of this Scheme Document for ascertaining certain information contained herein
“Last Trading Day”	July 7, 2017, being the last trading day prior to the issuance of the announcement by the Company dated July 18, 2017 pursuant to Rule 3.5 of the Takeovers Code
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan Facility”	the term loan facility granted to the Offeror on the terms and subject to the conditions set out in the Facility Agreement
“Long Stop Date”	means December 31, 2017 or such later date, if any, as the Company and the Offeror may agree, or to the extent applicable as the Grand Court, on application of the Company and/or the Offeror may direct, and in all cases, as permitted by the Executive
“Meeting Record Date”	Thursday, October 5, 2017, or such other time and date as may be announced to the Shareholders, being the record date for the purpose of determining the entitlement of the holders of Scheme Shares to attend and vote at the Court Meeting and the entitlement of the Shareholders to attend and vote at the EGM of the Company
“Notes Redemption”	the redemption of the Existing Notes pursuant to the terms thereunder
“Offeror”	Wealth Zone Hong Kong Investments Limited 富域香港投資有限公司, a company incorporated in the British Virgin Islands with limited liability and a controlling shareholder of the Company
“Offeror Concert Party(ies)”	parties acting in concert or presumed to be acting in concert with the Offeror under the definition of “acting in concert” in the Takeovers Code, including Mr. Wang Zhenhua, Mr. Lv Xiaoping, Mr. Lu Zhongming, Mr. Liu Yuanman, Mr. Chan Wai Kin, Mr. Wang Xiaosong and, as applicable, Huatai Financial, “Offeror Concert Party” means any one of them

“Offer Period Commencement Date”	July 18, 2017, being the Announcement Date
“PRC”	The People’s Republic of China, but for the purpose of this Scheme Document, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme and the restoration of the share capital of the Company to the amount immediately before the cancellation of the Scheme Shares, and the withdrawal of the listing of the Shares from the Stock Exchange, on the terms and subject to the conditions set out in this Scheme Document
“Registered Owner”	any owner of Shares (including without limitation a nominee, trustee, depositary or any other authorised custodian or third party) entered in the register of members of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“relevant securities”	has the meaning ascribed to it in the Takeovers Code
“Scheme”	the scheme of arrangement under Section 86 of the Companies Law set out in Appendix IV to this Scheme Document (subject to any modifications or additions or conditions as may be approved or imposed by the Grand Court and agreed to by the Company and the Offeror), involving, among other matters, the cancellation of all the Scheme Shares and the restoration of the share capital of the Company to the amount immediately before the cancellation of the Scheme Shares
“Scheme Document”	this composite document, including each of the letters, statements, appendices and notices in it, as may be amended or supplemented from time to time
“Scheme Record Date”	Wednesday, November 1, 2017, or such other time and date as may be announced to the Shareholders, being the record date for the purpose of determining the entitlements of the Scheme Shareholders to the Cancellation Price under the Scheme

“Scheme Share(s)”	Share(s) other than those held by the Offeror
“Scheme Shareholder(s)”	holder(s) of the Scheme Share(s) as at the Scheme Record Date
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities

All references in this Scheme Document to times and dates are references to Hong Kong times and dates, except as otherwise specified and other than references to the expected date of the Grand Court hearing of the petition to sanction the Scheme and to confirm the capital reduction and the Effective Date, which are the relevant times and dates in the Cayman Islands. For reference only, Cayman Islands time is 13 hours behind Hong Kong time as at the date of this Scheme Document.

The exchange rate adopted in this Scheme Document for illustration purpose only is HK\$1 = RMB0.86949, being the exchange rate as quoted by the People’s Bank of China on the Last Trading Day. Such conversion should not be construed as a representation that the currency could actually be converted into HK\$ at that rate or at all.

ACTIONS TO BE TAKEN BY SHAREHOLDERS

A **pink** form of proxy for use at the Court Meeting and a **white** form of proxy for use at the EGM are enclosed with copies of this Scheme Document sent to the Registered Owners. Subsequent purchasers of Scheme Shares will need to obtain a proxy form from the transferor.

Whether or not you are able to attend the Court Meeting and/or the EGM, if you are a Scheme Shareholder, you are strongly urged to complete and sign the enclosed **pink** form of proxy in respect of the Court Meeting, and if you are a Shareholder, you are strongly urged to complete and sign the enclosed **white** form of proxy in respect of the EGM, in accordance with the instructions printed thereon, and to lodge them at the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Shops 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. In order to be valid, the **pink** form of proxy for use at the Court Meeting should be lodged not later than 9:00 a.m. (Hong Kong time) on Sunday, October 15, 2017 or be handed to the chairman of the Court Meeting at the Court Meeting who shall have absolute discretion as to whether or not to accept it, and the **white** form of proxy for use at the EGM should be lodged not later than 10:00 a.m. (Hong Kong time) on Sunday, October 15, 2017. The completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude you from attending and voting in person at the relevant meeting. In such event, the relevant form of proxy will be deemed to have been revoked.

If you do not appoint a proxy and you do not attend and vote at the Court Meeting and the EGM, you will still be bound by the outcome of the Court Meeting and the EGM, if, among other things, the resolutions are passed by the requisite majorities of holders of Scheme Shares, Independent Shareholders or Shareholders (as the case may be). You are therefore strongly urged to attend and vote at the Court Meeting and the EGM in person or by proxy.

For the purpose of determining the entitlements of holders of Scheme Shares to attend and vote at the Court Meeting and Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, October 5, 2017 to Tuesday, October 17, 2017 (both days inclusive) and during such period, no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting and the EGM, all transfers accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. (Hong Kong time) on Wednesday, October 4, 2017.

An announcement will be made by the Company in relation to the results of the Court Meeting and the EGM in accordance with Rule 19.1 of the Takeovers Code to the extent applicable. Information on the number of votes cast in favour of the Scheme and the number of CCASS Participants on whose instructions they are cast and the number of votes cast against the Scheme and the number of CCASS Participants on whose instructions they are cast will be included in such announcement. If all the resolutions are passed at those meetings, further announcement(s) will be made of the results of the Grand Court hearing of the petition to sanction the Scheme and, if the Scheme is sanctioned, the Scheme Record Date, the Effective Date and the date of withdrawal of the listing of the Shares on the Stock Exchange.

ACTIONS TO BE TAKEN BY HOLDERS THROUGH TRUST OR CCASS

The Company will not recognise any person as holding any Shares upon any trust. If you are a Beneficial Owner whose Shares are held upon trust by, and registered in the name of, a Registered Owner (other than HKSCC Nominees Limited), you should contact the Registered Owner and provide him, her or it with instructions or make arrangements with the Registered Owner in relation to the manner in which your Shares should be voted at the Court Meeting and/or the EGM. Such instructions and/or arrangements should be given or made in advance of the aforementioned latest time for the lodgment of forms of proxy in respect of the Court Meeting and the EGM in order to provide the Registered Owner with sufficient time to accurately complete his, her or its proxy and to submit it by the deadline stated above. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the aforementioned latest time for the lodgment of forms of proxy in respect of the Court Meeting and the EGM, any such Beneficial Owner should comply with the requirements of the Registered Owner.

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, you must, unless you are an Investor Participant, contact your broker, custodian, nominee, or other relevant person who has, in turn, deposited such Shares with, another CCASS Participant regarding voting instructions to be given to such person(s) if you wish to vote at the Court Meeting and/or at the EGM. You should contact your broker, custodian, nominee or such other relevant person in advance of the deadline(s) in respect of the Court Meeting and the EGM set by them, in order to provide such broker, custodian, nominee or other relevant person with sufficient time to provide HKSCC Nominees Limited with instructions or make arrangements with HKSCC Nominees Limited in relation to the manner in which the Shares of the Beneficial Owner should be voted at the Court Meeting and/or the EGM.

HKSCC Nominees Limited may vote for and against the Scheme in accordance with instructions received from CCASS Participants (as defined under the General Rules of CCASS). Orders will be sought for disclosure of voting by CCASS Participants, which information may or may not be considered by the Grand Court in deciding whether or not it should exercise its discretion to sanction the Scheme.

EXERCISE YOUR RIGHT TO VOTE

IF YOU ARE A SHAREHOLDER OR A BENEFICIAL OWNER, THE COMPANY AND THE OFFEROR STRONGLY ENCOURAGE YOU TO EXERCISE YOUR RIGHT TO VOTE OR GIVE INSTRUCTIONS TO THE RELEVANT REGISTERED OWNER TO VOTE IN PERSON OR BY PROXY AT THE COURT MEETING AND AT THE EGM. IF YOU KEEP ANY SHARES IN A SHARE LENDING PROGRAMME, WE URGE YOU TO RECALL ANY OUTSTANDING SHARES ON LOAN TO AVOID MARKET PARTICIPANTS USING THE BORROWED STOCK TO VOTE.

IF YOU ARE A BENEFICIAL OWNER WHOSE SHARES ARE DEPOSITED IN CCASS, WE ENCOURAGE YOU TO PROVIDE HKSCC NOMINEES LIMITED WITH INSTRUCTIONS OR MAKE ARRANGEMENTS WITH HKSCC NOMINEES LIMITED IN RELATION TO THE MANNER IN WHICH THOSE SHARES SHOULD BE VOTED AT THE COURT MEETING AND THE EGM WITHOUT DELAY (AS DETAILED IN THE SECTION “ACTIONS TO BE TAKEN – ACTION TO BE TAKEN BY HOLDERS THROUGH TRUST OR CCASS” ABOVE).

IF YOU ARE A REGISTERED OWNER HOLDING SHARES ON BEHALF OF BENEFICIAL OWNERS, WE WOULD BE GRATEFUL IF YOU WOULD INFORM THE RELEVANT BENEFICIAL OWNERS ABOUT THE IMPORTANCE OF EXERCISING THEIR VOTES.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU ARE ENCOURAGED TO CONSULT YOUR LICENSED SECURITIES DEALER, OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR OR OTHER PROFESSIONAL ADVISER.

Hong Kong Time

Date of dispatch of this Scheme Document Friday, September 22, 2017

Latest time for lodging transfers of Shares in order to
become entitled to vote at the Court Meeting and
the EGM 4:30 p.m. on
Wednesday, October 4, 2017

Register of members of the Company closed for determination
of entitlements of Independent Shareholders (who are also
holders of Scheme Shares) to attend and vote at the Court
Meeting and of Shareholders to attend and vote at
the EGM (*Note 1*) from Thursday, October 5, 2017 to
Tuesday, October 17, 2017
(both days inclusive)

Meeting Record Date Thursday, October 5, 2017

Latest time for lodging forms of proxy in respect of (*Note 2*)

- Court Meeting 9:00 a.m. on
Sunday, October 15, 2017
- EGM 10:00 a.m. on
Sunday, October 15, 2017

Court Meeting (*Note 3*) 9:00 a.m. on
Tuesday, October 17, 2017

EGM (*Note 3*) 10:00 a.m. on
Tuesday, October 17, 2017
(or immediately after the conclusion
or adjournment of the Court Meeting)

Announcement of the results of the Court Meeting and
the EGM posted on the website of the Stock Exchange Tuesday, October 17, 2017

Expected last day for trading in the Shares on
the Stock Exchange Thursday, October 19, 2017

Latest time for lodging transfers of Shares in order to qualify
for entitlements under the Scheme. 4:30 p.m. on
Monday, October 23, 2017

Register of members of the Company closed for determining
entitlements to qualify under the Scheme (*Note 4*) from Tuesday, October 24, 2017

Court hearing of the petition to sanction the Scheme and
to confirm the capital reduction 9:00 a.m. on Tuesday, October 31, 2017
(Cayman Islands time)

Announcement of the results of the court hearing of
the petition to sanction the Scheme and to confirm
the capital reduction, the expected Effective Date and
the expected date of withdrawal of listing of
Shares on the Stock Exchange Before 4:00 p.m. on
Wednesday, November 1, 2017

Scheme Record Date Wednesday, November 1, 2017

Effective Date (*Note 5*) Wednesday, November 1, 2017
(Cayman Islands time)

Announcement of the Effective Date and the withdrawal of
the listing of the Shares on the Stock Exchange Before 8:30 a.m. on
Thursday, November 2, 2017

Expected withdrawal of the listing of Shares on
the Stock Exchange becomes effective (*Note 6*) 4:00 p.m. on Friday, November 3, 2017

Latest time to dispatch cheques for cash payment under
the Scheme Friday, November 10, 2017

Shareholders should note that the above timetable is subject to change. Further announcement(s) will be made in the event that there is any change.

Notes:

- (1) The register of members of the Company will be closed during such period for the purpose of determining the entitlements of the Independent Shareholders (who are also holders of Scheme Shares) to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the EGM. This book closure period is not for determining entitlements under the Scheme.
- (2) Forms of proxy should be lodged with the office of the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event no later than the times and date(s) stated above. In order to be valid, the pink form of proxy for the Court Meeting and the white form of proxy for the EGM must be lodged no later than the latest times and date(s) stated above. Each holder of Scheme Shares is only entitled to submit one proxy form for the Court Meeting. If more than one proxy form for the Court Meeting is submitted by a holder of Scheme Shares and the voting instructions require the proxies to vote both FOR and AGAINST the Scheme, the proxy forms will not be accepted. If more than one proxy form for the Court Meeting is submitted by a holder of Scheme Shares and the voting instructions require the proxies to vote either FOR or AGAINST the Scheme but not both FOR and AGAINST the Scheme, the Chairman shall have absolute discretion as to whether or not to accept those proxy forms. Completion and return of a form of proxy for the Court Meeting or the EGM will not preclude a holder of Scheme Shares and a Shareholder, respectively, from attending the relevant meeting and voting in person. In such event, the returned form of proxy will be deemed to have been revoked. If the pink form of proxy is not so lodged, it may also be handed to the Chairman of the Court Meeting at the Court Meeting who shall have absolute discretion as to whether or not to accept it.

- (3) The Court Meeting and the EGM will be held at Function Room – Cherry, Second Floor, InterContinental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong at the time and date specified above. Please see the notice of Court Meeting set out in Appendix V to this Scheme Document and the notice of EGM set out in Appendix VI to this Scheme Document for details.
- (4) The register of members of the Company will be closed as from such time and on such date for the purpose of determining Scheme Shareholders who are qualified for entitlements under the Scheme.
- (5) The Scheme shall become effective upon all the Conditions set out in the paragraph headed “4. Conditions of the Proposal and the Scheme” in Part VII – Explanatory Memorandum of this Scheme Document having been fulfilled or (to the extent permitted) waived (as the case may be).
- (6) If the Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the Shares on the Stock Exchange will be withdrawn at or before 4:00 p.m. on Friday, November 3, 2017.

All references to times and dates in this document are references to Hong Kong times and dates, unless otherwise stated.

Future Land Development Holdings Limited
新城發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1030)

Executive Directors:

Mr. WANG Zhenhua (*Chairman*)
Mr. LV Xiaoping (*Chief Executive Officer*)
Mr. LU Zhongming
Mr. LIU Yuanman
Mr. CHAN Wai Kin

Registered office:

Grand Pavilion
Hibiscus Way
802 West Bay Road
P.O. Box 31110
Grand Cayman KY1-1205
Cayman Islands

Non-executive Director:

Mr. WANG Xiaosong

*Principal Place of Business
in Hong Kong:*

3/F, Tower Two
Times Square
1 Matheson Street,
Causeway Bay
Hong Kong

Independent Non-executive Directors:

Mr. CHEN Huakang
Mr. ZHU Zengjin
Mr. ZHONG Wei

September 22, 2017

To the Shareholders

Dear Sir/Madam,

**PROPOSED PRIVATISATION OF FUTURE LAND DEVELOPMENT
HOLDINGS LIMITED BY THE OFFEROR
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 86 OF THE COMPANIES LAW)
AND
PROPOSED WITHDRAWAL OF LISTING OF SHARES**

INTRODUCTION

On July 9, 2017, the Offeror requested the Board to put forward a proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Law involving the cancellation of the Scheme Shares and, in consideration therefor, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share, and the withdrawal of the listing of the Shares on the Stock Exchange.

The purpose of this Scheme Document is to provide you with further information regarding the Proposal and the expected timetable and to give you notice of the Court Meeting and the EGM (together with proxy forms in relation thereto). Your attention is also drawn to the letter from the Independent Board Committee set out in Part V of this Scheme Document, the letter from Somerley, being the Independent Financial Adviser, set out in Part VI of this Scheme Document, the Explanatory Memorandum set out in Part VII of this Scheme Document and the terms of the Scheme set out in Appendix IV to this Scheme Document.

TERMS OF THE PROPOSAL

The Scheme and the Conditions

Subject to the fulfilment or waiver (as applicable) of the Conditions as described in the Explanatory Memorandum, the Proposal will be implemented by way of the Scheme, pursuant to which the issued share capital of the Company will be reduced by cancelling and extinguishing the Scheme Shares. Upon such reduction, the issued share capital of the Company will be increased to its former amount by the issuance at par to the Offeror of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of the capital reduction will be applied in paying up in full at par the new Shares so issued, credited as fully paid, to the Offeror. Upon the Scheme having become effective, the Offeror will hold 100% of the issued share capital of the Company.

The Scheme will provide that the Scheme Shares will be cancelled and, in consideration thereof, each Scheme Shareholder will be entitled to receive HK\$3.30 in cash for each Scheme Share.

Assuming that the Scheme becomes effective on Wednesday, November 1, 2017 (Cayman Islands Time), cheques for cash entitlements under the Scheme are expected to be despatched to the Scheme Shareholders by ordinary mail at their own risk on or before Friday, November 10, 2017.

The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so.

Comparison of value and financial effects

Cancellation Price

The Cancellation Price of HK\$3.30 per Scheme Share represents:

- a premium of approximately 127.59% over the offer price of HK\$1.45 per Share for the global offering of the Shares in November 2012;
- a premium of approximately 17.44% over the closing price of HK\$2.81 per Share as quoted on the Stock Exchange on the Last Trading Day;

- a premium of approximately 19.09% over the average closing price of approximately HK\$2.771 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 32.53% over the average closing price of approximately HK\$2.490 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 37.33% over the average closing price of approximately HK\$2.403 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day;
- a premium of approximately 46.15% over the average closing price of approximately HK\$2.258 per Share based on the daily closing prices as quoted on the Stock Exchange for the 120 trading days up to and including the Last Trading Day;
- a premium of approximately 64.34% over the average closing price of approximately HK\$2.008 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day;
- a premium of approximately 81.12% over the average closing price of approximately HK\$1.822 per Share based on the daily closing prices as quoted on the Stock Exchange for the 250 trading days up to and including the Last Trading Day;
- a premium of approximately 75.81% over the audited consolidated net asset value of the Company attributable to the Shareholders of approximately RMB1.632 per Share as at December 31, 2016, based on the exchange rate of HK\$1 to RMB0.86949 (being the exchange rate as quoted by the People's Bank of China on the Last Trading Day); and
- a discount of approximately 25.51% to the closing price of HK\$4.43 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Cancellation Price has been determined by the Offeror on a commercial basis representing a premium over the closing price of Shares prior to the Last Trading Day after taking into account the following factors (a) primarily the historical prices of the Shares traded on the Stock Exchange prior to the Announcement Date, details of which have been set out above; (b) the trading multiples of comparable companies listed on the Stock Exchange that engage in property development business with similar size; and (c) with reference to the premium level of other privatisation transactions in Hong Kong in recent years.

Dividends

The Company's ability to pay dividends is limited by its memorandum and articles of association and Cayman Islands law, which allows the Company to declare and pay dividends out of profits or, subject to being able to pay its debts as they fall due in the ordinary course of business and to approval by way of an ordinary resolution of Shareholders, its share premium account. Shareholders whose names appear on the register of members of the Company as at the record date for entitlement to dividend, if any, declared by the Company on or before the Effective Date will be entitled to receive such dividend (if any). The Company does not expect to declare any dividend on or before the Effective Date.

Financial Resources

On the basis of the Cancellation Price of HK\$3.30 per Scheme Share and 1,552,550,000 Scheme Shares in issue as at the Latest Practicable Date, the Scheme Shares are in aggregate valued at approximately HK\$5,123 million. As at the Latest Practicable Date, there are no other outstanding Shares, warrants, derivatives or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares.

The Offeror intends to finance the cash required for the Proposal from a combination of internal resources and the Loan Facility. Huatai Financial, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for discharging its obligation in respect of the full implementation of the Scheme.

Redemption of the Existing Notes

The Company has outstanding 6.25% senior notes due on November 12, 2017 in the principal amount of US\$250,000,000 and 5.0% senior notes due on February 16, 2020 in the principal amount of US\$350,000,000. For details of the Existing Notes, please refer to the announcements of the Company dated November 5, 2015 and February 9, 2017 respectively. The Existing Notes are listed on SGX-ST. The Offeror is not a holder of any of the Existing Notes and none of the parties acting in concert with the Offeror hold any of the Existing Notes as at the Latest Practicable Date. No connected person (as defined in the Listing Rules) is a holder of the Existing Notes as at the Latest Practicable Date.

According to the terms of the Existing Notes, the Company may at its option redeem the Existing Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Existing Notes plus the applicable premium. The applicable premium is the greater of:

- (a) 1.00% of the principal amount of the Existing Notes; and

- (b) the excess of (A) the present value at such redemption date of the principal amount of Existing Notes plus all required remaining scheduled interest payments due on the Existing Notes through the respective due dates for the Existing Notes (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 the Existing Note on the redemption date.

The Offeror considers it would be unduly burdensome to comply with the regulatory requirements on the Existing Notes, which are listed on SGX-ST, should the Scheme become effective and the Company withdraw its own listing status. The Offeror envisages that the listing status of the Existing Notes will be cancelled upon the Company becoming a wholly owned subsidiary of the Offeror.

Further, the Notes Redemption is a commercial arrangement agreed between the Offeror and Huatai Financial (as the sole mandated lead arranger of the Loan Facility) to optimize the indebtedness level of the Company, which forms part of the basis on which the terms of the Facility Agreement were agreed. The Offeror has also undertaken in the Facility Agreement to deliver evidence of the delivery of Irrevocable Notices as soon as reasonably practicable after (and in any event within five business days of) the Effective Date. Any default in providing such evidence would not affect the lender's obligation to make the Loan Facility available for drawdown.

Accordingly, when putting forward the Proposal to the Board, the Offeror has requested the Company to enter into the Deed of Undertaking (as set out in the section headed "Deed of Undertaking" below) so that the Notes Redemption would be initiated by issue of the Irrevocable Notices on the business day following the day on which the Scheme has been approved at the Court Meeting and the EGM.

Despite the Notes Redemption being a basis upon which the terms of the Facility Agreement were agreed, neither the issue of the Irrevocable Notices nor the Notes Redemption is a condition precedent for the drawdown and utilization of the Loan Facility under the Facility Agreement. The Loan Facility will become readily available for drawdown once the Scheme is effective.

As the Company needs to give at least 30 days' notice to the noteholders of the Existing Notes, it is expected that the completion of the Notes Redemption will take place after the Effective Date. The Company plans to finance the Notes Redemption by its internal resources.

Deed of Undertaking

To ensure the Offeror's compliance with the undertaking in relation to the Notes Redemption under the Facility Agreement, the Company has, at the request of the Offeror, entered into the Deed of Undertaking pursuant to which, the Company irrevocably undertakes to issue the Irrevocable Notices to the noteholders of the Existing Notes via their trustee no later than the first business day following the approval of the Scheme and the capital reduction of the Company at the Court Meeting and the EGM, failing which the Agent will have the right to issue the Irrevocable Notices as attorney of the Company under the terms of the Deed of Undertaking.

Given the 6.25% senior notes in the principal amount of US\$250,000,000 will be due on November 12, 2017, the Agent has agreed with the Company that the Irrevocable Notices for such tranche of the Existing Notes are no longer required.

REASONS FOR AND BENEFITS OF THE SCHEME AND THE PROPOSAL, AND THE OFFEROR'S INTENTION IN RELATION TO THE GROUP

You are urged to read carefully the section headed "10. Reasons for and Benefits of the Scheme and the Proposal" and the section headed "13. Intentions of the Offeror" in the Explanatory Memorandum.

INDEPENDENT BOARD COMMITTEE

An Independent Board Committee, which comprises all of the independent non-executive directors of the Company, namely Mr. Chen Huakang, Mr. Zhu Zengjin and Mr. Zhong Wei, has been established by the Board to make a recommendation to the Independent Shareholders as to whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable and as to voting.

Although Mr. Wang Xiaosong is a non-executive director of the Company, Mr. Wang Xiaosong, being the son of Mr. Wang Zhenhua, is an Offeror Concert Party and therefore has not been appointed as a member of the Independent Board Committee.

The full text of the letter from the Independent Board Committee in relation to recommendations with respect to the Proposal and the Scheme is set out in Part V of this Scheme Document.

INDEPENDENT FINANCIAL ADVISER

Somerley has been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee to advise the Independent Board Committee in connection with the Proposal and the Scheme.

The full text of the letter from Somerley is set out in Part VI of this Scheme Document.

INFORMATION ON THE COMPANY

The Company is an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the businesses of property development, property investment and property management in the PRC.

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the British Virgin Islands with limited liability, which is beneficially owned by Hua Sheng Trust, a discretionary trust set up by Mr. Wang Zhenhua, a controlling shareholder, an executive director and the chairman of the Company, in favour of his family members. Mr. Wang Zhenhua is the sole director of the Offeror and the principal business of the Offeror is investment holding.

Please see the section headed “12. Information on the Offeror” in the Explanatory Memorandum for further details.

WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all of the Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company does not intend to retain its listing on the Stock Exchange and has applied to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange conditional upon the Scheme becoming effective in accordance with Rule 6.15(2) of the Listing Rules. The Scheme Shareholders will be notified by way of an announcement of the exact date of the last day for dealing in the Shares and on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed expected timetable of the Scheme has been included in Part III of this Scheme Document.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme does not become effective or the Proposal otherwise lapses.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

Shareholders and potential investors should exercise caution when dealing in the Shares and any options or other rights in respect of them. Persons who are in doubt as to the action they should take should consult their licensed securities dealer or registered institution in securities, bank manager, solicitor or other professional advisers.

COURT MEETING AND EGM

Your attention is drawn to the section headed “19. Court Meeting and EGM” in the Explanatory Memorandum.

Court Meeting

In accordance with the directions of the Grand Court, the Court Meeting will be held for the purpose of considering and, if thought fit, passing a resolution to approve the Scheme (with or without modifications).

Holders of Scheme Shares whose names appear in the register of members of the Company as at the Meeting Record Date shall be entitled to attend and vote, in person or by proxy, at the Court Meeting. At the Court Meeting, holders of Scheme Shares, present and voting either in person or by proxy, will be entitled to vote their Scheme Shares in favour of the Scheme or against it.

The Scheme is conditional upon, amongst other things, approval by a majority in number of the holders of Scheme Shares representing not less than 75% in value of the Scheme Shares held by the holders of Scheme Shares present and voting in person or by proxy at the Court Meeting. In addition, the Scheme must be approved (by way of poll) by Independent Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by Independent Shareholders that are voting either in person or by proxy at the Court Meeting; provided that the number of votes cast (by way of poll) by Independent Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by all the Independent Shareholders.

In accordance with the Companies Law, the “75% in value” requirement as described above will be met if the total value of Scheme Shares being voted by the holders of Scheme Shares present and voting either in person or by proxy in favour of the Scheme is at least 75% of the total value of the Scheme Shares voted by the holders of Scheme Shares present and voting either in person or by proxy at the Court Meeting. In accordance with the Companies Law, the “majority in number” requirement as described above will be met if the number of the holders of Scheme Shares present and voting either in person or by proxy at the Court Meeting in favour of the Scheme exceeds the number of holders of Scheme Shares present and voting either in person or by proxy at the Court Meeting against the Scheme. For the purpose of the Takeovers Code, only the number of Scheme Shares from an Independent Shareholder being so voted will count towards the “75% in value” requirement as Shareholders who are not Independent Shareholders will be required to abstain from voting at the Court Meeting in accordance with the Takeovers Code.

Notice of the Court Meeting is set out in Appendix V to this Scheme Document. The Court Meeting will be held at 9:00 a.m. (Hong Kong time) on Tuesday, October 17, 2017 at Function Room – Cherry, Second Floor, InterContinental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong.

EGM

The EGM will be held immediately following the adjournment or conclusion of the Court Meeting.

All Shareholders whose names appear in the register of members of the Company as at the Meeting Record Date will be entitled to attend and vote, in person or by proxy, at the EGM with respect to (i) the special resolution by Shareholders to approve and give effect to the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares; and (ii) the ordinary resolution by Shareholders to immediately thereafter increase the issued share capital of the Company to the amount prior to the cancellation of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme, credited as fully paid, for issuance to the Offeror.

The special resolution described under (i) in the paragraph above will be passed if not less than three-fourths of the votes cast by Shareholders as being entitled to do so, present and voting in person or by proxy, at the EGM are in favour of the special resolution. The ordinary resolution described under (ii) in the paragraph above will be passed if more than 50% of the votes are cast in favour of the ordinary resolution by the Shareholders as being entitled to do so, present and voting either in person or by proxy, at the EGM.

At the EGM, a poll will be taken and each Shareholder present and voting, either in person or by proxy, will be entitled to vote all of his/her/its Shares in favour of (or against) the special resolution and/or the ordinary resolution. Alternatively, such Shareholder may vote some of their Shares in favour of the special resolution and/or the ordinary resolutions and any of the balance of their Shares against the special resolution and/or the ordinary resolution (and vice versa).

The Offeror has indicated that if the Scheme is approved at the Court Meeting, it will cast the votes in respect of those Shares held by it in favour of the resolutions to be proposed at the EGM.

Notice of the EGM is set out in Appendix VI to this Scheme Document. The EGM will be held at 10:00 a.m. (Hong Kong time) (or so soon thereafter as the Court Meeting convened for the same day and place shall have been concluded or adjourned) on Tuesday, October 17, 2017 at Function Room – Cherry, Second Floor, InterContinental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong.

Assuming that the Conditions are fulfilled or waived (as applicable), it is expected that the Scheme will become effective on or before 4:00 p.m., Wednesday, November 1, 2017 (Cayman Islands time). Further announcements will be made giving details of the results of the Court Meeting and EGM and, if all the resolutions are passed at those meetings, the results of the hearing of the petition for the sanction of the Scheme by the Grand Court, the Scheme Record Date, the Effective Date, and the date of withdrawal of the listing of Shares on the Stock Exchange.

OVERSEAS SHAREHOLDERS

Your attention is drawn to the section headed “16. Overseas Shareholders” in the Explanatory Memorandum.

ACTIONS TO BE TAKEN

Your attention is drawn to “Part II – Actions to be Taken” of this Scheme Document and the section headed “22. Summary of actions to be taken” in the Explanatory Memorandum.

RECOMMENDATION

The Directors (excluding members of the Independent Board Committee) are Offeror Concert Parties, and thus they recommend that the Independent Shareholders should carefully consider the views and recommendations of the Independent Board Committee, whose views and recommendations are set out in the letter from the Independent Board Committee in Part V of this Scheme Document.

REGISTRATION AND PAYMENT

Your attention is drawn to the section headed “17. Registration and Payment” in the Explanatory Memorandum.

TAXATION AND INDEPENDENT ADVICE

Your attention is drawn to the section headed “18. Taxation” in the Explanatory Memorandum.

It is emphasised that none of the Offeror, the Company and Huatai Financial nor any of their respective directors or associates or any other person involved in the Scheme accept responsibility for any tax or other effects on, or liabilities of, any person or persons as a result of the implementation or otherwise of the Scheme. All Scheme Shareholders are recommended to consult their professional advisers if in any doubt as to the taxation implications of the Proposal.

FURTHER INFORMATION

You are urged to read carefully the letters from the Independent Board Committee and from Somerley, the Independent Financial Adviser, as set out in Parts V and VI of this Scheme Document, respectively, the Explanatory Memorandum as set out in Part VII of this Scheme Document, the Appendices to this Scheme Document, the Scheme as set out in Appendix IV to this Scheme Document, the notice of Court Meeting as set out in Appendix V to this Scheme Document and the notice of EGM as set out in Appendix VI to this Scheme Document. In addition, a **pink** form of proxy for the Court Meeting and a **white** form of proxy for the EGM are enclosed with copies of this Scheme Document sent to Registered Owners of Shares.

Your faithfully,

For and on behalf of the Board of

Future Land Development Holdings Limited

Lv Xiaoping

Executive Director and Chief Executive Officer

Future Land Development Holdings Limited

新城發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1030)

Members of the Independent Board Committee:

Mr. CHEN Huakang

Mr. ZHU Zengjin

Mr. ZHONG Wei

Registered office:

Grand Pavilion

Hibiscus Way

802 West Bay Road

P.O. Box 31110

Grand Cayman KY1-1205

Cayman Islands

September 22, 2017

To the Independent Shareholders

Dear Sir/Madam,

**PROPOSED PRIVATISATION OF FUTURE LAND DEVELOPMENT
HOLDINGS LIMITED BY THE OFFEROR
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 86 OF THE COMPANIES LAW)**

We have been appointed by the Board as the Independent Board Committee to give a recommendation to the Independent Shareholders in respect of the Proposal and the Scheme, respectively, details of which are set out in “Part IV – Letter from the Board” and “Part VII – Explanatory Memorandum” of this Scheme Document. Terms defined in this Scheme Document shall have the same meanings in this letter unless the context otherwise requires.

Somerley, the Independent Financial Adviser, has been appointed with our approval, to advise us in connection with the Proposal and the Scheme. The details of its advice and recommendations and principal factors taken into consideration in arriving at its recommendations are set out in “Part VI – Letter from Somerley” of this Scheme Document.

In the letter from Somerley set out in Part VI of this Scheme Document, Somerley states that it considers the terms of the Proposal and the Scheme to be fair and reasonable and that it recommends the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the Court Meeting and EGM to approve and implement the Scheme.

The full text of the letter from Somerley is set out in Part VI of this Scheme Document.

PART V LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, having considered the terms of the Proposal and the Scheme, and having taken into account the opinion of Somerley, and in particular the factors, reasons and recommendations set out in its letter in Part VI of this Scheme Document, as well as the independent property valuation summary by DTZ as set out in Appendix II of this Scheme Document, considers that the terms of the Proposal and the Scheme are fair and reasonable as far as the Independent Shareholders are concerned.

Accordingly, the Independent Board Committee recommends:

- (a) the Independent Shareholders to vote in favour of the Scheme at the Court Meeting; and
- (b) the Independent Shareholders to, at the EGM, vote in favour of (i) the special resolution to approve and give effect to the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares, and (ii) the ordinary resolution to immediately thereafter increase the issued share capital of the Company to the amount prior to the cancellation of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme, credited as fully paid, for issuance to the Offeror.

The Independent Board Committee draws the attention of the Independent Shareholders to (i) the letter from the Board set out in Part IV of this Scheme Document; (ii) the letter from Somerley, the Independent Financial Adviser, which sets out the factors and reasons taken into account in arriving at its recommendation to the Independent Board Committee, set out in Part VI of this Scheme Document; and (iii) the Explanatory Memorandum set out in Part VII of this Scheme Document.

	Yours faithfully	
CHEN Huakang	ZHU Zengjin	ZHONG Wei
<i>Independent non-executive</i>	<i>Independent non-executive</i>	<i>Independent non-executive</i>
<i>Director</i>	<i>Director</i>	<i>Director</i>
	<i>Independent Board Committee</i>	

Set out below is the letter of advice from Somerley Capital Limited, the Independent Financial Adviser to the Independent Board Committee regarding the Proposal and the Scheme, for the purpose of incorporation in this Scheme Document.



SOMERLEY CAPITAL LIMITED

20th Floor

China Building

29 Queen's Road Central

Hong Kong

September 22, 2017

To: the Independent Board Committee of Future Land Development Holdings Limited

Dear Sirs,

**(I) PROPOSED PRIVATISATION OF
FUTURE LAND DEVELOPMENT HOLDINGS LIMITED
BY THE OFFEROR
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 86 OF THE COMPANIES LAW);
AND
(II) PROPOSED WITHDRAWAL OF LISTING OF SHARES**

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee in connection with the proposal (i.e. the Proposal) for the privatisation of the Company by the Offeror by way of a scheme of arrangement under Section 86 of the Companies Law involving the cancellation of the Scheme Shares and the restoration of the share capital of the Company to the amount immediately before the cancellation of the Scheme Shares (i.e. the Scheme) and the withdrawal of listing of the Shares on the Stock Exchange. Details of the Proposal and the Scheme are set out in the Scheme Document dated September 22, 2017, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Scheme Document unless the context otherwise requires.

The Offeror and the Company jointly announced that on July 9, 2017, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Law involving the cancellation of the Scheme Shares and, in consideration therefor, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share, and the withdrawal of the listing of the Shares on the Stock Exchange. Under the Scheme, each Scheme Shareholder will be entitled to receive from the Offeror the Cancellation Price of HK\$3.30 in cash for every Scheme Share as consideration for the cancellation of the Scheme Shares held as at the Effective Date.

An Independent Board Committee, which comprises all of the independent non-executive Directors, namely Mr. Chen Huakang, Mr. Zhu Zengjin and Mr. Zhong Wei, has been established by the Board to make a recommendation to the Independent Shareholders as to whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable and whether to vote in favour of the Scheme at the Court Meeting and the EGM. Although Mr. Wang Xiaosong is a non-executive director of the Company, Mr. Wang Xiaosong, being the son of Mr. Wang Zhenhua, is an Offeror Concert Party and therefore has not been appointed as a member of the Independent Board Committee. The Independent Board Committee has approved our appointment as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal and the Scheme.

During the past two years, we have been engaged as an independent financial adviser to the Company twice, first in respect of the disposal of 100% equity interest in Changzhou Chuangyue Consultancy Co., Ltd (常州創悅諮詢管理有限公司), the details of which can be referred to in the Company's circular dated April 18, 2016, while the second transaction did not proceed. The past appointments were limited to providing independent advisory services to the then independent board committee and independent shareholders of the Company for which we received normal professional fees. Accordingly, we do not consider such past appointments would give rise to any conflicts of interest for us in acting as the Independent Financial Adviser under the current appointment.

We are not associated with the Company, the Offeror or any party acting, or presumed to be acting, in concert with any of them and, accordingly, are considered eligible to give independent advice on the Proposal and the Scheme. Apart from normal professional fees paid or payable to us in connection with this or similar appointments, no arrangement exists whereby we will receive any fees or benefits from the Company, the Offeror or any party acting, or presumed to be acting, in concert with any of them.

In formulating our opinion, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Group (the "**Management**"), which we have assumed to be true, accurate and complete. We have reviewed, among other things, the announcement jointly published by the Offeror and the Company dated July 18, 2017 in relation to, among others, the Proposal and the Scheme, the Deed of Undertaking, the annual reports of the Company for the two years ended December 31, 2015 (the "**2015 Annual Report**") and 2016 (the "**2016 Annual Report**"), the interim results announcement for the six months ended June 30, 2017 (the "**2017 Interim Results Announcement**"), the trading performance of the Shares on the Stock Exchange and Bloomberg, and information set out in the Scheme Document. We have sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed to us. We consider that the information we have received is sufficient for us to reach our opinion and give the advice and recommendation set out in this letter. We have no reason to believe that any material information has been omitted or withheld, or doubt the truth or accuracy of the information provided. We have not, however, conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied. We have also assumed that all representations contained or referred to in

the Scheme Document were true at the time they were made and at the date of the Scheme Document and continue to be true up to the Latest Practicable Date, and the Independent Shareholders will be informed of any material change as soon as possible up to the Effective Date.

We have not considered the tax and regulatory implications on the Independent Shareholders in connection with the Proposal and the Scheme since these are particular to their individual circumstances. In particular, the Independent Shareholders who are overseas residents or subject to overseas taxation or Hong Kong taxation on securities dealings should consider their own tax position and, if in any doubt, should consult their own professional advisers.

PRINCIPAL TERMS OF THE PROPOSAL AND THE SCHEME

(A) The Proposal and the Scheme

On July 9, 2017, the Offeror requested the Board to put forward a proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Law involving the cancellation of the Scheme Shares and, in consideration therefor, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share held by Scheme Shareholders on the Scheme Record Date, and the withdrawal of the listing of the Shares on the Stock Exchange.

The Scheme will provide that the Scheme Shares will be cancelled and, in consideration thereof, each Scheme Shareholder will be entitled to receive the Cancellation Price of HK\$3.30 in cash for each Scheme Share. Under the Scheme, the total consideration payable for the Scheme Shares will be payable by the Offeror.

As disclosed in the letter from the Board in the Scheme Document, the Cancellation Price has been determined on a commercial basis after taking into account (a) primarily the historical prices of the Shares traded on the Stock Exchange prior to the Announcement Date; (b) the trading multiples of comparable companies listed on the Stock Exchange that engage in property development business with similar size; and (c) with reference to the premium level of other privatisation transactions in Hong Kong in recent years.

The Cancellation Price will not be increased, and the Offeror do not reserve the right to do so.

If the Proposal is approved and implemented, under the Scheme, the issued share capital of the Company will, on the Effective Date of the Scheme, be reduced by cancelling and extinguishing the Scheme Shares. Upon such reduction, the issued share capital of the Company will be increased to its former amount by the issuance at par to the Offeror of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of the capital reduction will be applied in paying up in full at par the new Shares so issued, credited as fully paid, to the Offeror. The expected withdrawal of the listing of the Shares on the Stock Exchange is expected to take place forthwith following the Effective Date.

As at the Latest Practicable Date, the Offeror held 4,105,450,000 Shares, representing approximately 72.56% of the issued share capital of the Company, and the Offeror Concert Parties held in aggregate 27,876,000 Shares, representing approximately 0.49% of the issued share capital of the Company. The holders of the Scheme Shares were interested in 1,552,550,000 Shares, representing approximately 27.44% of the issued share capital of the Company as at the Latest Practicable Date. The Shares held by the Offeror Concert Parties will form part of the Scheme Shares, but will not be voted on the Scheme at the Court Meeting. Only the Independent Shareholders will be entitled to vote on the Scheme at the Court Meeting.

The Offeror has undertaken to the Grand Court that it will be bound by the Scheme, so as to ensure that it will comply with and be subject to the terms and the conditions of the Scheme.

All Shareholders will be entitled to attend the EGM and vote on (i) the special resolution to approve and give effect to the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares, and (ii) the ordinary resolution to immediately thereafter increase the issued share capital of the Company to the amount prior to the cancellation of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme, credited as fully paid, for issuance to the Offeror. The Offeror has indicated that if the Scheme is approved at the Court Meeting, it will cast the votes in respect of those Shares held by it in favour of the special and ordinary resolutions to be proposed at the EGM.

(B) Conditions of the Proposal and the Scheme

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all Shareholders, subject to the fulfilment or waiver (as applicable) of the following Conditions:

- (1) the approval of the Scheme (by way of poll) by a majority in number of the holders of Scheme Shares representing not less than 75% in value of the Scheme Shares held by the holders of Scheme Shares present and voting either in person or by proxy at the Court Meeting;
- (2) the approval of the Scheme (by way of poll) by at least 75% of the votes attaching to the Scheme Shares held by Independent Shareholders that are cast either in person or by proxy at the Court Meeting provided that the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by all the Independent Shareholders;
- (3) (i) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at an extraordinary general meeting of the Company to approve and give effect to the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares; and

- (ii) after the above reduction of share capital, the passing of an ordinary resolution by the Shareholders at an extraordinary general meeting of the Company to immediately thereafter increase the issued share capital of the Company to the amount prior to the cancellation of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme, credited as fully paid, for issuance to the Offeror;
- (4) the Grand Court's sanction of the Scheme (with or without modifications) and its confirmation of the reduction of the share capital of the Company, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (5) compliance, to the extent necessary, with the procedural requirements and conditions, if any, under Sections 15 and 16 of the Companies Law in relation to the reduction of the issued share capital of the Company;
- (6) all necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals (together, the "**Approvals**") in connection with the Proposal having been obtained from, given by or made with or by (as the case may be) the Relevant Authorities, in the Cayman Islands, Hong Kong, the PRC and/or any other relevant jurisdictions;
- (7) all necessary Approvals in connection with the Proposal remaining in full force and effect without variation, and all necessary statutory or regulatory requirements or obligations in all relevant jurisdictions having been complied with and no requirement or obligations having been imposed by any Authorities which is not provided for, or is in addition to requirements provided for, in any relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective;
- (8) all necessary consents (the "**Consents**") which may be required for the implementation of the Proposal or the Scheme under any existing contractual obligations of the Group being obtained or waived by the relevant party(ies), where any failure to obtain such consent or waiver would have a material adverse effect on the business, assets or liabilities of the Group;
- (9) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Proposal or the Scheme or its implementation in accordance with their respective terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the

Proposal, the Scheme or the implementation in accordance with their respective terms), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal and the Scheme;

- (10) since the Announcement Date there having been no adverse change in the business, assets, financial or trading positions, profits or prospects of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal); and
- (11) each member of the Group remaining solvent and not being subject to any insolvency or bankruptcy proceedings or likewise and no liquidator, receiver or other person carrying out any similar function having been appointed anywhere in the world in respect of the whole or any substantial part of the assets or undertakings of any member of the Group up to the date immediately preceding the Effective Date, in each case which is material and adverse in the context of the Group taken as a whole.

In respect of Conditions (6), (7) and (8), while neither the Offeror nor the Company is aware of any Approvals or Consents required, the Offeror reserves the right to waive Conditions (6), (7), (8), (9), (10) and/or (11) above either in whole or in part, either generally or in respect of any particular matter. Conditions (1), (2), (3), (4) and (5) cannot be waived in any event. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal. All of the above Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse. The Company has no right to waive any of the Conditions.

As at the Latest Practicable Date, none of the conditions has been fulfilled or waived (as applicable).

(C) Redemption of the Notes Redemption and the Deed of Undertaking

The Company has outstanding 6.25% senior notes due on November 12, 2017 in the principal amount of US\$250,000,000 and 5.0% senior notes due on February 16, 2020 in the principal amount of US\$350,000,000. The Offeror is not a holder of any of the Existing Notes and none of the Offeror Concert Parties and the connected person (as defined under the Listing Rules) of the Company is a holder of the Existing Notes as at the Latest Practicable Date. According to the terms of the Existing Notes, the Company may at its option redeem the Existing Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Existing Notes plus the applicable premium.

When putting forward the Proposal to the Board, the Offeror has requested the Company to enter into the Deed of Undertaking so that the Notes Redemption would be initiated by issue of the Irrevocable Notices on the business day following the day on which the Scheme has been

approved at the Court Meeting and the EGM, failing which the Agent will have the right to issue the Irrevocable Notices as attorney of the Company under the terms of the Deed of Undertaking.

The Offeror and the Company explained the reasons for the proposed Notes Redemption as below:

The Offeror considers it would be unduly burdensome to comply with the regulatory requirements on the Existing Notes, which are listed on SGX-ST, should the Scheme become effective and the Company withdraw its own listing status. The Offeror envisages that the listing status of the Existing Notes will be cancelled upon the Company becoming a wholly owned subsidiary of the Offeror.

It was emphasised by both the Offeror and the Company that the Notes Redemption is a commercial arrangement agreed between the Offeror and Huatai Financial (as the sole mandated lead arranger of the Loan Facility) to optimise the indebtedness level of the Company, which forms part of the basis on which the terms of the Facility Agreement were agreed. The Offeror has also undertaken in the Facility Agreement to deliver evidence of the delivery of Irrevocable Notices as soon as reasonably practicable after (and in any event within five business days of) the Effective Date. Any default in providing such evidence would not affect the lender's obligation to make the Loan Facility available for drawdown.

Despite the Notes Redemption being a basis upon which the terms of the Facility Agreement were agreed, neither the issue of the Irrevocable Notices nor the Notes Redemption is a condition precedent for the drawdown and utilisation of the Loan Facility under the Facility Agreement. The Loan Facility will become readily available for drawdown once the Scheme is effective.

For further details of the Notes Redemption and the Deed of Undertaking, please refer to the section headed "Redemption of the Existing Notes" set out in the letter from of the Board in the Scheme Document.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendations with regard to the Proposal and the Scheme, we have taken into account the following principal factors and reasons:

(A) Background to and reasons for the Proposal and the Scheme

The Offeror, being the controlling shareholder of the Company, expressed its concern on the trading price and trading liquidity levels of the Shares. It is further stated in the "Explanatory Memorandum" in the Scheme Document that since its listing in 2012, the Company's share price performance has not been satisfactory. As a leading market player engaging in the businesses of property development, property investment and property management in the PRC, the Company values its reputation. The Offeror considers that the

depressed share price has had an adverse impact on the Company's reputation in the market, and therefore on its business, and also on employee morale. The implementation of the Proposal could eliminate this adverse impact. Likewise, the liquidity of Shares has been at a low level over a long period of time. The average daily trading volume of the Shares for the 24 months up to and including the Last Trading Day was approximately 6.88 million Shares per day, representing only approximately 0.12% of the issued Shares as at the Announcement Date. The low trading liquidity of the Shares could make it difficult for Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares and also make it difficult for Shareholders to dispose of a large number of Shares when any event that has an adverse impact on the Company's share price occurs. We concur with the Offeror's comments on the Share price performance and trading liquidity, which will be further discussed in the section headed "(G) Analysis of price performance and trading liquidity of the Shares" in this letter.

The Proposal is, therefore, intended to provide the Scheme Shareholders with an opportunity to realise their investment in the Company for cash, at an attractive premium, without having to suffer any illiquidity discount.

As set out in the "Explanatory Memorandum" in the Scheme Document, apart from the core property businesses, since 2015 the Company has been engaged in new business ventures including children's entertainment, cinema and smart storage businesses (the "**Other Business Ventures**"). We understand the Other Business Ventures' assets and liabilities form part of the Non-A Share Co NAV (as defined in the section headed "(J) The divergence in market value between the Company and the A-share Listed Subsidiary" in this letter). The Other Business Ventures are still in early development stage to prove their long-term commercial viability, which may involve intensive capital investment and certain execution risks, hence affecting the Company's short-term growth profile and may result in divergence between the Offeror's views on the Company's potential long-term value and investors' views on the Company's short-term performance.

Following the implementation of the Proposal, the Offeror and the Company can make strategic decisions focused on long-term benefits, free from the pressure of market expectations, profit visibility and share price fluctuation associated with being a publicly listed company.

In light of the fact that the Company is also the indirect controlling shareholder of the A-Share Listed Subsidiary, while the Shares are listed on the Stock Exchange and the Existing Notes are listed on SGX-ST, compliance with rules and regulations in different jurisdictions have brought about considerable regulatory burden, additional administrative, human resources and listing related costs to the Company. The Offeror considers the dual-level approval procedures, to some extent, affect the efficiency of decision making process and hence the Company's competitiveness, in particular under the fierce competition environment of the property market in the PRC. If these costs and expenses are eliminated, the Offeror considers more resources could be used for the Company's business operations and more time can be devoted to the operation instead of compliance with regulatory requirements.

(B) Background information of the Company

The Company is an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the businesses of property development, property investment and property management in the PRC. As at the Latest Practicable Date, the Company held approximately 67.1% of issued shares of the A-share Listed Subsidiary, an entity of which the principal business of the Company is carried out.

The Company has adhered to the dual-core strategic model integrating both residential real estate and commercial real estate to sustain and accelerate its expected corporate growth. As disclosed in the 2017 Interim Results Announcement, the Group had a total land bank with gross floor area (“GFA”) amounted to approximately 49.6 million square meters (“sq.m.”), of which approximately 25.6 million sq.m. was attributable to the Group’s interests, as at June 30, 2017.

(C) Financial information of the Company**(a) Financial results**

The following are summaries of the condensed consolidated statement of income of the Group for the six months ended June 30, 2017 and 2016 and the consolidated statement of income of the Group for the three years ended December 31, 2014, 2015 and 2016 (collectively and together with the six months ended June 30, 2017, the “**Financial Review Period**”), as extracted from the 2017 Interim Results Announcement, the 2016 Annual Report and the 2015 Annual Report.

	For the six months ended		For the year ended December 31,		
	June 30, 2017	2016	2016	2015	2014
	RMB	RMB	RMB	RMB	RMB
	(million)	(million)	(million)	(million)	(million)
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Revenue	11,427	9,303	28,232	23,836	20,719
Cost of sales	(7,682)	(7,368)	(21,625)	(18,980)	(16,845)
Gross profit	3,745	1,935	6,607	4,856	3,874
Fair value gains on					
investment properties	179	193	582	815	366
Selling and marketing costs	(508)	(384)	(1,098)	(828)	(613)
Administrative expenses	(1,108)	(509)	(1,608)	(1,036)	(702)
Others	18	194	255	29	140

	For the six months ended		For the year ended December 31,		
	June 30,		2016	2015	2014
	2017	2016	2016	2015	2014
	RMB	RMB	RMB	RMB	RMB
	(million)	(million)	(million)	(million)	(million)
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Operating profit	2,326	1,429	4,738	3,836	3,065
Finance income	83	89	161	136	117
Finance costs	(592)	(331)	(942)	(650)	(253)
Share of results of associates	4	(3)	1	104	3
Share of results of joint ventures	41	(42)	177	(62)	(10)
	<u>1,862</u>	<u>1,142</u>	<u>4,135</u>	<u>3,364</u>	<u>2,922</u>
Profit before income tax	1,862	1,142	4,135	3,364	2,922
Income tax expense	(1,126)	(391)	(1,668)	(1,508)	(1,243)
	<u>736</u>	<u>751</u>	<u>2,467</u>	<u>1,856</u>	<u>1,679</u>
Profit for the period/year	736	751	2,467	1,856	1,679
Attributable to:					
Equity holders of the Company	358	491	1,384	1,031	1,026
Non-controlling interests	378	260	1,083	825	653
	<u>736</u>	<u>751</u>	<u>2,467</u>	<u>1,856</u>	<u>1,679</u>
Dividends for the period/year					
Total	-	-	283	283	283
Per Share (RMB)	-	-	0.05	0.05	0.05

(i) Revenue

Revenue of the Group is mainly derived from (i) development of residential properties and mixed-use complexes for sale and investment; (ii) property management and other services including certain newly established businesses which are at start-up stage; and (iii) rental income. Set out below is a brief review of the Group's segmental performance during the Financial Review Period.

Property development

Revenue generated from the sale of residential property developments and mixed-use complexes contributed approximately 97.6%, 96.4% and 95.8% of total revenue for the three years ended December 31, 2014, 2015 and 2016 respectively. Revenue generated from property development for the year ended December 31, 2016 demonstrated a strong growth of approximately 17.8% over the prior year, increased from approximately RMB22,972.8 million to RMB27,049.7 million. Properties with a total GFA of approximately 3,061,255 sq.m. was delivered during the year ended December 31, 2016, representing an increase of approximately 8.6% as compared to that during the year ended December 31, 2015. Average selling price of properties delivered and recognised as sales was RMB8,836 per sq.m. in 2016, representing an increase of 8.4% as compared to that in 2015.

In addition, as noted from the 2016 Annual Report, the Group recorded total contracted sales of approximately RMB65,059.5 million, contributed by property projects located in 27 cities across the country in 2016. Average contracted selling price (excluding sale of carparks) for the year was approximately RMB12,090 per sq.m., representing an increase of 22% as compared with that in 2015.

The property development segment remained the major contributor of the Group's revenue for the first half of 2017. The Group recorded revenue from sales of properties for the six months ended June 30, 2017 of approximately RMB10,833.9 million, representing a period-on-period increase of approximately 24.5%. Properties with total GFA of approximately 1,074,194 sq.m. were delivered during the first six months of 2017, representing a period-on-period increase of 28.0%. Average selling price of properties delivered and recognised as sales for the first half of 2017 was approximately RMB10,085.6 per sq.m., representing a decrease of approximately 2.7% compared with the average selling price for the same period of 2016 of approximately RMB10,366.3 per sq.m.

According to the 2017 Interim Results Announcement, the contracted sales achieved by the Group during the six months ended June 30, 2017 was approximately RMB49,087 million, representing a period-on-period increase of approximately 75.0% compared to that during the corresponding period ended June 30, 2016.

Property management and other services

Revenue from property management and other services accounted for approximately 1.8%, 2.9% and 3.2% of the total revenue of the Group for the three years ended December 31, 2014, 2015 and 2016 respectively. This

segment revenue increased by around 1.4 times from approximately RMB374.7 million in 2014 to approximately RMB909.7 million in 2016. The revenue from property management and other services for the six months ended June 30, 2017 recorded a decrease of approximately 18.2% as compared with that for the same period of 2016.

Rental income

Rental income accounted for approximately 0.6%, 0.7% and 1.0% of the total revenue of the Group for the three years ended December 31, 2014, 2015 and 2016 respectively. This segment revenue increased by around 1.1 times from approximately RMB127.8 million in 2014 to approximately RMB272.8 million in 2016. The rental income further increased by approximately 58.2% as compared with that for the corresponding period in 2016 to approximately RMB207.8 million as the investment properties portfolio further increased to twelve investment properties as at June 30, 2017 as compared with ten investment properties as at December 31, 2016.

(ii) *Gross profit*

Gross profit of the Group for the year ended December 31, 2015 amounted to approximately RMB4,856 million, up from that of approximately RMB3,874 million in 2014. The gross profit margin also enhanced from approximately 18.7% in 2014 to 20.4% in 2015. As noted from the 2015 Annual Report, this was mainly due to a decrease in the unit cost for 2015. Similarly, the Group's gross profit for the year ended December 31, 2016 amounted to approximately RMB6,607 million, representing an approximately 36.1% increase over that for 2015, and the gross profit margin further improved by approximately 3.0% to 23.4%. As noted from the 2016 Annual Report, the enhancement in gross profit margin was primarily attributable to the increase in the selling price of their developments. The gross profit margin of the Group for the six months ended June 30, 2017 further increased to approximately 32.8%, which was mainly due to the difference in the composition of recognised projects.

(iii) *Profit attributable to equity holders of the Company*

Profit attributable to equity holders of the Company increased marginally by approximately 0.5% from approximately RMB1,026 million for the year ended December 31, 2014 to approximately RMB1,031 million for the year ended December 31, 2015 and improved significantly by 34.2% to approximately RMB1,384 million for the year ended December 31, 2016. The Group recorded profit attributable to equity holders of the Company of approximately RMB358 million for the six months ended June 30, 2017.

(b) Financial position

The following are summaries of the condensed consolidated statement of the financial position of the Group as at June 30, 2017 and the consolidated statement of the financial position of the Group as at December 31, 2014, 2015 and 2016 as extracted from the 2017 Interim Results Announcement, the 2016 Annual Report and the 2015 Annual Report.

	As at June 30, 2017 RMB (million) (Unaudited)	As at December 31,		
	2016 RMB (million) (Audited)	2015 RMB (million) (Audited)	2014 RMB (million) (Audited)	
Non-current assets				
Property, plant and equipment	2,600	2,443	2,261	741
Investment properties	17,054	13,507	10,854	5,936
Intangible assets	59	37	36	18
Investments in associates	912	521	300	146
Investments in joint ventures	8,744	4,348	2,020	861
Deferred income tax assets	1,103	809	580	499
Available-for-sale financial assets	453	435	338	287
Derivative financial instruments	161	155	–	–
Goodwill	1	–	–	–
Land use rights	429	430	432	398
Other receivables and prepayments	1,931	1,347	169	977
	<u>33,447</u>	<u>24,032</u>	<u>16,990</u>	<u>9,863</u>
Current assets				
Prepayments for leasehold land	7,109	7,350	6,799	3,264
Properties held or under development for sale	60,650	39,506	32,740	29,862
Trade and other receivables and prepayments	20,361	20,235	6,527	3,216
Restricted cash	5,734	1,851	1,284	2,619
Cash and cash equivalents	17,787	11,905	6,479	4,818
	<u>111,641</u>	<u>80,847</u>	<u>53,829</u>	<u>43,779</u>

	As at June 30, 2017 RMB (million) (Unaudited)	As at December 31,		
	2016 RMB (million) (Audited)	2015 RMB (million) (Audited)	2014 RMB (million) (Audited)	
Current liabilities				
Trade and other payables	35,622	28,976	20,008	12,023
Advances from pre-sale of properties	42,333	29,846	15,929	13,164
Current income tax liabilities	2,380	2,518	1,683	1,485
Borrowings	18,051	10,176	3,975	3,376
Dividends payables	–	–	1	1
	<u>98,386</u>	<u>71,516</u>	<u>41,596</u>	<u>30,049</u>
Non-current liabilities				
Borrowings	29,963	17,036	15,005	10,556
Long-term payables	–	37	–	–
Deferred income tax liabilities	1,178	1,115	755	686
	<u>31,141</u>	<u>18,188</u>	<u>15,760</u>	<u>11,242</u>
Net assets	<u><u>15,561</u></u>	<u><u>15,175</u></u>	<u><u>13,463</u></u>	<u><u>12,351</u></u>
Equity				
Capital and reserves attributable to equity holders of the Company	9,314	9,235	8,170	7,644
Non-controlling interests	6,247	5,940	5,293	4,707
	<u><u>15,561</u></u>	<u><u>15,175</u></u>	<u><u>13,463</u></u>	<u><u>12,351</u></u>
Net asset value attributable to equity holders ("NAV") of the Company per Share (RMB)	<u><u>1.65</u></u>	<u><u>1.63</u></u>	<u><u>1.44</u></u>	<u><u>1.35</u></u>

Note: The NAV per Share above is calculated based on the capital and reserves attributable to equity holders of the Company divided by the number of issued Shares as at the end of respective reporting period.

As at June 30, 2017, total assets amounted to approximately RMB145,088 million whilst total liabilities amounted to approximately RMB129,527 million. Total assets of the Group as at June 30, 2017 increased by approximately 38.3% as compared with that as at December 31, 2016; while the total liabilities of the Group also increased by around 44.4% to approximately RMB129,527 million as at June 30, 2017 from approximately RMB89,704 million as at December 31, 2016. The significant increase in total liabilities was mainly due to (i) the increase in advances from pre-sale of properties, which represent deposits and instalments received on properties sold prior to the date of revenue recognition and are recorded as “advances from pre-sale of properties” in the consolidated statement of financial position under current liabilities; and (ii) the increase in borrowings.

(i) Property, plant and equipment

As at June 30, 2017, property, plant and equipment of the Group amounted to approximately RMB2,600 million, representing approximately 1.8% of total assets of the Group, which primarily comprised buildings for the Group’s own use.

(ii) Investment properties

The Group’s accounting policies state that investment properties, which include (i) property held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group; (ii) property that is being constructed or developed for future use as investment property; and (iii) land held under operating leases and buildings owned by the Group, are carried at its cost, including related transaction costs and, where applicable, borrowing costs. After initial recognition, investment property is carried at fair value. Changes in fair value are recognised and presented separately in the consolidated statement of income. As at June 30, 2017, investment properties of the Group had a carrying value of approximately RMB17,054 million, representing approximately 11.8% of total assets of the Group, for the 11 plazas operating under the Injoy series and an office tower in Shanghai. The increase in carrying value of the investment properties compared with that of approximately RMB13,507 million as at December 31, 2016 was primarily attributable to the construction of various investment properties and newly added investment properties during the period.

(iii) Investments in associates and joint ventures

The Group’s interests in associates represents the Group’s share in net assets of eight associates, amounting to approximately RMB912 million as at June 30, 2017, representing approximately 0.6% of total assets.

The Group’s interests in joint ventures amounted to approximately RMB8,744 million as at June 30, 2017, representing 6.0% of the total assets.

(iv) Properties held or under development for sale and prepayments for leasehold land

As at June 30, 2017, the Group had properties held or under development for sale of approximately RMB60,650 million, representing approximately 41.8% of total assets as at June 30, 2017. This comprised residential, office and commercial complex units in the PRC.

In addition, prepayments for leasehold land to be developed amounted to approximately RMB7,109 million, representing approximately 4.9% of total assets as at June 30, 2017.

(v) Trade and other receivables and prepayments

Trade and other receivables and prepayments of the Company amounted to approximately RMB22,292 million as at June 30, 2017 which did not materially differ from that as at December 31, 2016 of approximately RMB21,582 million.

As at June 30, 2017, trade receivables amounted to approximately RMB54 million, which were mainly arisen from sales of properties, leases of investment properties and various services. Proceeds in respect of properties sold are normally received within three months after signing of related sales and purchase agreements, and rentals in respect of leased properties are generally received in advance. Customers receiving the Group's service are generally granted a credit term of 30 days to 90 days.

To breakdown, other receivables primarily includes receivables from related parties of approximately RMB10,667 million as at June 30, 2017 and it accounted for approximately 47.9% of total trade and other receivables and prepayments.

Other significant items of trade and other receivables and prepayments as at June 30, 2017 included (i) receivables from other investors of joint ventures, amounted to approximately RMB1,417 million; (ii) prepaid income tax and land appreciation tax, amounted to approximately RMB1,942 million; (iii) prepayments for investments in joint ventures, amounted to approximately RMB838 million, which were mainly for the acquisition of land use rights, paid on behalf of the joint ventures to be established; and (iv) tender deposits, amounting to RMB1,581 million, which accounted for approximately 6.4%, 8.6%, 3.8%, and 7.1% of the total trade and other receivables and prepayments as at June 30, 2017 respectively.

(vi) Cash and cash equivalents

As at June 30, 2017, cash and cash equivalents amounted to approximately RMB17,787 million, which increased by approximately 49.4% from RMB11,905 million as at December 31, 2016, representing approximately 12.3% of the total assets.

(vii) Trade and other payables

As at June 30, 2017, trade and other payables amounted to approximately RMB35,622 million. As noted from the 2017 Interim Results Announcement, they primarily comprised (i) trade payables of approximately RMB12,944 million (representing approximately 36.3% of total trade and other payables); (ii) payables to related parties of approximately RMB16,655 million (representing approximately 46.8% of total trade and other payables); and (iii) notes payable of approximately RMB2,478 million (representing approximately 7.0% of total trade and other payables).

(viii) Advances from pre-sale of properties

The Group recorded advances from pre-sale of properties of approximately RMB42,333 million as at June 30, 2017, up by approximately 41.8% from approximately RMB29,846 million as at December 31, 2016. These advances are generated from the sales of properties and proceeds collected from customers before the properties are completed and ready for delivery.

(ix) Borrowings

As at June 30, 2017, the Group's outstanding current and non-current borrowings amounted to approximately RMB48,014 million. As disclosed in the 2017 Interim Results Announcement, the Group's bank loans are secured against either one or a combination of the following methods: leasehold land to be developed, properties held for sale, land use rights, properties under development, investment properties, property, plant and equipment, shares of the Company's subsidiaries, bank deposits and/or guarantees provided by the Company's subsidiaries. The net debt-to-equity ratio of the Group (defined as net debt, being the aggregate of borrowings, net of cash and cash equivalents and restricted cash, divided by total equity) as at June 30, 2017 was approximately 157.4% (December 31, 2016: 88.7%). The increase in net debt-to-equity ratio of the Group as at June 30, 2017 was primarily due to the increase in net debt resulted from the increase in financing.

According to the accounting policy adopted by the Company, except for investment properties which are measured at fair value, all the property interests (included in items (i), (iii) and (iv) above) in the consolidated statements of financial position of the Group are not marked to market. The latest market value of the property interest of the Group are further discussed in the section headed "(E) Valuation on property interests of the Group" in this letter.

(D) Prospects of the Company

In recent years, the PRC government has been exerting both direct and indirect measures in recent years to control the growth of the PRC property market at a moderate level and prevent it from overheating by accelerating land supply and developing the residential rental market to ease off the price and demand for the newly built homes in the PRC. On January 12, 2017, the Ministry of Land and Resources of the PRC (“MLR”) pointed out in the annual planning meeting that land supply in cities, with signs of overheating, should be increased with reference to their property stock level. On April 1, 2017, the MLR and the Ministry of Housing and Urban Development of the PRC (“MHUD”) have jointly issued a notice stating that the PRC government plans to continue in developing and promoting public houses in order to satisfy the increasing demand in the needs for living space. Later, the MHUD and eight other ministries have further jointly issued a notice on July 18, 2017, urging large cities with net population inflows to accelerate the development of the rental market and grants right to the rental tenants to enjoy public services, such as schooling rights, which will be written into law to ensure stability in the duration of tenancy contracts and rental income. An alternative supply side measure seen to be combating the overheating property market by promoting of the property rental market.

Subject to various notices issued by the PRC government, governments at different provincial level had begun to strengthen their recurrent cooling measures and introduce new property tightening policies in order to be in compliance with the guidance provided. For example, recurrent and tightening policies put into place in recent years include higher minimum down payment requirement, granting the right to commercial banks to curb lending, disallowing a change of commercial property into residential use and punishing speculative developers and requiring mandatory disclosure of property ownership; imposing property purchase restrictions on non-local residents, decreasing the maximum loan to value ratio of mortgage loans offered to buyers/borrowers (with even tougher measures for second home buyers/borrowers) and increasing mortgage interest rates and construction loan interest rates. In certain targeted cities, purchase restriction are introduced to stop buyers from acquiring second (or further) residential properties and restricting non-residents that cannot provide any proof of local tax or social security payments for more than a specified time period from purchasing any residential properties, launching new property tax schemes in certain cities on a trial basis, and levying business tax on the full amount of transfer price if an individual owner transfers a residential property within certain number of years of purchase.

With reference to the 2016 Annual Report, the Company expects the overall demand for the real estate to be stable in 2017, but with rapid expansions of leading PRC real estate enterprises and higher industry concentration, competition is expected to become more intense. Despite the stable supply in property as mentioned in the above paragraph, the total GFA of residential properties under construction in the PRC has also been increasing at a fast pace by around 1.6 times from 3,147.6 million sq.m. in 2010 to 5,115.7 million sq.m. in 2015 which echoes with the Company’s view on the real estate market becoming increasingly competitive amid the growing market.

To cope with the increasingly competitive business environment, the Company adheres to the “1+3” expansion strategies of “focusing on Shanghai and Yangtze River Delta while expanding into Pearl River Delta, Bohai Rim and Central and Western China”. To ensure a steady revenue stream, the Management exerted tremendous efforts in increasing its land bank which increased from approximately 15.6 million sq.m. as at December 31, 2014 to approximately 35.3 million sq.m. as at December 31, 2016. The map below illustrates the geographical coverage of the Company’s land bank in the PRC:

Company’s landbank geographical coverage



(E) Valuation on property interests of the Group

The unaudited consolidated financial information of the Group as at June 30, 2017 are set out in Appendix I to the Scheme Document and summarised above in this letter. The net assets attributable to the Shareholders as at June 30, 2017 based on book value were approximately RMB9,313.8 million (or approximately RMB1.65 per Share).

The property interests of the Group (including the property interests held by associates of the Group, collectively, the “**Properties**”) have been valued by DTZ, an independent and duly qualified Hong Kong valuer. The summary of the valuation report and certificate of the Properties for their respective market value in existing state as at June 30, 2017 (the “**Valuation Report**”) is set out in Appendix II to the Scheme Document. According to the

Valuation Report, the market value in existing state of the properties attributable to the Group is approximately RMB88,573.6 million as at June 30, 2017 (the “**Valuation**”). The main purpose of the Valuation is for use as an input in arriving at the reassessed NAV shown in section below, one of the main factors against which the Cancellation Price is assessed.

This is a summary of the Valuation Report for convenience of readers of the Scheme Document. A copy of the full Valuation Report is available for inspection at the office of the Company and on the websites of the Company and the SFC from the date of despatch of the Scheme Document until the Effective Date or the date on which the Scheme lapses or is withdrawn, whichever is earlier. Please see the section headed “Documents Available for Inspection” in Appendix III to the Scheme Document for further details. The market value of the property interests in existing state attributable to the Group may be analysed as follows:

	Market value in existing state attributable to the Group as at June 30, 2017 (Note) (RMB million)	Proportion of total
Group I – Properties held by the Group for sale in the PRC	5,235.65	5.91%
Group II – Properties held by the Group for investment in the PRC	6,885.71	7.78%
Group III – Properties held by the Group for occupation in the PRC	814.26	0.92%
Group IV – Property held by the Group for operation as hotel in the PRC	348.79	0.39%
Group V – Properties held by the Group under development in the PRC	48,982.89	55.30%
Group VI – Properties held by the Group for future development in the PRC	<u>26,306.32</u>	<u>29.70%</u>
Total property interests	<u><u>88,573.62</u></u>	<u><u>100.00%</u></u>

Note: Including those property interests held under or held through associates and joint ventures of the Group.

(i) Valuation methodologies

We have reviewed the Valuation Report and discussed with DTZ regarding the methodology of, and bases and assumptions adopted for the valuations and adjustments made to arrive at the Valuation. We noted that in performing the valuation for the properties attributable to the Company, DTZ has categorised the various groups of properties held by the Company and adopted the following valuation methodologies to each of the groups (details of the properties under each group of properties held by the Company can be found under Appendix II to the Scheme Document):

- (a) for properties in group I, which are held by the Group for sale in the PRC, DTZ has valued such completed properties by making reference to comparable sales evidences as available in the relevant market (the “**Direct Comparison Approach**”) assuming sale of each of these properties in its existing state;
- (b) for properties in group II, which are held by the Group for investment in the PRC, DTZ has adopted investment approach (the “**Investment Approach**”) by considering the capitalised rental derived from the existing tenancies with due provision of the reversionary rental potential or where appropriate, with the Direct Comparison Approach by making reference to comparable sales evidences as available in the relevant market;
- (c) for properties in group III, which are held by the Group for occupation in the PRC, DTZ has adopted the Direct Comparison Approach;
- (d) for properties in group IV, which is completed property held by the Group for operation as hotel in the PRC, DTZ has adopted the Direct Comparison Approach;
- (e) for properties in group V, which are held by the Group under development in the PRC, DTZ has valued the properties on the basis that they will be developed and completed in accordance with the Group’s latest development proposal provided by the Group. In arriving its opinion of value, DTZ has adopted the Direct Comparison Approach and where appropriate, taken into account the estimated total and expended construction costs; and
- (f) for properties in group VI, which are held by the Group for future development in the PRC, DTZ has mainly used the Direct Comparison Approach assuming sale of each of these properties in its respective existing state by making reference to comparable land sales transactions as available in the relevant market.

Equipped with above understanding, we have discussed with DTZ on the rationale of adopting the different valuation methodologies for valuing the different properties held by the Group. According to DTZ, the Direct Comparison Approach is the most appropriate valuation method for assessing the market value of the properties in group I, III and IV as most these properties are residential, commercial and hotel properties with transparent and readily available market price information in the PRC.

For assessing the market value of the properties in group II, which are held by the Group for investment in the PRC, DTZ considers the Investment Approach to be the most appropriate valuation method, having regard to the income driven nature of these properties. Under this approach, DTZ capitalised the rental derived from the existing tenancies with due provision of the reversionary rental potential and cross-checked with the Direct Comparison Approach.

DTZ considered the most appropriate valuation method to value the properties in group V, which are the properties held by the Group for development, would be the Direct Comparison Approach. Under this approach, DTZ started with the Direct Comparison Approach to derive the market value of the subject properties, and then deducted the total expended construction costs and other expenses incurred up to the valuation date to arrive at the final market value of the subject properties.

DTZ considered the Direct Comparison Approach with reference to the comparable sale evidences of land would be most appropriate in valuing the properties in group VI given that the existing state of most of the properties is land held by the Company for future development.

After considering the reasons for DTZ's choice of adopting the various valuation methodologies for valuing the different properties held by the Group, which are recognised as commonly used for the respective group of properties in other property valuation exercises based on our experience in other transactions involving properties similar to the respective group of the properties held by the Group, we are of the opinion that, the valuation methodologies used are reasonable and acceptable in establishing the market values of the properties attributable to the Company as at June 30, 2017.

(ii) Valuation bases and assumptions

In arriving the market value for the residential, commercial and hotel properties in groups I, III and IV using the Direct Comparison Approach, DTZ generally starts the process by collecting and analysing the recent transactions in the subject properties and market comparables located in the vicinity of the subject properties. The collected comparables were then adjusted to reflect the difference between the comparables and the subject properties in terms of, among others, location, age, size and building quality.

In arriving the market value for the properties in group II which are held by the Group for investment in the PRC using the Investment Approach, DTZ has taken into account, among others, the income stream which was based on the existing tenancies of the properties and the occupancy rate of the properties. DTZ then applied a capitalisation rate which is based on the yields achieved in market sales transactions and DTZ's knowledge of the market expectations of property investors, to revert the market rents of each property to valuation date.

DTZ has applied the Direct Comparison Approach to arrive at the appraised value for the properties for development in group V on the basis that the properties will be developed and completed in accordance with the Group's latest development proposal, with reference to comparable sales evidence as available in the relevant market. DTZ then took into account the estimated total and expended construction costs. DTZ confirmed that it had assessed the reasonableness of the expended construction expenses incurred in the relevant property development projects against the relevant budgets provided by the Management as well as DTZ's internal database of construction expenses of similar development projects.

For the market value for properties in group VI, DTZ has adopted the Direct Comparison Approach by making reference to the comparable sales evidences of land as available in the relevant market.

For the properties in groups I, III, IV and VI, we obtained from DTZ two samples of working paper of the market value of the properties under each group (except for group IV, which has one hotel property only) and confirmed with DTZ that the same valuation methodology was consistently applied in valuing the rest of the properties in the respective group, and noted that the market value of each of the properties are determined by the Direct Comparison Approach. We also reviewed the market comparables adopted by DTZ and noted that the market comparables are located in the vicinity of the subject properties, comparable to the subject properties in terms of the location, age, size and building quality. We also noted that DTZ has applied adjustment factor to the price of the comparables taking into account the following aspects, among others, (i) the nature of the comparables (i.e. whether it is an asking price or transaction price); (ii) the quality of the peripheral infrastructure; (iii) the quality of the interior design; and (iv) the age of the building. We reviewed the application of adjustment factor for each of the said aspects in valuing the subject properties and noted that the adjustment was in line with our understanding and experience in other transactions involving similar properties. DTZ then calculated a simple average to arrive the comparable price of the properties. Based on the above, we are of the view that the bases of selection of market comparables are reasonable and relevant for the purpose of determining the market value of the respective properties.

For the properties in group II, we obtained and reviewed from DTZ two samples and reviewed the workpapers showing how DTZ calculated the term value and reversionary value of each unit of the investment properties. We confirmed with DTZ that the same valuation methodology was consistently applied in valuing the rest of the investment properties in the group. We also obtained and reviewed the comparable market rents and yields gathered by DTZ for the purpose of determining the market rents and capitalisation rates for the purpose of determining the market value of the properties held for investment by the Group. In addition, we discussed with DTZ and performed sample walkthrough on the workpapers and noted that the calculation basis is in line with our understanding and experience in other transactions involving investment properties. Based on the above, we are of the view that the bases of selection of market rent and estimation of capitalisation rates are reasonable and relevant for the purpose of determining the market value of the respective properties.

For the properties in group V, similar to the aforesaid properties in groups I, III, IV and VI, we obtained from DTZ two samples of working paper of the market value of the properties and confirmed with DTZ that the same valuation methodology was consistently applied in valuing the rest of the properties under development, and noted that the market comparables are located in the vicinity of the subject properties, comparable to the subject properties in terms of the location, age, size and building quality. Also, DTZ applied a similar adjustment factor to the selling price of the comparable properties as mentioned above. Similar to the aforesaid properties in groups I, III, IV and VI, the simple average of the adjusted comparable price was used to determine the market value of the properties. The market value of the properties was deducted by the estimated construction cost, professional fees, management fees and interest expense. We obtained the expended construction cost and the budgeted construction cost according to the Group's latest development proposal from the Company. DTZ confirmed that the estimated construction cost and related professional expense and the interest expense is in line with DTZ's understanding of reasonable construction expense of similar development projects. Similar to the properties in other groups, we reviewed and discussed with DTZ the bases and assumptions in arriving the market value of properties under development and noted that the bases and assumption adopted are in line with our understanding and experience in other transactions involving properties under development. Based on the above, we are of the view that the bases of selection of market comparables, and the review of the budgeted construction cost, the related professional expense and the interest expense are reasonable and relevant for the purpose of determining the market value of the respective properties.

After taken into account the above, we consider that the bases and assumptions adopted by DTZ for the valuation methodologies as discussed above are reasonable and in line with market practices.

(F) Reassessed NAV

The Group is mainly engaged in property investment and property development in the PRC. In evaluating the Proposal and the Scheme, we have taken into account the adjusted consolidated net assets (the “**Reassessed NAV**”) of the Group, based on the 2017 Interim Results Announcement and the adjustment, comprising the revaluation surplus arising from property revaluation attributable to the Shareholders and the relevant potential PRC tax liabilities, as set out below.

	<i>RMB million</i>
Unaudited consolidated net asset value of the Group attributable to the Shareholders as at June 30, 2017 (<i>Note 1</i>)	9,313.8
<i>Adjustment:</i>	
– Revaluation surplus arising from the valuation of property interests attributable to the Group as at June 30, 2017 (<i>Note 2</i>)	4,564.6
Reassessed NAV (<i>Note 3</i>)	13,878.4
Reassessed NAV per Share (<i>Note 4</i>)	RMB2.45
Equivalent to HK\$	HK\$2.82
Cancellation Price per Scheme Share	HK\$3.30
– Premium over the Reassessed NAV	17.0%

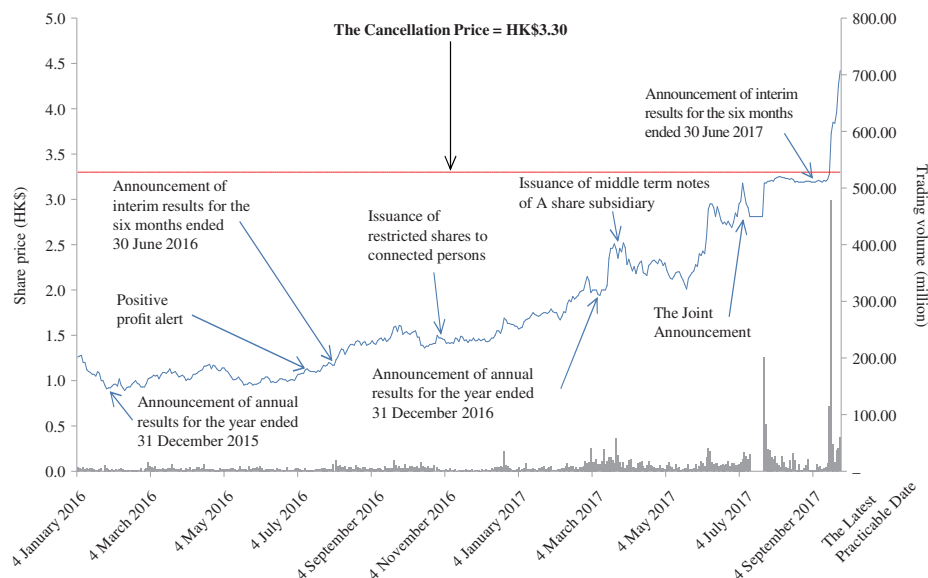
Notes:

1. The unaudited consolidated net asset value of the Group attributable to the Shareholders as at June 30, 2017 has already accounted for the fair value gain on investment properties as set out in the 2017 Interim Results Announcement. According to the accounting policy adopted by the Company, except for investment properties which have been measured at fair value, all the other property interests have not been marked to market in the consolidated financial position of the Group.
2. This represents the revaluation surplus arising from the excess of market value of the property interests held by the Group (including associates and joint ventures) as valued by DTZ as at June 30, 2017 over their corresponding book values as at June 30, 2017, after adjusting for relevant interest not attributable to the Group and the relevant potential PRC tax liabilities. Such revaluation surplus was not reviewed by the auditor of the Company. We have selected and reviewed the calculation of the revaluation surplus of certain property interests provided by the Company.
3. The Reassessed NAV represents the sum of the respective interest of the market value of the Properties (after adjusted for the potential PRC tax liabilities) attributable to the Shareholders plus net asset value of the Group other than the Properties. Accordingly, the market value of the Properties as set out in the valuation report cannot be reconciled to the Reassessed NAV since the Reassessed NAV has been adjusted for the potential PRC tax liabilities and includes net asset value of the Group other than the properties.
4. Based on the Reassessed NAV of RMB13,878.4 million divided by 5,658 million Shares in issue as at the Latest Practicable Date.

As set out in the above table, the Cancellation Price of HK\$3.30 per Scheme Share represents a premium of approximately 17.0% over the Reassessed NAV of approximately HK\$2.82 per Scheme Share.

(G) Analysis of price performance and trading liquidity of the Shares**(a) Historical price performance of the Shares**

Set out below are the movement of the closing prices of the Shares during the period from January 4, 2016 to the Latest Practicable Date (the “**Review Period**”) and highlights of announcements by the Company of certain corporate events that took place during the Review Period:



Source: Bloomberg and website of the Stock Exchange

As illustrated in the above, during the period between January 4, 2016 to July 18, 2017 (the “**Pre-Announcement Period**”), being the date of the announcement made jointly by the Company and the Offeror pursuant to Rule 3.5 of the Takeovers Code (the “**Joint Announcement**”), the Shares closed in the range between HK\$0.89 and HK\$3.18 per Share, with an average and a median of approximately HK\$1.59 and approximately HK\$1.44 per Share respectively.

The closing prices of the Shares were in the range of approximately HK\$0.89 and approximately HK\$1.28 from the beginning of 2016 to July 2016, when the annual results for the year ended December 31, 2015 and the interim results for the six months ended June 30, 2016 were published. After the announcement of the interim results for the six months ended June 30, 2016, the closing price of the Share gradually went up from HK\$1.19 as at July 29, 2016 to approximately HK\$1.65 in the beginning of 2017. The share price continued to rise throughout the rest of the Pre-Announcement Period. The Share price raised to approximately HK\$3.20 per Share shortly after the Joint Announcement was published and went over the Cancellation Price and reached above HK\$4.00 in the middle of September 2017. All in all, the Cancellation Price of HK\$3.30 per Scheme Share has been consistently above the Share price during the Pre-Announcement Period.

In summary, the Cancellation Price of HK\$3.30 per Scheme Share:

- (i) represents a discount of approximately 25.51% to the closing price of HK\$4.430 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) exceeds the highest historical closing price as quoted on the Stock Exchange since the listing of the Shares on the Stock Exchange in November 2012 prior to the date of the Joint Announcement;
- (iii) represents a premium of approximately 17.44% over the closing price of HK\$2.81 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iv) represents a premium of approximately 12.82% over the average closing price of approximately HK\$2.925 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- (v) represents a premium of approximately 19.09% over the average closing price of approximately HK\$2.771 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- (vi) represents a premium of approximately 32.53% over the average closing price of approximately HK\$2.490 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- (vii) represents a premium of approximately 37.33% over the average closing price of approximately HK\$2.403 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day;
- (viii) represents a premium of approximately 46.15% over the average closing price of approximately HK\$2.258 per Share based on the daily closing prices as quoted on the Stock Exchange for the 120 trading days up to and including the Last Trading Day;
- (ix) represents a premium of approximately 64.34% over the average closing price of approximately HK\$2.008 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day;
- (x) represents a premium of approximately 81.12% over the average closing price of approximately HK\$1.822 per Share based on the daily closing prices as quoted on the Stock Exchange for the 250 trading days up to and including the Last Trading Day;

- (xi) represents a premium of approximately 75.81% over the audited consolidated net asset value attributable to the Shareholders per Share in the Company of approximately RMB1.632 (equivalent to approximately HK\$1.877 based on the exchange rate of HK\$1 to RMB0.86949, being the exchange rate as quoted on the People's Republic Bank of China on the Last Trading Day) as at December 31, 2016; and
- (xii) represents a premium of approximately 74.33% over the unaudited consolidated net asset value attributable to the Shareholders per Share in the Company of approximately RMB1.646 (equivalent to approximately HK\$1.893, based on the exchange rate of HK\$1 to RMB0.86949, being the exchange rate as quoted on the People's Republic Bank of China on the Last Trading Day) as at June 30, 2017.

(b) Trading liquidity

Set out below in the table are the average daily trading volume of the Shares and the percentages of the average daily trading volume to the total issued Shares and public float of the Company respectively during the Review Period:

	Average daily trading volume to the total issued Shares	Approximate % of average daily trading volume to the total issued Shares <i>(Note 1)</i>	Approximate % of average daily trading volume to the public float of the Company <i>(Note 2)</i>
2016			
January	4,231,333	0.07%	0.28%
February	2,566,222	0.05%	0.17%
March	5,608,490	0.10%	0.37%
April	4,140,800	0.07%	0.27%
May	4,108,619	0.07%	0.27%
June	3,430,001	0.06%	0.22%
July	3,426,792	0.06%	0.22%
August	6,701,939	0.12%	0.44%
September	6,845,595	0.12%	0.45%
October	6,148,199	0.11%	0.40%
November	2,102,591	0.04%	0.14%
December	6,634,629	0.12%	0.44%

	Average daily trading volume to the total issued Shares	Approximate % of average daily trading volume to the total issued Shares <i>(Note 1)</i>	Approximate % of average daily trading volume to the public float of the Company <i>(Note 2)</i>
2017			
January	4,948,849	0.09%	0.32%
February	10,481,295	0.19%	0.69%
March	18,796,338	0.33%	1.23%
April	9,393,241	0.17%	0.62%
May	7,760,981	0.14%	0.51%
June	15,432,081	0.27%	1.01%
July <i>(Note 3)</i>	42,213,394	0.75%	2.77%
August	9,850,434	0.17%	0.65%
From 1 September to the Latest Practicable Date	71,653,977	1.27%	4.70%

Source: Bloomberg

Notes:

1. The calculation is based on the average daily trading volumes of the Shares divided by the total issued share capital of the Company at the end of each month or as at the Latest Practicable Date, as applicable.
2. The total number of Shares held by the public is calculated based on the number of total issued Shares excluding those held by the Offeror and the Offeror Concert Parties, at the end of each month or as at the Latest Practicable Date, as applicable.
3. Trading of the Shares was suspended from July 10, 2017 to July 18, 2017.

As illustrated in the above table, the average daily trading volume of the Shares during the Review Period represented approximately 0.04% to 1.27% of the total issued Shares, equivalent to approximately 0.14% to 4.70% of the public float of the Shares. We note from the above table that the trading in the Shares was generally not very active during the Review Period. Throughout the Review Period, except for September 2017, the average daily trading volume has been consistently maintained below 1.0% of the total issued Shares, and maintained at a low single-digit percentage point of the public float of the Shares. There has been a surge in trading volume since the release of the Joint Announcement, which we considered to be mainly related to the Independent Shareholders'/investors' reaction to the Scheme.

Given the relatively thin historical trading volume of the Shares, it is uncertain as to whether there would be sufficient liquidity in the Shares for the Independent Shareholders to dispose of a significant number of Shares in the open market without causing an adverse impact on the market price level of the Shares. Accordingly, the market trading price of the Shares may not necessarily reflect the proceeds that the Independent Shareholders can receive by the disposal of their Shares in the open market.

The high level of trading volume subsequent to the Joint Announcement may not be sustainable if the Proposal and the Scheme lapse. The Proposal and the Scheme, therefore, represent an opportunity for the Independent Shareholders, particularly for those who hold a large number of Shares, to dispose of some or all of them at the Cancellation Price if they so wish, without creating a significant downside pressure on the trading price of the Shares.

(H) Privatisation Precedents

We have compared the Cancellation Price of the Scheme to successful privatisation proposals involving property companies listed on the Stock Exchange announced since January 1, 2010, approximately eight years before the Announcement Date, and up to the Latest Practicable Date (the “**Privatisation Precedents**”).

Given the reasonable size of 5 Privatisation Precedents samples, we consider there is no need to include privatisation proposals involving companies operated in other industries and failed cases. In particular, to achieve such sample size, we have resorted to capture a longer time frame (i.e. eight years). In fact, most of the successful precedents set out in the table below took place in 2016 and 2017. However, we felt the need to include further samples and to draw on more cases in different time periods to be more conclusive with our analysis. We were able to find one additional sample which took place in 2011 (i.e. Shanghai Forte Land Company Limited). We noted that the relevant statistics for such case is not dissimilar to the recent successful precedents, therefore we find it still relevant in the current context. In our view, the Privatisation Precedents represent an exhaustive and complete list of successful privatisation proposals involving property companies, while excluding privatisation proposals which were not/yet to be approved, we were able to identify from the Stock Exchange’s website in this time frame.

The aforementioned selection criteria of the Privatisation Precedents enable a levelled comparison amongst companies that engaged in property development and/or investment in the PRC. We have not confined the selection of the Privatisation Precedents by their principal method of privatisation, regardless of whether it was voluntary general offer or scheme of arrangement, as we are of the view that it does not make a material difference to our assessment of the fairness and reasonableness of the Proposal and the Scheme. To point out, apart from the privatisations of Goldin Properties Holdings Limited, Dalian Wanda Commercial Properties Co., Ltd. and Shanghai Forte Land Company Limited, which were made by way of a voluntary general offer, other Privatisation Precedents were made by way of a scheme of arrangement. The table below illustrates the premiums over the respective last trading day and the respective 30-day, 90-day, 120-day and 180-day average (the “**Comparison Period**”) share prices, and the premiums over or discounts to the reassessed NAV of the Privatisation Precedents:

Date of initial announcement	Company (stock code)	Description	Premium of offer/cancellation price over the share price of the relevant company prior to announcement of privatisation proposal						Premium over/ (Discount) to the reassessed NAV (Note)
			Offer price/cancellation price (HK\$)	Last trading day	30-day share price average	90-day share price average	120-day share price average	180-day share price average	
March 29, 2017	Goldin Properties Holdings Limited (283)	The company is an investment holding company and the group is primarily engaged in property development, property investment, and operation of a hotel and polo club	9.0	14.2%	32.9%	34.1%	39.3%	46.7%	28.6%
January 10, 2017	Intime Retail (Group) Company Limited (1833)	The company is an investment holding company and the group is principally engaged in the business of operation and management of department stores and shopping malls in the PRC	10.0	42.3%	51.8%	52.6%	54.1%	53.7%	40.0%

Date of initial announcement	Company (stock code)	Description	Offer price/cancellation price (HK\$)	Last trading day	Premium of offer/cancellation price over the share price of the relevant company prior to announcement of privatisation proposal				Premium over/ (Discount) to the reassessed NAV (Note)
					30-day share price average	90-day share price average	120-day share price average	180-day share price average	
May 30, 2016	Dalian Wanda Commercial Properties Co., Ltd. (3699)	The group is principally engaged in property leasing and management, development and sales of properties and development and operation of luxury hotels	52.8	3.0%	24.1%	33.2%	25.5%	18.2%	(10.8%)
January 06, 2016	New World China Land Limited (917)	The group is principally engaged in investment and development of property projects in the PRC	7.8	25.6%	40.8%	53.9%	57.9%	56.9%	(29.4%)
January 20, 2011	Shanghai Forte Land Company Limited (2337)	The group is principally engaged in property development and investment	3.5	25.4%	34.3%	43.0%	45.3%	52.4%	(26.2%)
	Highest			42.3%	51.8%	53.9%	57.9%	56.9%	40.0%
	Lowest			3.0%	24.1%	33.2%	25.5%	18.2%	(29.4%)
	Mean			22.1%	36.8%	43.4%	44.4%	45.6%	0.4%
	Median			25.4%	34.3%	43.0%	45.3%	52.4%	(10.8%)
July 18, 2017	The Proposal		3.30	17.4%	19.1%	37.3%	46.2%	64.3%	17.0%

Source: Published scheme documents, composite documents, circulars or announcements relating to the above proposals

Note: The consolidated adjusted NAV per share for each of the Privatisation Precedents has been arrived at by making adjustments to the consolidated NAV, principally covering (i) revaluation surplus arising from the valuation of respective property interests; and (ii) relevant tax effects.

As illustrated in the above table, the premiums of the Cancellation Price over the closing/average closing prices of the Shares on the last trading day, 30-day and 90-day averages are both lower than the respective mean and median of the Privatisation Precedents. Save for 30-day average, the premiums of the Cancellation Price over the average closing prices of the Shares on both the last trading day and 90-day average are within the range of those of the Privatisation Precedents. Furthermore, the premiums of the Cancellation Price over the closing prices of the Shares of the 120-day and 180-day averages are well above both the respective mean and median of the Privatisation Precedents while the 180-day average exceeded the upper range of that of the Privatisation Precedents.

As shown above, the offer/cancellation price for the Privatisation Precedents are in the range of a discount of approximately 29.4% to and a premium of approximately 40.0% over the respective consolidated reassessed NAV per share, with a mean of a premium of approximately 0.4% and a median of a discount of approximately 10.8%. As set out in the section headed “(F) Reassessed NAV” above, the Cancellation Price of HK\$3.30 per Scheme Share represents a premium of approximately 17.0% over the Reassessed NAV of approximately HK\$2.82 per Share, which is significantly higher than both the mean and median of the Privatisation Precedents presented above.

(I) Comparable Companies

We have also analysed the following companies listed on the Stock Exchange that we consider to have a similar business and be of a size similar to the Company, based on (i) over 70.0% of revenue being derived from property development and/or investment in the PRC in the latest financial year based on the latest published annual results/reports; (ii) having NAV attributable to shareholders of the respective companies between HK\$7.5 billion to HK\$15.0 billion as at the Latest Practicable Date (the “**Comparable Companies**”); and (iii) are profit-making for the latest financial year as set out in the published annual results/reports. The aforesaid bases of selection were premised on finding comparable companies that (i) operate in similar lines of business and has similar geographical coverage as the Company (i.e. property development and/or investment in the PRC); (ii) have similar asset size as the Company (i.e. unaudited consolidated NAV of the Group attributable to the Shareholders as at June 30, 2017 was approximately RMB9.3 billion, being around half-way of the selected sample range); and (iii) are profitable in the most recent financial year, which exhibit similar financial performance as the Company (i.e. we consider loss-making Chinese comparable property companies with similar NAV may not be entirely similar to the Company, so adding this criterion increases comparability to a certain extent). We have identified 17 Comparable Companies based on the said criteria above. In our view, the Comparable Companies set out below represent a complete and exhaustive list of companies we were able to identify from Bloomberg and the Stock Exchange’s website which satisfy the above selection criteria as at the Latest Practicable Date.

The table below illustrates the level of price-to-earnings multiple (“**P/E Multiple(s)**”) and price-to-book multiple (“**P/B Multiple(s)**”) of each of the Comparable Companies and the Company as implied by the Scheme.

Stock code	Company name	Principal business activities	Latest financial reporting date	Market capitalisation	NAV	P/B Multiple (Note 1) (times)	P/E Multiple (Note 2) (times)
				as at the Latest Practicable Date (HK\$ million)	attributable to shareholders (HK\$ million)		
1628	Yuzhou Properties Company Limited (“ Yuzhou ”)	Yuzhou develops residential properties in southern China.	June 30, 2017	20,964.7	12,433.8	1.7	9.8
1966	China SCE Property Holdings Limited (“ China SCE ”)	China SCE is principally engaged in property development, property investment and property management in the PRC.	June 30, 2017	14,927.9	10,523.4	1.4	5.3
535	Gemdale Properties and Investment Corporation Limited (“ Gemdale ”)	Gemdale invests in, develops, and manages properties. It also develops and manages business parks, invests in info-communications and education projects, and provides technology services.	June 30, 2017	14,886.8	11,265.7	1.3	9.1
81	China Overseas Grand Oceans Group Limited (“ China Overseas Grand Oceans ”)	China Overseas Grand Oceans is a property development and sales company. Its operations include the entire property development process, comprising land acquisition and investment, construction planning, design and execution, sales and marketing, after-sales service as well as property management.	June 30, 2017	13,579.3	12,043.1	1.1	13.8

Stock code	Company name	Principal business activities	Latest financial reporting date	Market capitalisation as at the Latest	NAV	P/B	P/E
				Practicable Date	attributable to shareholders	Multiple	Multiple
				(HK\$ million)	(HK\$ million)	(Note 1) (times)	(Note 2) (times)
2329	Guorui Properties Limited (“Guorui”)	Guorui operates as a property developer. It develops residential projects and large-scale mixed-use complex projects in the PRC.	June 30, 2017	11,365.1	11,213.8	1.0	8.3
95	LVGEM China Real Estate Investment Company Limited (“LVGEM”)	LVGEM is a property developer. It participates in property development and sales, commercial property investment and operations, and comprehensive services. LVGEM focuses its operations across the Pearl River Delta region.	June 30, 2017	11,030.6	10,224.5	1.1	34.1
1098	Road King Infrastructure Limited (“Road King”)	Road King is principally engaged in development, operation and management of toll roads through the infrastructure joint ventures and operation of property development and investment business.	June 30, 2017	10,121.7	13,330.1	0.8	7.7
337	Greenland Hong Kong Holdings Limited (“Greenland”)	Greenland is principally engaged in property development, property and hotel investment and property management.	June 30, 2017	9,051.5	9,203.0	1.0	6.5
2608	Sunshine 100 China Holdings Limited (“Sunshine 100”)	Sunshine 100 is principally engaged in property and land development, property investment and property management and hotel operation.	June 30, 2017	8,811.3	7,619.2	1.2	15.7

Stock code	Company name	Principal business activities	Latest financial reporting date	Market capitalisation as at the Latest	NAV	P/B	P/E
				Practicable Date (HK\$ million)	attributable to shareholders (HK\$ million)	Multiple (Note 1) (times)	Multiple (Note 2) (times)
832	Central China Real Estate Limited ("Central China")	Central China is principally engaged in property development in the PRC.	June 30, 2017	8,534.7	7,959.3	1.1	13.4
258	Tomson Group Limited ("Tomson")	Tomson is principally engaged in property development and investment, hospitality and leisure business, securities trading, PVC operations as well as operation of and investment in media and entertainment business.	June 30, 2017	7,768.6	12,049.6	0.6	6.8
1777	Fantasia Holdings Group Company Limited ("Fantasia")	Fantasia is principally engaged in property development, property investment, property agency services, property operation services and hotel services.	June 30, 2017	7,317.8	12,416.8	0.6	10.2
672	Zhong An Real Estate Limited ("Zhong An")	Zhong An is principally engaged in property development, leasing and hotel operation.	June 30, 2017	7,208.2	8,284.4	0.9	11.8

Stock code	Company name	Principal business activities	Latest financial reporting date	Market capitalisation as at the Latest Practicable Date	NAV attributable to shareholders	P/B Multiple	P/E Multiple
				(HK\$ million)	(HK\$ million)	(Note 1) (times)	(Note 2) (times)
3639	Yida China Holdings Limited (“Yida”)	Yida is principally engaged in development and operation of business parks, development and sales of multi-functional integrated residential community projects, operation and management, construction, decoration, landscaping and property management of business parks.	June 30, 2017	6,459.9	11,522.6	0.6	11.4
230	Minmetals Land Limited (“Minmetals ”)	Minmetals is principally engaged in Real estate development, specialised construction, property investment and securities investment.	June 30, 2017	4,548.4	7,398.9	0.6	7.0
1125	Lai Fung Holdings Limited (“Lai Fung”)	Lai Fung is principally engaged in property development for sale, property investment for rental purposes, and development and operation of and investment in cultural, leisure, entertainment and related facilities.	January 31, 2017	4,384.5	13,016.8	0.3	4.8

Stock code	Company name	Principal business activities	Latest financial reporting date	Market capitalisation as at the Latest Practicable Date	NAV attributable to shareholders	P/B Multiple	P/E Multiple	
				(HK\$ million)	(HK\$ million)	(Note 1) (times)	(Note 2) (times)	
160	Hon Kwok Land Investment Company Limited ("Hon Kwok")	Hon Kwok is principally engaged in property development, property investment and property related activities.	March 31, 2017	3,803.9	7,836.9	0.5	6.5	
						Mean	0.9	10.7
						Median	1.0	9.1
						Maximum	1.7	34.1
						Minimum	0.3	4.8
	The Scheme						1.7	13.0
							(Note 3)	(Note 4)

Source: the Stock Exchange's website, Bloomberg and the respective companies' annual and/or interim reports or results announcement

Notes:

1. The P/B Multiples of the Comparable Companies are calculated based on the market capitalisation of the Comparable Companies as at the Latest Practicable Date divided by the respective NAV attributable to shareholders of the Comparable Companies as at the latest financial reporting date.
2. The P/E Multiples of the Comparable Companies are calculated based on the market capitalisation of the Comparable Companies as at the Latest Practicable Date divided by the respective trailing twelve-month profit attributable to shareholders of the Comparable Companies.
3. The implied P/B Multiple represented by the Cancellation Price of approximately 1.7 times is calculated based on the theoretical market capitalisation of the Cancellation Price for the Shares of HK\$18,671.4 million, divided by the NAV attributable to the Shareholders as at June 30, 2017 of approximately RMB9,313.8 million (equivalent to approximately HK\$10,711.8 million).
4. The implied P/E Multiple represented by the Cancellation Price of approximately 13.0 times is calculated based on the theoretical market capitalisation of the Cancellation Price for the Shares of HK\$18,671.4 million, divided by the trailing twelve-month net profit attributable to the Shareholders of approximately RMB1,250.8 million (equivalent to approximately HK\$1,438.5 million) of the Company.

As shown in the above table above, the P/B Multiples of the Comparable Companies ranged from approximately 0.3 times to 1.7 times with an average and a median of approximately 0.9 times and 1.0 times respectively. The implied P/B Multiple represented by the Cancellation Price over the NAV per share attributable to the Shareholders as at June 30, 2017 of approximately 1.7 times is significantly higher than the average and median of the P/B Multiples of the Comparable Companies.

The P/E Multiples of the Comparable Companies ranged from approximately 4.8 times to 34.1 times, with an average and a median of approximately 10.7 times and 9.1 times respectively. The implied P/E Multiple represented by the Cancellation Price, based on its market capitalisation represented by the Cancellation Price, of approximately 13.0 times is within the range and higher than the average and median of the P/E Multiples of the Comparable Companies.

(J) The divergence in market value between the Company and the A-share Listed Subsidiary

As a concluding remark, we would like to draw to the attention of the Independent Shareholders that the market values of the A-share Listed Subsidiary, which is listed on the Shanghai Stock Exchange and being a 67.1%-held subsidiary of the Company whereby the majority of assets of the Company are kept, may not be appropriate for valuing the Company in respect of the Proposal and the Scheme, which is conducted in the Hong Kong market.

The Company is an investment holding company which does not have significant business operation other than its equity interest in the A-share Listed Subsidiary. The Proposal and the Scheme, if successful, will reduce costs through the simplification of the structure and dispensation of costs associated with compliance and maintenance of the listing status of the Company.

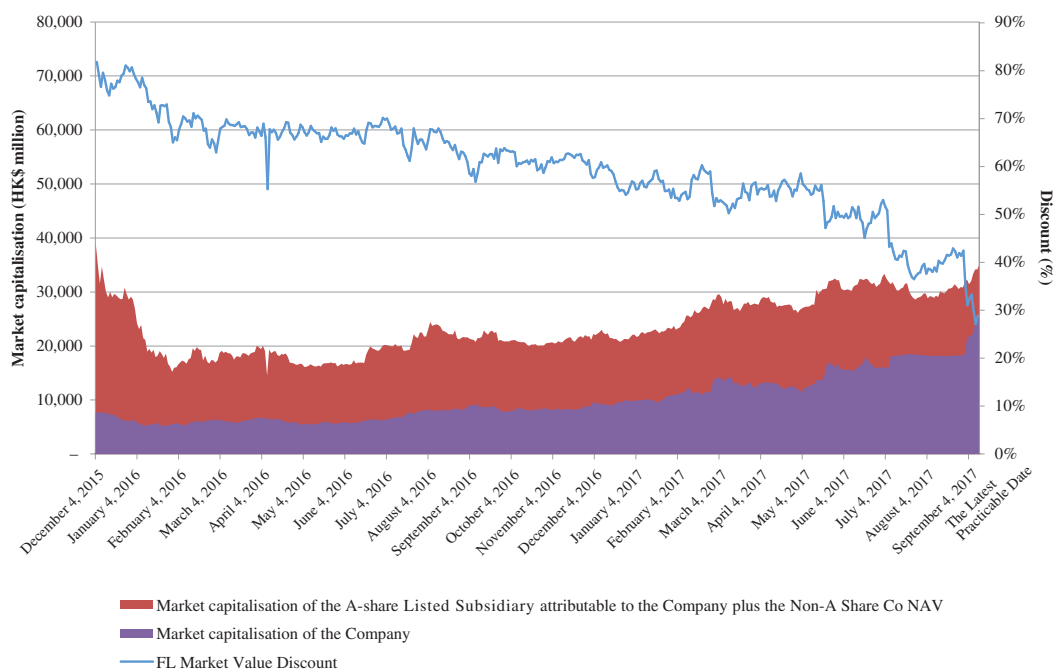
We began our analysis from the A-H Companies (as defined below). With the differences in market characteristics of the PRC and Hong Kong stock markets such as (i) market environments; (ii) different background of investors; and (iii) inconvertibility between A shares and H shares, the share prices of A share and H share of the same company generally diverge. Such value divergence has all along been captured under the Hang Seng China AH Premium Index (the “**AH Premium Index**”), launched by the Hang Seng Indexes Company Limited (“**HSIC**”), a Hong Kong’s leading index compiler covering Hong Kong and the PRC markets, that measures the weighted average premium (or discount) of the A share prices versus the H share price of 60 largest and most actively traded companies listed on both the Stock Exchange and the PRC stock exchanges (i.e. the Shenzhen Stock Exchange or the Shanghai Stock Exchange) (the “**A-H Companies**”) selected by HSIC, according to the free float-adjusted market capitalisation of the A-H Companies. According to HSIC, historically, it was commonly acknowledged that for A-H Companies the A share prices are generally traded at a premium over the same company’s H share prices, despite the fact that A share and H share both represent the same company. The AH Premium Index, according to HSIC, is designed to provide the market with a day-to-day tracker to measure such price differences. The AH

Premium Index as at the Latest Practicable Date was approximately 129.2, revealing that the weighted average premium of A share price of the A-H Companies over its H share price was approximately 29.2%. Based on the above, the A-share Listed Subsidiary, though not technically a A-H Company, but with its shares listed on the PRC stock market, may be subject to similar premium experienced by the A-H Companies to a certain extent. The ensuing analyses sought to add further clarity to this initial finding.

The above results are similar to our own research of the share prices of the complete and exhaustive list of the aforesaid 60 A-H Companies, whereby we noted that there were clear price differentials of the A-H Companies in which 56 A-H Companies have lower closing H share prices on the Stock Exchange as compared to those with their A shares listed on the PRC stock exchanges. As at the Latest Practicable Date, these 60 A-H Companies had average and median discounts of H share price to A share price of approximately 29.6% and 30.1% respectively.

As an alternative approach and for information purpose only, we have also gathered the P/B Multiples of companies listed in the PRC, which are engaged in property development and investment, from Bloomberg and their mean and median as at the Latest Practicable Date were approximately 5.5 times and 2.5 times respectively. Such level of comparative valuation far exceed the P/B Multiples of the Hong Kong listed property companies. As discussed in the section headed “(I) Comparable Companies” above, the average and median of the Comparable Companies’ P/B Multiples as at the Latest Practicable Date were approximately 0.9 times and 1.0 times respectively. As shown above, the market valuation of property companies listed on the PRC stock exchanges is, in general, higher than those property companies listed on the Stock Exchange.

Last but not least, assuming the stock markets are in equilibrium and the market value of the Company are best appraised by the market forces in both markets, we have reviewed (i) the market capitalisation of the Company; and (ii) the market capitalisation of the A-share Listed Subsidiary attributable to the Company plus the book value of other assets and liabilities of the Group (excluding all the A-share Listed Subsidiary’s assets and liabilities) (the “**Non-A Share Co NAV**”) during the period from 4 December 2015, being the first trading day of the A-share Listed Subsidiary, to the Latest Practicable Date (the “**Discount Review Period**”) as illustrated below. We note that there has been a significant divergence of value between these two set of market capitalisation and there has been a significant discount of the market capitalisation of the Company to the market capitalisation of the A-share Listed Subsidiary attributable to the Company plus the Non-Share Co NAV during this period (the “**FL Market Value Discount**”).



As shown in the chart above, the market capitalisation of the Company has been consistently below the market capitalisation of the A-share Listed Subsidiary attributable to the Company plus the Non-A Share Co NAV. During the Discount Review Period, the market value of the Company has always lacked behind the market value of the A-share Listed Subsidiary attributable to the Company, with FL Market Value Discount ranging from approximately 26.6% to 80.6%, with an average and median of approximately 58.9% and 60.0% respectively. The FL Market Value Discount was most prominent at the beginning of the Discount Review Period with over 80% and slowly oscillated downwards with a range of approximately 50% to 65% during the year immediately preceding the Joint Announcement. The FL Market Value Discount was still almost 50% during the period prior to the publication of the Joint Announcement and dropped significantly after the Joint Announcement to around 40%. The main reason for the decrease in FL Market Value Discount was the publication of the Joint Announcement, whereby share prices of the Company have closely aligned to the Cancellation Price during this period. As the FL Market Value Discount has been historically high, the current low level of FL Market Discount may not be sustainable and may revert to its average level of approximately 58.9% if the Proposal and the Scheme lapse.

Based on the above, we are of the view that the market values of the A-share Listed Subsidiary may not be appropriate for valuing the Company in respect of the Proposal and the Scheme, which is conducted in the Hong Kong market.

To sum up the above, we have performed the analysis below to demonstrate the theoretical valuation of the Group as if the Group's interest in the entire A-share Listed Subsidiary could be realised at the prevailing market price, which is calculated based on the sum of (i) the market value of the shares in the A-share Listed Subsidiary attributable to the Company; and (ii) the Non-A Share Co NAV as at June 30, 2017. We have discussed with the Group's management the latest financial position of the Group and have concluded that there

has been no material change of the value of other assets/liabilities (except for those held by A-share Listed Subsidiary) since June 30, 2017.

	As at the Latest Practicable Date <i>(RMB million)</i>
Market value of the shares of the A-share Listed Subsidiary attributable to the Company as at the Latest Practicable Date	30,369.5 <i>(Note 1)</i>
Plus: Non-A Share Co NAV as at June 30, 2017	23.9 <i>(Note 2)</i>
Market Price-related Value (as defined below)	30,393.4
Per Share (RMB) (Note 3)	RMB5.37
Per Share (HK\$ equivalent)	HK\$6.18
Discount of the Cancellation Price to the Market Price-related Value per Share	46.6%
Illustrative theoretical Market Price-related Value per Share after applying the average FL Market Value Discount of approximately 58.9%	2.54
Premium of the Cancellation Price to the illustrative theoretical Market Price-related Value per Share after applying the average FL Market Value Discount of approximately 58.9%	29.9%

Notes:

1. The market value of the shares of the A-share Listed Subsidiary is calculated based on the closing share price of the A-share Listed Subsidiary as at the Latest Practicable Date of RMB20.04, multiplied by the total number of shares of the A-share Listed Subsidiary and the Company's shareholding in the A-share Listed Subsidiary of approximately 67.1%.
2. The Non-A Share Co NAV as at the Latest Practicable Date is assumed to be the book value of assets and liabilities of the Group (other than the A-share Listed Subsidiary's assets and liabilities) as at June 30, 2017 since, based on our discussion with the Management, there has been no material change in the book values of other assets and liabilities of the Group since June 30, 2017.
3. Based on 5,658,000,000 Shares in issue as at the Latest Practicable Date.
4. As advised by the Management, the equity interest in the A-share Listed Subsidiary will be held by the Company as a long-term investment. Consequently, the assumption that the A-share Listed Subsidiary may be sold in the market is theoretical and is presented for illustrative purposes only.

Based on the market value of the shares of the A-share Listed Subsidiary attributable to the Company as at the Latest Practicable Date and the Non-A Share Co NAV as at June 30, 2017, the aggregate market value (the "Market Price-related Value") of the Group as at the Latest Practicable Date was approximately RMB30,393.4 million, equivalent to approximately HK\$6.18 per Share.

The Cancellation Price represents a discount of approximately 46.6% to the Market Price-related Value. The discount was within the range of discounts of H share price to A share price of the A-H Companies and higher than the average and median discount of the A-H Companies of approximately 29.6% and 30.1% respectively. In this aspect, we considered that the Cancellation Price is acceptable to the Independent Shareholders.

As set out in the table above, we have calculated the illustrative theoretical Market Price-related Value per Share after applying the average FL Market Value Discount of approximately 58.9% to the Market Price-related Value of HK\$6.18 per Share. The illustrative theoretical Market Price-related Value per Share after applying the FL Market Value Discount is approximately HK\$2.54 per Share, over which the Cancellation Price represents a premium of approximately 29.9%. Independent Shareholders are advised to consider, as the FL Market Value Discount has been historically high, the current low level of FL Market Discount may not be sustainable and may revert to its average level of approximately 58.9% if the Proposal and the Scheme lapse.

Given the principal operations of the Group are carried out through the A-share Listed Subsidiary, one may argue that, in forming the opinion on the Proposal and the Scheme, it is necessary to consider the theoretical value of the Company with reference to the market value of the A-share Listed Subsidiary. While we are of the view that the market value of the A-share Listed Subsidiary may not be appropriate for valuing the Company in respect of the Proposal and the Scheme as they are conducted in the Hong Kong market, we nevertheless conducted reviews on the divergence of the market values between the two classes of share capital of the A-H Companies (the “**Value Divergence**”) and assessed the Cancellation Price based on the theoretical value of the Shares derived with reference to the market value of the A-share Listed Subsidiary and the parameters as exhibited in the Value Divergence. The result of the aforesaid assessment provides a cross-check and is generally in line with our principal findings and analysis as set out in this letter. On this basis, we consider that it is not necessary to take into account such theoretical value of the Shares in forming our opinion on the Proposal and the Scheme.

DISCUSSION AND ANALYSIS

We consider that the terms of the Proposal and the Scheme are fair and reasonable as the Independent Shareholders are concerned after having considered all the above principal factors and reasons, in particular:

- (a) the Cancellation Price of HK\$3.30 per Scheme Share is higher than any of the historical closing price quoted on the Stock Exchange since the listing of the Shares on the Stock Exchange in November 2012 up to the date of the Joint Announcement. The Cancellation Price represents significant premiums over prevailing market prices of the Shares, in particular, the Cancellation Price has been consistently above the average 60-day, 90-day, 120-day, 180-day and 250-day closing prices of the Shares with premiums ranging from approximately 33% to 81%;
- (b) given the generally inactive trading in the Shares as discussed in sub-section headed “(G)(b) Trading liquidity” above, the Independent Shareholders might not be able to dispose the Shares without causing a downward pressure on the market price of the Shares and the relatively high level of trading recently may not be sustainable if the Proposal and the Scheme lapse, we consider the Proposal and the Scheme offer an opportunity for the Independent Shareholders to dispose their shareholdings, especially those holding a large block of the Shares, at a fixed cash price, which is at a premium of the market price of the Shares prior to the date of the Joint Announcement;
- (c) as discussed under the section headed “(F) Reassessed NAV” above, the Cancellation Price of HK\$3.30 per Scheme Share represents a premium of approximately 17.0% over the Reassessed NAV per Share of approximately HK\$2.82;
- (d) the premiums represented by the Cancellation Price under the Scheme and the Proposal over the 120-day and 180-day Share price averages as well as the Reassessed NAV are above the corresponding mean of premiums of the Privatisation Precedents even though the premiums represented by the Cancellation Price under the Scheme and the Proposal on the last trading day and over the 30-day and 90-day Share price averages are below the respective mean and median of those of the Privatisation Precedents; and
- (e) as discussed in section headed “(I) Comparable Companies” above, the implied P/B Multiple represented by the Cancellation Price is at a significant premium over the mean and median of that of the Comparable Companies.

OPINION AND RECOMMENDATIONS

Based on the above principal factors and reasons, we consider the terms of the Proposal and the Scheme to be fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the Court Meeting and the EGM to approve and implement the Scheme.

Independent Shareholders should note that the price of the Shares occasionally closed above the Cancellation Price during the period from the Announcement Date to the Latest Practicable Date. Accordingly, the Shareholders are reminded to monitor the trading price and liquidity of the Shares during the period prior to October 19, 2017, being the expected last day for trading in the Shares on the Stock Exchange and should, having regard to their own circumstances, consider selling their Shares in the open market, if the net proceeds obtained from such disposal of the Shares (after deducting all transaction costs) would be higher than the net proceeds expected to be received under the Scheme. Shareholders should also keep in mind that, if applicable, dealings in the Shares will be suspended from October 19, 2017, being the expected last day for trading in the Shares on the Stock Exchange up to the withdrawal of listing of the Shares from the Stock Exchange.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Danny Cheng
Director

Mr. Danny Cheng is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Somerley to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and has over 10 years of experience in corporate finance industry.

This Explanatory Memorandum constitutes the statement required under Order 102, rule 20(4)(e) of the Rules of the Grand Court of the Cayman Islands 1995 (revised).

**SCHEME OF ARRANGEMENT TO CANCEL ALL THE SCHEME SHARES IN
CONSIDERATION OF THE OFFEROR
AGREEING TO PAY THE CANCELLATION PRICE**

1. INTRODUCTION

The Offeror and the Company jointly issued an announcement dated July 18, 2017, which stated that on July 9, 2017, the Offeror requested the Board to put forward a proposal to the Scheme Shareholders regarding the proposed privatisation of the Company by way of the Scheme.

The Scheme and the Proposal involve the cancellation of all Scheme Shares in exchange for the Cancellation Price, and the subsequent issue of new Shares to the Offeror, as a result of which it is intended that the Company will be owned by the Offeror as to 100% and the listing of the Shares on the Stock Exchange will be withdrawn. The expected last date for trading in the Shares on the Stock Exchange will be Thursday, October 19, 2017.

The purpose of this Explanatory Memorandum is to explain the terms and effects of the Proposal, which are to be implemented by the Scheme, and to provide Shareholders with other relevant information in relation to the Scheme and the Proposal, in particular to provide the intention of the Offeror with regard to the Company and the shareholding structure of the Company before and after the Scheme and the Proposal.

Particular attention of the Shareholders is drawn to the following sections of this Scheme Document: (a) the Letter from the Board set out in Part IV of this Scheme Document; (b) the Letter from the Independent Board Committee set out in Part V of this Scheme Document; (c) the Letter from Somerley set out in Part VI of this Scheme Document; and (d) the terms of the Scheme set out in Appendix IV to this Scheme Document.

2. TERMS OF THE SCHEME AND THE PROPOSAL

The Proposal is to be implemented by way of the Scheme.

Under the Scheme, the Scheme Shares will be cancelled and, in consideration thereof, each Scheme Shareholder whose name appears on the register of members of the Company as at the Scheme Record Date will be entitled to receive the Cancellation Price. The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so.

Shareholders whose names appear on the register of members of the Company as at the Scheme Record Date for entitlement to a dividend (if any) declared by the Company on or before the Effective Date will be entitled to receive such dividend (if any). The Company does not expect to declare any further dividend on or before the Effective Date.

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$10,000,000 divided into 10,000,000,000 Shares of par value HK\$0.001, and the issued share capital of the Company was HK\$5,658,000 divided into 5,658,000,000 Shares of par value HK\$0.001. All of the Shares rank equally in all respects as regards to rights to capital, dividends and voting. As at the Latest Practicable Date, the Shareholders (other than the Offeror and Offeror Concert Parties) were interested in 1,524,674,000 Shares, representing approximately 26.95% of the issued share capital of the Company.

After the Scheme becomes effective, the listing of the Shares on the Stock Exchange will be withdrawn and the Company will be 100% owned by the Offeror. The Scheme and the Proposal are conditional upon the fulfillment or waiver, as applicable, of the Conditions as described in the paragraph headed “4. Conditions of the Proposal and the Scheme” below. All the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Scheme and the Proposal will lapse. Further announcements on any changes regarding the timetable of the Scheme and the Proposal will be made as and when necessary.

If the Scheme and the Proposal do not become unconditional, the Company has no intention to seek the immediate withdrawal of the listing of the Shares on the Stock Exchange.

Settlement of the Cancellation Price will be implemented in full in accordance with the terms of the Scheme and the Proposal, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against any such Scheme Shareholder.

3. CANCELLATION CONSIDERATION

The Cancellation Price of HK\$3.30 per Scheme Share represents:

- a premium of approximately 127.59% over the offer price of HK\$1.45 per Share for the global offering of the Shares in November 2012;
- a premium of approximately 17.44% over the closing price of HK\$2.81 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 19.09% over the average closing price of approximately HK\$2.771 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;

- a premium of approximately 32.53% over the average closing price of approximately HK\$2.490 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 37.33% over the average closing price of approximately HK\$2.403 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day;
- a premium of approximately 46.15% over the average closing price of approximately HK\$2.258 per Share based on the daily closing prices as quoted on the Stock Exchange for the 120 trading days up to and including the Last Trading Day;
- a premium of approximately 64.34% over the average closing price of approximately HK\$2.008 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day;
- a premium of approximately 81.12% over the average closing price of approximately HK\$1.822 per Share based on the daily closing prices as quoted on the Stock Exchange for the 250 trading days up to and including the Last Trading Day;
- a premium of approximately 75.81% over the audited consolidated net asset value of the Company attributable to the Shareholders of approximately RMB1.632 per Share as at December 31, 2016, based on the exchange rate of HK\$1 to RMB0.86949 (being the exchange rate as quoted by the People's Bank of China on the Last Trading Day); and
- a discount of approximately 25.51% to the closing price of HK\$4.43 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

4. CONDITIONS OF THE PROPOSAL AND THE SCHEME

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all Shareholders, subject to the fulfillment or waiver (as applicable) of the following Conditions:

- (a) the approval of the Scheme (by way of poll) by a majority in number of the holders of Scheme Shares representing not less than 75% in value of the Scheme Shares held by the holders of Scheme Shares present and voting either in person or by proxy at the Court Meeting;

- (b) the approval of the Scheme (by way of poll) by at least 75% of the votes attaching to the Scheme Shares held by the Independent Shareholders that are cast either in person or by proxy at the Court Meeting provided that the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by the Independent Shareholders;
- (c)
 - (i) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at an extraordinary general meeting of the Company to approve and give effect to the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares; and
 - (ii) after the above reduction of share capital, the passing of an ordinary resolution by the Shareholders at an extraordinary general meeting of the Company to immediately thereafter increase the issued share capital of the Company to the amount prior to the cancellation of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme, credited as fully paid, for issuance to the Offeror;
- (d) the Grand Court's sanction of the Scheme (with or without modifications) and its confirmation of the reduction of the share capital of the Company, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (e) compliance, to the extent necessary, with the procedural requirements and conditions, if any, under Sections 15 and 16 of the Companies Law in relation to the reduction of the issued share capital of the Company;
- (f) all necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals (together, the "Approvals") in connection with the Proposal having been obtained from, given by or made with or by (as the case may be) the relevant Authorities, in the Cayman Islands, Hong Kong, the PRC and/or any other relevant jurisdictions;
- (g) all necessary Approvals in connection with the Proposal remaining in full force and effect without variation, and all necessary statutory or regulatory requirements or obligations in all relevant jurisdictions having been complied with and no requirement or obligation having been imposed by any Authorities which is not provided for, or is in addition to requirements provided for, in any relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective;

- (h) all necessary consents (“Consents”) which may be required for the implementation of the Proposal or the Scheme under any existing contractual obligations of the Group being obtained or waived by the relevant party(ies), where any failure to obtain such consent or waiver would have a material adverse effect on the business, assets or liabilities of the Group;
- (i) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Proposal or the Scheme or the implementation in accordance with their respective terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal, the Scheme or the implementation in accordance with their respective terms), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal and the Scheme;
- (j) since the Announcement Date there having been no adverse change in the business, assets, financial or trading positions, profits or prospects of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal); and
- (k) each member of the Group remaining solvent and not being subject to any insolvency or bankruptcy proceedings or likewise and no liquidator, receiver or other person carrying out any similar function having been appointed anywhere in the world in respect of the whole or any substantial part of the assets or undertakings of any member of the Group up to the date immediately preceding the Effective Date, in each case which is material and adverse in the context of the Group taken as a whole.

The Offeror reserves the right to waive the Conditions set out in paragraphs (f), (g), (h), (i), (j) and/or (k) above either in whole or in part, either generally or in respect of any particular matter. Conditions (a), (b), (c), (d) and (e) cannot be waived in any event. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal and the Scheme.

As at the Latest Practicable Date, none of the Conditions had been fulfilled or waived. With regard to the Conditions set out under paragraphs (f) to (h) above, as at the Latest Practicable Date, neither the Offeror nor the Company was aware that any of the Approvals and Consents was required.

All of the above Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse. The Company has no right to waive any of the Conditions.

Assuming that the above Conditions are fulfilled or waived (as applicable), it is expected that the Scheme will become effective on or before 4:00 p.m., Wednesday, November 1, 2017 (Cayman Islands time). Further announcements will be made including, in particular, in relation to (i) the results of the Court Meeting and the EGM and, if the resolutions are passed at those meetings; (ii) the result of the Grand Court hearing of the petition to sanction of the Scheme and to confirm the capital reduction; (iii) the Scheme Record Date; (iv) the Effective Date; and (v) the withdrawal of the listing of the Shares on the Stock Exchange as further set out in “Part III – Expected Timetable” of this Scheme Document.

If the Scheme is not approved or the Proposal otherwise lapses, the Company has no intention to seek the immediate withdrawal of the listing of the Shares on the Stock Exchange. An announcement will be made in due course in such event.

Shareholders and potential investors should be aware that the implementation of the Proposal or the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal and the Scheme may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their licensed securities dealer or registered institution in securities, bank manager, solicitor or other professional advisers.

5. THE SCHEME AND THE COURT MEETING

Pursuant to Section 86 of the Companies Law, where an arrangement is proposed between a company and its members or any class of them, the Grand Court may, on the application of the company or any member of the company, order a meeting of the members of the company or class of members, as the case may be, to be summoned in such manner as the Grand Court directs.

Section 86 of the Companies Law provides that if a majority in number representing 75% in value of the members or class of members, as the case may be, present and voting either in person or by proxy at the meeting held as directed by the Grand Court as aforesaid, agree to any arrangement, the arrangement shall, if sanctioned by the Grand Court, be binding on all members or class of members, as the case may be, and also on the company. The Grand Court has been requested to order the convening of a meeting of a class of members of the Company being the holders of Scheme Shares.

6. ADDITIONAL REQUIREMENTS AS IMPOSED BY RULE 2.10 OF THE TAKEOVERS CODE

In addition to satisfying any requirements imposed by law as summarised above, other than with the consent of the Executive to dispense with compliance or strict compliance therewith, Rule 2.10 of the Takeovers Code requires that the Scheme may only be implemented if:

- (a) the Scheme is approved by at least 75% of the votes attaching to the Scheme Shares held by the Independent Shareholders that are cast either in person or by proxy at the Court Meeting; and
- (b) the number of votes cast by the Independent Shareholders present and voting either in person or by way of proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by all the Independent Shareholders.

For the purpose of this vote, the Independent Shareholders comprise all the Shareholders as at the Meeting Record Date other than the Offeror and the Offeror Concert Parties. Shareholders that are not Independent Shareholders will be required to abstain from voting at the Court Meeting in accordance with the Takeovers Code.

As at the Latest Practicable Date, the Independent Shareholders held in aggregate 1,524,674,000 Scheme Shares. On that basis, 10% of the votes attached to Scheme Shares held by all the Independent Shareholders referred to in (b) above therefore represent approximately 152,467,400 Shares as at the Latest Practicable Date.

7. BINDING EFFECT OF THE SCHEME AND THE PROPOSAL

Upon the Scheme and the Proposal becoming effective, it will be binding on the Company and all Shareholders, regardless of how they voted (or whether they voted) at the Court Meeting and the EGM.

8. SCHEME SHARES

On the assumption that there is no change in the shareholdings of the Company, the table below sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately upon completion of the Proposal:

Shareholders	As at the Latest Practicable Date		Upon completion of the Proposal	
	Number of Shares	Approximately %	Number of Shares	Approximately %
Offeror	4,105,450,000	72.56	5,658,000,000	100
Offeror Concert Parties				
Mr. Lv Xiaoping	12,000,000	0.21	–	–
Mr. Lu Zhongming	5,000,000	0.09	–	–
Mr. Liu Yuanman	4,776,000	0.08	–	–
Mr. Chan Wai Kin	100,000	0.00	–	–
Mr. Wang Xiaosong	6,000,000	0.11	–	–
Huatai Financial	–	–	–	–
Aggregate number of Shares held by the Offeror Concert Parties (all of which will form part of the Scheme Shares)	27,876,000	0.49	–	–
Total number of Scheme Shares held by the Independent Shareholders	1,524,674,000	26.95	–	–
Total	5,658,000,000	100	5,658,000,000	100

Following the Effective Date and the withdrawal of listing of the Shares on the Stock Exchange, the Offeror will beneficially hold 100% of the issued share capital of the Company, on the assumption that there is no other change in shareholding in the Company before completion of the Proposal.

As at the Latest Practicable Date, there were 5,658,000,000 Shares in issue and the holders of Scheme Shares were interested in 1,552,550,000, representing approximately 27.44% of the issued share capital of the Company.

As at the Latest Practicable Date, the Offeror held 4,105,450,000 Shares representing approximately 72.56% of the issued share capital of the Company, the Offeror Concert Parties held in aggregate 27,876,000 Shares representing approximately 0.49% of the issued share capital of the Company. The Shares held by the Offeror Concert Parties will form part of the Scheme Shares but will not be voted on the Scheme at the Court Meeting. Further, the Offeror and the Offeror Concert Parties will abstain from voting at the Court Meeting.

As at the Latest Practicable Date, there were no options, warrants or convertible securities in respect of the Shares held by the Offeror or the Offeror Concert Parties or outstanding derivatives in respect of the Shares entered into by the Offeror or the Offeror Concert Parties as at the Latest Practicable Date, and the Company did not have in issue any warrants, options, derivatives, convertible securities or other securities convertible into the Shares as at the Latest Practicable Date.

9. TOTAL CONSIDERATION

On the basis of the Cancellation Price of HK\$3.30 per Scheme Share and 1,552,550,000 Scheme Shares in issue as at the Latest Practicable Date, the Scheme Shares are in aggregate valued at approximately HK\$5,123 million. As at the Latest Practicable Date, there are no other outstanding Shares, warrants, derivatives or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares.

The Offeror intends to finance the cash required for the Proposal from a combination of internal resources and the Loan Facility. Huatai Financial, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for discharging its obligation in respect of the full implementation of the Scheme.

10. REASONS FOR AND BENEFITS OF THE SCHEME AND THE PROPOSAL

The Company is principally engaged in the businesses of residential and commercial property development, property investment and commercial operation in the PRC through the A-share Listed Subsidiary.

Since its listing in 2012, the Company's share price performance has not been satisfactory. As a leading market player engaging in the businesses of property development, property investment and property management in the PRC, the Company values its reputation. The Offeror considers that the depressed share price has had an adverse impact on the Company's reputation in the market, and therefore on its business, and also on employee morale. The implementation of the Proposal could eliminate this adverse impact.

The liquidity of Shares has been at a low level over a long period of time. The average daily trading volume of the Shares for the 24 months up to and including the Last Trading Day was approximately 6.88 million Shares per day, representing only approximately 0.12% of the issued Shares as at the Announcement Date. The low trading liquidity of the Shares could make it difficult for Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares and also make it difficult for Shareholders to dispose of a large number of Shares when any event that has an adverse impact on the Company's share price occurs.

The Proposal is intended to provide the Scheme Shareholders with an opportunity to realise their investment in the Company for cash at an attractive premium without having to suffer any illiquidity discount.

The Cancellation Price of HK\$3.30 is approximately 127.59% higher than the global offering price of HK\$1.45 in November 2012, and represents a premium of approximately 75.81% over the audited consolidated net asset value of the Company attributable to the Shareholders of approximately RMB1.632 per Share as at December 31, 2016 (based on the exchange rate of HK\$1 to RMB0.86949, being the exchange rate as quoted by the People's Bank of China on the Last Trading Day). The Cancellation Price also represents a premium of approximately 19.09%, 32.53%, 37.33%, 46.15%, 64.34% and 81.12% over average closing prices of the Shares of each of the 30/60/90/120/180/250 trading days, respectively, up to and including the Last Trading Day.

Apart from the core property development business, since 2015 the Company has been engaged in new business ventures including children's entertainment, cinema and smart storage businesses. The Company considers a measured degree of diversification away from its core property development business highly desirable to avoid risks associated with the uncertainty in the PRC property market. Meanwhile, such new business ventures are natural extension of the Company's property business which will utilize the Company's leverage as a market leader and optimize the Company's revenue make-up from a pure property play. The diversification is also consistent with the practice of other comparable PRC property developers. These businesses are still in early development stage to prove their long-term commercial viability, which may involve intensive capital investment and certain execution risks, hence affecting the Company's short-term growth profile and resulting in divergence between the Offeror's views on the Company's potential long-term value and investors' views on the Company's short-term financial performance.

Following the implementation of the Proposal, the Offeror and the Company can make strategic decisions focused on long-term benefits, free from the pressure of market expectations, profit visibility and share price fluctuation associated with being a publicly listed company.

In light of the fact that the Company is also the indirect controlling shareholder of A-share Listed Subsidiary listed on the Shanghai Stock Exchange, while the Shares are listed on the Stock Exchange and the Existing Notes are listed on SGX-ST, compliance with rules and regulations in different jurisdictions have brought about considerable regulatory burden, additional administrative, human resources and listing related costs to the Company. For example, a transaction contemplated by the A-share Listed Subsidiary may constitute a notifiable transaction for the Company under the Listing Rules. In addition to obtaining approval from the board and shareholders at the A-share Listed Subsidiary level, such transaction may have to comply with the relevant requirements under the Listing Rules, including shareholders' approval of the Company before execution of the transaction. Such dual-level approval procedures, to some extent, affect the efficiency of decision making process and hence the Company's competitiveness, in particular under the fierce competition

environment of the property market in the PRC. If these costs and expenses are eliminated, the Offeror considers more resources could be used for the Company's business operations and more time can be devoted to the operation instead of compliance with regulatory requirements.

11. INFORMATION ON THE COMPANY

The Company is an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the businesses of property development, property investment and property management in the PRC.

12. INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the British Virgin Islands with limited liability, which is beneficially owned by Hua Sheng Trust, a discretionary trust set up by Mr. Wang Zhenhua, a controlling shareholder, an executive director and the chairman of the Company, in favour of his family members. Mr. Wang Zhenhua is the sole director of the Offeror and the principal business of the Offeror is investment holding.

Offeror Concert Parties

By virtue of Mr. Wang Zhenhua's relationship with the Offeror and the Company as disclosed above, Mr. Wang Zhenhua is presumed to be acting in concert with the Offeror under classes (1) and (2) presumption of the definition of "acting in concert" in the Takeovers Code.

Mr. Wang Xiaosong, a non-executive director of the Company, is a party acting in concert with the Offeror by being the son of Mr. Wang Zhenhua.

Mr. Lv Xiaoping, Mr. Lu Zhongming, Mr. Liu Yuanman and Mr. Chan Wai Kin, who are executive directors of the Company, are also presumed to be parties acting in concert with the Offeror pursuant to class (6) presumption under the definition of "acting in concert" under the Takeovers Code.

It is the intention of the Offeror to retain each of Mr. Wang Zhenhua, Mr. Lv Xiaoping, Mr. Lu Zongming, Mr. Liu Yuanman, Mr. Chan Wai Kin and Mr. Wang Xiaosong as a director of the Company.

Huatai Financial is the financial adviser to the Offeror in respect of the Proposal and the sole mandated lead arranger for the Loan Facility. Accordingly, Huatai Financial and relevant members of the Huatai Financial Group are presumed to be acting in concert with the Offeror in accordance with class 5 and class 9 of the definition of "acting in concert" in the Takeovers Code (except in respect of Shares held on behalf of non-discretionary investment clients of the Huatai Financial Group).

13. INTENTIONS OF THE OFFEROR

If the Proposal and the Scheme are successfully implemented, the Offeror intends that the Company will continue to carry on its existing business. Under current market conditions, the Offeror has no plans to effect any redundancies in respect of the employees of the Group (other than in the ordinary course of business). The Offeror and the Company have no intention to make any changes to the existing operation and business of the Group nor do they have any plans to redeploy any of the fixed assets of the Group after completion of the Scheme and the Proposal. However, the Offeror and the Company will continue to assess business opportunities for the Group as they arise.

14. WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title.

The Company does not intend to retain its listing on the Stock Exchange and has applied to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange conditional upon the Scheme becoming effective in accordance with Rule 6.15(2) of the Listing Rules.

The Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares on the Stock Exchange and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the Scheme has been included in “Part III – Expected Timetable” in this Scheme Document.

15. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme does not become effective or the Proposal otherwise lapses.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with them in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses announce an offer or possible offer for the Company, except with the consent of the Executive.

16. OVERSEAS SHAREHOLDERS

The making of the Proposal to the Scheme Shareholders, who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders are located. Such Scheme Shareholders should inform themselves about and observe any applicable legal, tax or regulatory requirements. It is the responsibility of any overseas Scheme Shareholders wishing to take any action in relation to the Scheme and the Proposal respectively to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with any other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. Any acceptance by such Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror, the Company and their respective advisers, including Huatai Financial, the financial adviser to the Offeror, that those local laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

As at the Latest Practicable Date, based on the record in the Company's register of members, outside of Hong Kong, the Company had overseas Shareholders in the PRC and the British Virgin Islands. The Offeror had been advised by the local counsel in these jurisdictions that this Scheme Document may be sent to such overseas Scheme Shareholders and will do so accordingly.

Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to their respective positions.

17. REGISTRATION AND PAYMENT

Assuming that the Scheme Record Date falls on Wednesday, November 1, 2017, it is proposed that the register of members of the Company will be closed from Tuesday, October 24, 2017 (or such other date as the Shareholders may be notified by way of an announcement) onwards in order to establish entitlements under the Scheme. In order to qualify for entitlements under the Scheme, Shareholders should ensure that the transfers of their Shares are lodged with the Hong Kong branch share registrar and transfer office of the Company for registration in their names or in the names of their nominees before 4:30 p.m. on Monday, October 23, 2017. The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, which is located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Payment of the Cancellation Price to Scheme Shareholders

Upon the Scheme becoming effective, payment of the Cancellation Price for the Scheme Shares will be made to the Scheme Shareholders whose names appear on the register of members of the Company as at the Scheme Record Date. On the basis that the Scheme becomes effective on or about Wednesday, November 1, 2017 (Cayman Islands time), cheques for

payment of the Cancellation Price will be paid for by the Offeror as soon as possible but in any event within 7 Business Days following the Scheme having become effective and accordingly, the cheques are expected to be despatched on or before Friday, November 10, 2017. In the absence of any specific instructions to the contrary received in writing by Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, cheques will be sent by ordinary post addressed to the persons entitled thereto at their respective registered addresses or, in the case of joint holders, to the registered address of that joint holder whose name stands first in the register of members of the Company in respect of the joint holding. All such cheques will be sent at the risk of the person(s) entitled thereto and none of the Offeror, the Company and Huatai Financial will be responsible for any loss or delay in despatch.

On or after the day being six calendar months after the posting of such cheques, the Offeror shall have the right to cause the cancellation of any cheque which has not been cashed or has been returned uncashed and place all monies represented by the cheque in a deposit or custodian account in the Offeror's name with a licensed bank in Hong Kong selected by the Company.

Before the expiry of six years from the Effective Date, the Offeror shall make payments from the deposit or custodian account of the sums, together with interest thereon, to persons who satisfy the Offeror that they are respectively entitled thereto. On the expiry of six years from the Effective Date, the Offeror shall be released from any further obligation to make any payments under the Scheme and the Offeror shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit or custodian account in its name, including accrued interest subject to any deduction required by law and expenses incurred.

Assuming that the Scheme becomes effective, all existing certificates representing the Scheme Shares will cease to have effect as documents or evidence of title as from the Effective Date, which is expected to be on or about Wednesday, November 1, 2017 (Cayman Islands time).

Settlement of the Cancellation Price to which the Scheme Shareholders are entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Scheme Shareholder.

18. TAXATION

Hong Kong stamp duty and tax consequences

As the Scheme and the Proposal do not involve the sale and purchase of Hong Kong stock, no Hong Kong stamp duty will be payable pursuant to the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) on the cancellation of the Scheme Shares upon the Scheme becoming effective.

The Scheme Shareholders, whether in Hong Kong or in other jurisdictions, are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of the Scheme or the Proposal and, in particular, whether the receipt of the Cancellation Price would make such Scheme Shareholder liable to taxation in Hong Kong or in other jurisdictions.

It is emphasised that none of the Offeror, the Company and Huatai Financial or any of their respective directors, officers or associates or any other person involved in the Scheme or the Proposal accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Scheme.

19. COURT MEETING AND EGM

In accordance with the directions of the Grand Court, the Court Meeting will be held for the purpose of considering and, if thought fit, passing a resolution to approve the Scheme (with or without modifications). Holders of Scheme Shares whose names appear on the register of members of the Company as at the Meeting Record Date will be entitled to attend and vote, in person or by proxy, at the Court Meeting. The Scheme will be subject to the approval by the Independent Shareholders at the Court Meeting in the manner referred to in the paragraphs headed “4. Conditions of the Proposal and the Scheme” and “6. Additional Requirements as Imposed by Rule 2.10 of the Takeovers Code” in this Explanatory Memorandum.

The EGM will be held after the adjournment or conclusion of the Court Meeting for the purpose of considering and if thought fit passing (i) the special resolution by the Shareholders to approve the reduction of the issued share capital of the Company by cancelling the Scheme Shares; and (ii) the ordinary resolution by the Shareholders to immediately restore the issued share capital of the Company to its former amount and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full as par such number of the Shares as the number of Scheme Shares cancelled, credited as fully paid, for issuance to the Offeror.

An announcement will be made by the Company and the Offeror in relation to the results of the Court Meeting and EGM in accordance with Rule 19.1 of the Takeovers Code to the extent applicable. Information on the number of votes cast in favour of the Scheme and the number of CCASS Participants on whose instructions they are cast and the number of votes cast against the Scheme and the number of CCASS Participants on whose instructions they are cast will be included in such announcement.

Court Meeting

Holders of Scheme Shares whose names appear on the register of members of the Company as at the Meeting Record Date shall be entitled to attend and vote, in person or by proxy, at the Court Meeting. At the Court Meeting, the holders of Scheme Shares, present and voting either in person or by proxy, will be entitled to vote their Scheme Shares in favour of the Scheme or against it, but not both in favour of the Scheme and against it.

In accordance with the direction from the Grand Court, HKSCC Nominees Limited shall be permitted to vote for and against the Scheme in accordance with instructions received by it from the Investor Participants and other CCASS Participants. For the purpose of calculating the “majority in number”, HKSCC Nominees Limited may be counted as a multi-headed Shareholder of the Company. In this regard, HKSCC Nominees Limited shall be entitled to vote both “for” and “against” the Scheme in accordance with the instructions received by it from each of the CCASS Participants. Orders will be sought for disclosure of voting by CCASS Participants, which information may or may not be considered by the Grand Court in deciding whether or not it should exercise its discretion to sanction the Scheme.

The Scheme is conditional upon, among other things, (A) approval by a majority in number of the holders of Scheme Shares representing not less than 75% in value of the Shares present and voting in person or by proxy at the Court Meeting, and (B) approval by Independent Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by Independent Shareholders that are voting either in person or by proxy at the Court Meeting provided that (i) the Scheme is approved (by way of poll) by the Independent Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the Independent Shareholders that are voting either in person or by proxy at the Court Meeting; and (ii) the number of votes cast (by way of poll) by the Independent Shareholders present and voting either in person or by proxy at Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Scheme Shares held by all the Independent Shareholders.

In accordance with the Companies Law, the “75% in value” requirement as described above will be met if the total value of Scheme Shares being voted by the holders of Scheme Shares present and voting either in person or by proxy in favour of the Scheme is at least 75% of the total value of the Scheme Shares voted by the holders of Scheme Shares present and voting either in person or by proxy at the Court Meeting. In accordance with the Companies Law, the “majority in number” requirement as described above will be met if the number of holders of Scheme Shares present and voting either in person or by proxy at the Court Meeting in favour of the Scheme exceeds the number of holders of Scheme Shares present and voting either in person or by proxy at the Court Meeting against the Scheme.

Notice of the Court Meeting is set out in Appendix V to this Scheme Document. The Court Meeting will be held at 9:00 a.m. (Hong Kong time) on Tuesday, October 17, 2017 at Function Room – Cherry, Second Floor, InterContinental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong.

EGM

All the Shareholders whose names appear on the register of members of the Company as at the Meeting Record Date shall be entitled to attend and vote, in person or by proxy, at the EGM with respect to, among other things, (i) the special resolution by Shareholders to approve the reduction of the share capital of the Company by cancelling and extinguishing the Scheme

Shares; and (ii) the ordinary resolution by Shareholders to immediately thereafter increase and restore the issued share capital of the Company to the amount prior to the cancellation of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of Scheme, credited as fully paid, for issuance to the Offeror.

The special resolution described under (i) in the paragraph above will be passed if not less than three-fourths of the votes cast by the Shareholders as being entitled to do so, present and voting in person or by proxy at the EGM, are in favour of the special resolution. The ordinary resolution described under (ii) in the paragraph above will be passed if more than 50% of the votes are cast in favour of the ordinary resolution by the Shareholders as being entitled to do so, present and voting either in person or by proxy, at the EGM.

At the EGM, a poll will be taken and each Shareholder present and voting, either in person or by proxy, will be entitled to vote all of his/her/its Shares in favour of (or against) the special resolution and/or the ordinary resolutions. Alternatively, such Shareholder may vote some of their Shares in favour of the special resolution and/or the ordinary resolutions and any or all of the balance of their Shares against the special resolution and/or the ordinary resolutions (and vice versa).

The Offeror has indicated that the Shares legally and beneficially held by it will be voted in favour of the special and the ordinary resolutions to be proposed at the EGM.

At the EGM, the special and the ordinary resolutions will be put to the vote by way of poll as required under Rule 13.39(4) of the Listing Rules.

Notice of EGM is set out in Appendix VI to this Scheme Document. The EGM will be held at 10:00 a.m. (Hong Kong time) (or immediately after the conclusion or adjournment of the Court Meeting convened on the same day and place) on Tuesday, October 17, 2017 at Function Room – Cherry, Second Floor, InterContinental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong.

Assuming that the Conditions are fulfilled or waived (as applicable), it is expected that the Scheme will become effective on or before 4:00 p.m., Wednesday, November 1, 2017 (Cayman Islands time). Further announcements will be made including, in particular, in relation to (i) the results of the Court Meeting and the EGM and, if all the resolutions are passed at those meetings; (ii) the result of the hearing of the petition for the sanction of the Scheme by the Grand Court; (iii) the Scheme Record Date; (iv) the Effective Date; and (v) the date of withdrawal of the listing of the Shares on the Stock Exchange as further set out in “Part III – Expected Timetable” of this Scheme Document.

20. BENEFICIAL OWNERS

Beneficial Owners are urged to have their names entered in the register of members of the Company as soon as possible for, among other things, the following reasons:

- (a) to enable the Beneficial Owners to become Shareholders so that they can attend the Court Meeting in the capacity as members of the Company or be represented by proxies to be appointed by them and to be included for the purpose of calculating the majority in number of Shareholders as required under Section 86 of the Companies Law in their capacity as members of the Company;
- (b) to enable the Company to properly classify members of the Company as Scheme Shareholders for the purposes of Section 86 of the Companies Law; and
- (c) to enable the Company and the Offeror to make arrangements to effect payments by way of the delivery of cheques to the most appropriate person when the Scheme becomes effective.

No person shall be recognised by the Company as holding any Shares upon any trust. In the case of any Beneficial Owner whose Shares are held upon trust by, and registered in the name of, a Registered Owner (other than HKSCC Nominees Limited), such Beneficial Owner should contact the Registered Owner and provide him, her or it with instructions or make arrangements with the Registered Owner in relation to the manner in which the Shares of the Beneficial Owner should be voted at the Court Meeting and/or the EGM. Such instructions and/or arrangements should be given or made in advance of the relevant latest time for the lodgement of forms of proxy in respect of the Court Meeting and the EGM in order to provide the Registered Owner with sufficient time to accurately complete his, her or its proxy and to submit it by the deadline. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the relevant latest time for the lodgement of forms of proxy in respect of the Court Meeting and the EGM, then any such Beneficial Owner should comply with the requirements of such Registered Owner.

Any Beneficial Owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited must, unless such Beneficial Owner is a person admitted to participate in CCASS as an Investor Participant, contact their broker, custodian, nominee or other relevant person who is, or has in turn deposited such Shares with, another CCASS Participant regarding voting instructions to be given to such person(s) if they wish to vote in respect of the Scheme. Beneficial Owners should contact their broker, custodian, nominee or such other relevant person in advance of the deadline(s) in respect of the Court Meeting and the EGM set by them, in order to provide such broker, custodian, nominee or other relevant person with sufficient time to provide HKSCC Nominees Limited with instructions or make arrangements with HKSCC Nominees Limited in relation to the manner in which Shares of the Beneficial Owner should be voted at the Court Meeting and/or the EGM. The procedure for voting in respect of the Scheme by HKSCC Nominees Limited with respect to the Shares registered under the name of HKSCC Nominees Limited shall be in accordance with the “General Rules of CCASS” and the “CCASS Operational Procedures” in effect from time to time.

21. GENERAL

Huatai Financial has been appointed as the financial adviser to the Offeror in connection with the Proposal.

The Directors (other than those on the Independent Board Committee) are Offeror Concert Parties, and thus they recommend that the Independent Shareholders should carefully consider the views and recommendations of the Independent Board Committee. The independent non-executive Directors forming the Independent Board Committee, namely Mr. Chen Huakang, Mr. Zhu Zengjin and Mr. Zhongwei have provided their views and recommendations in the letter from the Independent Board Committee in Part V of this Scheme Document.

Mr. Wang Zhenhua, Mr. Lv Xiaoping, Mr. Lu Zhongming, Mr. Liu Yuanman, Mr. Chan Wai Kin and Mr. Wang Xiaosong, being Directors and who are interested in the Scheme and the Proposal have abstained from voting in respect of the board resolutions of the Company in relation to the Proposal.

In light of the recommendation of the Independent Board Committee as set out in Part V of this Scheme Document and the recommendation of Somerley as set out in Part VI of this Scheme Document, Rule 2.3 of the Takeovers Code is not applicable.

As at the Latest Practicable Date, no person who owned or controlled Shares or convertible securities, warrants, options or derivatives in respect of Shares had irrevocably committed themselves to the Offeror to vote their Shares in favour of or against the resolutions in respect of the Scheme at the Court Meeting or the EGM. The Offeror has indicated that those Share held by it will be voted in favour of the special and ordinary resolutions to be proposed at the EGM.

Associates of the Offeror or the Company, including shareholders holding 5% or more of the relevant securities are hereby reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code.

22. SUMMARY OF ACTIONS TO BE TAKEN

Independent Shareholders and Shareholders

A **pink** form of proxy for use at the Court Meeting and a **white** form of proxy for use at the EGM are enclosed with copies of this Scheme Document sent to Registered Owners of the Company. Subsequent purchasers of Scheme Shares will need to obtain a proxy from the transferor.

Whether or not you are able to attend the Court Meeting and/or the EGM, if you are a Scheme Shareholder, you are strongly urged to complete and sign the enclosed **pink** form of proxy in respect of the Court Meeting, and the Shareholders are strongly urged to complete and

sign the enclosed **white** form of proxy in respect of the EGM, in accordance with the instructions printed thereon, and to lodge them at the office of the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. In order to be valid, the **pink** form of proxy for use at the Court Meeting should be lodged not later than 9:00 a.m. (Hong Kong time) on Sunday, October 15, 2017, and the **white** form of proxy for use at the EGM should be lodged not later than 10:00 a.m. (Hong Kong time) on Sunday, October 15, 2017. The completion and return of a form of proxy for the Court Meeting or the EGM will not preclude the Independent Shareholders and the Shareholders from attending and voting in person at the relevant meeting. In such event, the returned form of proxy will be deemed to have been revoked.

If you do not appoint a proxy and you do not attend and vote at the Court Meeting and the EGM, you will still be bound by the outcome of such Court Meeting and the EGM, if, among other things, the resolutions are passed by the requisite majorities of Independent Shareholders or Shareholders (as the case may be). You are therefore strongly urged to attend and vote at the Court Meeting and the EGM in person or by proxy.

For the purpose of determining the entitlements of the holders of Scheme Shares to attend and vote at the Court Meeting and the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, October 5, 2017 to Tuesday, October 17, 2017 (both days inclusive) and during such period, no transfer of the Shares will be effected. In order to qualify to vote at the Court Meeting and the EGM, all transfers accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Wednesday, October 4, 2017.

An announcement will be made by the Company and the Offeror in relation to the results of the Court Meeting and the EGM in accordance with Rule 19.1 of the Takeovers Code to the extent applicable. Information on the number of votes cast in favour of the Scheme and the number of CCASS Participants on whose instructions they are cast and the number of votes cast against the Scheme and the number of CCASS Participants on whose instructions they are cast will be included in such announcement. If all the resolutions are passed at those meetings, further announcement(s) will be made of the results of the Grand Court hearing of the petition to sanction the Scheme and, if the Scheme is sanctioned, the Scheme Record Date, the Effective Date and the date of withdrawal of the listing of the Shares on the Stock Exchange.

Actions to be Taken by Holders through trust or CCASS

The Company will not recognise any person as holding any Shares upon any trust. If you are a Beneficial Owner whose Shares are held upon trust by, and registered in the name of, a Registered Owner (other than HKSCC Nominees Limited), you should contact the Registered Owner and provide him, her or it with instructions or make arrangements with the Registered Owner in relation to the manner in which your Shares should be voted at the Court Meeting

and/or the EGM. Such instructions and/or arrangements should be given or made in advance of the deadline in respect of the Court Meeting and the EGM set by them in order to provide the Registered Owner with sufficient time to accurately complete his, her or its proxy and to submit it by the deadline stated above. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the aforementioned latest time for the lodgment of forms of proxy in respect of the Court Meeting and the EGM, any such Beneficial Owner should comply with the requirements of the Registered Owner.

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, you must, unless you are an Investor Participant, contact your broker, custodian, nominee, or other relevant person who is, or has, in turn, deposited such Shares with, another CCASS Participant regarding voting instructions to be given to such person(s) if you wish to vote at the Court Meeting and/or at the EGM. You should contact your broker, custodian, nominee or such other relevant person in advance of the latest time(s) for the lodgment of forms of proxy in respect of the Court Meeting and the EGM, in order to provide such broker, custodian, nominee or other relevant person with sufficient time to provide HKSCC Nominees Limited with instructions or make arrangements with HKSCC Nominees Limited in relation to the manner in which the Shares of the Beneficial Owner should be voted at the Court Meeting and/or the EGM.

HKSCC Nominees Limited may also vote for and against the Scheme in accordance with instructions received from CCASS Participants (as defined under the General Rules of CCASS). The number of votes cast in favour of the Scheme and the number of CCASS Participants on whose instructions they are cast and the number of votes cast against the Scheme and the number of CCASS Participants on whose instructions they are cast will be disclosed to the Grand Court and may be taken into account in deciding whether or not the Grand Court should exercise its discretion to sanction the Scheme.

Petition hearing in the Grand Court

Prior to the despatch of this Scheme Document, the Company obtained directions from the Grand Court for the convening of the Court Meeting to consider the Scheme and other procedural matters regarding the Scheme.

In accordance with sections 14, 15 and 86 of the Companies Law, if the resolutions are approved at the Court Meeting and the EGM, the Company must then make a further application to the Grand Court to confirm the resolution reducing the share capital of the Company and to sanction the Scheme. The Company and the Offeror cannot complete the Scheme and the Proposal without obtaining these approvals. In this regard, the Company has filed a petition with the Grand Court seeking these approvals which will be heard at 9:00 a.m. on Tuesday, October 31, 2017 (Cayman Islands time).

In determining whether to exercise its discretion and sanction the Scheme, the Grand Court will determine, among other things, whether the votes cast at the Court Meeting fairly represented the decision of the holders of Scheme Shares and whether the Scheme is fair to the Scheme Shareholders. At the hearing of the petition, the Grand Court may impose such conditions as it deems appropriate in relation to the Scheme but may not impose any material changes without the joint consent of the Company and the Offeror. The Company may consent on behalf of the Shareholders to any modification of the Scheme which the Grand Court may think fit to approve or impose.

If the Grand Court sanctions the Scheme and if all of the other conditions to the Scheme are satisfied or (to the extent allowed by law) waived, the Company intends to deliver the court order sanctioning the Scheme with the Registrar of Companies in the Cayman Islands on Wednesday, November 1, 2017 or as otherwise directed by the Grand Court for registration, at which time the order sanctioning the Scheme will become effective.

SHAREHOLDERS (INCLUDING ANY BENEFICIAL OWNERS OF SUCH SHARES THAT GIVE VOTING INSTRUCTIONS TO A CUSTODIAN OR CLEARING HOUSE THAT SUBSEQUENTLY VOTES AT THE COURT MEETING) SHOULD NOTE THAT THEY WILL BE ENTITLED TO APPEAR AT THE GRAND COURT HEARING EXPECTED TO BE HELD AT 9:00 A.M. ON TUESDAY, OCTOBER 31, 2017 (CAYMAN ISLANDS TIME) AT WHICH THE COMPANY WILL SEEK, AMONG OTHER THINGS, THE SANCTION OF THE SCHEME.

23. RECOMMENDATIONS

Your attention is drawn to the following:

- (a) the letter from the Board set out in Part IV of this Scheme Document;
- (b) the letter from the Independent Board committee set out in Part V of this Scheme Document; and
- (c) the letter from Somerley set out in Part VI of this Scheme Document.

24. FURTHER INFORMATION

Further information is set out in the Appendices to, and elsewhere in, this Scheme Document, all of which form part of this Explanatory Memorandum.

Shareholders should rely only on the information contained in this Scheme Document. None of the Company, the Offeror, Huatai Financial or any of their respective affiliates has authorised anyone to provide you with information that is different from what is contained in this Scheme Document.

1. FINANCIAL INFORMATION OF THE GROUP

The following summary financial information for each of the three financial years ended 31 December 2014, 2015 and 2016 is extracted from the consolidated financial statements of the Company as set forth in the annual reports of the Company for the years ended 31 December 2014, 31 December 2015 and 31 December 2016, respectively.

The auditor of the Company, PricewaterhouseCoopers, did not issue any qualified opinion on the Group's audited consolidated financial statements for each of the three years ended 31 December 2014, 2015 and 2016.

No exceptional item because of its size, nature or incidence was required to be disclosed in the financial statements of the Group for each of the three years ended 31 December 2014, 2015 and 2016 and the six months ended 30 June 2017.

	For the year ended 31 December		
	2016	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
RESULTS			
Revenue	<u>28,232,094</u>	<u>23,835,889</u>	<u>20,718,670</u>
Profit before income tax	4,135,368	3,363,954	2,921,848
Income tax expense	<u>(1,668,208)</u>	<u>(1,507,717)</u>	<u>(1,242,561)</u>
Profit for the year	<u>2,467,160</u>	<u>1,856,237</u>	<u>1,679,287</u>
Attributable to:			
Equity holders of the Company	1,383,953	1,030,890	1,025,721
Non-controlling interests	<u>1,083,207</u>	<u>825,347</u>	<u>653,566</u>
	<u>2,467,160</u>	<u>1,856,237</u>	<u>1,679,287</u>
Earnings per share for profit attributable to equity holders of the Company			
Basic and diluted	<u>RMB0.24</u>	<u>RMB0.18</u>	<u>RMB0.18</u>
Dividends	282,900	282,900	283,400
Dividends per share	RMB0.05	RMB0.05	RMB0.05

2. FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2016

The following consolidated financial information of the Group for the year ended 31 December 2016, together with the comparative figures for the year ended 31 December 2015, have been extracted from the annual report of the Company for the year ended 31 December 2016:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

		As at 31 December	
		2016	2015
	Note	RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	6	2,443,001	2,261,413
Investment properties	7	13,506,826	10,854,000
Intangible assets	8	37,224	36,310
Investments in associates	9	521,623	300,127
Investments in joint ventures	10	4,348,312	2,019,775
Deferred income tax assets	25	808,660	579,813
Available-for-sale financial assets	11	434,891	337,702
Derivative financial instruments	12	154,615	–
Land use rights	13	430,035	431,589
Other receivables and prepayments	16	1,347,031	169,467
		<u>24,032,218</u>	<u>16,990,196</u>
Current assets			
Prepayments for leasehold land	14	7,350,293	6,799,095
Properties held or under development for sale	15	39,505,462	32,739,898
Trade and other receivables and prepayments	16	20,235,059	6,527,190
Restricted cash	18	1,851,085	1,283,653
Cash and cash equivalents	18	11,905,339	6,478,861
		<u>80,847,238</u>	<u>53,828,697</u>
Total assets		<u><u>104,879,456</u></u>	<u><u>70,818,893</u></u>
OWNERS' EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital: nominal value	19	4,609	4,609
Reserves	21	9,230,441	8,165,760
		<u>9,235,050</u>	<u>8,170,369</u>
Non-controlling interests		<u>5,940,355</u>	<u>5,292,979</u>
Total equity		<u><u>15,175,405</u></u>	<u><u>13,463,348</u></u>

		As at 31 December	
		2016	2015
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
LIABILITIES			
Non-current liabilities			
Borrowings	22	17,036,153	15,004,889
Long-term payables		36,670	–
Deferred income tax liabilities	25	1,115,016	754,670
		<u>18,187,839</u>	<u>15,759,559</u>
Current liabilities			
Trade and other payables	24	28,975,896	20,008,074
Advances from pre-sale of properties	23	29,846,151	15,928,660
Current income tax liabilities		2,518,327	1,682,585
Borrowings	22	10,175,714	3,975,575
Dividends payable		124	1,092
		<u>71,516,212</u>	<u>41,595,986</u>
Total liabilities		<u>89,704,051</u>	<u>57,355,545</u>
Total equity and liabilities		<u><u>104,879,456</u></u>	<u><u>70,818,893</u></u>

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2016

		Year ended 31 December	
		2016	2015
	Note	RMB'000	RMB'000
Revenue	26	28,232,094	23,835,889
Cost of sales	28	<u>(21,625,122)</u>	<u>(18,979,683)</u>
Gross profit		6,606,972	4,856,206
Fair value gains on investment properties	7	582,150	815,106
Selling and marketing expenses	28	(1,097,915)	(828,126)
Administrative expenses	28	(1,607,694)	(1,035,500)
Other income	27	26,307	18,669
Other expenses	27	(26,249)	(3,885)
Other gains – net	27	<u>254,139</u>	<u>14,153</u>
Operating profit		<u>4,737,710</u>	<u>3,836,623</u>
Finance income	29	161,227	136,133
Finance costs	29	<u>(941,630)</u>	<u>(650,707)</u>
Finance costs – net		<u>(780,403)</u>	<u>(514,574)</u>
Share of results of associates	9	1,496	103,810
Share of results of joint ventures	10	<u>176,565</u>	<u>(61,905)</u>
Profit before income tax		4,135,368	3,363,954
Income tax expense	31	<u>(1,668,208)</u>	<u>(1,507,717)</u>
Profit for the year		<u><u>2,467,160</u></u>	<u><u>1,856,237</u></u>
Attributable to:			
Equity holders of the Company		1,383,953	1,030,890
Non-controlling interests		<u>1,083,207</u>	<u>825,347</u>
		<u><u>2,467,160</u></u>	<u><u>1,856,237</u></u>
Earnings per share for profit attributable to equity holders of the Company			
– Basic and diluted	32	<u><u>RMB0.24</u></u>	<u><u>RMB0.18</u></u>

APPENDIX I FINANCIAL INFORMATION ON THE COMPANY

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

	Year ended 31 December	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year	2,467,160	1,856,237
Other comprehensive loss, which may be reclassified subsequently to profit or loss		
Change in fair value of available-for-sale financial assets		
– gross amount	–	(13,000)
– deferred tax	–	3,250
	<u>–</u>	<u>(9,750)</u>
Total comprehensive income for the year	<u>2,467,160</u>	<u>1,846,487</u>
Attributable to:		
Equity holders of the Company	1,383,953	1,024,509
Non-controlling interests	<u>1,083,207</u>	<u>821,978</u>
	<u>2,467,160</u>	<u>1,846,487</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

	Attributable to equity holders of the Company					Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000 (Note 19)	Share premium RMB'000 (Note 21)	Other reserves RMB'000 (Note 21)	Retained earnings RMB'000 (Note 21)	Sub-total RMB'000		
Balance at 1 January 2016	4,609	1,112,440	54,100	6,999,220	8,170,369	5,292,979	13,463,348
Comprehensive income							
Profit for the year	–	–	–	1,383,953	1,383,953	1,083,207	2,467,160
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	1,383,953	1,383,953	1,083,207	2,467,160
Transactions with owners							
Capital reduction from a non-controlling interest	–	–	–	–	–	(281,530)	(281,530)
Pre-IPO share award scheme (Note 20) – value of current employee services	–	–	3,479	–	3,479	–	3,479
Restricted share incentive scheme (Note 20(b))	–	–	–	–	–	9,736	9,736
2015 final dividend (Note 33)	–	(282,900)	–	–	(282,900)	–	(282,900)
Dividends of subsidiaries	–	–	–	–	–	(59,091)	(59,091)
Total contributions by and distributions to owners	–	(282,900)	3,479	–	(279,421)	(330,885)	(610,306)
Disposal of subsidiaries	–	–	(3,025)	–	(3,025)	(9,890)	(12,915)
Acquisition of additional interests in a subsidiary (Note 39(f))	–	–	(36,826)	–	(36,826)	(95,056)	(131,882)
Total transactions with owners, recognized directly in equity	–	(282,900)	(36,372)	–	(319,272)	(435,831)	(755,103)
Balance at 31 December 2016	4,609	829,540	17,728	8,383,173	9,235,050	5,940,355	15,175,405

APPENDIX I
FINANCIAL INFORMATION ON THE COMPANY

	Attributable to equity holders of the Company				Sub-total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000 (Note 19)	Share premium RMB'000 (Note 21)	Other reserves RMB'000 (Note 21)	Retained earnings RMB'000 (Note 21)			
Balance at 1 January 2015	4,617	1,395,840	275,193	5,968,330	7,643,980	4,707,042	12,351,022
Comprehensive income							
Profit for the year	–	–	–	1,030,890	1,030,890	825,347	1,856,237
Other comprehensive income							
– Change in fair value of available-for-sale financial assets, net of tax	–	–	(6,381)	–	(6,381)	(3,369)	(9,750)
Total comprehensive income	–	–	(6,381)	1,030,890	1,024,509	821,978	1,846,487
Transactions with owners							
Capital injection from non-controlling interests	–	–	–	–	–	568,785	568,785
Capital reduction from non-controlling interests	–	–	–	–	–	(800,000)	(800,000)
Pre-IPO share award scheme (Note 20) – value of current employee services	–	–	8,104	–	8,104	–	8,104
Buy-back of shares (Note 19)	(8)	–	(8,903)	–	(8,911)	–	(8,911)
2014 final dividend (Note 33)	–	(283,400)	–	–	(283,400)	–	(283,400)
Dividends of subsidiaries	–	–	–	–	–	(275,577)	(275,577)
Total contributions by and distributions to owners	(8)	(283,400)	(799)	–	(284,207)	(506,792)	(790,999)
Net loss from changes of non-controlling interests in subsidiaries (Note 39(a), (b), (c), (d), (e), Note 34(d))	–	–	(213,913)	–	(213,913)	270,751	56,838
Total transactions with owners, recognized directly in equity	(8)	(283,400)	(214,712)	–	(498,120)	(236,041)	(734,161)
Balance at 31 December 2015	4,609	1,112,440	54,100	6,999,220	8,170,369	5,292,979	13,463,348

APPENDIX I FINANCIAL INFORMATION ON THE COMPANY

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2016

		Year ended 31 December	
		2016	2015
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Operating activities			
Cash generated from operations	35	8,415,528	302,273
Interest paid		(1,468,642)	(1,263,384)
PRC income tax paid		(907,409)	(750,733)
PRC land appreciation tax paid		(464,134)	(664,616)
		<u>5,575,343</u>	<u>(2,376,460)</u>
Net cash generated from/(used in) operating activities			
Investing activities			
Acquisition of a subsidiary, net of cash acquired	34	493,661	(53,600)
Additions of investment properties		(2,658,992)	(2,391,495)
Additions of property, plant and equipment and prepayments for non-current assets		(569,267)	(1,051,455)
Proceeds from disposal of property, plant and equipment	35	3,252	879
Additions of intangible assets	8	(30,685)	(25,847)
Proceeds from disposal of intangible assets		2,943	–
Other consideration paid to non-controlling interest		(122,882)	–
Investments in associates	9	(220,000)	(100,000)
Investments in joint ventures	10	(3,896,383)	(1,220,625)
Acquisition of available-for-sale financial assets	11	(100,909)	(75,961)
Capital reduction from available-for-sale financial assets	11	3,420	13,744
Disposal of subsidiaries, net of cash disposed	40	1,830,784	–
Dividends received	27	9,312	6,256
Interest received	29	161,227	136,133
Fundings to related parties/other investors of joint ventures		(48,924,635)	(8,915,834)
Fundings received from related parties/ other investors of joint ventures		46,038,589	11,676,039
Acquisition of derivative financial instruments		(60,000)	–
Capital reduction from a joint venture		700	–
		<u>(8,039,865)</u>	<u>(2,001,766)</u>
Net cash used in investing activities			

	<i>Note</i>	Year ended 31 December	
		2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Financing activities			
Proceeds from borrowings		10,896,512	9,098,593
Proceeds from issuance of senior notes		–	1,519,693
Proceeds from issuance of corporate bonds		7,928,594	4,958,110
Repayments of borrowings		(9,301,027)	(10,918,815)
Decrease in restricted cash relating to financing activities	18	563,976	1,349,666
Dividends paid to equity holders of the Company		–	(283,465)
Dividends paid to non-controlling interests		(59,091)	(275,577)
Capital contribution from non-controlling interests		–	568,785
Capital reduction from non-controlling interests	39	(290,530)	(800,000)
Advances from non-controlling interests of subsidiaries		–	37,541
Advance to non-controlling interest of a subsidiary		–	(30,000)
Fundings from non-controlling shareholders of subsidiaries		334,050	–
Repayment of advances from non-controlling interests of subsidiaries		(332,291)	(336,980)
Redemption of senior notes		(2,867,298)	–
Buy-back of shares	19	–	(8,911)
Amounts received from participants of the A share company's restricted share incentive scheme		265,650	–
Transaction costs in relation to transactions with non-controlling interests		–	(38,100)
Acquisition of additional equity interests in subsidiaries from non-controlling interests	39	–	(73,576)
Amounts received for potential investments in property projects	24	743,058	1,280,247
Net cash generated from financing activities		<u>7,881,603</u>	<u>6,047,211</u>
Net increase in cash and cash equivalents		5,417,081	1,668,985
Cash and cash equivalents at beginning of the year		6,478,861	4,817,907
Net exchange gain/(loss) on cash and cash equivalents	29	<u>9,397</u>	<u>(8,031)</u>
Cash and cash equivalents at end of the year	18	<u><u>11,905,339</u></u>	<u><u>6,478,861</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**For the year ended 31 December 2016****1 GENERAL INFORMATION**

The Company was incorporated in the Cayman Islands on 23 April 2010 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of its registered office has been changed from Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands to Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, Grand Cayman KY1-1205, Cayman Islands with effect from 1 October 2016.

The principal activities of the Group are property development and property investment in the PRC. The Company's parent company is Wealth Zone Hong Kong Investments Limited ("Wealth Zone Hong Kong") and the Company's ultimate holding company is First Priority Group Limited, both of which are incorporated in the British Virgin Islands. The ultimate controlling party of the Group is Mr. Wang Zhenhua ("Mr. Wang" or the "Controlling Shareholder").

To prepare for the initial listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Group has undertaken a reorganisation (the "Reorganisation") pursuant to which the Company became the holding company of the subsidiaries comprising the Group. Details of the Reorganisation are set out in the prospectus of the Company dated 19 November 2012.

The Company's shares began to list on the Main Board of The Stock Exchange on 29 November 2012 (the "Listing").

The consolidated financial statements are presented in thousands of Renminbi ("RMB'000"), unless otherwise stated.

These consolidated financial statements set out on pages I-2 to I-113 have been approved and authorized for issue by the Board of the Company on 24 February 2017.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") and disclosure requirements of the Hong Kong Companies Ordinance Cap.622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss and investment properties, which are carried at fair value.

The Reorganisation for the Listing referred to in Note 1 above involved combination of a number of entities that were under the common control of the Controlling Shareholder, Mr. Wang, and was accounted for using merger accounting. The net assets of these entities were consolidated using the existing book values from the Controlling Shareholder's perspective. The results were combined from the earliest date presented or since the date when the combining entities first came under the common control, where this was at a later date, regardless of the date the Group took actual ownership. No amount was recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time the Reorganisation took place.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 below.

(i) New standard, amendments and improvements of HKFRSs adopted by the Group in 2016

The following new standard, amendments and improvements to existing standards are mandatory for the first time for the financial year beginning on 1 January 2016 and are relevant to the Group's operations.

- HKFRS 14 “Regulatory Deferral Accounts” (effective for annual periods beginning on or after 1 January 2016). The standard describes regulatory deferral account balances as amounts of expense or income that would not be recognised as assets or liabilities in accordance with other standards, but that qualify to be deferred in accordance with HKFRS14 because the amount is included, or is expected to be included, by the rate regulator in establishing the price(s) that an entity can charge to customers for rate-regulated goods or services.
- Amendment to HKFRS 11 on accounting for acquisitions of interests in joint operations (effective for annual periods beginning on or after 1 January 2016). The amendment requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a ‘business’ (as defined in HKFRS 3 “Business Combinations”).
- Amendments to HKAS 16 and HKAS 38 on clarification of acceptable methods of depreciation and amortisation (effective for annual periods beginning on or after 1 January 2016). The amendments clarify when a method of depreciation or amortisation based on revenue may be appropriate. The amendment to HKAS 16 clarifies that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate. The amendment to HKAS 38 establishes a rebuttable presumption that amortisation of an intangible asset based on revenue generated by using the asset is inappropriate.
- Amendment to HKAS 27 on equity method in separate financial statements (effective for annual periods beginning on or after 1 January 2016). The amendment allows entities to use equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.
- Amendments from annual improvements 2012-2014 cycle, affecting the following 4 standards: HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, HKFRS 7 “Financial Instruments: Disclosures”, HKAS 19 “Employee Benefits” and HKAS 34 “Interim Financial Reporting” (effective for annual periods beginning on or after 1 January 2016).
- Amendments to HKFRS 10, HKFRS 12 and HKAS 28 on investment entities: applying the consolidation exception (effective for annual periods beginning on or after 1 January 2016). The amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.
- Amendments to HKAS 1 on disclosure initiative (effective for annual periods beginning on or after 1 January 2016). The amendments clarify guidance in HKAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

The adoption of the above new standard, amendments and improvements starting from 1 January 2016 did not give rise to any significant impact on the Group's results of operations and financial position for the year ended 31 December 2016.

(ii) New standards and amendments of HKFRSs that are required to be adopted by the Group after 2016

Certain new standards and amendments of HKFRSs have been published but are not yet effective for the annual period beginning on 1 January 2016. Those that are relevant to the Group's operations are as follows:

Amendments to HKAS 12	Income Taxes (effective for annual periods beginning on or after 1 January 2017)
Amendments to HKAS 7	Statement of Cash Flows (effective for annual periods beginning on or after 1 January 2017)
HKFRS 15	Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018)
HKFRS 9	Financial Instruments (effective for annual periods beginning on or after 1 January 2018)
HKFRS 16	Leases (effective for annual periods beginning on or after 1 January 2019)
Amendments to HKFRS 10 and HKAS 28	Regarding sale or contribution of assets between an investor and its associate or joint venture (effective for annual periods to be announced)

The Group has not early adopted any new accounting and financial reporting standards or amendments to existing standards which have been issued but are not yet effective for the year ended 31 December 2016. The Group is in the process of making an assessment on the impact of these new standards and amendments and does not anticipate that the adoption when they become effective will result in any material impact on the Group's results of operations and financial position, except for the new financial reporting standard HKFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018) and HKFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019) which the Group is not yet in a position to conclude.

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of financial position, consolidated statement of income, consolidated statement of comprehensive income and consolidated statement of changes in equity respectively.

(i) Business combinations

The Group applies the acquisition method as described below to account for business combinations, except for the Reorganisation which had been accounted for as stated in Note 2.1 above.

Under the acquisition method of accounting, the consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred to former owners of the acquiree and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share in the recognised amounts of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the Group's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in consolidated statement of income.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in consolidated statement of income or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously held equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held equity interest measured is less than the fair value of the identifiable net assets of the subsidiary acquired as in the case of a bargain purchase, the difference is recognised directly in consolidated statement of income.

(ii) *Changes in ownership interests in subsidiaries without loss of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the other owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.2.2 *Separate financial statements*

In the Company's statement of financial position, the investments in subsidiaries are stated at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 **Associates**

Associates or associated companies are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other reserve movements of the investee after the date of acquisition. The Group's investments in associates include goodwill (net of any accumulated impairment loss) identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated statement of income, and its share of post-acquisition movement in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in the consolidated statement of income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the consolidated statement of income.

2.4 **Joint arrangements**

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

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

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

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Mr. Wang who makes strategic decisions.

Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions.

2.6 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Since the majority of the assets and operations of the Group are located in the PRC, the financial statements are presented in RMB, which is the functional currency of the Company and the presentation currency of the Group.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of income within 'other gains or losses – net'.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each statement of financial position of the Group entities are translated at the closing date of that statement of financial position;
- (b) income and expenses for each statement of income and statement of comprehensive income of the Group entities are translated at average exchange rate; and
- (c) all resulting exchange differences are recognised in other comprehensive income and accumulated as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses. The initial cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated statement of income during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs less their residual values over their estimated useful lives, as follows:

– Buildings	30 years
– Motor vehicles	3-10 years
– Furniture, fittings and equipment	3-10 years
– Leasehold improvements	3-5 years

The assets' residual value and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised as "Other gains/(losses) – net" in the consolidated statement of income.

2.8 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property comprises land held under operating leases and buildings owned by the Group. Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. In this case, the operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at fair value. Changes in fair value are recognised and presented separately in the consolidated statement of income.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are performed at balance sheet date by external valuers.

Property under construction is measured at fair value if the fair value is considered to be reliably measurable. If the fair value cannot be reliably determined, the investment property under construction will be measured at cost until such time as fair value can be determined or construction is completed, whichever is earlier. Any difference between the fair value of the property at that date and its then carrying amount shall be recognised in the consolidated statement of income. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

When an operating lease contract is entered into with another party on a property originally held for sale and upon the commencement of the lease, the property is transferred to investment property. The difference between the fair value of the property at the date of transfer and its then carrying amount is recognised as other gain in the statement of income.

2.9 Intangible assets

Trademarks

Trademarks of the Group are separately acquired trademarks which are shown at historical cost. They have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of 10 years.

Computer software

Computer software of the Group comprises acquired computer software which is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 years.

2.10 Impairment of investments in subsidiaries, associates, joint ventures and non-financial assets

Assets that have an indefinite useful life or have not yet been available for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

2.11 Properties held or under development for sale

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

2.12 Land use rights

All land in the PRC is stated-owned or collectively-owned and no individual ownership right exists. Land use rights are acquired by the Group for development of properties. Land use rights held for development for sale are inventories and measured at lower of cost and net realisable value, of which those within normal operating cycle are classified as current assets and included in properties held or under development for sale, while those out of the normal operating cycle are classified as non-current assets. Land use rights fall within investment properties are classified as investment properties (Note 2.8).

Land use rights for self-use are recorded under land use rights, which are amortised over the period of the lease using the straight-line method.

2.13 Financial assets**2.13.1 Classification**

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of reporting period, which are classified as non-current assets. The Group's loans and receivables comprise certain items in "Trade and other receivables and prepayments" and bank deposits included in "cash and cash equivalents" and "restricted cash" in the statement of financial position (Note 16 and Note 18).

(iii) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

2.13.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the ‘financial assets at fair value through profit or loss’ category are presented in the statement of income within ‘Other (losses)/gains – net’ in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of income as part of other income when the Group’s right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated statement of income.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated statement of income as part of other income. Dividends on available-for-sale equity instruments are recognised in the consolidated statement of income as part of other income when the Group’s right to receive payments is established.

2.13.3 Impairment of financial assets

(i) *Assets carried at amortised cost*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor’s credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of income.

(ii) *Assets classified as available for sale*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, if any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

2.13.4 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 derecognised when:

- the rights to receive cash flows from the asset have expired;
- 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; or
- the Group has transferred its rights to receive cash flows from the asset 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, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group’s continuing involvement in the asset. 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.

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of either party.

2.15 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate.

For derivative financial instruments which do not qualify for hedge accounting, changes in fair value are recognised in the consolidated statement of income.

2.16 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due

according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated statement of income.

When a trade or other receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited to the consolidated statement of income.

Trade and other receivables are included in current assets, except for those maturing more than twelve months after the reporting period (or out of the normal operating cycle of the business if longer) which are classified as non-current assets.

2.17 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.18 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within twelve months after the reporting period (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.20 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period when they are incurred.

2.21 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference are not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.22 Employee benefits

In accordance with the rules and regulations of mainland China, the mainland China based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the mainland China under which the Group and the mainland China based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to a certain ceiling.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired mainland China based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the municipal and provincial governments.

2.23 Share-based payments

(i) *Pre-IPO share award scheme*

The Group operates an equity-settled pre-IPO share award scheme, under which the Group receives services from employees and certain former employees, officers and business partners as consideration for equity instruments (awards) of the Company. The fair value of the current employee and certain former employees, officers and business partners services received in exchange for the grant of the shares is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the shares granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Non-market performance vesting conditions are included in assumptions about the number of shares that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the non-market performance vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of income, with a corresponding adjustment to equity.

The grant by the Company of its shares to the employees of subsidiaries in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiaries, with a corresponding credit to equity account of the Company.

(ii) *Restricted Share Incentive Scheme*

Future Land Holdings Co., Ltd. (the “Future Land Holdings”), a subsidiary of the Group, operates an equity-settled restricted share incentive scheme, under which Future Land Holdings receives services from its selected current employees (including directors) (the “Participants”) as consideration for the equity instruments (awards). The fair value of the selected current employees services received in exchange for the grant of the restricted shares is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the granted shares measured as of the grant date less the proceeds received from the grant, and is treated as a capital contribution wholly belonging to the Participants and thus recorded under non-controlling interests until each unlocking date on which the Company will take up its share based on the then shareholding in Future Land Holdings and record it under other reserves attributable to equity holders of the Company. The proceeds received from the grant is firstly recorded as other payables until each unlocking date on which the Company will take up its share based on the then shareholding in Future Land Holdings and record it under other reserves attributable to equity holders of the Company.

Non-market performance unlocking conditions are included in assumptions about the number of shares that are expected to unlock. The total expense is recognised over the unlocking period, which is the period over which all of the specified unlocking conditions are to be satisfied. At the end of each reporting period, Future Land Holdings revises its estimates of the number of shares that are expected to unlock based on the non-market performance unlocking conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of income, with a corresponding adjustment to non-controlling interests.

The Group’s shareholding in Future Land Holdings will be reduced gradually during the unlocking period. These constitute deemed disposal and dilution gain or loss will arise at the various unlocking dates which is a combination of the gain or loss arising from a portion of the net proceeds shared by the Company at the then shareholding and loss of the net assets value of Future Land Holdings deemed disposed by the Company at the various unlocking dates. Such dilution gain will not pass through the income statement but will all be treated as transactions with non-controlling interests and recorded in other reserves under equity directly.

2.24 Provisions and contingent liabilities

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2.25 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of properties and services in the ordinary course of the Group's activities. Revenue is shown net of returns, rebates and discounts and after eliminated sales within the Group. Revenue is recognised as follows:

(i) *Sales of properties*

Revenue from sales of properties is recognised when the risks and rewards of the properties are transferred to the purchasers, which is when the construction of relevant properties has been completed and the properties have been delivered to the purchasers pursuant to the sales agreement and collectibility of related receivables is reasonably assured. Deposits and instalments received on properties sold prior to the date of revenue recognition are recorded as "Advances from pre-sale of properties" in the consolidated statement of financial position under current liabilities.

(ii) *Rental income*

Rental income from properties being let under operating leases is recognised on a straight line basis over the lease terms.

(iii) *Service income*

Revenue from services is recognised when services have been provided, total amount of revenue and costs can be estimated reliably and the collectibility of the related receivables is reasonably assured.

(iv) *Interest income*

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

(v) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

2.26 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the consolidated statement of income over the period necessary to match them with the costs they are intended to compensate. Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to an entity within the Group with no future related costs are recognised as income of the period in which they become receivable.

2.27 Financial guarantee liabilities

The Group provides financial guarantees for certain property purchasers on mortgage facilities with banks.

Financial guarantee liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the issue of the financial guarantee liabilities. After initial recognition, such contracts are measured at the higher of the present value of the best estimate of the expenditure required to settle the present obligation and the amount initially recognised less cumulative amortisation.

Financial guarantee liabilities are derecognised from the statement of financial position when, and only when, the obligation specified in the contract is discharged or cancelled or expired.

2.28 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of income on a straight-line basis over the period of the lease.

2.29 Dividend distribution

Dividend distribution to the Company's shareholders is recognised, as a liability where applicable, in the Group's and the Company's financial statements in the period in which the dividends are properly approved by the Company's shareholders.

2.30 Subsequent events

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period ("adjusting events") are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3.1.1 Market risk

(i) Foreign exchange risk

The Group is engaged in the development, sale and management of properties solely in the PRC with almost all the transactions denominated in RMB, except for certain financing activities, including the initial public offering, borrowings from banks and issuance of senior notes which are denominated in Hong Kong Dollar ("HKD") or United States Dollar ("USD"). As of 31 December 2016, majority of the Group's assets and liabilities are denominated in RMB except that certain cash and borrowings are denominated in HKD or USD.

The Company and all of its subsidiaries' functional currency is RMB. Accordingly, cash and borrowings denominated in HKD or USD is subject to foreign exchange risk. Fluctuations in the exchange rates of HKD and USD against RMB will affect the Group's result of operations. The Group currently does not have a foreign currency hedging policy. However, management closely monitors the foreign exchange exposure and will take actions when necessary.

As at 31 December 2016, if RMB had strengthened/weakened by 5%, against HKD and USD with all other variables held constant, post-tax profit for the year would have been RMB184,907,000 (2015: RMB243,829,000) higher/lower, mainly as a result of net foreign exchange gains/losses on translation of HKD and USD denominated bank deposits and borrowings.

(ii) *Price risk*

The Group is exposed to price risk because of investments held by the Group and classified on the consolidated statements of financial position as available-for-sale financial assets.

In the opinion of the directors, the Group's exposure to price risk with regard to its investments is not significant since it is the Group's policy not to invest significant amounts that might have a detrimental impact to the Group's financial results. All investments must be approved by the Chairman of the Board before they may be entered into.

The following table summarises the Group's other comprehensive income increase/decrease as a result of gains/losses on equity securities classified as available for sale if the fair value of the securities increase/decrease by 5%.

	Year ended 31 December	
	2016	2015
	RMB'000	RMB'000
– 5 percent higher	16,308	12,664
– 5 percent lower	(16,308)	(12,664)

(iii) *Cash flow and fair value interest rate risk*

Except for cash deposits in the bank and certain balances in trade and other receivables, the Group has no other significant interest-bearing assets.

The Group's exposure to changes in interest rates is mainly attributable to its borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. The Group has not hedged its cash flow or fair value interest rate risk. The interest rate and terms of repayments of borrowings are disclosed in Note 22.

Management does not anticipate significant impact to interest-bearing assets resulted from the changes in interest rates, because the interest rates of bank deposits and certain balances in trade and other receivables are not expected to change significantly.

As at 31 December 2016 and 2015, if interest rates on borrowings with floating rates had been 50 basis points higher/lower with all other variables held constant, the post-tax profit and capitalised interest of the Group for the years ended 31 December 2016 and 2015 would have changed as follows:

	Year ended 31 December	
	2016	2015
	RMB'000	RMB'000
Post-tax profit increase/(decrease)		
– 50 basis points higher	(3,641)	(4,688)
– 50 basis points lower	3,641	4,688
Capitalised interest increase/(decrease)		
– 50 basis points higher	20,093	13,363
– 50 basis points lower	(20,093)	(13,363)

3.1.2 Credit risk

The Group has no significant concentrations of credit risk. The carrying amounts of bank deposits and trade and other receivables included in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets.

Cash transactions are limited to high-credit-quality financial institutions. The table below shows the bank deposit balances as at 31 December 2016 and 2015:

Counter party	As at 31 December	
	2016	2015
	RMB'000	RMB'000
Deposits with the four major state-owned banks of the PRC	4,577,684	4,423,855
Deposits with other listed banks of the PRC	7,893,413	1,614,070
Deposits with other banks	1,281,198	1,718,280
	13,752,295	7,756,205
	13,752,295	7,756,205

Management does not expect any losses from non-performance of these counterparties.

The Group has policies in place to ensure that sales of properties are made to buyers with an appropriate financial strength and appropriate percentage of down payment. Meanwhile, the Group has the right to cancel the sales contract in the event that the buyers default in payment, and put the underlying properties back to the market for re-sale. Therefore, the credit risk from sales of properties is limited.

Other receivables mainly comprise receivables from related parties, receivables from other investors of joint ventures and deposits made in the ordinary course of business. The Group closely monitors these other receivables to ensure actions are taken to recover these balances in the case of any risk of default.

3.1.3 Liquidity risk

Management of the Group aims to maintain sufficient cash through internally generated sales proceeds and an adequate amount of committed credit facilities to meet its operation needs and commitments in respect of property projects.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period as at 31 December 2016 and 2015 to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2016					
Borrowings, principal	10,058,712	8,117,667	8,636,825	106,250	26,919,454
Interest payments on borrowings	1,497,172	906,132	691,439	13,492	3,108,235
Trade and other payables	28,213,433	36,670	–	–	28,250,103
Dividends payable	124	–	–	–	124
Guarantees in respect of mortgaged facilities granted to purchasers of the Group's properties (Note 37)	11,664,440	465,894	–	–	12,130,334
	51,433,881	9,526,363	9,328,264	119,742	70,408,250
	51,433,881	9,526,363	9,328,264	119,742	70,408,250

	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2015					
Borrowings, principal	3,870,860	7,303,020	7,157,590	517,188	18,848,658
Interest payments on borrowings	1,226,562	999,917	766,562	59,603	3,052,644
Trade and other payables	19,645,278	–	–	–	19,645,278
Dividends payable	1,092	–	–	–	1,092
Guarantees in respect of mortgaged facilities granted to purchasers of the Group's properties (Note 37)	4,440,681	935,456	–	–	5,376,137
	<u>29,184,473</u>	<u>9,238,393</u>	<u>7,924,152</u>	<u>576,791</u>	<u>46,923,809</u>

Note: The interest on borrowings is calculated based on borrowings held as at 31 December 2016 and 2015, respectively, without taking into account future borrowings. Floating-rate interests are estimated using the current interest rate as at 31 December 2016 and 2015, respectively.

Due to dynamic nature of the underlying business, the management of the Group is closely monitoring the risk of the liquidity and takes the following actions to manage the liquidity risk:

- (i) prepares annual cash flow forecast and updates such forecast on a monthly basis to reflect the latest changes and monitor the liquidity risk closely;
- (ii) maintains strategic cooperation with major banks and other financial institutions to secure credit facilities where appropriate;
- (iii) continues to obtain longer term financing facilities, mainly issuance of senior notes, project bank loans with pledge of the Group's properties or other resources of funding which the Group considers appropriate;
- (iv) proactively promotes the sales of the Group's completed properties and pre-sales of properties under development. The Group also considers the flexibility of adjusting the price and volume on sale of properties for management of liquidity risk.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as total equity, as shown in the consolidated statement of financial position, plus net debt.

The gearing ratios of the Group at 31 December 2016 and 2015 were as follows:

	As at 31 December	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Total borrowings	27,211,867	18,980,464
Less: Cash and cash equivalents	<u>(11,905,339)</u>	<u>(6,478,861)</u>
Net debt	15,306,528	12,501,603
Total equity	<u>15,175,405</u>	<u>13,463,348</u>
Total capital	<u>30,481,933</u>	<u>25,964,951</u>
Gearing ratio	<u>50%</u>	<u>48%</u>

The increase in the gearing ratio as at 31 December 2016 resulted primarily from the increase in the balance of total borrowings.

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The available-for-sale financial assets of the Group are measured at fair value by Level 3.

The following table presents the Group's financial assets that are measured at fair value at 31 December 2016 and 2015 respectively. See Note 7 for disclosures of the investment properties that are measured at fair value.

	Level 1	Level 2	Level 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December 2016				
Derivative financial instruments	–	–	154,615	154,615
Available-for-sale financial assets	<u>–</u>	<u>–</u>	<u>434,891</u>	<u>434,891</u>
	<u>–</u>	<u>–</u>	<u>589,506</u>	<u>589,506</u>
At 31 December 2015				
Available-for-sale financial assets	<u>–</u>	<u>–</u>	<u>337,702</u>	<u>337,702</u>

The changes in Level 3 instruments for the years ended 31 December 2016 and 2015 are presented in Note 11 and Note 12.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The instrument is included in Level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

4.1 Development costs directly attributable to property development activities

The Group allocates portions of land and development costs to properties held and under development for sale. As certain of the Group's property development projects are developed and completed by phases, the budgeted development costs of the whole project are dependent on the estimate on the outcome of total development. Based on the experience and the nature of the development undertaken, the management makes estimates and assumptions concerning the future events that are believed to be reasonable under the circumstances. Given the uncertainties involved in the property development activities, the related actual results may be higher or lower than the amount estimated at the end of the reporting period. Any change in estimates and assumptions would affect the Group's operating performance in future years.

4.2 Provision for impairment of properties held or under development for sale

The management makes provision for impairment of properties held or under development for sale based on the estimate of the recoverable amount of the properties. Given the volatility of the property market in the PRC, the actual recoverable amount may be higher or lower than the estimate made as at the end of the reporting period. Any increase or decrease in the provision would affect the Group's operating performance in future years.

4.3 Land appreciation tax of the PRC

The Group is subject to land appreciation tax in the PRC. However, since the implementation and settlement of the tax varies among various tax jurisdictions in cities of the PRC, significant estimate is required in determining the amount of the land appreciation tax. The Group recognises the land appreciation tax based on management's best estimates according to its understanding of the interpretation of tax rules by various tax authorities. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense in the periods in which such taxes have been finalised with local tax authorities.

4.4 Current and deferred income tax

The Group is subject to corporate income tax in the PRC. Significant judgement is required in determining the provision for corporate income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that we initially recorded, such difference will impact the income tax expense in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

4.5 Fair value of investment properties

The fair value of investment properties is determined by using valuation techniques. Details of the judgement and assumptions have been disclosed in Note 7.

4.6 Classification of subsidiary, joint venture and associate

In the normal course of business, the Group develops properties together with other developers or institutions, through entering into co-operation agreements with these parties. The rights and obligations of the Group and the other parties are stipulated by respective co-operation agreements, article of associations of the project companies, etc. Because of the complexity of the arrangements, significant judgement is needed in determining whether the project company is subsidiary, joint venture or associate of the Group.

The Group makes judgement based on the substance of the arrangements and the definition of subsidiary, joint venture and associate as disclosed in Notes 2.2, 2.3 and 2.4.

4.7 Joint arrangements

The Group has certain joint arrangements where the relevant contracts stipulate unanimous consent for all relevant key activities.

The Group's joint arrangements are structured as limited liability companies and provide the Group and the parties to the agreements with rights to the net assets of the limited liability companies under the arrangements. Therefore, these arrangements are classified as joint ventures.

5 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker (the "CODM") that are used to make strategic decisions. The chairman, Mr. Wang has been identified as the CODM.

Following the restructure of certain businesses within the Group and Jiangsu Future Land Co., Ltd. (the "former B share company" or "Jiangsu Future Land") became wholly-owned by its parent Future Land Holdings Co., Ltd. through share swap during the second half of 2015, the previous presentation of segment information based on former B share company and Non-B share companies was no longer considered appropriate. Therefore new reporting segments have been adopted since the 2015 annual consolidated financial statements. The new reporting segments are as follows:

- Future Land Holdings Co., Ltd., a company listed on the Shanghai Stock Exchange (the "A share company" or "Future Land Holdings").
- Property management and other service companies not within the A share company (the "Non-A share companies").

The two new operating segments are consistent with the way in which information is reported internally to the Group's CODM for the purpose of resources allocation and performance assessment. No operating segments have been aggregated to form the above reportable segments.

The A share company is mainly engaged in development of residential properties and mixed-use complexes for sale and investment, while the Non-A share companies are mainly engaged in property management and other services including certain newly established businesses which are at state-up stage. Corporate expenses are also primarily included in the Non-A share companies segment. All the property development projects are in the PRC, and accordingly majority of the revenue of the Group are derived from the PRC and most of the assets are located in the PRC. In April 2016, the residential property management business included in the Non-A share companies segment was disposed to the Company's parent company, Wealth Zone Hong Kong (Note 40(b)).

The CODM assesses the performance of the operating segments based on a measure of revenue and profit before income tax. The measurement basis excludes the effects of income tax expense.

APPENDIX I

FINANCIAL INFORMATION ON THE COMPANY

	Year ended 31 December 2016				
	A share company RMB'000	Non-A share companies RMB'000	Total segment RMB'000	Elimination RMB'000	Total Group RMB'000
Segment revenue	<u>27,969,282</u>	<u>298,654</u>	<u>28,267,936</u>	<u>(35,842)</u>	<u>28,232,094</u>
Segment profit/(loss) before income tax expense	4,697,605	(436,310)	4,261,295	(125,927)	4,135,368
Fair value gains on investment properties	582,150	–	582,150	–	582,150
Finance income	144,769	222,841	367,610	(206,383)	161,227
Finance costs	(379,484)	(768,529)	(1,148,013)	206,383	(941,630)
Depreciation and amortisation	(160,392)	(65,198)	(225,590)	–	(225,590)
Share of results of associates	11,983	(10,487)	1,496	–	1,496
Share of results of joint ventures	<u>176,565</u>	<u>–</u>	<u>176,565</u>	<u>–</u>	<u>176,565</u>

A reconciliation to profit for the year is as follows:

Total segment profits before income tax expense after elimination					4,135,368
Income tax expense					<u>(1,668,208)</u>
Profit for the year					<u>2,467,160</u>

	As at 31 December 2016				
Segment assets	<u>103,170,607</u>	<u>4,722,231</u>	<u>107,892,838</u>	<u>(3,013,382)</u>	<u>104,879,456</u>
Segment assets include:					
Investments in associates	201,568	320,055	521,623	–	521,623
Investments in joint ventures	4,348,312	–	4,348,312	–	4,348,312
Additions to non-current assets (other than financial instruments and deferred tax assets)	<u>3,366,769</u>	<u>332,397</u>	<u>3,699,166</u>	<u>–</u>	<u>3,699,166</u>
Segment liabilities	<u>86,802,653</u>	<u>4,555,602</u>	<u>91,358,255</u>	<u>(1,654,204)</u>	<u>89,704,051</u>

APPENDIX I
FINANCIAL INFORMATION ON THE COMPANY

	Year ended 31 December 2015				
	A share company	Non-A share companies	Total segment	Elimination	Total Group
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Segment revenue	<u>23,568,793</u>	<u>376,231</u>	<u>23,945,024</u>	<u>(109,135)</u>	<u>23,835,889</u>
Segment profit/(loss) before income tax expense	3,925,413	(510,438)	3,414,975	(51,021)	3,363,954
Fair value gains on investment properties	815,106	–	815,106	–	815,106
Finance income	108,965	427,445	536,410	(400,277)	136,133
Finance costs	(210,722)	(840,262)	(1,050,984)	400,277	(650,707)
Depreciation and amortisation	(94,779)	(12,598)	(107,377)	–	(107,377)
Share of results of associates	123,269	(19,459)	103,810	–	103,810
Share of results of joint ventures	<u>(61,905)</u>	<u>–</u>	<u>(61,905)</u>	<u>–</u>	<u>(61,905)</u>

A reconciliation to profit for the year is as follows:

Total segment profits before income tax expense after elimination					3,363,954
Income tax expense					<u>(1,507,717)</u>
Profit for the year					<u>1,856,237</u>

As at 31 December 2015					
Segment assets	<u>67,802,116</u>	<u>8,346,038</u>	<u>76,148,154</u>	<u>(5,329,261)</u>	<u>70,818,893</u>
Segment assets include:					
Investments in associates	169,586	130,541	300,127	–	300,127
Investments in joint ventures	2,019,775	–	2,019,775	–	2,019,775
Additions to non-current assets (other than financial instruments and deferred tax assets)	<u>5,469,571</u>	<u>340,425</u>	<u>5,809,996</u>	<u>–</u>	<u>5,809,996</u>
Segment liabilities	<u>53,930,586</u>	<u>8,754,220</u>	<u>62,684,806</u>	<u>(5,329,261)</u>	<u>57,355,545</u>

6 PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Motor vehicles RMB'000	Furniture, fittings and equipment RMB'000	Construction in progress RMB'000	Leasehold improvements RMB'000	Total RMB'000
At 1 January 2016						
Cost	1,572,846	58,233	538,992	148,128	127,777	2,445,976
Accumulated depreciation	(34,917)	(18,683)	(67,610)	–	(63,353)	(184,563)
Net book value	<u>1,537,929</u>	<u>39,550</u>	<u>471,382</u>	<u>148,128</u>	<u>64,424</u>	<u>2,261,413</u>
Year ended 31 December 2016						
Opening net book amount	1,537,929	39,550	471,382	148,128	64,424	2,261,413
Acquisition of subsidiaries (Note 34)	–	–	160	–	–	160
Additions	36,302	12,398	126,113	155,995	75,837	406,645
Completion of construction in progress	–	–	229,240	(229,240)	–	–
Disposals (Note 35)	–	(3,605)	(1,667)	–	–	(5,272)
Cost adjustment	14,346	–	–	(12,177)	–	2,169
Disposal of subsidiaries (Note 40)	(3,370)	(118)	(4,762)	–	(250)	(8,500)
Depreciation charge (Note 28)	(64,548)	(6,526)	(102,339)	–	(40,201)	(213,614)
Closing net book amount	<u>1,520,659</u>	<u>41,699</u>	<u>718,127</u>	<u>62,706</u>	<u>99,810</u>	<u>2,443,001</u>
At 31 December 2016						
Cost	1,620,124	66,908	888,076	62,706	203,364	2,841,178
Accumulated depreciation	(99,465)	(25,209)	(169,949)	–	(103,554)	(398,177)
Net book value	<u>1,520,659</u>	<u>41,699</u>	<u>718,127</u>	<u>62,706</u>	<u>99,810</u>	<u>2,443,001</u>
At 1 January 2015						
Cost	499,095	44,532	228,361	–	58,496	830,484
Accumulated depreciation	(12,928)	(15,047)	(30,341)	–	(31,016)	(89,332)
Net book value	486,167	29,485	198,020	–	27,480	741,152
Year ended 31 December 2015						
Opening net book amount	486,167	29,485	198,020	–	27,480	741,152
Acquisition of subsidiaries (Note 34)	325,163	465	195,956	–	–	521,584
Additions	751,079	14,964	119,253	148,128	69,281	1,102,705
Disposals (Note 35)	–	(612)	(660)	–	–	(1,272)
Cost adjustment	(2,491)	–	–	–	–	(2,491)
Depreciation charge (Note 28)	(21,989)	(4,752)	(41,187)	–	(32,337)	(100,265)
Closing net book amount	<u>1,537,929</u>	<u>39,550</u>	<u>471,382</u>	<u>148,128</u>	<u>64,424</u>	<u>2,261,413</u>
At 31 December 2015						
Cost	1,572,846	58,233	538,992	148,128	127,777	2,445,976
Accumulated depreciation	(34,917)	(18,683)	(67,610)	–	(63,353)	(184,563)
Net book value	<u>1,537,929</u>	<u>39,550</u>	<u>471,382</u>	<u>148,128</u>	<u>64,424</u>	<u>2,261,413</u>

The Group's depreciation charges of RMB103,983,000 (2015: RMB50,816,000) have been included in cost of sales, RMB5,946,000 (2015: RMB6,830,000) in selling and marketing expenses and RMB103,685,000 (2015: RMB42,619,000) in administrative expenses.

Property, plant and equipment with a total carrying amount of RMB1,082,504,000 as at 31 December 2016 (2015: RMB642,805,000) were pledged as collateral for the Group's borrowings (Note 22).

APPENDIX I FINANCIAL INFORMATION ON THE COMPANY

7 INVESTMENT PROPERTIES

	Year ended 31 December	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Opening balance	10,854,000	5,936,000
Additions	3,320,918	4,024,025
Capitalised subsequent expenditure	(59,242)	–
Net gains from fair value adjustments	582,150	815,106
Disposal of a subsidiary (<i>Note 40</i>)	(1,191,000)	–
Transfer from properties held for sale	–	78,869
	13,506,826	10,854,000
Closing balance	13,506,826	10,854,000

Investment properties held by the Group are all commercial properties located in the PRC.

Borrowing costs capitalised in investment properties for the year ended 31 December 2016 were approximately RMB69,162,409 (2015: RMB67,468,419).

The capitalisation rate of borrowings was 6.44% for the year ended 31 December 2016 (2015: 5.47%).

Fair value hierarchy

Fair value of all of the Group's investment properties are measured at Level 3, with significant unobservable inputs.

There were no transfers between Level 1, 2 and 3 during the year.

Fair value measurements using significant unobservable inputs (Level 3)

	Completed	Under development	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2016	8,077,000	2,777,000	10,854,000
Additions	2,019	3,318,899	3,320,918
Completion of projects	2,804,158	(2,804,158)	–
Capitalised subsequent expenditure	(59,242)	–	(59,242)
Net gains from fair value adjustments	395,891	186,259	582,150
Disposal of a subsidiary (<i>Note 40</i>)	(1,191,000)	–	(1,191,000)
	10,028,826	3,478,000	13,506,826
At 31 December 2016	10,028,826	3,478,000	13,506,826
Total gains or losses for the year included in profit or loss for assets held at the end of the year, under 'Fair value gains on investment properties'	395,891	186,259	582,150
Change in unrealised gains or losses for the year included in profit or loss for assets held at the end of the year	310,353	186,259	496,612
	310,353	186,259	496,612

	Completed <i>RMB'000</i>	Under development <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2015	4,361,000	1,575,000	5,936,000
Additions	934,347	3,089,678	4,024,025
Completion of projects	2,396,419	(2,396,419)	–
Net gains from fair value adjustments	306,365	508,741	815,106
Transfer from properties held for sale	78,869	–	78,869
	<u>8,077,000</u>	<u>2,777,000</u>	<u>10,854,000</u>
At 31 December 2015	<u>8,077,000</u>	<u>2,777,000</u>	<u>10,854,000</u>
Total gains or losses for the year included in profit or loss for assets held at the end of the year, under 'Fair value gains on investment properties'	<u>306,365</u>	<u>508,741</u>	<u>815,106</u>
Change in unrealised gains or losses for the year included in profit or loss for assets held at the end of the year	<u>306,365</u>	<u>508,741</u>	<u>815,106</u>

Valuation processes of the Group

All investment properties were revalued as at 31 December 2016 and 2015 by DTZ Debenham Tie Leung Limited, the independent professional qualified valuer.

The Group's finance team will review the valuation performed by the independent valuers, including:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation report;
- holds discussions with independent valuers.

Valuation techniques

For investment properties under construction, the Group adopted investment approach, and have taken into account the expended construction costs and the costs that will be expended to complete the development to reflect the quality of the completed development on the basis that the properties will be developed and completed in accordance with the Group's latest development plan. For completed investment properties, valuations were based on investment approach by capitalisation of the net rental income derived from the existing tenancy agreements with due allowance for reversionary income potential of the properties and by reference to comparable price in an active market.

There were no changes to the valuation techniques during the year.

Information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value at 31 December 2016 (RMB'000)	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Completed commercial property	10,028,826 (2015: 8,077,000)	Investment approach	Term yield	Term yield of 4.0%-6.0% (2015: 4.0%-5.5%), taking into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received.	The higher the term yield, the lower the fair value
			Reversionary yield	Reversionary yield of 4.5%-6.0% (2015: 5.5%-6.5%), taking into account annual unit market rental income and unit market value of the comparable properties.	The higher the reversionary yield, the lower the fair value
			Market unit rent of individual unit	RMB32 – RMB359 (2015: RMB32 – RMB352) per square metre per month	The higher the market unit rent, the higher the fair value
Commercial property under development	3,478,000 (2015: 2,777,000)	Investment approach with estimated costs to complete	Reversionary yield	Reversionary yield of 6.0%-6.5% (2015: 6.5%), taking into account annual unit market rental income and unit market value of the comparable properties.	The higher the reversionary yield, the lower the fair value
			Market unit rent of individual unit	RMB18 – RMB176 (2015: RMB23 – RMB190) per square metre per month	The higher the market unit rent, the higher the fair value
			Market unit rent of individual unit	RMB74,297,000 – RMB505,111,000 (2015: RMB203,435,000 – RMB394,538,000)	The higher the estimated construction costs, the lower the fair value
			Estimated profit margin required to hold and develop property to completion	10% – 30% (2015: 13% – 25%) of property value	The higher the profit margin required, the lower the fair value

The rental rates were estimated depending on the actual location, type and quality of the properties, and taking into account market data and projections at the valuation date. The Group considers the market data when estimating the yield rate. Construction costs incurred are based on the actual costs incurred as reflected in the accounting records, while the construction costs to incur are based on the most updated budget for the construction of the properties.

APPENDIX I**FINANCIAL INFORMATION ON THE COMPANY**

Were the rental rate, yield rate, the construction costs to incur and the profit margin required assumed to increase or decrease by 10% from management's estimate, the carrying amount of investment properties as at 31 December 2016 and 2015 would have changed as follows:

	As at 31 December	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Investment properties increase/(decrease)		
– rental rate 10 percent higher	1,258,656	1,163,503
– rental rate 10 percent lower	(1,274,039)	(1,172,985)
	<u> </u>	<u> </u>
Investment properties increase/(decrease)		
– yield rate used 10 percent higher	(1,046,057)	(913,371)
– yield rate used 10 percent lower	1,170,791	1,005,035
	<u> </u>	<u> </u>
Investment properties increase/(decrease)		
– construction costs to incur 10 percent higher	(237,915)	(222,727)
– construction costs to incur 10 percent lower	238,320	235,442
	<u> </u>	<u> </u>
Investment properties increase/(decrease)		
– profit margin required 10 percent higher	(83,506)	(62,282)
– profit margin required 10 percent lower	86,594	76,588
	<u> </u>	<u> </u>

For completed properties, valuations were based on either capitalisation of net rental income derived from the existing tenancies with allowance for the reversionary income potential of the properties or on direct comparison approach assuming sale of each of these properties in its existing state with the benefit of vacant possession by making reference to comparable sales transactions as available in the relevant market. The following rental income from completed investment properties has been recognised in the consolidated statement of income:

	Year ended 31 December	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Rental income	230,017	153,172
	<u> </u>	<u> </u>

Investment properties with a total carrying amount of RMB2,532,712,000 as at 31 December 2016 (2015: RMB2,534,031,000) were pledged as collateral for the Group's borrowings (Note 22).

8 INTANGIBLE ASSETS

	Trademarks	Computer software	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2016			
Cost	800	55,078	55,878
Accumulated amortisation	(800)	(18,768)	(19,568)
	<u> </u>	<u> </u>	<u> </u>
Net book amount	–	36,310	36,310
	<u> </u>	<u> </u>	<u> </u>

	Trademarks <i>RMB'000</i>	Computer software <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2016			
Opening net book amount	–	36,310	36,310
Additions	–	30,685	30,685
Disposals	–	(14,951)	(14,951)
Disposal of a subsidiary (<i>Note 40</i>)	–	(2,844)	(2,844)
Amortisation charge (<i>Note 28</i>)	–	(11,976)	(11,976)
	<u>–</u>	<u>37,224</u>	<u>37,224</u>
Closing net book amount	<u>–</u>	<u>37,224</u>	<u>37,224</u>
At 31 December 2016			
Cost	800	67,968	68,768
Accumulated amortisation	(800)	(30,744)	(31,544)
	<u>–</u>	<u>37,224</u>	<u>37,224</u>
Net book amount	<u>–</u>	<u>37,224</u>	<u>37,224</u>
At 1 January 2015			
Cost	800	29,230	30,030
Accumulated amortisation	(800)	(11,656)	(12,456)
	<u>–</u>	<u>17,574</u>	<u>17,574</u>
Net book amount	<u>–</u>	<u>17,574</u>	<u>17,574</u>
Year ended 31 December 2015			
Opening net book amount	–	17,574	17,574
Acquisition of subsidiaries (<i>Note 34</i>)	–	1	1
Additions	–	25,847	25,847
Amortisation charge (<i>Note 28</i>)	–	(7,112)	(7,112)
	<u>–</u>	<u>36,310</u>	<u>36,310</u>
Closing net book amount	<u>–</u>	<u>36,310</u>	<u>36,310</u>
At 31 December 2015			
Cost	800	55,078	55,878
Accumulated amortisation	(800)	(18,768)	(19,568)
	<u>–</u>	<u>36,310</u>	<u>36,310</u>
Net book amount	<u>–</u>	<u>36,310</u>	<u>36,310</u>

The Group's amortisation charges of intangible assets have all been included in administrative expenses for the years ended 31 December 2016 and 2015.

9 INVESTMENTS IN ASSOCIATES

	Year ended 31 December	
	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Opening balance	300,127	146,317
Additions	220,000	50,000
Share of results	1,496	103,810
	<u>521,623</u>	<u>300,127</u>
Ending balance	<u>521,623</u>	<u>300,127</u>

Nature of investments in associates as at 31 December 2016 and 2015

Name of entity	Place of business/ country of incorporation	% of ownership interest as at 31 December		Measurement method
		2016	2015	
Shanghai Lan Tian Business Development Property Co., Ltd. ("Shanghai Lan Tian")	Shanghai, PRC	25%	25%	Equity
Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd. ("Shanghai Wan Zhi Cheng") (a)	Shanghai, PRC	50%	50%	Equity
Atlantic Modular System Ltd. ("AMS") (b)	Zhenjiang Jiangsu, PRC	28%	26%	Equity
Jiangsu Minying Investment Holdings Co., Ltd. ("Jiangsu Minying Investment") (c)	Wuxi Jiangsu, PRC	11.63%	–	Equity
Shanghai Limo Network Technology Co., Ltd ("Shanghai Limo") (d)	Shanghai, PRC	10%	–	Equity
Suzhou Golden Century Real Estate Co., Ltd. ("Suzhou Golden Century") (e)	Suzhou Jiangsu, PRC	50%	–	Equity
Shanghai Shifeng Culture Development Co., Ltd.	Shanghai, PRC	20%	–	Equity
Shanghai Rensu Digital Technology Co., Ltd.	Shanghai, PRC	20%	–	Equity

- (a) Shanghai Wan Zhi Cheng was established on 29 March 2011. The Group owns 50% of equity interest in this company.

The Group accounts for its investment in Shanghai Wan Zhi Cheng as an associate although the Group holds 50% of equity interest. According to the contract with the other 50% equity interest holder of Shanghai Wan Zhi Cheng, the other investor controls Shanghai Wan Zhi Cheng with majority seats on the board of directors and other contractual rights. The Group, however, has significant influence over Shanghai Wan Zhi Cheng.

- (b) The Group acquired 22% interest of AMS in December 2014 at a consideration of RMB100,000,000. The Group further injected a capital of RMB50,000,000 in June 2015, thereby further increasing equity interest from 22% to 26%. The equity interest was further increased to 28% in 2016.
- (c) The Group committed a total capital of RMB1,000,000,000 to Jiangsu Minying Investment, accounting for 11.63% of the total capital of Jiangsu Minying Investment. As of 31 December 2016, RMB200,000,000 had been contributed.

The Group accounts for its investment in Jiangsu Minying Investment as an associate although the Group holds only 11.63% of the equity interest. According to the investment agreement and articles of association, the Group can nominate one director out of the total 7 directors, and hence has significant influence over Jiangsu Minying Investment.

- (d) The Group acquired 10% interest of Shanghai Limo in June 2016 at a consideration of RMB4,000,000, which had been paid as of 31 December 2016.

The Group accounts for its investment in Shanghai Limo as an associate although the Group holds only 10% of the equity interest. According to the investment agreement and articles of association, the Group has one seat on the board of directors consisting of 3 directors, and has a significant influence over Shanghai Limo.

- (e) The Group disposed 50% of equity interest in Suzhou Golden Century to the other investor on 26 November 2016 and retained the remaining 50% equity interest.

The Group accounts for its remaining investment in Suzhou Golden Century as an associate although the Group holds 50% of equity interest. According to the contract with the other 50% equity interest holder of Suzhou Golden Century, the other investor controls Suzhou Golden Century with majority seats on the board of directors and other contractual rights. The Group, however, has significant influence over Suzhou Golden Century.

All of the Group's associates are private companies and there are no quoted market prices available for such equity interests.

The Group's commitments to its investments in associates are presented in Note 36(d). There are no contingent liabilities relating to the Group's interests in associates.

Summarised financial information for material associates

Set out below are the summarised financial information for associates which are accounted for using the equity method.

Summarised statement of financial position for material associates

	Jiangsu Minying Investment		Shanghai Wan Zhi Cheng		AMS	
	As at 31 December		As at 31 December		As at 31 December	
	2016	2015	2016	2015	2016	2015
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current						
Assets	332,870	–	460,150	548,433	98,634	108,664
Liabilities	(236,936)	–	(117,676)	(229,557)	(246,111)	(226,919)
Total current net assets/ (liabilities)	95,934	–	342,474	318,876	(147,477)	(118,255)
Non-current						
Assets	1,689,689	–	662	294	196,348	204,111
Liabilities	–	–	–	–	–	–
Total non-current net assets/(liabilities)	1,689,689	–	662	294	196,348	204,111
Net assets	1,785,623	–	343,136	319,170	48,871	85,856

Summarised statement of comprehensive income for material associates

	Jiangsu Mingying Investment		Shanghai Wan Zhi Cheng		AMS	
	Year ended 31 December		Year ended 31 December		Year ended 31 December	
	2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000
Revenue	1,682	–	35,050	1,505,796	167,134	129,563
Profit/(loss) before income tax	87,485	–	31,962	328,742	(36,985)	(71,667)
Income tax (expense)/credit	(21,862)	–	(7,996)	(82,205)	–	–
Post-tax profit/(loss)	<u>65,623</u>	<u>–</u>	<u>23,966</u>	<u>246,537</u>	<u>(36,985)</u>	<u>(71,667)</u>
Other comprehensive income	–	–	–	–	–	–
Total comprehensive income/(loss)	<u>65,623</u>	<u>–</u>	<u>23,966</u>	<u>246,537</u>	<u>(36,985)</u>	<u>(71,667)</u>
Dividends received from associates	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

The information above reflects the amounts presented in the financial statements of the associates, adjusted for differences in accounting policies between the Group and the associates, and not the Group's share of those amounts.

Reconciliation of summarised financial information for material associates

Reconciliation of the summarised financial information presented to the carrying amounts of the Group's interests in associates.

	Jiangsu Mingying Investment		Shanghai Wan Zhi Cheng		AMS	
	Year ended 31 December		Year ended 31 December		Year ended 31 December	
	2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000
Opening net assets	–	–	319,170	72,633	85,856	107,523
Profit/(loss) for the year	65,623	–	23,966	246,537	(36,985)	(71,667)
Other comprehensive income	–	–	–	–	–	–
Capital (reduction)/ injection	1,720,000	–	–	–	–	50,000
Closing net assets	<u>1,785,623</u>	<u>–</u>	<u>343,136</u>	<u>319,170</u>	<u>48,871</u>	<u>85,856</u>
Interests in associates	<u>207,668</u>	<u>–</u>	<u>171,568</u>	<u>159,585</u>	<u>12,760</u>	<u>22,417</u>
Goodwill and adjustments	<u>(7,668)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>107,295</u>	<u>108,125</u>
Carrying value	<u>200,000</u>	<u>–</u>	<u>171,568</u>	<u>159,585</u>	<u>120,055</u>	<u>130,542</u>

10 INVESTMENTS IN JOINT VENTURES

	Year ended 31 December	
	2016	2015
	RMB'000	RMB'000
Opening balance	2,019,775	861,055
Additions	2,886,148	1,220,625
Capital deduction from a joint venture	(700)	–
Share of results	176,565	(61,905)
Change of a joint venture to subsidiary	(733,476)	–
	<u>4,348,312</u>	<u>2,019,775</u>
Ending balance	<u>4,348,312</u>	<u>2,019,775</u>

Nature of investments in joint ventures as at 31 December 2016 and 2015

Name of entity	Place of business/ country of incorporation	% of ownership interest as at 31 December		Measurement method
		2016	2015	
Shanghai Xincheng Xudi Real Estate Co., Ltd. (“Shanghai Xudi”)	Shanghai, PRC	50%	50%	Equity
Suzhou Future Land Wanrui Real Estate Co., Ltd. (“Suzhou Wanrui”) (a)	Suzhou Jiangsu, PRC	68%	68%	Equity
Nanjing Future Land Wanlong Real Estate Co., Ltd. (“Nanjing Wanlong”) (a) \ (f)	Nanjing Jiangsu, PRC	–	70%	Equity
Qingdao Zhuoyue Future Land Property Co., Ltd. (“Qingdao Zhuoyue”)	Qingdao Shangdong, PRC	50%	50%	Equity
Shanghai Henggu Real Estate Co., Ltd. (“Shanghai Henggu”) (a)	Shanghai, PRC	28%	28%	Equity
Shanghai Songming Real Estate Development Co., Ltd. (“Shanghai Songming”) (a)	Shanghai, PRC	16%	16%	Equity
Kunshan Derui Real Estate Co., Ltd. (“Kunshan Derui”) (a)	Kunshan Jiangsu, PRC	40%	40%	Equity
Changshu Zhongzhi Real Estate Co., Ltd. (“Changshu Zhongzhi”) (a)	Changshu Jiangsu, PRC	65%	65%	Equity
Changshu Wan Zhong Cheng Real Estate Co., Ltd. (“Changshu Wan Zhong Cheng”) (a)	Changshu Jiangsu, PRC	10%	10%	Equity
Nanjing Future Land Guanghong Real Estate Co., Ltd. (“Nanjing Guanghong”) (a) \ (b)	Nanjing Jiangsu, PRC	31%	69%	Equity
Suzhou Chenghong Real Estate Development Co., Ltd. (“Suzhou Chenghong”)	Suzhou Jiangsu, PRC	50%	50%	Equity
Shanghai Quankun Investment Co., Ltd. (“Shanghai Quankun”)	Shanghai, PRC	50%	50%	Equity
Shanghai Xinyao Investment Co., Ltd. (“Shanghai Xinyao”)	Shanghai, PRC	50%	50%	Equity
Chengdu Future Land Wanbo Real Estate Development Co., Ltd. (“Chengdu Wanbo”) (a) \ (c)	Chengdu Sichuan, PRC	11%	11%	Equity

Name of entity	Place of business/ country of incorporation	% of ownership interest as at 31 December		Measurement method
		2016	2015	
Taizhou Future Land Wanbo Real Estate Development Co., Ltd. (“Taizhou Wanbo”) (a)	Taizhou Zhejiang, PRC	40%	40%	Equity
Yiwu Injoy Real Estate Development Co., Ltd. (“Yiwu Injoy”)	Yiwu Zhejiang, PRC	50%	50%	Equity
Suzhou Shengming Real Estate Co., Ltd. (“Suzhou Shengming”)	Suzhou Jiangsu, PRC	50%	–	Equity
Nanjing Future Land Chuangjin Real Estate Co., Ltd. (“Nanjing Chuangjin”) (a) \ (d)	Nanjing Jiangsu, PRC	70%	–	Equity
Hangzhou Jiahao Real Estate Development Co., Ltd. (“Hangzhou Jiahao”) (a) \ (h)	Hangzhou Zhejiang, PRC	65%	–	Equity
Shanghai Jiapeng Real Estate Development Co., Ltd. (“Shanghai Jiapeng”) (a) \ (e)	Shanghai, PRC	51%	–	Equity
Tianjin Future Land Injoy Real Estate Development Co., Ltd. (“Tianjin Injoy”) (a) \ (g)	Tianjin, PRC	70%	–	Equity
Suzhou Baixiang Property Co., Ltd. (“Suzhou Baixiang”) (a)	Suzhou Jiangsu, PRC	30%	–	Equity
Shanghai Ruitao Real Estate Development Co., Ltd. (“Shanghai Ruitao”) (a)	Shanghai, PRC	30%	–	Equity
Hangzhou Wanzhao Real Estate Co., Ltd. (“Hangzhou Wanzhao”) (a)	Hangzhou Zhejiang, PRC	34%	–	Equity
Suzhou Jiazhong Real Estate Development Co., Ltd. (“Suzhou Jiazhong”) (a)	Suzhou Jiangsu, PRC	35%	–	Equity
Shanghai Jiayu Real Estate Co., Ltd. (“Shanghai Jiayu”) (a)	Shanghai, PRC	51%	–	Equity
Nanjing Minghongxin Real Estate Development Co., Ltd. (“Nanjing Minghongxin”) (a)	Nanjing Jiangsu, PRC	30%	–	Equity
Nanjing Xinbaohong Real Estate Co., Ltd. (“Nanjing Xinbaohong”) (a)	Nanjing Jiangsu, PRC	34%	–	Equity
Hangzhou Future Land Songjun Real Estate Development Co., Ltd. (“Hangzhou Songjun”) (a)	Hangzhou Zhejiang, PRC	35%	–	Equity
Hangzhou Bintong Real Estate Development Co., Ltd. (“Hangzhou Bintong”) (a)	Hangzhou Zhejiang, PRC	25%	–	Equity
Yongqing Yintai Future Land Construction and Development Co., Ltd. (“Yongqing Yintai”) (a)	Langfang Hebei, PRC	70%	–	Equity
Tianjin Future Land Baojun Real Estate Development Co., Ltd. (“Tianjin Baojun”)	Tianjin, PRC	50%	–	Equity
Shanghai Xiyue Real Estate Development Co., Ltd. (“Shanghai Xiyue”) (a)	Shanghai, PRC	14%	–	Equity

Name of entity	Place of business/ country of incorporation	% of ownership interest as at 31 December		Measurement method
		2016	2015	
Wuhan Qingneng Xinrong Property Co., Ltd. (“Wuhan Qingneng”) (a)	Wuhan Hubei, PRC	28%	–	Equity
Nanjing Huilong Real Estate Co., Ltd. (“Nanjing Huilong”) (a)	Nanjing Jiangsu, PRC	34%	–	Equity
Yangzhou Future Land Yuesheng Real Estate Development Co., Ltd. (“Yangzhou Yuesheng”) (a)	Yangzhou Jiangsu, PRC	80%	–	Equity
Suzhou Yusheng Real Estate Development Co., Ltd. (“Suzhou Yusheng”) (a)	Suzhou Jiangsu, PRC	65%	–	Equity

- (a) The Group accounts for its investments in these companies as joint ventures although the Group holds more or less than 50% of equity interest. According to the investment agreements and articles of associations, the Group and the other investors will jointly control the project development and sales of properties as well as other key relevant activities of these companies.
- (b) The Group reduced its investment in Nanjing Guanghong by RMB700,000 in June 2016, with interest decreased from 69% to 31%.
- (c) The Group accounts for its investment in Chengdu Wanbo as a joint venture although the Group holds 11% of equity interest. According to the investment agreement and articles of association, the Group holds 49% of dividend rights and will jointly control the project development and sales of properties as well as other key relevant activities of Chengdu Wanbo with the other investors.
- (d) Nanjing Chuangjin was established in November 2015 as a subsidiary. The Group’s interest in Nanjing Chuangjin decreased to 70.15% after a RMB200,000,000 capital injection from another investor in June 2016.
- (e) Shanghai Jiapeng was acquired in March 2016. The Group owns 51% of equity interest in this company. According to the investment agreement, the Group may at its option exit the joint venture, as certain conditions are met, at the market price.

The early exit option is regarded as embedded derivative not closely related to the host contract. The board of directors is of the view that the fair values of the above early exit option were insignificant on initial recognition and as at 31 December 2016.

- (f) The Group accounts for its investment in Nanjing Wanlong as a joint venture since 2014. The Group’s interest in Nanjing Wanlong increased to 100% after a RMB300,000,000 capital reduction from another investor in July 2016.
- (g) The Group accounts for its investment in Tianjin Injoy as a joint venture. According to the investment agreement and articles of association, the Group holds 70% of equity interest, but is entitled to 90% of the profit distribution.
- (h) On 29 February 2016, the Group acquired 65% equity interests in Hangzhou Jiahao. The Group accounts for its investment in Hangzhou Jiahao as a joint venture. Based on the valuation as of the acquisition date, the total identifiable net assets of Hangzhou Jiahao is similar to the consideration paid. As such, no goodwill was recognised.

All of the Group’s joint ventures are private companies and there are no quoted market prices available for such equity interests.

The commitments relating to the Group’s interests in joint ventures are presented in Note 36(d). There are no contingent liabilities relating to the Group’s interests in the joint ventures.

Summarised financial information for material joint ventures

Set out below are the summarised financial information for material joint ventures which are accounted for using the equity method.

APPENDIX I

FINANCIAL INFORMATION ON THE COMPANY

Summarised statement of financial position for material joint ventures

	Shanghai Xudi		Suzhou Wanrui		Changshu Zhongzhi		Taizhou Wanbo		Suzhou	Suzhou	Nanjing	Tianjin	Yangzhou
	As at 31 December		As at 31 December		As at 31 December		As at 31 December		Shengming	Yusheng	Chuangjin	Injoy	Yuesheng
	2016	2015	2016	2015	2016	2015	2016	2015	As at 31 December	As at 31 December	As at 31 December	As at 31 December	As at 31 December
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current													
Assets	511,882	1,202,546	2,008,145	1,979,754	2,136,330	1,290,008	3,176,656	2,008,096	3,258,149	10,802,294	2,647,629	2,407,619	876,610
Liabilities	(201,889)	(491,057)	(1,188,715)	(1,230,162)	(1,518,812)	(43,848)	(1,646,558)	(822,275)	(2,070,047)	(3,853,691)	(46,360)	(3,053)	(495,256)
Total current net assets	309,993	711,489	819,430	749,592	617,518	1,246,160	1,530,098	1,185,821	1,188,102	6,948,603	2,601,269	2,404,566	381,354
Non-current													
Assets	79	107	144	9,205	3,879	1,031	7,381	3,893	2	408	4,523	24,790	13,794
Liabilities	-	(550,000)	(239,500)	(490,000)	(200,000)	(800,000)	(611,616)	(200,000)	(350,000)	(6,350,000)	(1,950,000)	(1,824,592)	(2,149)
Total non-current net assets/(liabilities)	79	(549,893)	(239,356)	(480,795)	(196,121)	(798,969)	(604,235)	(196,107)	(349,998)	(6,349,592)	(1,945,477)	(1,799,802)	11,645
Net assets	310,072	161,596	580,074	268,797	421,397	447,191	925,863	989,714	838,104	599,011	655,792	604,764	392,999
	Shanghai Xudi		Suzhou Wanrui		Changshu Zhongzhi		Taizhou Wanbo		Suzhou	Suzhou	Nanjing	Tianjin	Yangzhou
	Year ended 31 December		Year ended 31 December		Year ended 31 December		Year ended 31 December		Shengming	Yusheng	Chuangjin	Injoy	Yuesheng
	2016	2015	2016	2015	2016	2015	2016	2015	Year ended 31 December	Year ended 31 December	Year ended 31 December	Year ended 31 December	Year ended 31 December
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	1,240,489	756,291	1,456,910	-	-	-	-	-	-	-	-	-	-
Profit/(loss) before income tax	213,662	62,719	414,677	(36,683)	(34,258)	(3,725)	(84,021)	(13,198)	(69,204)	(1,309)	(17,916)	1,679	(11,483)
Income tax (expense)/credit	(65,186)	(13,865)	(103,400)	8,990	8,464	916	20,170	2,912	14,070	320	4,466	3,084	4,483
Post-tax profit/(loss)	148,476	48,854	311,277	(27,693)	(25,794)	(2,809)	(63,851)	(10,286)	(55,134)	(989)	(13,450)	4,763	(7,000)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	148,476	48,854	311,277	(27,693)	(25,794)	(2,809)	(63,851)	(10,286)	(55,134)	(989)	(13,450)	4,763	(7,000)
Dividends received from joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-

APPENDIX I
FINANCIAL INFORMATION ON THE COMPANY

The information above reflects the amounts presented in the financial statements of the joint ventures, adjusted for differences in accounting policies between the Group and the joint ventures, and not the Group's share of those amounts.

Reconciliation of the summarised financial information presented to the carrying amounts of the Group's interests in joint ventures.

	Shanghai Xudi		Suzhou Wanrui		Changshu Zhongzhi		Taizhou Wanbo		Suzhou	Suzhou	Nanjing	Tianjin	Yangzhou
	Year ended		Year ended		Year ended		Year ended		Shengming	Yusheng	Chuangjin	Injoy	Yuesheng
	2016	2015	2016	2015	2016	2015	2016	2015	Year ended 31 December 2016	Year ended 31 December 2016	Year ended 31 December 2016	Year ended 31 December 2016	Year ended 31 December 2016
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Opening net assets	161,596	112,742	268,797	155,865	447,191	-	989,714	-	-	-	(758)	-	-
Profit/(Loss) for the year	148,476	48,854	311,277	(27,693)	(25,794)	(2,809)	(63,851)	(10,286)	(55,134)	(989)	(13,450)	4,763	(7,000)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital injection	-	-	-	140,625	-	450,000	-	1,000,000	893,238	600,000	670,000	600,000	400,000
Closing net assets	310,072	161,596	580,074	268,797	421,397	447,191	925,863	989,714	838,104	599,011	655,792	604,763	393,000
Interests in joint ventures	155,036	80,798	394,451	182,782	273,908	290,674	370,345	395,886	427,433	389,357	459,055	424,287	393,000
Carrying value	152,956	78,718	394,451	182,782	272,794	290,674	371,925	394,845	427,433	389,357	460,585	424,287	394,400

11 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	As at 31 December	
	2016	2015
	RMB'000	RMB'000
Opening balance	337,702	287,385
Acquisition of subsidiaries (Note 34)	-	1,100
Acquisitions	100,909	75,961
Disposal of a subsidiary (Note 40)	(300)	-
Capital reduction	(3,420)	(13,744)
Net loss from fair value adjustment	-	(13,000)
Ending balance	434,891	337,702
Less: Non-current portion	(434,891)	(337,702)
Current portion	-	-

Available-for-sale financial assets include the following:

	As at 31 December	
	2016	2015
	RMB'000	RMB'000
Unlisted securities:		
- Equity securities - PRC	293,065	233,985
- Equity securities - US	141,826	103,717
	434,891	337,702

The fair value of the unlisted securities is based on valuation techniques. The fair value is within Level 3 of the fair value hierarchy (see Note 3.3).

12 DERIVATIVE FINANCIAL INSTRUMENTS

	Year ended 31 December	
	2016	2015
	RMB'000	RMB'000
Call Option (Note 24(d))	154,615	–
Less: Non-current portion	(154,615)	–
	<u> </u>	<u> </u>
Current portion	<u> </u>	<u> </u>

13 LAND USE RIGHTS

The balance represents mainly land use rights to be used for development of properties for sale in the future upon obtaining the necessary approval to re-zone the site for commercial use, land use rights for an operational hotel and land use rights for an operational hospital/nursing house. As at 31 December 2016, land use rights with a total carrying amount of RMB287,148,000 (2015: RMB287,148,000) were pledged as collateral for the Group's borrowings (Note 22).

The amortisation charges of RMB1,554,000 (2015: RMB924,000) have been included in cost of sales.

14 PREPAYMENTS FOR LEASEHOLD LAND

The Group made prepayments of RMB7,350,293,000 for the acquisition of leasehold land as at 31 December 2016 (2015: RMB6,799,095,000).

15 PROPERTIES HELD OR UNDER DEVELOPMENT FOR SALE

	As at 31 December	
	2016	2015
	RMB'000	RMB'000
Leasehold land to be developed	4,287,166	856,948
Properties under development for sale	29,874,746	25,922,795
Properties held for sale	<u>5,637,082</u>	<u>6,585,525</u>
	39,798,994	33,365,268
Less: Provision for impairment loss	<u>(293,532)</u>	<u>(625,370)</u>
	<u>39,505,462</u>	<u>32,739,898</u>

The properties held or under development for sale are all located in the PRC.

Borrowing costs capitalised in properties under development for sale and held for sale for the year ended 31 December 2016 were approximately RMB931,713,000 (2015: RMB958,248,000).

The capitalisation rate of borrowings was 6.39% for the year ended 31 December 2016 (2015: 8.27%).

As at 31 December 2016 and 2015, the Group's following properties under development for sale and properties held for sale were pledged as collateral for the Group's borrowings (Note 22).

	As at 31 December	
	2016	2015
	RMB'000	RMB'000
Carrying value pledged:		
Properties under development for sale	11,152,935	6,956,417
Properties held for sale	–	228,101
	<u>11,152,935</u>	<u>7,184,518</u>

For the year ended 31 December 2016, the cost of properties held for sale recognised as expense and included in cost of sales amounted to RMB20,043,908,000 (2015: RMB17,227,055,000), accompanying by a reversal of provision for impairment of RMB331,838,000 (2015: reversal of RMB206,273,000) credited to cost of sales.

As at 31 December 2016, properties under development for sale with a total carrying amount of RMB11,659,191,000 (2015: RMB10,657,299,000) were related to property projects which were not scheduled to complete within one year although pre-sales of some of these properties may occur. All the leasehold land to be developed were not scheduled to complete within one year. The other balances in properties held or under development for sale were expected to be recovered within one year.

16 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2016	2015
	RMB'000	RMB'000
Trade receivables	36,665	13,231
Notes receivable	5,000	17,570
	<u>41,665</u>	<u>30,801</u>
Total trade receivables	41,665	30,801
Less: Provision for impairment of receivables	–	–
	<u>41,665</u>	<u>30,801</u>
Trade receivables – net	41,665	30,801
Receivables from related parties (<i>Note 38</i>)	11,012,401	2,566,717
Receivable from a non-controlling shareholder of a subsidiary	63,388	63,388
Receivables from other investors of joint ventures (a)	1,184,156	242,987
Amounts paid on behalf of third parties	149,119	103,305
Prepaid business tax and surcharges (b)	539,534	882,437
Prepaid value-added tax (c)	741,124	–
Prepaid income tax and land appreciation tax (d)	1,377,042	622,174
Prepaid property management fees	23,423	33,268
Prepayments for construction costs	192,428	102,772
Prepayments for investments in joint ventures (e)	1,010,235	–
Prepayments for equipment (*)	173,100	49,674
Tender deposits (f)	1,147,138	1,302,280
Deposits with public housing fund centres (g)	228,546	215,067
Deposits for property maintenance (h)	163,696	119,793
Deposits for acquisition of subsidiaries (i)	2,999,027	30,000
Other deposits	335,197	163,822
Others	200,871	168,172
	<u>21,582,090</u>	<u>6,696,657</u>
Less: Non-current portion of other receivables and prepayments (e, *, g)	(1,347,031)	(169,467)
	<u>20,235,059</u>	<u>6,527,190</u>

Trade receivables are mainly arisen from sales of properties, leases of investment properties and certain newly established businesses which are at start-up stage. Proceeds in respect of properties sold are normally received within three months after signing of related sales and purchase agreements, and rentals in respect of leased properties are generally received in advance. Customers of newly established businesses are generally granted a credit term of 30 days to 90 days.

- (a) The receivables from other investors of joint ventures are unsecured, non-interest bearing and have no fixed repayment terms.
- (b) Prior to 1 May 2016, the Group's sale of properties are subject to business tax, which is levied at 5% when the Group receives advances from customers. Such payment of taxes, together with the relevant surcharges are recorded as prepaid business tax and surcharges before the relevant revenue is recognised.
- (c) Effective from 1 May 2016, the Group's sale of properties are subject to value-added tax ("VAT"). Under general VAT method, the Group is subject to 11% VAT on value-added amount. Qualified old construction projects, which are those with construction commenced on or before 30 April 2016, however, has an alternative to elect a simplified VAT method, which is 5% on sales with no deduction of input VAT. The Group prepays VAT at 3% or 5% when receiving advances from customers and during the 8 months up to 31 December 2016, such payment is recorded as prepaid VAT before the relevant revenue is recognised.
- (d) Land appreciation tax is provisionally levied based on rates required by the local tax bureaus when the Group receives advances from customers, which are recorded as prepayments before the relevant revenue is recognised. In addition, a deemed profit of 5% to 15% of advances received from the customers is added to the accounting income when calculating taxable income and the prepaid income tax is similarly recorded as prepayments.
- (e) This balance represents amounts, mainly for acquisition of land use rights, paid on behalf of the joint ventures to be established.
- (f) This balance represents the tender deposits for bidding of land use rights, which will be subsequently received or transferred to prepayments for leasehold land.
- (g) This balance represents the deposits paid to public housing fund centres to secure the housing fund loans taken by certain property purchasers of the Group. Such deposits will be released upon the issue of the properties' ownership certificate by government authorities to these purchasers and submitted to the public housing fund centres.
- (h) This balance represents the deposits paid for property maintenance after first delivery of the relevant properties, which will be subsequently recovered in ten years thereafter.
- (i) This balance represents deposits paid for acquisition of subsidiaries which are engaged in property development.

The aging of trade receivables and notes receivable as at 31 December 2016 and 2015 are as follows:

	As at 31 December	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Less than 1 year	39,349	28,485
Between 1 and 2 years	–	2,316
Between 2 and 3 years	2,316	–
	41,665	30,801
	41,665	30,801

The maximum exposure to credit risk at 31 December 2016 and 2015 is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral security.

As at 31 December 2016 and 2015, the fair value of trade and other receivables approximate their carrying amounts.

As at 31 December 2016 and 2015, the carrying amounts of trade and other receivables and prepayments are primarily denominated in RMB.

17 SUBSIDIARIES

Particulars of the subsidiaries of the Group as at 31 December 2016 and 2015 and shares of subsidiaries pledged for the Group's borrowings are set out in Note 42.

(a) Significant restrictions

Cash and short-term deposits of RMB12,750,200,000 (2015: RMB7,263,973,000) are held by subsidiaries in China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

(b) Material non-controlling interests

The total non-controlling interests as at 31 December 2016 is RMB5,940,355,000 (2015: RMB5,292,979,000), among which RMB5,940,355,000 (2015: RMB5,289,875,000) is for Future Land Holdings, the A share company.

Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for Future Land Holdings, which has non-controlling interests that are material to the Group. See Note 39 for transactions with non-controlling interests.

Summarised statement of financial position

	Future Land Holdings 2016 RMB'000	Future Land Holdings 2015 RMB'000
Current		
Assets	80,174,343	51,435,269
Liabilities	(71,072,337)	(42,022,622)
Total current net assets	<u>9,102,006</u>	<u>9,412,647</u>
Non-current		
Assets	22,996,264	16,366,847
Liabilities	(15,730,316)	(11,907,964)
Total non-current net assets	<u>7,265,948</u>	<u>4,458,883</u>
Net assets	<u>16,367,954</u>	<u>13,871,530</u>

Summarised statement of comprehensive income

	Future Land Holdings 2016 RMB'000	Future Land Holdings 2015 RMB'000
Revenue	27,969,282	23,568,793
Profit before fair value gains or losses on investment properties and income tax expense	4,115,455	3,110,307
Fair value gains on investment properties	582,150	815,106
Income tax expense	(1,613,156)	(1,525,809)
Post-tax profit	<u>3,084,449</u>	<u>2,399,604</u>
Total comprehensive income	3,084,449	2,389,854
Total comprehensive income allocated to non-controlling interests	<u>1,075,412</u>	<u>817,547</u>
Dividends paid to non-controlling interests	<u>539</u>	<u>275,577</u>

Summarised cash flows

	Future Land Holdings 2016 RMB'000	Future Land Holdings 2015 RMB'000
Cash flows from operating activities		
Cash generated from operations	9,184,449	454,123
Interest paid	(956,151)	(760,047)
Income tax paid	<u>(1,087,244)</u>	<u>(1,411,278)</u>
Net cash generated from/(used in) operating activities	7,141,054	(1,717,202)
Net cash used in investing activities	(8,707,306)	(797,933)
Net cash generated from financing activities	<u>7,595,352</u>	<u>3,792,191</u>
Net increase in cash and cash equivalents	6,029,100	1,277,056
Cash and cash equivalents at beginning of the year	5,520,507	4,257,952
Net exchange gain/(loss) on cash and cash equivalents	713	(14,501)
Cash and cash equivalents at end of the year	<u>11,550,320</u>	<u>5,520,507</u>

The information above is the amount before intra-group transactions elimination.

18 CASH AT BANK AND ON HAND

	As at 31 December	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Cash at bank and on hand		
Denominated in RMB	13,207,788	7,518,279
Denominated in USD	444,852	151,201
Denominated in HKD	<u>103,784</u>	<u>93,034</u>
	<u>13,756,424</u>	<u>7,762,514</u>

The effective interest rate on the Group's bank deposits as at 31 December 2016 was 1.50% (2015: 1.79%).

Cash and cash equivalents of the Group were determined as follows:

	As at 31 December	
	2016	2015
	RMB'000	RMB'000
Cash at bank and on hand	13,756,424	7,762,514
Less: Restricted cash	(1,851,085)	(1,283,653)
	<u>11,905,339</u>	<u>6,478,861</u>

Restricted cash of the Group comprised of the following:

	As at 31 December	
	2016	2015
	RMB'000	RMB'000
Deposits for letters of guarantee issued for project construction	983,827	150,693
Margin deposits for notes issued	750,539	438,153
Deposits as security for property purchasers' mortgage loans (a)	116,719	130,831
Deposits pledged for borrowings (Note 22)	–	563,976
	<u>1,851,085</u>	<u>1,283,653</u>

- (a) These bank deposits are restricted to secure the bank loans taken by certain property purchasers of the Group pursuant to the local regulations of certain cities. Such deposits will be released upon the issue of the properties' ownership certificate by government authorities to these purchasers and submitted to the mortgage banks.

19 SHARE CAPITAL

(a) Authorised shares

	Number of authorised shares HKD share
As at 1 January 2015, 31 December 2015 and 31 December 2016	<u>10,000,000,000</u>

(b) Issued shares

	Number of issued shares HKD0.001 each	Ordinary shares RMB
As at 1 January 2015	5,668,000,000	4,617,069
Buy-back of shares	(10,000,000)	(8,146)
As at 31 December 2015 and 2016	<u>5,658,000,000</u>	<u>4,608,923</u>

Buy-back of shares

The Company accumulatively acquired 10,000,000 of its shares through purchases on the Stock Exchange on 30 September, 2 October, 5 October, 22 October and 23 October 2015, and cancelled the shares on 3 November 2015. The total amount paid to acquire the shares was HKD10,875,760 (equivalent to RMB8,911,000), of which, RMB8,903,000 were deducted from other reserves within shareholders' equity (Note 21).

20 SHARE-BASED PAYMENTS**(a) Pre-IPO share award scheme**

Pursuant to a resolution dated 12 September 2011, the Company adopted a Pre-IPO share award scheme (the "Share Award Scheme"). Under the Share Award Scheme, a total number of 159,800,000 shares and 21,250,000 shares were issued and granted to selected current employees (including directors) and certain third parties, respectively. The third parties include former employees and certain third party companies. The shares granted to third parties are for recognition of their past services.

For shares granted to current employees (including directors), subject to the meeting of the criteria of the Company being listed on the Main Board of the Stock Exchange of Hong Kong Limited before 30 June 2012 and the employee being still on service at the end of each vesting period, the granted shares can be vested in four equal tranches on 31 December 2012, 2013, 2014 and 2015, respectively.

On 30 June 2012, the Company modified the condition for the share-based payments by extending the criteria of the Company being listed on the Main Board of the Stock Exchange of Hong Kong Limited before 30 June 2012 to 31 December 2013.

The fair value of the shares granted under the Share Award Scheme as at 15 September 2011, the grant date, was RMB119,766,309, and was determined using the asset-based approach and the overall result was also cross-checked by using the market approach. Various valuation methods/techniques were applied to determine the value of each asset/liability under the asset-based approach, for example the investment properties were valued using the residual method while the non-tradable shares were valued using the comparable company method with option pricing model to help determine the illiquidity discount.

For the year ended 31 December 2016, the Group recognised an expense of RMB3,478,580 (Note 30) (2015: RMB8,104,056) in relation to the share award by the Company to the current employees (including directors).

The following table discloses the movement of the Company's shares granted to the selected employees (including directors) for the year ended 31 December 2016 and outstanding at 31 December 2016:

Employees	Number of awarded shares
Outstanding as at 1 January 2016	39,025,000
Vested during the year	(39,025,000)
Unallocated during the year	—
	<hr/>
Outstanding as at 31 December 2016	—
	<hr/> <hr/>

(b) Restricted share incentive scheme

On 17 October 2016, the general meeting of Future Land Holdings, conditionally adopted a restricted share incentive scheme (the "Scheme"). Under the Scheme, a total number of 42,000,000 A shares of Future Land Holdings were to be issued and granted to selected current employees (including directors) of Future Land Holdings (the "Participants"). The Company's shareholding in Future Land Holdings will be reduced gradually from 68.27% to 67.00% if all restricted shares are issued and unlocked.

Participants who are granted with the restricted shares were entitled to acquire the restricted shares on the grant day and sell the restricted shares after unlocking during the unlocking period of the relevant restricted shares, subject to the fulfilment of the relevant conditions under the Scheme.

If a participant is a director or a member of the senior management of Future Land Holdings, the number of A shares to be disposed of by them each year shall not exceed 25% of the total number of A shares of Future Land Holdings held by them during their tenure, and no A shares of Future Land Holdings held by them shall be disposed of within 6 months following the end of their employment.

As of 31 December 2016, a number of 38,500,000 A shares has been issued at the price of RMB6.9 per A share under the first tranche grant, and the amount of RMB265,650,000 received from the Participants is recorded as other payables (Note 24).

The first tranche of 38,000,000 shares will be unlocked in three batches as follows:

Unlocking arrangement	Unlocking period	Proportion for unlocking to the number of the restricted shares
First unlocking	Commencing from the first trading day upon the expiry of 12 months from the first grant day and ending on the last trading day within 24 months from the grant day	40%
Second unlocking	Commencing from the first trading day upon the expiry of 24 months from the first grant day and ending on the last trading day within 36 months from the grant day	30%
Third unlocking	Commencing from the first trading day upon the expiry of 36 months from the first grant day and ending on the last trading day within 48 months from the grant day	30%

Future Land Holdings will conduct performance appraisals under the Scheme and reaching the performance appraisal targets shall be the unlocking conditions for the Participants.

The specific targets for the performance appraisal of each year are listed as follows:

Unlocking period	Performance appraisal target of Future Land Holdings
First unlocking	Net profit attributable to shareholders of the parent company reaching RMB2.5 billion in 2016
Second unlocking	Net profit attributable to shareholders of the parent company reaching RMB3.5 billion in 2017
Second unlocking	Net profit attributable to shareholders of the parent company reaching RMB5.0 billion in 2018

Based on the fair value of RMB402,322,000 of the first tranche grant measured as of 22 October 2016 (the first grant date) and the net proceeds of RMB265,650,000 received from the first tranche grant, the difference of RMB136,672,000 would constitute aggregate share-based payment costs which are required to be amortised over the period from the grant day to the various unlocking dates for different portion of the first tranche grant. For Participants who are not directors or members of the senior management of Future Land Holdings, the fair value of the restricted shares in the first tranche is its closing price on the grant date. For directors and members of the senior management of Future Land Holdings, they shall be subject to the restriction that the restricted shares may be unlocked but not transferred, resulting in certain amount of restriction cost, which is calculated based on the Black-Scholes model. Thus, the fair value of the restricted shares in the first tranche is its closing price on the grant date excluding the unit cost of transfer restriction for directors and members of the senior management.

For the year ended 31 December 2016, the Group recognised an expense of RMB9,735,600 (Note 30) in relation to the Scheme including an amount of RMB202,306 relating to a director.

21 RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

	Share premium <i>RMB'000</i> <i>(Note (a))</i>	Other reserves <i>RMB'000</i>	Retained earnings <i>RMB'000</i> <i>(Note (b))</i>	Total <i>RMB'000</i>
Balance at 1 January 2016	1,112,440	54,100	6,999,220	8,165,760
Comprehensive income				
Profit for the year	–	–	1,383,953	1,383,953
Other comprehensive income	–	–	–	–
Total comprehensive income for the year	–	–	1,383,953	1,383,953
Transactions with owners				
Pre-IPO share award scheme <i>(Note 20)</i>				
– value of current employee services	–	3,479	–	3,479
Dividends <i>(Note 33)</i>	(282,900)	–	–	(282,900)
Total contributions by and distributions to owners	(282,900)	3,479	–	(279,421)
Disposal of subsidiaries	–	(3,025)	–	(3,025)
Acquisition of additional interests in a subsidiary <i>(Note 39(f))</i>	–	(36,826)	–	(36,826)
Total transactions with owners, recognized directly in equity	(282,900)	(36,372)	–	(319,272)
Balance at 31 December 2016	829,540	17,728	8,383,173	9,230,441
Representing:				
Proposed final dividend <i>(Note (c))</i>	282,900			282,900
Others	546,640			8,947,541
	829,540			9,230,441

	Share premium RMB'000 (Note (a))	Other reserves RMB'000	Retained earnings RMB'000 (Note (b))	Total RMB'000
Balance at 1 January 2015	1,395,840	275,193	5,968,330	7,639,363
Comprehensive income				
Profit for the year	–	–	1,030,890	1,030,890
Other comprehensive loss				
– Change in fair value of available-for-sale financial assets, net of tax	–	(6,381)	–	(6,381)
Total comprehensive income for the year	<u>–</u>	<u>(6,381)</u>	<u>1,030,890</u>	<u>1,024,509</u>
Transactions with owners				
Pre-IPO share award scheme (Note 20)				
– value of current employee services	–	8,104	–	8,104
Buy-back of shares (Note 19)	–	(8,903)	–	(8,903)
Dividends (Note 33)	(283,400)	–	–	(283,400)
Total contributions by and distributions to owners	<u>(283,400)</u>	<u>(799)</u>	<u>–</u>	<u>(284,199)</u>
Net loss from changes of non- controlling interests in subsidiaries (Note 39(a), (b), (c), (d), (e))	–	(213,913)	–	(213,913)
Total transactions with owners, recognized directly in equity	<u>(283,400)</u>	<u>(214,712)</u>	<u>–</u>	<u>(498,112)</u>
Balance at 31 December 2015	<u>1,112,440</u>	<u>54,100</u>	<u>6,999,220</u>	<u>8,165,760</u>
Representing:				
Proposed final dividend (Note (c))	282,900			282,900
Others	829,540			7,882,860
	<u>1,112,440</u>			<u>8,165,760</u>

(a) On 29 November 2012, the Company issued 1,418,000,000 HKD ordinary shares of HKD0.001 each at HKD1.45 per share in connection with the Listing, and raised gross proceeds of approximately HKD2,056,100,000 (equivalent to RMB1,668,936,000). The excess of RMB1,667,785,008 over the par value of RMB1,150,992 for the 1,418,000,000 HKD ordinary shares issued, net of the relevant incremental costs of RMB65,165,000 directly contributable to the new shares issued, was credited to “share premium” with amount of RMB1,602,620,008.

(b) In accordance with the Company Law of the PRC and the articles of association of the PRC subsidiaries, these subsidiaries registered in the PRC shall appropriate 10% of its annual statutory profit (after offsetting any prior years’ losses) to the statutory surplus reserve (“SSR”) account. When the balance of SSR reaches 50% of the registered capital/share capital of these subsidiaries, any further

appropriation is optional. The SSR can be utilised to offset prior years' losses or to increase paid-in capital. However, SSR shall be maintained at a minimum of 25% of registered capital/share capital after such utilisation.

The SSR are non-distributable for cash dividends except in the event of liquidation and are subject to certain restrictions set out in the relevant PRC regulations.

As at 31 December 2016, total SSR of these subsidiaries attributable to owners of the Company amounted to RMB2,150,798,000 (2015: RMB1,901,352,000). These amounts were included in retained earnings of the Group.

- (c) Pursuant to Section 34 of the Cayman Companies Law (2003 Revision) and the articles of association of the Company, share premium of the Company is available for distribution to shareholders subject to a solvency test on the Company and the provision of the articles of association of the Company. Details of the proposed final dividend are set out in Note 33.

22 BORROWINGS

	As at 31 December	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current, secured:		
– Bank loans (a)	7,402,275	4,871,367
– Senior notes due January 2018 (“2018 Notes”) (b (i))	–	1,363,656
– Senior notes due April 2016 (“2016 Notes”) (b (ii))	–	1,496,719
– Senior notes due July 2019 (“2019 Notes”) (b (iii))	2,393,051	2,229,185
– Senior notes due November 2017 (“2017 Notes”) (b (iv))	1,716,560	1,589,524
Non-current, unsecured:		
– Corporate bonds due July 2019 (“2019 Bonds”) (c (i))	1,995,873	1,988,410
– Corporate bonds due November 2020 (“2020 Bonds”) (c (ii))	2,985,827	2,978,474
– Corporate bonds due November 2018 (“2018 Bonds”) (c (iii))	1,991,704	1,982,129
– Corporate bonds due March 2019 (“2019 Bonds I”) (c (iv))	1,837,435	–
– Corporate bonds due August 2021 (“2021 Bonds”) (c (vi))	1,977,117	–
– Corporate bonds due September 2023 (“2023 Bonds”) (c (vii))	498,449	–
– Corporate bonds due October 2021 (“2021 Bonds I”) (c (viii))	2,487,571	–
	25,285,862	18,499,464
Less: Current portion of long-term borrowings	(8,249,709)	(3,494,575)
	17,036,153	15,004,889
Current, secured:		
– Bank loans (a)	778,615	481,000
Current, unsecured:		
– Corporate bonds due March 2019 (“2019 Bonds II”) (c (v))	1,147,390	–
Current portion of long-term borrowings	8,249,709	3,494,575
	10,175,714	3,975,575

- (a) These bank loans of the Group are secured by properties under development (Note 15), investment properties (Note 7), land use rights (Note 13), property, plant and equipment (Note 6), shares of subsidiaries (Note 42) and bank deposits (Note 18) of the Group and/or guaranteed by subsidiaries of the Company for each other.

(b) Senior notes

(i) 2018 Notes

In January 2013, the Company issued five-year senior notes with principal amount of USD200,000,000 (“2018 Notes”), which were listed on the Singapore Exchange Securities Trading Limited. The 2018 Notes are denominated in USD, and bear interest rate at 10.25% per annum, payable semi-annually in arrears on or on the business day nearest to 31 January and 31 July of each year, beginning 31 July 2013.

According to the terms of 2018 Notes, the Notes may be redeemed in the following circumstances:

- At any time and from time to time on or after 31 January 2016, the Company may redeem the 2018 Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below, plus accrued and unpaid interest, if any, to (but excluding) the redemption date, if redeemed during the 12-month period commencing on 31 January of any year set forth below:

Year	Redemption Price
31 January 2016 to 30 January 2017	105.1250%
31 January 2017 and thereafter	102.5625%

- At any time prior to 31 January 2016, 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 2018 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.
- At any time and from time to time prior to 31 January 2016, the Company may redeem up to 35% of the aggregate principal amount of the Notes with proceeds from sales of certain kinds of its capital stock, subject to certain conditions, at a redemption price of 110.25% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes 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.

On 3 December 2015, the Company announced that all the outstanding 2018 Notes will be redeemed in full on 31 January 2016 (the “Redemption Date”) at a redemption price equal to 105.1250% of the principal amount thereof, plus accrued and unpaid interest, if any, to the Redemption Date. Accordingly the entire outstanding amount as at 31 December 2015 was treated as current liability and the net loss arising was fully accounted for as part of finance costs in December 2015. The Company subsequently completed the redemption on 31 January 2016.

(ii) 2016 Notes

In April 2013, the Company issued three-year senior notes with principal amount of RMB1,500,000,000 (“2016 Notes”), which were listed on the Singapore Exchange Securities Trading Limited. The 2016 Notes are denominated in RMB, and bear interest rate at 9.75% per annum, payable semi-annually in arrears on or on the business day nearest to 23 April and 23 October of each year, beginning 23 October 2013.

According to the terms of 2016 Notes, the Company may at its option redeem the 2016 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

The Company redeemed the 2016 Notes in full on 25 April 2016.

(iii) 2019 Notes

In July 2014, the Company issued five-year senior notes with principal amount of USD350,000,000 (“2019 Notes”), which were listed on the Singapore Exchange Securities Trading Limited. The 2019 Notes are denominated in USD, and bear interest rate at 10.25% per annum, payable semi-annually in arrears on or on the business day nearest to 21 January and 21 July of each year, beginning 21 January 2015.

According to the terms of 2019 Notes, the Notes may be redeemed in the following circumstances:

- At any time and from time to time on or after 21 July 2017, the Company may redeem the 2019 Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below, plus accrued and unpaid interest, if any, to (but excluding) the redemption date, if redeemed during the 12-month period commencing on 21 July of any year set forth below:

Year	Redemption Price
21 July 2017 to 20 July 2018	105.1250%
21 July 2018 and thereafter	102.5625%

- At any time prior to 21 July 2017, 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 2019 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.
- At any time and from time to time prior to 21 July 2017, the Company may redeem up to 35% of the aggregate principal amount of the Notes with proceeds from sales of certain kinds of its capital stock, subject to certain conditions, at a redemption price of 110.25% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes 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.

On 17 February 2017, the Company announced that all the outstanding 2019 Notes will be redeemed in full on 20 March 2017 (Note 43(b)).

(iv) 2017 Notes

In November 2015, the Company issued two-year senior notes with principal amount of USD250,000,000 (“2017 Notes”), which were listed on the Singapore Exchange Securities Trading Limited. The 2017 Notes are denominated in USD, and bear interest rate at 6.25% per annum, payable semi-annually in arrears on or on the business day nearest to 12 May and 12 November of each year, beginning 12 November 2015.

According to the terms of 2017 Notes, the Company may at its option redeem the 2017 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

The early redemption options are regarded as embedded derivatives not closely related to the host contract. The board of directors is of the view that the Company has no plan of any early redemption and the fair values of the above early redemption options were insignificant on initial recognition and as at 31 December 2016 and 2015. The early redemption of the 2018 Notes and the upcoming early redemption of the 2019 Notes only occurred because an opportunity arose to issue new Notes at a lower cost to replace old Notes.

The above senior notes are general obligations guaranteed by certain subsidiaries other than those established under the law of the PRC (“Subsidiary Guarantors”), and secured by a pledge on the shares of certain initial Subsidiary Guarantors.

(c) Corporate bonds

(i) 2019 Bonds

In July 2014, the former B share company issued five-year corporate bonds with principal amount of RMB2,000,000,000 (“2019 Bonds”), which were listed on the Shanghai Stock Exchange. The 2019 Bonds are denominated in RMB, and bear interest rate at 8.9% per annum for the first three years, payable annually in arrears on or on the business day nearest to 23 July of each year, beginning 23 July 2015.

According to the terms of 2019 Bonds, the former B share company may at its option redeem the 2019 Bonds in whole at end of the third year, at a redemption price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the redemption date. If the former B share company waives the optional redemption at end of the third year, the former B share company may at its option raise the interest rate by 0 to 100 basis points which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the former B share company, in whole or in part, at a price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the sold-back date.

The obligations relating to the 2019 Bonds had been transferred from the former B share company to the A share company.

(ii) 2020 Bonds

In November 2015, the A share company issued five-year corporate bonds with principal amount of RMB3,000,000,000 (“2020 Bonds”), which were listed on the Shanghai Stock Exchange. The 2020 Bonds are denominated in RMB and bear interest rate at 4.5% per annum for the first three year, payable annually in arrears on or on the business day nearest to 3 November of each year, beginning 3 November 2016.

According to the terms of 2020 Bonds, the A share company may at its option adjust the interest rate at end of the third year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the sold-back date.

(iii) 2018 Bonds

In November 2015, the A share company issued three-year corporate bonds with principal amount of RMB2,000,000,000 (“2018 Bonds”), which were not listed. The 2018 Bonds are denominated in RMB, and bear interest rate at 6.0% per annum for the first two years, payable annually in arrears on or on the business day nearest to 10 November of each year, beginning 10 November 2016.

According to the terms of 2018 Bonds, the A share company may at its option adjust the interest rate at the end of the second year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the sold-back date.

(iv) 2019 Bonds I

In March 2016, the A share company issued three-year corporate bonds with principal amount of RMB1,850,000,000 (“2019 Bonds I”), which were listed on the Shanghai Stock Exchange. The 2019 Bonds I are denominated in RMB, and bear interest rate at 5.44% per annum for the first two years, payable annually in arrears on or on the business day nearest to 31 March of each year, beginning 31 March 2016.

According to the terms of 2019 Bonds I, the A share company may at its option adjust the interest rate at the end of the second year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the sold-back date.

(v) 2019 Bonds II

In March 2016, the A share company issued three-year corporate bonds with principal amount of RMB1,150,000,000 (“2019 Bonds II”), which were listed on the Shanghai Stock Exchange. The 2019 Bonds II are denominated in RMB, and bear interest rate at 4.76% per annum for the first year, payable annually in arrears on or on the business day nearest to 31 March of each year, beginning 31 March 2016.

According to the terms of 2019 Bonds II, the A share company may at its option adjust the interest rate at the end of the first and second year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the sold-back date.

(vi) 2021 Bonds

In August 2016, the A share company issued five-year corporate bonds with principal amount of RMB2,000,000,000 (“2021 Bonds”), which were listed on the Shanghai Stock Exchange. The 2021 Bonds are denominated in RMB, and bear interest rate at 4.48% per annum for the first three years, payable annually in arrears on or on the business day nearest to 15 August of each year, beginning 15 August 2016.

According to the terms of 2021 Bonds, the A share company may at its option adjust the interest rate at the end of the third year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the sold-back date.

(vii) 2023 Bonds

In September 2016, the A share company issued seven-year corporate bonds with principal amount of RMB500,000,000 (“2023 Bonds”), which were listed on the Shanghai Stock Exchange. The 2023 Bonds are denominated in RMB, and bear interest rate at 4.80% per annum for the first five years, payable annually in arrears on or on the business day nearest to 12 September of each year, beginning 12 September 2016.

According to the terms of 2023 Bonds, the A share company may at its option adjust the interest rate at the end of the fifth year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the sold-back date.

(viii) 2021 Bonds I

In October 2016, the A share company issued five-year corporate bonds with principal amount of RMB2,500,000,000 (“2021 Bonds I”), which were listed on the Shanghai Stock Exchange. The 2021 Bonds I are denominated in RMB, and bear interest rate at 4.41% per annum for the first three years, payable annually in arrears on or on the business day nearest to 17 October of each year, beginning 17 October 2016.

According to the terms of 2021 Bonds I, the A share company may at its option adjust the interest rate at the end of the third year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the sold-back date.

The maturity of non-current borrowings as at 31 December 2016 and 2015 are as follows:

	As at 31 December	
	2016	2015
	RMB'000	RMB'000
Between 1 and 2 years	8,090,930	7,276,492
Between 2 and 5 years	8,838,973	7,211,209
Over 5 years	106,250	517,188
	<u>17,036,153</u>	<u>15,004,889</u>

The weighted average effective interest rates as at 31 December 2016 and 2015 were as follows:

	As at 31 December	
	2016	2015
	RMB'000	RMB'000
Bank borrowings	5.66%	6.51%
Senior notes	9.47%	10.02%
Corporate bonds	5.85%	6.58%

The carrying amounts and fair value of the non-current borrowings are as follows:

	Carrying amount		Fair value	
	2016	2015	2016	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Bank borrowings	4,856,703	4,237,167	4,856,703	4,237,167
2019 Notes	2,393,051	2,229,185	2,631,898	2,467,081
2017 Notes	–	1,589,524	–	1,612,718
2019 Bonds	–	1,988,410	–	2,300,000
2020 Bonds	2,985,827	2,978,474	2,975,280	3,015,000
2019 Bonds I	1,837,435	–	1,849,828	–
2021 Bonds	1,977,117	–	1,950,358	–
2021 Bonds I	2,487,571	–	2,414,888	–
2023 Bonds	498,449	–	468,346	–

The fair value for 2019 Notes, 2017 Notes, 2019 Bonds, 2020 Bonds, 2019 Bonds I, 2021 Bonds, 2021 Bonds I and 2023 Bonds are based on quoted prices in active markets and are within Level 1 of the fair value hierarchy.

The fair value for bank borrowings approximates their carrying amount. The fair value is based on cash flows discounted using appropriate rates and are within Level 2 of the fair value hierarchy.

APPENDIX I

FINANCIAL INFORMATION ON THE COMPANY

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates or maturity whichever is the earlier date is as follows:

	6 months or less <i>RMB'000</i>	6-12 months <i>RMB'000</i>	1-5 years <i>RMB'000</i>	Over 5 years <i>RMB'000</i>	Total <i>RMB'000</i>
Borrowings included in non-current liabilities:					
As at 31 December 2016	1,088,725	3,627,978	12,319,450	–	17,036,153
As at 31 December 2015	<u>1,450,000</u>	<u>2,278,867</u>	<u>11,276,022</u>	–	<u>15,004,889</u>
Borrowings included in current liabilities:					
As at 31 December 2016	3,663,720	6,511,994	–	–	10,175,714
As at 31 December 2015	<u>3,735,575</u>	<u>240,000</u>	<u>–</u>	<u>–</u>	<u>3,975,575</u>

As at 31 December 2016, the aggregate principal of borrowings amounted to RMB20,882,886,000 are at fixed interest rates (2015: RMB17,550,776,000).

The carrying values of the Group's borrowings are denominated in the following currencies:

	As at 31 December	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
RMB	23,102,256	13,798,099
USD	<u>4,109,611</u>	<u>5,182,365</u>
	<u>27,211,867</u>	<u>18,980,464</u>

23 ADVANCES FROM PRE-SALE OF PROPERTIES

The Group starts sales of properties and collection of proceeds from customers before the properties are completed and ready for delivery. Such proceeds from customers are recorded as advances from pre-sale of properties before relevant sales are recognised.

24 TRADE AND OTHER PAYABLES

	As at 31 December	
	2016	2015
Trade payables	12,479,079	11,790,817
Notes payable	1,660,614	452,723
Advances from non-controlling shareholders of subsidiaries		
(a)	39,300	37,541
Business, value-added and other taxes payable	298,311	203,290
Maintenance & decoration fees collected on behalf	73,840	197,418
Accrued payroll	464,152	159,506
Interest payable	450,583	296,775
Deposits for construction biddings and rental deposits	339,339	273,580
Intention deposits from potential property purchasers	130,113	55,832
Deed tax collected on behalf	69,686	85,935
Payables to related parties (<i>Note 38</i>)	10,408,432	4,905,802
Temporary funding payables (b)	18,000	162,908
Amounts received for potential investments in property projects (c)	2,023,305	1,280,247

	As at 31 December	
	2016	2015
Call option payable (d)	85,256	–
Amounts received from participants of the A share company's restricted share incentive scheme (<i>Note 20 (b)</i>)	265,650	–
Others	206,906	105,700
	<u>29,012,566</u>	<u>20,008,074</u>
Less: Non-current portion of call option payable (d)	(36,670)	–
Current portion	<u><u>28,975,896</u></u>	<u><u>20,008,074</u></u>

- (a) The advances are provided by an entity established by certain employees including key management of the Group who had chosen to invest in some subsidiaries of the Group. The advances are non-interest bearing, unsecured and have no fixed repayment terms.
- (b) Temporary funding payables are payables to non-related parties which are non-interest bearing and unsecured.
- (c) These amounts will either be returned back upon unsuccessful land biddings or be treated as the other parties' contribution to a new subsidiary or joint venture of the Group for successful land biddings. They are unsecured, non-interest bearing and have no fixed repayment terms.
- (d) Associated with the disposal of a subsidiary Shanghai Diyu Business Management Co., Ltd. (Note 40) engaging in investment properties business, the Group acquired a call option on the shares of Shanghai Diyu Business Management Co., Ltd. at a total consideration of RMB150,000,000, which are payable in 2016, 2017 and 2018 with the amount of RMB60,000,000, RMB50,000,000 and RMB40,000,000 respectively. The Group had paid RMB60,000,000 as at 31 December 2016. After discounting for the time factor, the carrying amount of the remaining payable for the call option as at 31 December 2016 was RMB85,256,000.

The Group also has the rights to extend the call option for one year by the end of the third year after making a payment of RMB30,000,000 and another one year by the end of the fourth year after making a further payment of RMB20,000,000.

There was a corresponding financial asset of RMB154,615,000 as at 31 December 2016 recognised for the above derivative financial instruments.

The aging analysis of trade payables and notes payable as at 31 December 2016 and 2015 are as follows:

	As at 31 December	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Less than 1 year	13,020,096	11,783,054
Between 1 and 2 years	749,586	275,441
Between 2 and 3 years	252,635	81,400
Over 3 years	117,376	103,645
	<u><u>14,139,693</u></u>	<u><u>12,243,540</u></u>

As at 31 December 2016 and 2015, the fair value of trade and other payables approximate their carrying amounts.

As at 31 December 2016 and 2015, the carrying amounts of trade and other payables are primarily denominated in RMB.

25 DEFERRED INCOME TAX

	As at 31 December	
	2016	2015
	RMB'000	RMB'000
Deferred tax assets to be recovered		
– within 12 months	302,488	70,885
– after 12 months	506,172	508,928
	808,660	579,813
Deferred tax liabilities to be settled		
– within 12 months	(75,133)	(112,680)
– after 12 months	(1,039,883)	(641,990)
	(1,115,016)	(754,670)
Deferred tax liabilities, net	(306,356)	(174,857)

The gross movement on the deferred income tax account is as follows:

	Year ended 31 December	
	2016	2015
	RMB'000	RMB'000
At beginning of year	(174,857)	(187,085)
(Charged)/credited to the consolidated statement of income (Note 31)	(163,677)	8,978
Disposal of subsidiaries (Note 40)	32,178	–
Credited to other comprehensive income	–	3,250
At end of year	(306,356)	(174,857)

As at 31 December 2016, deferred income tax assets and deferred income tax liabilities amounted to RMB85,777,000 were offset (2015: RMB179,151,000).

The gross movement in deferred income tax assets and liabilities for the years ended 31 December 2016 and 2015, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred income tax assets

	Tax losses	Provisions for properties held for sale	Accruals	Land appreciation tax	Elimination of inter- company transactions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2016	391,012	156,343	32,040	179,569	–	758,964
Credited/(charged) to the consolidated statement of income	57,604	(82,960)	94,383	68,214	–	137,241
Disposal of subsidiaries (Note 40)	(1,768)	–	–	–	–	(1,768)
At 31 December 2016	446,848	73,383	126,423	247,783	–	894,437

APPENDIX I
FINANCIAL INFORMATION ON THE COMPANY

	Tax losses <i>RMB'000</i>	Provisions for properties held for sale <i>RMB'000</i>	Accruals <i>RMB'000</i>	Land appreciation tax <i>RMB'000</i>	Elimination of inter- company transactions <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2015	173,601	147,287	33,999	195,409	3,114	553,410
Credited/(charged) to the consolidated statement of income	217,411	9,056	(1,959)	(15,840)	(3,114)	205,554
At 31 December 2015	<u>391,012</u>	<u>156,343</u>	<u>32,040</u>	<u>179,569</u>	<u>-</u>	<u>758,964</u>

In accordance with the PRC laws and regulations, tax losses could be carried forward for a period of five years to offset against its future taxable profits. Deferred tax assets relating to unutilised tax losses are recognised to the extent that it is probable that sufficient taxable profit will be available to allow such deferred tax assets to be utilised.

The Group did not recognise deferred income tax assets of RMB66,752,000 (2015: RMB40,648,000) in respect of tax losses amounting to RMB267,006,000 as at 31 December 2016 (2015: RMB162,590,000). All these tax losses will expire within five years.

Deferred income tax liabilities

	Fair value gains <i>RMB'000</i>	Acquisition of subsidiaries <i>RMB'000</i>	Elimination of inter- company transactions <i>RMB'000</i>	Unsold property cost allocation differences <i>RMB'000</i>	Undistributed profits of PRC subsidiaries <i>RMB'000</i> <i>(note (a))</i>	Depreciation of investment properties <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2016	615,995	1,734	6,138	205,146	48,087	56,721	933,821
Charged/(credited) to the consolidated statement of income	148,496	(896)	-	87,296	20,070	45,952	300,918
Disposal of a subsidiary <i>(Note 40)</i>	(33,946)	-	-	-	-	-	(33,946)
At 31 December 2016	<u>730,545</u>	<u>838</u>	<u>6,138</u>	<u>292,442</u>	<u>68,157</u>	<u>102,673</u>	<u>1,200,793</u>
At 1 January 2015	415,468	2,421	15,891	236,171	34,987	35,557	740,495
Charged/(credited) to the consolidated statement of income	203,777	(687)	(9,753)	(31,025)	13,100	21,164	196,576
Credited to other comprehensive income	(3,250)	-	-	-	-	-	(3,250)
At 31 December 2015	<u>615,995</u>	<u>1,734</u>	<u>6,138</u>	<u>205,146</u>	<u>48,087</u>	<u>56,721</u>	<u>933,821</u>

- (a) As at 31 December 2016, deferred income tax liabilities of RMB68,157,000 (2015: RMB48,087,000) have been recognised for the withholding tax that would be payable upon remittance, in respect of a portion of the unremitted distributable profits of certain PRC subsidiaries attributable to the investors outside PRC.

As at 31 December 2016, deferred income tax liabilities of RMB257,699,000 (2015: RMB210,869,000) have not been recognised for the withholding tax that would be payable upon remittance, in respect of the unremitted distributable profits of certain PRC subsidiaries attributable to the investors outside PRC amounting to RMB5,153,978,000 (2015: RMB4,217,378,000) as such profits are intended to be reinvested.

26 REVENUE

Revenue of the Group consists of the following for the years ended 31 December 2016 and 2015:

	Year ended 31 December	
	2016	2015
	RMB'000	RMB'000
Revenue from sales of properties	27,049,679	22,972,751
Revenue from property management	342,834	391,526
Rental income	272,764	171,951
Others	566,817	299,661
	<u>28,232,094</u>	<u>23,835,889</u>

27 OTHER INCOME/OTHER EXPENSES/OTHER GAINS – NET

	Year ended 31 December	
	2016	2015
	RMB'000	RMB'000
Other income		
Government grants	16,995	12,413
Dividend income on available-for-sale financial assets (a)	9,312	6,256
	<u>26,307</u>	<u>18,669</u>
Other expenses		
Donations	(26,249)	(3,885)
	<u>(26,249)</u>	<u>(3,885)</u>
Other gains – net		
Losses on disposal of property, plant and equipment	(2,020)	(393)
Compensation for cancellation of property sales contracts	14,152	10,218
Net gain from disposal of subsidiaries (Note 40)	171,361	–
Negative goodwill arising on business combination (Note 34)	45,978	–
Others	24,668	4,328
	<u>254,139</u>	<u>14,153</u>

(a) The dividend income is from unlisted investment.

28 EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing expenses and administrative expenses are analysed as follows:

	Year ended 31 December	
	2016	2015
	RMB'000	RMB'000
Land use rights costs	7,720,514	6,389,041
Construction costs	11,179,592	9,802,580
Capitalised interest	811,964	829,161
Business tax and surcharges (a)	1,188,011	1,328,494
Provision for impairment of properties held or under development for sale	–	242,495
Depreciation of property, plant and equipment (Note 6)	213,614	100,265
Amortisation of intangible assets (Note 8)	11,976	7,112
Bank charges	37,804	31,306
Staff costs (Note 30)	1,531,436	1,196,609
Entertainment expenses	84,858	78,317
Stamp duty and other taxes	113,051	56,663
Professional fees	77,586	43,742
Auditors' remuneration		
– annual audit and interim review of the Group	2,400	2,400
– annual audit of the A share company charged by its auditor	3,000	3,000
– non-audit services	3,380	1,054
Sales commission	163,781	115,980
Advertising and publicity costs	396,805	370,356
Rental expenses	39,689	39,119
Travelling expenses	98,652	73,946
Other expenses	652,618	131,669
	<hr/>	<hr/>
Total cost of sales, selling and marketing expenses and administrative expenses	<u>24,330,731</u>	<u>20,843,309</u>

- (a) Before 1 May 2016, the PRC subsidiaries of the Group are subject to business tax and surcharges. Business tax is levied at 5% of revenue from sale of properties and rental income, while surcharges are 10% to 12% of business tax payable.

29 FINANCE COSTS – NET

	Year ended 31 December	
	2016	2015
	RMB'000	RMB'000
Finance costs		
– Interest on bank loans, senior notes and corporate bonds	(1,669,961)	(1,393,157)
– Less: Interest capitalised (<i>Note 7 and Note 15</i>)	1,000,875	1,025,717
	<u>(669,086)</u>	<u>(367,440)</u>
– Net foreign exchange losses relating to borrowings	(281,941)	(275,236)
– Net foreign exchange gains/(losses) on cash and cash equivalents	9,397	(8,031)
	<u>(941,630)</u>	<u>(650,707)</u>
Total finance costs (<i>Note 35</i>)		
Finance income		
– Interest income on bank deposits (<i>Note 35</i>)	161,227	136,133
	<u>(780,403)</u>	<u>(514,574)</u>

30 STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	Year ended 31 December	
	2016	2015
	RMB'000	RMB'000
Wages and salaries	1,476,580	964,828
Pension	88,947	82,178
Other welfare benefit expenses	156,249	141,499
Pre-IPO share award scheme		
– value of current employees (<i>Note 20(a)</i>)	3,479	8,104
Restricted share incentive scheme (<i>Note 20(b)</i>)	9,736	–
	<u>1,531,436</u>	<u>1,196,609</u>
Charged to statement of income (<i>Note 28</i>)		
Capitalised to properties held or under development for sale	203,555	–
	<u>7,322</u>	<u>10,679</u>

All mainland China employees of the Group participate in defined contribution employee social security plans, including pension, medical, housing and other welfare benefits, organised and administered by the governmental authorities. The Group has no other substantial commitments to employees.

According to the relevant regulations, the premiums and welfare benefit contributions that should be borne by the Group are calculated based on percentages of the total salary of employees, subject to a certain ceiling, and are paid to the labour and social welfare authorities.

(a) Directors' and chief executive's emoluments

The directors' and chief executive's emoluments are set out below:

Name of director	Fees <i>RMB'000</i>	Salaries and other	Performance	Retirement	Pre-IPO	Restricted	Total <i>RMB'000</i>
		allowances <i>RMB'000</i>	related bonus <i>RMB'000</i>	scheme contributions <i>RMB'000</i>	share award scheme <i>RMB'000</i>	share incentive scheme <i>RMB'000</i>	
Year ended 31 December 2016							
Chairman							
Mr. Wang (i)	-	4,040	920	40	-	-	5,000
Executive directors							
Liu Yuanman	-	2,120	840	40	96	202	3,298
Lv Xiaoping (v)	-	3,560	900	40	230	-	4,730
Chan Wai Kin (iii)	-	3,080	920	-	-	-	4,000
Lu Zhongming (iv)	-	1,400	1,560	40	96	-	3,096
Non-executive director							
Wang Xiaosong	-	2,660	-	40	154	-	2,854
Independent non-executive director							
Chen Huakang	300	-	-	-	-	-	300
Zhu Zengjin	300	-	-	-	-	-	300
Zhong Wei	300	-	-	-	-	-	300
	<u>900</u>	<u>16,860</u>	<u>5,140</u>	<u>200</u>	<u>576</u>	<u>202</u>	<u>23,878</u>

Name of director	Fees <i>RMB'000</i>	Salaries and other	Performance	Retirement	Pre-IPO	Total <i>RMB'000</i>
		allowances <i>RMB'000</i>	related bonus <i>RMB'000</i>	scheme contributions <i>RMB'000</i>	share award scheme <i>RMB'000</i>	
Year ended 31 December 2015						
Chairman						
Mr. Wang (i)	-	4,044	920	36	-	5,000
Executive directors						
Liu Yuanman	-	2,124	840	36	224	3,224
Huang Maoli (ii)	-	97	-	-	-	97
Liang Zhicheng (vi)	-	3,564	900	36	-	4,500
Chan Wai Kin (iii)	-	1,593	630	27	-	2,250
Non-executive director						
Lv Xiaoping	-	3,564	900	36	537	5,037
Wang Xiaosong	-	3,564	900	36	358	4,858
Independent non-executive directors						
Chen Huakang	250	-	-	-	-	250
Zhu Zengjin	250	-	-	-	-	250
Zhong Wei	250	-	-	-	-	250
	<u>750</u>	<u>18,550</u>	<u>5,090</u>	<u>207</u>	<u>1,119</u>	<u>25,716</u>

- (i) The chief executive of the Company is Mr. Wang, who is also one of the directors of the Company.
- (ii) Ms. Huang Maoli resigned as executive director of the Company with effect from 8 March 2015.
- (iii) Mr. Chan Wai Kin was appointed as executive director of the Company with effect from 30 March 2015.
- (iv) Mr. Lu Zhongming was appointed as executive director of the Company with effect from 7 January 2016.
- (v) Mr. Lv Xiaoping was an non-executive director and was appointed as executive director of the Company with effect from 7 January 2016.
- (vi) Mr. Liang Zhicheng resigned as executive director of the Company with effect from 7 January 2016.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group during the years ended 31 December 2016 include three directors (2015: five) whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2015: Nil) individuals for the year ended 31 December 2016 are as follows:

	Year ended 31 December	
	2016	2015
	RMB'000	RMB'000
Basic salaries, housing allowances, Pre-IPO share award scheme, other allowances and benefits in kind	7,608	–
Bonuses	2,360	–
	<u>9,968</u>	<u>–</u>

The emoluments to the two individuals fell within the following band:

	Year ended 31 December	
	2016	2015
Emoluments band HKD5,500,001 – HKD6,000,000	<u>2</u>	<u>–</u>

- (c) During the years ended 31 December 2016 and 2015, no director or any of the five highest paid individuals received any emolument from the Group as an inducement to join, upon joining the Group, leave the Group or as compensation for loss of office. Also, the Group did not pay consideration to any third parties for making available directors' services during the year (2015: Nil).
- (d) No loans, quasi-loans and other dealings were made available in favour of directors, bodies corporate controlled by and entities connected with directors subsisted at the end of the year or at any time during the year (2015: Nil).

31 INCOME TAX EXPENSE

	Year ended 31 December	
	2016	2015
	RMB'000	RMB'000
Current income tax		
– PRC land appreciation tax (a)	479,258	614,529
– PRC corporate income tax	1,025,273	902,166
	<u>1,504,531</u>	<u>1,516,695</u>
Deferred income tax (<i>Note 25</i>)	163,677	(8,978)
	<u>1,668,208</u>	<u>1,507,717</u>

- (a) Land appreciation tax for the year ended 31 December 2016 includes the amount of land appreciation tax of RMB798,485,000 on property sales revenue recognised during the year; and a reversal of the previously accrued land appreciation tax of RMB319,228,000 upon the clearance of 19 projects with relevant tax bureaus during the year.

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the companies within the Group as follows:

	Year ended 31 December	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before income tax	4,135,368	3,363,954
PRC land appreciation tax	(479,258)	(614,529)
	<u>3,656,110</u>	<u>2,749,425</u>
Income tax calculated at statutory rate of 25%	914,028	687,356
Non-deductible expenses (a)	254,135	221,931
Non-taxable income	(58,593)	(37,966)
Utilisation of previously unrecognised tax losses	(35,270)	–
Tax losses not recognised as deferred tax assets	84,704	–
Prior year tax adjustments	9,876	8,767
PRC withholding tax	20,070	13,100
PRC land appreciation tax	479,258	614,529
	<u>1,668,208</u>	<u>1,507,717</u>
Total income tax expense	<u>1,668,208</u>	<u>1,507,717</u>

- (a) Non-deductible expenses for income tax purposes mainly resulted from borrowing costs on senior notes, the expense in relation to the share award and non-deductible entertainment expense.

Hong Kong profits tax

Hong Kong profits tax has not been provided for as the Group has no estimated assessable profits in Hong Kong during the year (2015: Nil).

PRC corporate income tax

Under the Corporate Income Tax Law of the PRC ("CIT Law"), the CIT rate applicable to the Group's subsidiaries located in mainland China is 25%.

The CIT Law and its implementation rules impose a withholding tax at 10% for dividends distributed by a PRC-resident enterprise to its immediate holding company outside PRC for earnings generated beginning 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. A lower 5% withholding tax rate may be applied when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. For the year ended 31 December 2016, the Group accrued for PRC withholding tax with amount of RMB20,070,000 (2015: RMB13,100,000) based on the tax rate of 5% on a portion of the earnings generated by its PRC entities. The Group controls the dividend policies of these subsidiaries and it has been determined that it is probable that a majority of these earnings will not be distributed in the foreseeable future.

Land appreciation tax

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including lease charges for land use rights and all property development expenditures, and is included in the consolidated statement of income as income tax expense.

32 EARNINGS PER SHARE

Basic earnings per share for the year is calculated by dividing the profit of the Group attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2016	2015
Consolidated profit attributable to equity holders of the Company (RMB'000)	<u>1,383,953</u>	<u>1,030,890</u>
Weighted average number of ordinary shares in issue ('000)	<u>5,658,000</u>	<u>5,666,411</u>
Basic earnings per share (RMB)	<u>0.24</u>	<u>0.18</u>

As there were no dilutive options and other dilutive potential shares in issue during the years ended 31 December 2016 and 2015, diluted earnings per share is the same as basic earnings per share.

33 DIVIDENDS

	Year ended 31 December	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Proposed final dividend of RMB0.05 (2015: RMB0.05) per ordinary share	<u>282,900</u>	<u>282,900</u>

No interim dividend was declared during the year (2015: Nil).

At a Board meeting held on 24 February 2017, the directors proposed a final dividend for 2016 of RMB0.05 per ordinary share using the share premium account. This proposed dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of share premium for the year ending 31 December 2017 upon approval by the shareholders at the forthcoming annual general meeting of the Company.

The final dividend in respect of 2015 of RMB0.05 per ordinary share using the share premium account, amounting to RMB282,900,000 in total was approved at the annual general meeting of the Company held on 18 May 2016. The amount was fully paid in 2016.

34 BUSINESS COMBINATIONS

- (a) On 22 July 2016, the Group obtained the control of Nanjing Future Land Wanlong Real Estate Co., Ltd. (“Nanjing Wanlong”) after the other investor withdrew its investment with 30% equity interest. As a result, the carrying amount of RMB733,476,000 based on equity method of the Group’s originally held 70% equity interest was derecognised and Nanjing Wanlong was consolidated as a 100% subsidiary.

The following table summarises the fair value of assets and liabilities of Nanjing Wanlong at the date when Nanjing Wanlong turned from a 70% held joint venture into a 100% subsidiary.

At 22 July 2016	RMB’000
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	493,661
Properties held or under development for sale	3,684,654
Property, plant and equipment	160
Other receivables and prepayments	1,907,890
Deferred income tax assets	349
Trade and other payables	(252,009)
Current income tax liabilities	(82,481)
Advances from pre-sale of properties	(3,703,788)
Borrowings	(1,242,000)
Deferred income tax liabilities	(26,982)
	<hr/>
Total identifiable net assets	779,454
	<hr/>
Less: Carrying amount of originally held 70% interest	(733,476)
	<hr/>
Negative goodwill	45,978
	<hr/> <hr/>

On the consolidation date, total identifiable net assets of Nanjing Wanlong were RMB779,454,000 as a result of measuring at fair value its 100% equity interest, with a difference of RMB45,978,000 compared with the carrying amount of originally held 70% equity interest. As such, a negative goodwill was recognised as gain (Note 27).

Had Nanjing Wanlong been consolidated from 1 January 2016, the consolidated income statement would show pro-forma revenue of RMB29,144,249,000 and profit before income tax of RMB4,181,329,000.

The revenue included in the consolidated income statement since 22 July 2016 contributed by Nanjing Wanlong was RMB1,550,467,560. Nanjing Wanlong also contributed profit of RMB184,188,176 over the same period.

- (b) On 2 February 2015, the Group acquired 100% equity interests in Jiangsu Yungui Network Technology Co., Ltd. (“Jiangsu Yungui”), for a total consideration of RMB5,630,648. On the acquisition date, total identifiable net assets of Jiangsu Yungui were RMB5,630,648 (including cash and cash equivalents of RMB622,802), which is same as the consideration amount. As such, no goodwill was recognised.
- (c) On 12 October 2015, the Group acquired 100% equity interests in Changzhou Pingan Property Management Co., Ltd. (“Pingan Property”) for a total consideration of RMB642,033. On the acquisition date, total identifiable net assets of Pingan Property were RMB642,033 (including cash and cash equivalents of RMB996,939), which is the same as the consideration amount. As such, no goodwill was recognised. The Group disposed Pingan Property, a subsidiary of Changzhou Chuangyue Consultancy Co., Ltd., in May 2016. (Note 40(b))

- (d) On 20 October 2015, the Group acquired 70% equity interests and obtained the control of Jiangsu Jindongfang Yiyangyuan Property Co., Ltd. (“Jindongfang”), for a total consideration of RMB392,000,000.

The following table summarises the consideration paid for Jindongfang, the fair value of assets acquired, liabilities assumed and the non-controlling interest at the acquisition date.

At 20 October 2015	RMB'000
Total consideration in cash	392,000
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	343,053
Property, plant and equipment	521,181
Available-for-sale financial instruments	1,100
Land use rights	34,854
Trade and other receivables and prepayments	236,600
Deferred income tax liabilities	(3,889)
Trade and other payables	(542,385)
Current portion of long-term borrowings	(30,000)
	<hr/>
Total identifiable net assets	560,514
	<hr/>
Less: Non-controlling interest	(168,514)
	<hr/>
Net assets acquired	<u>392,000</u>

The fair value of the non-controlling interest in Jindongfang, an unlisted company, was estimated by using the purchase price paid for acquisition of 70% stake in Jindongfang. This purchase price was adjusted for the lack of control and lack of marketability that market participants would consider when estimating the fair value of the non-controlling interest in Jindongfang.

On the acquisition date, total identifiable net assets of Jindongfang were RMB392,000,000 as a result of measuring at fair value its 70% equity interest, which is same as the consideration amount. As such, no goodwill was recognised.

The revenue included in the consolidated income statement since 20 October 2015 contributed by Jindongfang was RMB36,584. Jindongfang also contributed loss of RMB876,504 over the same period.

Had Jindongfang been consolidated from 1 January 2015, the consolidated income statement would show pro-forma revenue of RMB23,836,011,000 and profit before income tax of RMB3,367,230,000.

35 CASH GENERATED FROM OPERATIONS

	Year ended 31 December	
	2016	2015
	RMB'000	RMB'000
Profit before income tax	4,135,368	3,363,954
Adjustments for:		
– Depreciation (Note 28)	213,614	100,265
– Amortisation	13,530	8,036
– Losses on disposal of property, plant and equipment (Note 27)	2,020	393
– Gains from disposal of subsidiaries (Note 40)	(171,361)	–
– Negative goodwill arising on business combination (Note 34)	(45,978)	–
– Pre-IPO share award scheme expenses (Note 20)	3,479	8,104
– Restricted share incentive scheme expenses (Note 20)	9,736	–
– Fair value gains on investment properties (Note 7)	(582,150)	(815,106)
– Fair value gains on derivative financial instruments	(11,840)	–
– Accrual of provision for properties held (or under development) for sale (Note 28)	–	242,495
– Reversal of provision for properties held (or under development) for sale (Note 15)	(331,838)	(206,273)
– Transaction with non-controlling interests	(3,025)	–
– Share of results of associates (Note 9)	(1,496)	(103,810)
– Share of results of joint ventures (Note 10)	(176,565)	61,905
– Dividend income on available-for-sale financial assets (Note 27)	(9,312)	(6,256)
– Finance costs (Note 29)	669,086	367,440
– Net foreign exchange losses/(gains) relating to borrowings (Note 29)	281,941	275,236
– Net foreign exchange losses on cash and cash equivalents (Note 29)	(9,397)	8,031
– Interest income (Note 29)	(161,227)	(136,133)
– Expenditure of intangible assets	12,008	–
– Expenditure of construction in progress	12,177	–
Changes in working capital		
– Restricted cash relating to operating activities (Note 18)	(1,131,408)	(14,760)
– Prepayments for leasehold land	(551,198)	(3,535,566)
– Properties held or under development for sale (excluding capitalised interest)	(1,817,688)	(2,032,397)
– Trade and other receivables and prepayments	(2,340,395)	(1,254,614)
– Advances from pre-sale of properties	10,314,057	2,763,630
– Trade and other payables	93,390	1,207,699
Cash generated from operations	<u>8,415,528</u>	<u>302,273</u>

In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

	Year ended 31 December	
	2016	2015
	RMB'000	RMB'000
Net book value (Note 6)	5,272	1,272
Losses on disposal of property, plant and equipment (Note 27)	(2,020)	(393)
Proceeds from disposal of property, plant and equipment	<u>3,252</u>	<u>879</u>

APPENDIX I FINANCIAL INFORMATION ON THE COMPANY

36 COMMITMENTS

(a) Property development expenditure commitments

As at 31 December 2016 and 2015, property development expenditure committed but not yet incurred are as follows:

	As at 31 December	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Contracted but not provided for	32,220,885	19,166,565
	<u>32,220,885</u>	<u>19,166,565</u>

(b) Capital commitments

As at 31 December 2016 and 2015, capital committed but not yet incurred are as follows:

	As at 31 December	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Committed acquisition of equipment	188,444	–
	<u>188,444</u>	<u>–</u>

(c) Operating lease commitments

As at 31 December 2016 and 2015, the future aggregate minimum rental expenses in respect of certain office buildings held under non-cancellable operating leases are payable in the following periods:

	As at 31 December	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	32,439	17,989
1 to 5 years	91,183	40,448
After 5 years	45,948	26,882
	<u>169,570</u>	<u>85,319</u>

(d) Investment commitments

As at 31 December 2016 and 2015, committed investments are as follows:

	As at 31 December	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Committed equity acquisition	1,255,297	–
Committed investments in associates	800,000	–
Committed investments in joint ventures	27,852	100,000
	<u>2,083,149</u>	<u>100,000</u>

(e) Operating lease rentals receivable

As at 31 December 2016 and 2015, the future aggregate minimum rental receipts under non-cancellable operating leases in respect of land and buildings are receivable in the following periods:

	As at 31 December	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	430,556	241,908
1 to 5 years	1,023,701	645,172
After 5 years	446,883	300,702
	1,901,140	1,187,782
	1,901,140	1,187,782

37 FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES**(a) Guarantees on mortgage facilities**

The Group had the following contingent liabilities in respect of financial guarantees on mortgage facilities as at 31 December 2016 and 2015:

	As at 31 December	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties	12,130,334	5,376,137
	12,130,334	5,376,137

The Group has arranged bank financing for certain purchasers of the Group's properties and provided guarantees to secure obligations of such purchaser for repayments. Such guarantees will terminate upon the earlier of (i) the issue of the real estate ownership certificate by government authorities to the purchaser which will generally occur within an average period of two to three years from the completion of the guarantee registration and submitted to the mortgage bank; or (ii) the satisfaction of mortgage loans by the purchasers of the properties.

Pursuant to the terms of the guarantees, upon default of mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the date of grant of mortgage. The directors consider that the likelihood of default of payments by the purchasers is minimal and therefore the financial guarantee measured at fair value is immaterial.

(b) Corporate guarantees

There are certain corporate guarantees provided by the Group's subsidiaries for each other in respect of borrowings (Note 22) as at 31 December 2016 and 2015. The directors consider that the subsidiaries are able to sufficiently financially resourced to settle their obligations.

38 RELATED-PARTY TRANSACTIONS

(a) Name and relationship with related parties

Name	Relationship
Mr. Wang	The controlling shareholder and a director of the Company
Mr. Wang Xiaosong	Family member of Mr. Wang
Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd.	An associate company of the Group
Atlantic Modular System Ltd.	An associate company of the Group
Suzhou Golden Century Real Estate Development Co., Ltd.	An associate company of the Group
Qingdao Zhuoyue Future Land Property Co., Ltd.	A joint venture of the Group
Qingdao Future Land Dongjun Real Estate Development Co., Ltd.	A subsidiary of a joint venture of the Group
Qingdao Zhuoyue Dongjun Property Co., Ltd.	A subsidiary of a joint venture of the Group
Nanjing Future Land Wanlong Real Estate Co., Ltd.	A joint venture of the Group before 22 July 2016
	A Subsidiary of the Group after 22 July 2016
Shanghai Henggu Real Estate Development Co., Ltd.	A joint venture of the Group
Shanghai Songming Real Estate Development Co., Ltd.	A joint venture of the Group
Shanghai Xincheng Xudi Real Estate Co., Ltd.	A joint venture of the Group
Suzhou Future Land Wanrui Real Estate Co., Ltd.	A joint venture of the Group
Changshu Zhongzhi Real Estate Co., Ltd.	A joint venture of the Group
Kunshan Derui Real Estate Co., Ltd.	A joint venture of the Group
Changshu Wan Zhong Cheng Real Estate Co., Ltd.	A joint venture of the Group
Chengdu Future Land Wanbo Real Estate Development Co., Ltd.	A joint venture of the Group
Taizhou Future Land Wanbo Real Estate Development Co., Ltd.	A joint venture of the Group
Yiwu Injoy Real Estate Development Co., Ltd.	A joint venture of the Group
Suzhou Chenghong Real Estate Development Co., Ltd.	A joint venture of the Group
Suzhou Shengming Real Estate Development Co., Ltd.	A joint venture of the Group
Nanjing Future Land Chuangjin Real Estate Co., Ltd.	A joint venture of the Group
Hangzhou Jiahao Real Estate Development Co., Ltd.	A joint venture of the Group
Tianjin Future Land Injoy Real Estate Development Co., Ltd.	A joint venture of the Group
Suzhou Baixiang Property Co., Ltd.	A joint venture of the Group
Shanghai Ruitao Real Estate Development Co., Ltd.	A joint venture of the Group
Nanjing Future Land Guanghong Real Estate Co., Ltd.	A joint venture of the Group
Shanghai Jiayu Property Co., Ltd.	A joint venture of the Group
Nanjing Minghongxin Real Estate Development Co., Ltd.	A joint venture of the Group
Nanjing Xinbaohong Real Estate Co., Ltd.	A joint venture of the Group
Hangzhou Future Land Songjun Real Estate Development Co., Ltd.	A joint venture of the Group
Hangzhou Bintong Real Estate Development Co., Ltd.	A joint venture of the Group
Yongqing Yintai Future Land Construction and Development Co., Ltd.	A joint venture of the Group
Suzhou Yusheng Real Estate Development Co., Ltd.	A joint venture of the Group
Yangzhou Future Land Yuesheng Real Estate Development Co., Ltd.	A joint venture of the Group
Shanghai Quankun Investment Co., Ltd.	A joint venture of the Group
Shanghai Xinyao Investment Co., Ltd.	A joint venture of the Group
Shanghai Jiapeng Real Estate Development Co., Ltd.	A joint venture of the Group
Hangzhou Wanzhao Property Co., Ltd.	A joint venture of the Group
Suzhou Jiazhong Real Estate Development Co., Ltd.	A joint venture of the Group
Nanjing Huilong Real Estate Co., Ltd.	A joint venture of the Group
Tianjin Future Land Baojun Real Estate Development Co., Ltd.	A joint venture of the Group
Shanghai Xiyue Real Estate Development Co., Ltd.	A joint venture of the Group
Wuhan Qingneng Xinrong Property Co., Ltd.	A joint venture of the Group
Shanghai Sheshan Country Club Co., Ltd.	A subsidiary of a joint venture of the Group

Name	Relationship
Changzhou Wujin District Jindongfang Care Centre	Unconsolidated investment of the Group
Tibet Future Land Property Management Co., Ltd.	A related company under Mr. Wang's control
Wealth Zone Hong Kong Investments Limited	Parent company

(b) Transactions with related parties

During the year ended 31 December 2016, the Group has the following related party transactions:

	Year ended 31 December	
	2016	2015
	RMB'000	RMB'000
(i) Fundings to related parties		
– Suzhou Yusheng Real Estate Development Co., Ltd.	10,917,986	–
– Tianjin Future Land Injoy Real Estate Development Co., Ltd.	3,487,147	–
– Taizhou Future Land Wanbo Real Estate Development Co., Ltd.	3,286,131	287,366
– Nanjing Future Land Wanlong Real Estate Co., Ltd.	3,018,748	1,718,312
– Nanjing Future Land Chuangjin Real Estate Co., Ltd.	2,432,802	–
– Tianjin Future Land Baojun Real Estate Development Co., Ltd.	1,731,381	–
– Chengdu Future Land Wanbo Real Estate Development Co., Ltd.	1,566,364	822,868
– Yangzhou Future Land Yuesheng Real Estate Development Co., Ltd.	1,472,101	–
– Suzhou Future Land Wanrui Real Estate Co., Ltd.	1,343,565	202,000
– Nanjing Xinbaohong Real Estate Co., Ltd.	1,022,929	–
– Shanghai Xinyao Investment Co., Ltd.	936,970	–
– Shanghai Quankun Investment Co., Ltd.	927,170	–
– Nanjing Huilong Real Estate Co., Ltd.	784,432	–
– Shanghai Jiapeng Real Estate Development Co., Ltd.	658,026	–
– Nanjing Future Land Guanghong Real Estate Co., Ltd.	578,691	–
– Shanghai Sheshan Country Club Co., Ltd.	571,726	1,910,000
– Qingdao Zhuoyue Future Land Property Co., Ltd.	499,340	853,392
– Shanghai Ruitao Real Estate Development Co., Ltd.	496,426	–
– Yiwu Injoy Real Estate Development Co., Ltd.	457,230	17,055
– Kunshan Derui Real Estate Co., Ltd.	455,123	148,010
– Suzhou Shengming Real Estate Development Co., Ltd.	425,902	–
– Suzhou Jiazhong Real Estate Development Co., Ltd.	422,679	–
– Hangzhou Wanzhao Property Co., Ltd.	286,602	–
– Suzhou Chenghong Real Estate Development Co., Ltd.	248,934	–
– Shanghai Xiyue Real Estate Development Co., Ltd.	167,181	–
– Suzhou Baixiang Property Co., Ltd.	156,697	–
– Atlantic Modular System Ltd.	129,057	30,000
– Hangzhou Bintong Real Estate Development Co., Ltd.	89,950	–
– Shanghai Songming Real Estate Development Co., Ltd.	66,845	28,320
– Wuhan Qingneng Xinrong Property Co., Ltd.	62,150	–
– Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd.	51,000	–
– Hangzhou Future Land Songjun Real Estate Development Co., Ltd.	41,314	–
– Changzhou Wujin District Jindongfang Care Centre	31,286	462,856
– Changshu Zhongzhi Real Estate Co., Ltd.	13,911	153,050
– Hangzhou Jiahao Real Estate Development Co., Ltd.	4,597	–

	Year ended 31 December	
	2016	2015
	RMB'000	RMB'000
– Yongqing Yintai Future Land Construction and Development Co., Ltd.	400	–
– Nanjing Minghongxin Real Estate Development Co., Ltd.	87	–
– Changshu Wan Zhong Cheng Real Estate Co., Ltd.	–	22,725
– Shanghai Henggu Real Estate Development Co., Ltd.	–	11,200
	38,842,880	6,667,154
	38,842,880	6,667,154
(ii) Fundings from related parties		
– Suzhou Yusheng Real Estate Development Co., Ltd.	10,134,126	–
– Tianjin Future Land Injoy Real Estate Development Co., Ltd.	5,294,347	–
– Taizhou Future Land Wanbo Real Estate Development Co., Ltd.	3,365,583	1,825,000
– Nanjing Future Land Chuangjin Real Estate Co., Ltd.	2,756,805	–
– Nanjing Future Land Wanlong Real Estate Co., Ltd.	2,740,591	3,329,600
– Shanghai Sheshan Country Club Co., Ltd.	3,477,036	874,330
– Chengdu Future Land Wanbo Real Estate Development Co., Ltd.	1,856,894	1,573,000
– Suzhou Future Land Wanrui Real Estate Co., Ltd.	1,790,065	1,665,290
– Suzhou Jiazhong Real Estate Development Co., Ltd.	1,568,155	–
– Shanghai Jiapeng Real Estate Development Co., Ltd.	1,411,173	–
– Suzhou Shengming Real Estate Development Co., Ltd.	1,352,261	–
– Shanghai Jiayu Property Co., Ltd.	1,219,410	–
– Shanghai Ruitao Real Estate Development Co., Ltd.	1,174,826	–
– Yiwu Injoy Real Estate Development Co., Ltd.	1,011,458	–
– Yangzhou Future Land Yuesheng Real Estate Development Co., Ltd.	1,002,101	–
– Nanjing Xinbaohong Real Estate Co., Ltd.	987,404	–
– Kunshan Derui Real Estate Co., Ltd.	916,963	330,910
– Qingdao Zhuoyue Future Land Property Co., Ltd.	833,530	1,095,500
– Suzhou Chenghong Real Estate Development Co., Ltd.	765,534	20,000
– Nanjing Future Land Guanghong Real Estate Co., Ltd.	562,203	–
– Changshu Zhongzhi Real Estate Co., Ltd.	319,411	608,050
– Hangzhou Wanzhao Property Co., Ltd.	283,322	–
– Hangzhou Jiahao Real Estate Development Co., Ltd.	237,328	–
– Hangzhou Future Land Songjun Real Estate Development Co., Ltd.	183,814	–
– Changzhou Wujin District Jindongfang Care Centre	158,767	–
– Changshu Wan Zhong Cheng Real Estate Co., Ltd.	148,411	29,989
– Shanghai Xiyue Real Estate Development Co., Ltd.	111,381	–
– Shanghai Songming Real Estate Development Co., Ltd.	74,845	66,720
– Atlantic Modular System Ltd.	99,000	–
– Wuhan Qingneng Xinrong Property Co., Ltd.	50,148	–
– Tianjin Future Land Baojun Real Estate Development Co., Ltd.	50,025	–
– Hangzhou Bintong Real Estate Development Co., Ltd.	50,000	–
– Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd.	17,000	80,000
– Suzhou Baixiang Property Co., Ltd.	15,697	–
– Shanghai Henggu Real Estate Development Co., Ltd.	11,200	107,650
– Shanghai Xinyao Investment Co., Ltd.	3,250	–
– Shanghai Quankun Investment Co., Ltd.	3,250	–

	Year ended 31 December	
	2016 RMB'000	2015 RMB'000
– Nanjing Huilong Real Estate Co., Ltd.	1,209	–
– Nanjing Minghongxin Real Estate Development Co., Ltd.	68	–
– Shanghai Xincheng Xudi Real Estate Co., Ltd.	–	70,000
– Suzhou Golden Century Real Estate Development Co., Ltd.	–	–
	46,038,591	11,676,039
(iii) Paid on behalf of related parties		
– Shanghai Jiayu Property Co., Ltd	1,887,000	–
– Suzhou Yusheng Real Estate Development Co., Ltd.	1,779,000	–
– Suzhou Jiazhong Real Estate Development Co., Ltd.	1,457,400	–
– Shanghai Ruitao Real Estate Development Co., Ltd.	682,000	–
– Suzhou Golden Century Real Estate Development Co., Ltd.	522,308	–
– Tianjin Future Land Injoy Real Estate Development Co., Ltd.	413,850	–
– Nanjing Xinbaohong Real Estate Co., Ltd.	380,000	–
– Nanjing Huilong Real Estate Co., Ltd.	370,000	–
– Hangzhou Jiahao Real Estate Development Co., Ltd.	320,000	–
– Suzhou Chenghong Real Estate Development Co., Ltd.	276,600	–
– Hangzhou Future Land Songjun Real Estate Development Co., Ltd.	223,000	–
– Tianjin Future Land Baojun Real Estate Development Co., Ltd.	213,548	–
– Nanjing Minghongxin Real Estate Development Co., Ltd.	82,500	–
– Tibet Future Land Property Management Co., Ltd.	2,559	–
– Yiwu Injoy Real Estate Development Co., Ltd.	–	756,750
– Taizhou Future Land Wanbo Real Estate Development Co., Ltd.	–	569,000
– Changshu Zhongzhi Real Estate Co., Ltd.	–	288,863
– Chengdu Future Land Wanbo Real Estate Development Co., Ltd.	–	180,000
– Kunshan Derui Real Estate Co., Ltd.	–	131,100
– Changshu Wan Zhong Cheng Real Estate Co., Ltd.	–	79,977
	8,609,765	2,005,690
(iv) Income derived from provision of project management services to joint ventures		
– Shanghai Sheshan Country Club Co., Ltd.	39,328	–
– Changshu Zhongzhi Real Estate Co., Ltd.	38,355	–
– Kunshan Derui Real Estate Co., Ltd.	29,378	–
– Chengdu Future Land Wanbo Real Estate Development Co., Ltd.	24,039	–
– Taizhou Future Land Wanbo Real Estate Development Co., Ltd.	19,890	–
– Suzhou Shengming Real Estate Development Co., Ltd.	19,299	–
– Hangzhou Jiahao Real Estate Development Co., Ltd.	15,405	–
– Suzhou Future Land Wanrui Real Estate Co., Ltd.	12,119	–

	Year ended 31 December	
	2016 RMB'000	2015 RMB'000
– Suzhou Chenghong Real Estate Development Co., Ltd.	4,431	–
– Shanghai Songming Real Estate Development Co., Ltd.	3,332	–
	<u>205,576</u>	<u>–</u>
(v) Expenses incurred for accepting residential property management services provided by an entity under a previous subsidiary after disposal		
– Tibet Future Land Property Management Co., Ltd. (Note 40(b))	90,822	–
	<u>90,822</u>	<u>–</u>
(vi) Expenses incurred for accepting services provided by an associate		
– Atlantic Modular System Ltd.	3,790	–
	<u>3,790</u>	<u>–</u>
(vii) Disposal of subsidiaries		
– Wealth Zone Hong Kong Investments Limited (Note 40(b))	319,615	–
	<u>319,615</u>	<u>–</u>
(viii) Dividend paid to a related party		
– Mr Wang Xiaosong	805	–
	<u>805</u>	<u>–</u>

(ix) Repayment of a previous intra-group payable balance to a former subsidiary

During 2016, the Group disposed of its 100% equity interests in Changzhou Chuangyue Consultancy Co., Ltd. (together with its subsidiaries, the “Chuangyue group”) to the Company’s parent company, Wealth Zone Hong Kong (Note 40). The disposal was completed on 31 May 2016 and Chuangyue group was thereafter de-consolidated. Chuangyue group had an intra-group outstanding loan receivable balance of approximately RMB108 million immediately before the disposal which became a related party balance after the disposal. The balance was interest-free and not secured by any assets of the Group. The balance was fully repaid subsequently within one month by the Group in June 2016.

(x) Key management compensation

Key management includes directors (executive and non-executive), chief financial officer, vice presidents and assistant presidents. The compensation paid or payable to key management for employee services is shown below:

	Year ended 31 December	
	2016 RMB'000	2015 RMB'000
Salaries and other short-term employee benefits	<u>42,371</u>	<u>39,974</u>

APPENDIX I FINANCIAL INFORMATION ON THE COMPANY

(xi) *Guarantees provided to related parties*

Guaranteed party	Guarantee amount <i>RMB'000</i>	Guarantee beginning date	Guarantee ending date	Guarantee fulfill or not
Suzhou Yusheng Real Estate Development Co., Ltd.	4,127,500	21 October 2016	31 January 2022	No
Tianjin Future Land Injoy Real Estate Development Co., Ltd.	1,273,562	07 July 2016	05 July 2019	No
Shanghai Jiayu Property Co., Ltd.	1,219,410	22 September 2016	22 September 2019	No
Shanghai Sheshan Country Club Co., Ltd.	890,000	07 September 2015	18 August 2020	No
Suzhou Yusheng Real Estate Development Co., Ltd.	838,500	30 December 2016	29 June 2017	No
Nanjing Future Land Chuangjin Real Estate Co., Ltd.	735,000	25 March 2016	25 March 2018	No
Nanjing Xinbaohong Real Estate Co., Ltd.	660,620	30 December 2016	21 December 2018	No
Nanjing Future Land Chuangjin Real Estate Co., Ltd.	630,000	22 August 2016	22 August 2018	No
Suzhou Jiazhong Real Estate Development Co., Ltd.	495,000	29 August 2016	01 January 2020	No
Qingdao Zhuoyue Dongjun Property Co., Ltd.	450,000	31 May 2016	31 May 2019	No
Shanghai Jiapeng Real Estate Development Co., Ltd.	408,000	06 September 2016	30 September 2018	No
Hangzhou Jiahao Real Estate Development Co., Ltd.	367,250	22 January 2014	22 January 2019	No
Yiwu Injoy Real Estate Development Co., Ltd.	250,000	08 January 2016	07 January 2018	No
Suzhou Golden Century Real Estate Development Co., Ltd.	200,000	30 December 2016	30 December 2018	No
Taizhou Future Land Wanbo Real Estate Development Co., Ltd.	180,000	31 March 2016	11 January 2019	No
Suzhou Future Land Wanrui Real Estate Co., Ltd.	162,860	23 April 2016	30 June 2018	No
Shanghai Sheshan Country Club Co., Ltd.	140,000	13 September 2016	13 September 2019	No
Qingdao Future Land Dongjun Real Estate Development Co., Ltd.	140,000	18 March 2016	18 March 2019	No
Shanghai Ruitao Real Estate Development Co., Ltd.	135,000	08 July 2016	07 July 2019	No
Shanghai Sheshan Country Club Co., Ltd.	130,000	24 August 2016	15 August 2019	No
Changshu Zhongzhi Real Estate Development Co., Ltd.	130,000	09 November 2015	26 April 2017	No
Shanghai Sheshan Country Club Co., Ltd.	120,000	16 September 2016	16 September 2019	No

Guaranteed party	Guarantee amount RMB'000	Guarantee beginning date	Guarantee ending date	Guarantee fulfill or not
Yiwu Injoy Real Estate Development Co., Ltd.	100,000	20 October 2016	17 April 2020	No
Suzhou Baixiang Property Co., Ltd.	54,300	30 December 2016	31 December 2018	No
Suzhou Chenghong Real Estate Development Co., Ltd.	50,000	31 July 2016	31 March 2018	No
Hangzhou Bintong Real Estate Development Co., Ltd.	50,000	2 December 2016	31 May 2017	No

(xii) *Equity interests pledged for related parties*

Pledged party	Pledged equity amount	Pledge beginning date	Pledge ending date
Yiwu Injoy Real Estate Development Co., Ltd.	51%	08 January 2016	07 January 2018
Changshu Zhongzhi Real Estate Co., Ltd.	65%	09 November 2015	26 April 2017
Suzhou Yusheng Real Estate Development Co., Ltd.	65%	21 October 2016	31 January 2022
Tianjin Future Land Injoy Real Estate Development Co., Ltd.	50%	07 July 2016	05 July 2019
Nanjing Xinbaohong Real Estate Co., Ltd.	34%	30 December 2016	21 December 2018
Nanjing Future Land Chuangjin Real Estate Co., Ltd.	70%	22 August 2016	22 August 2018
Suzhou Jiazhong Real Estate Development Co., Ltd.	35%	29 August 2016	01 January 2020
Shanghai Sheshan Country Club Co., Ltd.	50%	07 September 2015	18 August 2020
Shanghai Jiapeng Real Estate Development Co., Ltd.	51%	06 September 2016	30 September 2018

(c) **Related-party balances**

	As at 31 December	
	2016	2015
	RMB'000	RMB'000
(i) Amounts due from related parties (Note 16)		
– Suzhou Yusheng Real Estate Development Co., Ltd.	2,562,860	–
– Tianjin Future Land Baojun Real Estate Development Co., Ltd.	1,894,903	–
– Nanjing Huilong Real Estate Co., Ltd.	1,153,223	–
– Shanghai Xinyao Investment Co., Ltd.	933,720	–
– Shanghai Quankun Investment Co., Ltd.	923,920	–
– Shanghai Jiayu Property Co., Ltd.	667,590	–
– Suzhou Golden Century Real Estate Development Co., Ltd.	522,308	–
– Yangzhou Future Land Yuesheng Real Estate Development Co., Ltd.	470,000	–
– Nanjing Xinbaohong Real Estate Co., Ltd.	415,525	–
– Changzhou Wujin District Jindongfang Care Centre	335,374	462,856
– Suzhou Jiazhong Real Estate Development Co., Ltd.	311,923	–
– Yiwu Injoy Real Estate Development Co., Ltd.	219,577	773,805
– Suzhou Baixiang Property Co., Ltd.	141,000	–

	As at 31 December	
	2016	2015
	RMB'000	RMB'000
– Hangzhou Jiahao Real Estate Development Co., Ltd.	87,269	–
– Nanjing Minghongxin Real Estate Development Co., Ltd.	82,518	–
– Hangzhou Future Land Songjun Real Estate Development Co., Ltd.	80,500	–
– Atlantic Modular System Ltd.	60,057	30,000
– Shanghai Xiyue Real Estate Development Co., Ltd.	55,800	–
– Hangzhou Bintong Real Estate Development Co., Ltd.	39,950	–
– Kunshan Derui Real Estate Co., Ltd.	18,179	–
– Nanjing Future Land Guanghong Real Estate Co., Ltd.	16,488	–
– Wuhan Qingneng Xinrong Property Co., Ltd.	12,002	–
– Shanghai Ruitao Real Estate Development Co., Ltd.	3,600	–
– Hangzhou Wanzhao Property Co., Ltd.	3,280	–
– Chengdu Future Land Wanbo Real Estate Co., Ltd.	435	–
– Yongqing Yintai Future Land Construction and Development Co., Ltd.	400	–
– Qingdao Zhuoyue Future Land Property Co., Ltd.	–	191,672
– Shanghai Sheshan Country Club Co., Ltd.	–	1,035,670
– Changshu Wan Zhong Cheng Real Estate Co., Ltd.	–	72,714
	11,012,401	2,566,717
(ii) Amounts due to related parties (Note 24)		
– Shanghai Sheshan Country Club Co., Ltd.	1,869,640	–
– Tianjin Future Land Injoy Real Estate Development Co., Ltd.	1,393,350	–
– Suzhou Future Land Wanrui Real Estate Co., Ltd.	1,242,134	795,634
– Taizhou Future Land Wanbo Real Estate Development Co., Ltd.	1,048,086	968,634
– Suzhou Shengming Real Estate Development Co., Ltd.	926,360	–
– Chengdu Future Land Wanbo Real Estate Development Co., Ltd.	861,093	570,132
– Shanghai Jiapeng Real Estate Development Co., Ltd.	753,147	–
– Kunshan Derui Real Estate Co., Ltd.	531,818	51,798
– Changshu Zhongzhi Real Estate Co., Ltd.	471,637	166,137
– Nanjing Future Land Chuangjin Real Estate Co., Ltd.	324,003	–
– Suzhou Chenghong Real Estate Development Co., Ltd.	260,000	20,000
– Shanghai Wan Zhi Cheng Real Estate Development Co., Ltd.	206,000	240,000
– Qingdao Zhuoyue Future Land Property Co., Ltd.	142,518	–
– Shanghai Xincheng Xudi Real Estate Co., Ltd.	142,435	142,435
– Shanghai Henggu Real Estate Development Co., Ltd.	107,650	96,450
– Changshu Wan Zhong Cheng Real Estate Co., Ltd.	75,697	–
– Shanghai Songming Real Estate Development Co., Ltd.	46,400	38,400
– Tibet Future Land Property Management Co., Ltd.	6,464	–
– Nanjing Future Land Wanlong Real Estate Co., Ltd.	–	1,816,182
	10,408,432	4,905,802

Except for certain amounts due from Atlantic Modular System Ltd. of RMB30,000,000 advanced in 2016 (which bear annual interest of 10%) and RMB30,000,000 advanced in 2015 (which bear annual interest of 0.01%), the amounts due from and due to related parties are unsecured, bear no interest and are repayable on demand.

Since the funds were provided near the year end, the amounts of interest received or receivable from the interest bearing related party balances are not material in 2016 and 2015.

39 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

- (a) In March 2015, the former B share company transferred all of its equity interest in Jiangsu Future Land Property Management Co., Ltd. and its subsidiary (“Future Land Property”) to Wealth Zone Development Co., Ltd. (a wholly owned subsidiary of the Group) for a total consideration of RMB24,683,000. The carrying amount of the non-controlling interests in Future Land Property on the date of acquisition was RMB3,693,000. The Group recognised a decrease in non-controlling interests of RMB3,693,000 and a decrease in equity attributable to owners of the Company of RMB20,990,000. The effect of changes in the ownership interest of Future Land Property on the equity attributable to owners of the Company during the year is summarised as follows:

	RMB’000
Carrying amount of non-controlling interests acquired	3,693
Consideration paid to non-controlling interests	<u>(24,683)</u>
Excess of consideration paid recognised within equity	<u><u>(20,990)</u></u>

- (b) In June 2015, a third party Changzhou Zhuofan injected a capital of RMB4,000,000 to acquire 6.25% equity interest of Future Land Property. The difference between fair value of consideration received and the relevant share transferred of the carrying value of net assets of Future Land Property of RMB3,025,000 representing gain is recorded in other reserves. The effect of changes in the ownership interest of Future Land Property on the equity attributable to owners of the Company during the year is summarised as follows:

	RMB’000
Carrying amount of net assets transferred to non-controlling interests	(975)
Consideration received from non-controlling interests	<u>4,000</u>
Excess of consideration received recognised within equity	<u><u>3,025</u></u>

- (c) In December 2015, the A share company, who originally held 58.86% of the former B share company, issued 542,064,758 A shares (“A Shares”) at the price of RMB9.82 per share, to all shareholders of the former B share company, other than the A share company, and absorbs and merges the former B share company by way of share swap (“the Merger”). As such, the former B share company becomes a wholly-owned subsidiary of the A share company. At the same time, the A share company was listed on the Shanghai Stock Exchange. Upon completion of the transactions mentioned above, the A share company becomes the subsisting company which holds all the assets, liabilities, businesses, personnel, contracts and all other rights and obligations of the former B share company, whilst the former B share company was delisted from the Shanghai Stock Exchange and will be deregistered as a legal person.

The consideration for the Merger was satisfied by the issuance of A Shares by the A share company. The carrying amount of the non-controlling interests in the former B share company on the date of share swap was RMB3,462,508,000. The effect of changes in the ownership interest of the former B share company on the equity attributable to owners of the Company during the year is summarised as follows:

	RMB’000
Carrying amount of non-controlling interests of the former B share company	3,462,508
Carrying amount of net assets transferred to non-controlling interests of the A share company	<u>(3,534,641)</u>
Net changes in non-controlling interests	(72,133)
Transaction costs capitalised	<u>(38,100)</u>
Net loss from changes of non-controlling interest in subsidiaries	<u><u>(110,233)</u></u>

- (d) In August 2015, a third party Beijing Qianshi Chuangfu Asset Management Co., Ltd. injected a capital of RMB550,000,000 to acquire 20% equity interest of Nanchang Future Land Yuesheng Real Estate Development Co., Ltd.. The difference between fair value of consideration received and the relevant share transferred of the carrying value of net assets of Nanchang Future Land Yuesheng Real Estate Development Co., Ltd. of RMB562,139,000 representing loss is recorded in other reserves. The effect of changes in the ownership interest of Nanchang Future Land Yuesheng Real Estate Development Co., Ltd. on the equity attributable to owners of the Company during the year is summarised as follows:

	RMB'000
Carrying amount of net assets transferred to a non-controlling interest	(562,139)
Consideration received from a non-controlling interest	550,000
	<u> </u>
Shortfall from consideration received recognised within equity	<u><u>(12,139)</u></u>

- (e) In November 2015, a third party Beijing Qianshi Chuangfu Asset Management Co., Ltd. reduced a capital of USD129,800,000 of Suzhou Kaituo Development Co., Ltd.. In addition, the Company paid other consideration to Beijing Qianshi Chuangfu Asset Management Co., Ltd. with amount of RMB73,576,000. The difference between fair value of consideration paid and the relevant share acquired of the carrying value of net assets of Suzhou Kaituo Development Co., Ltd. of RMB800,000,000 representing loss is recorded in other reserves. The effect of changes in the ownership interest of Suzhou Kaituo Development Co., Ltd. on the equity attributable to owners of the Company during the year is summarised as follows:

	RMB'000
Carrying amount of a non-controlling interest acquired	800,000
Consideration paid to a non-controlling interest	
– Capital reduction to a non-controlling interest	(800,000)
– Other consideration paid to a non-controlling interest	(73,576)
	<u> </u>
Excess of consideration paid recognised within equity	<u><u>(73,576)</u></u>

- (f) In April 2016, the Group acquired from Shanghai Gefei Jingxi Investment Co., Ltd., 30% equity interest in Suzhou Future Land Chuangsheng Real Estate Co., Ltd. (“Suzhou Chuangsheng”) at a consideration of RMB131,882,000. The difference between the consideration and the relevant share of the carrying value of the net asset of Suzhou Chuangsheng with the amount of RMB36,826,000 was recorded as a debit to other reserves. The effect of changes in the ownership interest of Suzhou Chuangsheng on the equity attributable to owners of the Company during the year is summarised as follows:

	RMB'000
Carrying amount of a non-controlling interest acquired	95,056
Consideration paid to a non-controlling interest	
– Capital reduction to a non-controlling interest	(9,000)
– Other consideration paid to a non-controlling interest	(122,882)
	<u> </u>
Excess of consideration paid recognised within equity	<u><u>(36,826)</u></u>

APPENDIX I FINANCIAL INFORMATION ON THE COMPANY

40 DISPOSAL OF SUBSIDIARIES AND BUSINESS

(a) Disposal of Shanghai Diyu Business Management Co., Ltd.

On 21 June 2016, the Group disposed of its 100% equity interests in Shanghai Diyu Business Management Co., Ltd. at a consideration of RMB1,049,820,000. The subsidiary was engaged in investment property business.

	RMB'000
Consideration received in cash	1,049,820
Net assets disposed of	(1,160,185)
Loss on disposal	(110,365)

The aggregated assets and liabilities in respect of the above disposal were as follows:

	RMB'000
Cash and cash equivalents	7,851
Trade and other receivables	3,409
Investment property	1,191,000
Trade and other payables	(5,321)
Deferred income tax liabilities	(33,946)
Non-controlling interests	(2,808)
Net assets disposed of	1,160,185
Cash received	1,049,820
Less: Cash and cash equivalents in the subsidiary disposed of	(7,851)
Net cash inflow from the disposal	1,041,969

(b) Disposal of Changzhou Chuangyue Consultancy Co., Ltd.

On 31 May 2016, the Group disposed of its 100% equity interests in Changzhou Chuangyue Consultancy Co., Ltd. at a consideration of RMB320,000,000 to the Company's parent company, Wealth Zone Hong Kong. The subsidiary was engaged in residential property management business. An entity under that former subsidiary, Tibet Future Land Property Management Co., Ltd., continues to provide residential property management services to the Group after the disposal (Note 38(b)(v)).

	RMB'000
Consideration received in cash	320,000
Net assets disposed of	(44,103)
Transaction costs	(385)
Gain on disposal	275,512

The aggregated assets and liabilities in respect of the above disposal were as follows:

	RMB'000
Cash and cash equivalents	64,398
Prepayments	21,743
Trade and other receivables	472,733
Properties held or under development for sale	328
Property, plant and equipment	6,331
Intangible assets	2,844
Deferred income tax assets	1,768
Available-for-sale financial assets	300
Prepayments from customers	(100,354)
Trade and other payables	(418,906)
Non-controlling interests	(7,082)
	<hr/>
Net assets disposed of	44,103
	<hr/> <hr/>
Cash received	320,000
Less: Cash and cash equivalents in the subsidiary disposed of	(64,398)
	<hr/>
Transaction costs	(385)
	<hr/>
Net cash inflow from the disposal	255,217
	<hr/> <hr/>

The board of directors is of the view that the amount of the above transaction was insignificant, and hence does not constitute discontinued operation of business.

(c) Disposal of Nanjing Future Land Chuangjin Real Estate Development Co., Ltd.

Nanjing Chuangjin was established in November 2015 as a subsidiary of the Group. In June 2016, an independent third party investor injected a capital of RMB200,000,000 to Nanjing Chuangjin. Subsequent to the Capital injection, the Group's interest in Nanjing Chuangjin was diluted to 70.15%. According to the investment agreement and articles of Nanjing Chuangjin, the Group and the independent third party investor will jointly control the project development and sales of properties as well as other key relevant activities of Nanjing Chuangjin. Hence it is accounted for as a joint venture and no longer a subsidiary of the Group.

The gain from disposal of Nanjing Chuangjin is RMB787,000.

(d) Disposal of Suzhou Golden Century Real Estate Co., Ltd.

The Group acquired 100% equity interests in Suzhou Golden Century in September 2016, which the directors consider is an asset acquisition in substance rather than business combination, and therefore accounted for as asset acquisition and then sold 50% of its equity interests to another investor in November 2016 with the disposal consideration at the same price as the acquisition. Therefore, there is no gain or loss from the disposal of 50% of the Group's equity interests in Suzhou Golden Century.

(e) Disposal of Kunshan Future Land Duoqimiao Business Management Consultancy Co., Ltd.

On 16 December 2016, the Group disposed of its 100% equity interests in Kunshan Future Land Duoqimiao Business Management Consultancy Co., Ltd. at a consideration of RMB1,000,000. The subsidiary was engaged in consulting business.

	RMB'000
Consideration received in cash	1,000
Net liabilities disposed of	1,203
	<hr/>
Gain on disposal	2,203
	<hr/> <hr/>

The aggregated assets and liabilities in respect of the above disposal were as follows:

	RMB'000
Cash and cash equivalents	5
Property, plant and equipment	1,218
Trade and other receivables	735
Trade and other payables	(3,161)
	<hr/>
Net liabilities disposed of	(1,203)
	<hr/> <hr/>
Cash received	1,000
Less: Cash and cash equivalents in the subsidiary disposed of	(5)
	<hr/>
Net cash inflow from the disposal	995
	<hr/> <hr/>

(f) Disposal of Shanghai Baolv Future Land Duoqimiao Business Management Consultancy Co., Ltd.

On 16 December 2016, the Group disposed of its 100% equity interests in Shanghai Baolv Future Land Duoqimiao Business Management Consultancy Co., Ltd. at a consideration of RMB1,000,000. The subsidiary was engaged in consulting business.

	RMB'000
Consideration received in cash	1,000
Net liabilities disposed of	2,224
	<hr/>
Gain on disposal	3,224
	<hr/> <hr/>

The aggregated assets and liabilities in respect of the above disposal were as follows:

	RMB'000
Cash and cash equivalents	9
Property, plant and equipment	951
Trade and other receivables	1,074
Trade and other payables	(4,258)
	<hr/>
Net liabilities disposed of	(2,224)
	<hr/> <hr/>
Cash received	1,000
Less: Cash and cash equivalents in the subsidiary disposed of	(9)
	<hr/>
Net cash inflow from the disposal	991
	<hr/> <hr/>

APPENDIX I FINANCIAL INFORMATION ON THE COMPANY

41 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY

	As at 31 December	
<i>Note</i>	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
ASSETS		
Non-current assets		
Property, plant and equipment	2,394	2,927
Investments in subsidiaries	479,823	476,344
	482,217	479,271
Current assets		
Trade and other receivables	4,548,821	6,454,820
Cash and cash equivalents	24,969	352,389
	4,573,790	6,807,209
Total assets	5,056,007	7,286,480
OWNERS' EQUITY		
Capital and reserves attributable to equity holders of the Company		
Share capital: nominal value	4,609	4,609
Reserves	(a) 477,815	438,629
Total equity	482,424	443,238
Non-current liabilities		
Borrowings	2,393,051	3,818,709
Current liabilities		
Trade and other payables	463,972	164,158
Borrowings	1,716,560	2,860,375
Total liabilities	4,573,583	6,843,242
Total equity and liabilities	5,056,007	7,286,480

The balance sheet of the Company was approved by the Board of Directors on 24 February 2017 and was signed on its behalf by:

Wang Zhenhua
Director

Chan Wai Kin
Director

APPENDIX I

FINANCIAL INFORMATION ON THE COMPANY

(a) Reserve movement of the Company

	Share premium <i>RMB'000</i>	Other reserves <i>RMB'000</i>	Accumulated losses <i>RMB'000</i>	Total <i>RMB'000</i>
Balance at 1 January 2016	1,112,440	107,392	(781,203)	438,629
Comprehensive income				
Profit for the year	–	–	318,607	318,607
Other comprehensive income	–	–	–	–
Total comprehensive income for the year	–	–	318,607	318,607
Transactions with owners				
Pre-IPO share award scheme – value of current employee services	–	3,479	–	3,479
Dividends	(282,900)	–	–	(282,900)
Total contributions by and distributions to owners	(282,900)	3,479	–	(279,421)
Balance at 31 December 2016	<u>829,540</u>	<u>110,871</u>	<u>(462,596)</u>	<u>477,815</u>
Representing:				
Proposed final dividend	282,900			282,900
Others	546,640			194,915
	<u>829,540</u>			<u>477,815</u>
Balance at 1 January 2015	1,395,840	108,191	(353,210)	1,150,821
Comprehensive loss				
Loss for the year	–	–	(427,993)	(427,993)
Other comprehensive loss	–	–	–	–
Total comprehensive loss for the year	–	–	(427,993)	(427,993)
Transactions with owners				
Pre-IPO share award scheme – value of current employee services	–	8,104	–	8,104
Buy-back of shares	–	(8,903)	–	(8,903)
Dividends	(283,400)	–	–	(283,400)
Total contributions by and distributions to owners	(283,400)	(799)	–	(284,199)
Balance at 31 December 2015	<u>1,112,440</u>	<u>107,392</u>	<u>(781,203)</u>	<u>438,629</u>
Representing:				
Proposed final dividend	282,900			282,900
Others	829,540			155,729
	<u>1,112,440</u>			<u>438,629</u>

42 PARTICULARS OF SUBSIDIARIES

Particulars of the subsidiaries of the Group as at 31 December 2016 and 2015 are as follows:

Company name	Date of incorporation/ establishment	Authorised or registered capital <i>RMB'000</i>	Issued and fully paid capital <i>RMB'000</i>	Percentage of attributable equity interest as at 31		Principal activities
				December 2016	2015	
Future Land Holdings Co., Ltd.	14 June 1996	1,708,065	1,708,065	68.26%	68.26%	Development and sale of properties
Changzhou Future Land Real Estate Development Co., Ltd.	26 April 1998	1,100,000	1,100,000	65.39%	65.39%	Development and sale of properties
Wealthzone Development Co., Ltd. (formerly: Changzhou Wealthzone Development Co., Ltd.)	27 April 2002	301,800	301,800	100.00%	100.00%	Development and sale of properties
Nanjing Future Land Chuangzhi Real Estate Co., Ltd.	9 September 2002	120,000	120,000	65.68%	65.68%	Development and sale of properties
Shanghai Future Land Chuangzhi Real Estate Co., Ltd.	29 January 2003	10,000	10,000	65.68%	65.68%	Development and sale of properties
Shanghai Future Land Wanjia Real Estate Co., Ltd.	19 March 2003	411,000	411,000	65.68%	65.68%	Development and sale of properties
Changzhou Xinlong Chuangzhi Real Estate Development Co., Ltd.	16 September 2004	350,000	350,000	67.69%	67.69%	Development and sale of properties
Suzhou Future Land Wanjia Real Estate Co., Ltd.	17 September 2004	100,000	100,000	65.68%	65.68%	Development and sale of properties
Changzhou Future Land Wan Jia Construction Design Co., Ltd.	20 May 2005	3,000	3,000	66.54%	66.54%	Construction design and consulting
Changzhou Dingjia Property Real Estate Development Co., Ltd.	27 May 2005	10,000	10,000	65.76%	65.76%	Development and sale of properties
Changzhou Future Land Dongjun Real Estate Development Co., Ltd.	27 December 2005	10,000	10,000	68.03%	68.03%	Development and sale of properties
Kunshan Future Land Chuangzhi Development Co., Ltd.	7 April 2006	290,000	290,000	65.45%	65.45%	Development and sale of properties

APPENDIX I

FINANCIAL INFORMATION ON THE COMPANY

Company name	Date of incorporation/ establishment	Authorised or registered capital <i>RMB'000</i>	Issued and fully paid capital <i>RMB'000</i>	Percentage of attributable equity interest as at 31 December		Principal activities
				2016	2015	
Changzhou Future Land Assets Operation and Management Co., Ltd.	24 October 2006	1,000	1,000	67.97%	67.97%	Asset operation and management
Changzhou Future Land Zhidi Real Estate Development Co., Ltd.	13 December 2006	10,000	10,000	65.39%	65.39%	Development and sale of properties
Changzhou Jia Chi Auto Parts Co., Ltd.	16 January 2007	15,000	15,000	65.39%	65.39%	Marketing research of properties
Changzhou Wanfang Future Land Real Estate Development Co., Ltd.	6 February 2007	650,000	650,000	65.46%	65.46%	Development and sale of properties
Changzhou Fu Long Real Estate Development Co., Ltd.	6 February 2007	220,000	220,000	68.26%	68.26%	Development and sale of properties
Changzhou Future Land Wanbo Property Co., Ltd.	16 May 2007	165,000	165,000	68.26%	68.26%	Development and sale of properties
Shanghai Dongjun Real Estate Development Co., Ltd.	31 May 2007	10,000	10,000	68.26%	68.26%	Development and sale of properties
Wuxi Future Land Wanjia Property Co., Ltd.	14 August 2007	420,500	420,500	68.26%	68.26%	Development and sale of properties
Suzhou Future Land Chuangjia Property Co., Ltd.	11 October 2007	20,200	20,200	68.26%	68.26%	Development and sale of properties
Changzhou Wanjia Property Consultancy Co., Ltd.	18 January 2008	1,000	1,000	68.26%	68.26%	Consulting
Future Land Wanbo Property Co., Ltd.	24 January 2008	800,000	800,000	68.26%	68.26%	Development and sale of properties
Shanghai Future Land Chuangjia Property Co., Ltd.	20 March 2008	760,000	760,000	65.68%	65.68%	Development and sale of properties
Changzhou Future Land Dongsheng Real Estate Co., Ltd.	4 June 2009	10,000	10,000	68.03%	68.03%	Development and sale of properties

APPENDIX I

FINANCIAL INFORMATION ON THE COMPANY

Company name	Date of incorporation/ establishment	Authorised or registered capital <i>RMB'000</i>	Issued and fully paid capital <i>RMB'000</i>	Percentage of attributable equity interest as at 31 December		Principal activities
				2016	2015	
Nanjing Future Land Chuangjia Real Estate Co., Ltd.	2 July 2009	18,000	18,000	65.68%	65.68%	Development and sale of properties
Changzhou Future Land Jinjun Real Estate Co., Ltd.	11 September 2009	1,297,780	777,780	65.68%	65.68%	Development and sale of properties
Changzhou Hengfu Property Co., Ltd.	26 November 2009	20,000	20,000	65.39%	65.39%	Development and sale of properties
Changzhou Future Land Wanjia Real Estate Co., Ltd.	10 December 2009	50,000	50,000	65.39%	65.39%	Development and sale of properties
Changzhou Future Land Hongye Real Estate Co., Ltd.	28 December 2009	780,000	780,000	68.26%	68.26%	Development and sale of properties
Nanjing Future Land Wanjia Real Estate Co., Ltd.	13 January 2010	311,000	311,000	65.68%	65.68%	Development and sale of properties
Changzhou Future Land Chuangjia Real Estate Co., Ltd.	22 January 2010	–	520,000	65.68%	65.68%	Development and sale of properties
Shanghai Future Land Chuanghong Real Estate Co., Ltd.	26 January 2010	10,000	10,000	65.68%	65.68%	Development and sale of properties
Changzhou Future Land Keda Investment Consultancy Co., Ltd.	4 February 2010	500	500	68.26%	68.26%	Consulting
Changzhou Future Land Jingdian Architectural Design Co., Ltd.	4 February 2010	500	500	68.26%	68.26%	Development and sale of properties
Shanghai Future Land Jinjun Real Estate Co., Ltd.	26 March 2010	800,000	820,000	65.68%	65.68%	Development and sale of properties
Wuxi Future Land Chuangzhi Real Estate Co., Ltd.	6 May 2010	500,000	500,000	68.26%	68.26%	Development and sale of properties
Changzhou Future Land Wansheng Real Estate Co., Ltd.	12 June 2010	100,000	100,000	68.26%	68.26%	Development and sale of properties

APPENDIX I
FINANCIAL INFORMATION ON THE COMPANY

Company name	Date of incorporation/ establishment	Authorised or registered capital <i>RMB'000</i>	Issued and fully paid capital <i>RMB'000</i>	Percentage of attributable equity interest as at 31 December		Principal activities
				2016	2015	
Hong Kong Prosperity Development Ltd. (b)	30 August 2010	10	–	100.00%	100.00%	Investment company
Hong Kong Achievement Development Limited (b)	30 August 2010	10	3	100.00%	100.00%	Investment company
Changzhou Future Land Injoy Commercial Management Co., Ltd.	8 November 2010	10,000	10,000	68.26%	68.26%	Development and sale of properties
Shanghai Future Land Wansheng Property Co., Ltd.	10 November 2010	10,000	10,000	100.00%	100.00%	Development and sale of properties
Nanjing Future Land Yunsheng Real Estate Co., Ltd.	19 November 2010	860,000	860,000	65.68%	65.68%	Development and sale of properties
Wuxi Future Land Wanbo Property Co., Ltd.	6 January 2011	10,000	10,000	68.26%	68.26%	Development and sale of properties
Jintan Future Land Wanjun Property Co., Ltd.	22 March 2011	10,000	10,000	66.83%	66.83%	Development and sale of properties
Changsha Future Land Wanbo Property Co., Ltd.	28 March 2011	420,000	420,000	68.26%	68.26%	Development and sale of properties
Shanghai Future Land Chuangyu Real Estate Co., Ltd.	10 May 2011	900,000	900,000	65.68%	65.68%	Development and sale of properties
Kunshan Future Land Chuanghong Real Estate Co., Ltd.	20 June 2011	460,000	460,000	68.26%	68.26%	Development and sale of properties
Kunshan Future Land Chuangyu Real Estate Co., Ltd.	23 June 2011	300,000	300,000	68.26%	68.26%	Development and sale of properties
Changzhou Future Land Rui Yi International Co., Ltd.	7 September 2011	1,000	1,000	65.39%	65.39%	Property, hotel and conference management; apartment leasing services

APPENDIX I

FINANCIAL INFORMATION ON THE COMPANY

Company name	Date of incorporation/ establishment	Authorised or registered capital <i>RMB'000</i>	Issued and fully paid capital <i>RMB'000</i>	Percentage of attributable equity interest as at 31 December		Principal activities
				2016	2015	
Changzhou Jiafeng Market Research Co., Ltd.	15 September 2011	5,000	5,000	65.39%	65.39%	Marketing research of properties
Changzhou Injoy International Plaza Commercial Management Co., Ltd.	5 April 2012	5,000	5,000	68.26%	68.26%	Department store management
Wuhan Future Land Hongsheng Property Co., Ltd.	9 May 2012	400,000	400,000	68.26%	68.26%	Development and sale of properties
Shanghai Fuming Real Estate Development Co., Ltd.	7 September 2009	638,000	638,000	65.68%	65.68%	Development and sale of properties
Suzhou Future Land Chuangheng Real Estate Co., Ltd	13 August 2012	300,000	300,000	68.26%	68.26%	Development and sale of properties
Shanghai Qingpu Injoy Commercial Management Co., Ltd.	31 December 2012	5,000	5,000	68.26%	100.00%	Department store management
Shanghai Future Land Baojun Property Co., Ltd.	16 January 2013	20,000 (2015: 360,000)	20,000 (2015: 360,000)	65.68%	65.68%	Development and sale of properties
Changzhou Wansheng Property Management Co., Ltd.	22 January 2013	450,000	450,000	68.26%	68.26%	Department store management
Nanjing Future Land Chuanglong Real Estate Co., Ltd.	14 March 2013	20,000 (2015: 550,000)	20,000 (2015: 550,000)	65.68%	65.68%	Development and sale of properties
Changzhou Future Land Huisheng Development Co., Ltd.	15 May 2013	452,000	180,802	68.42%	68.42%	Development and sale of properties
Changzhou Future Land Yuesheng Development Co., Ltd.	15 May 2013	612,000	612,000	68.42%	68.42%	Development and sale of properties
Changzhou Future Land Zhuosheng Development Co., Ltd.	15 May 2013	756,000	303,309	68.42%	68.42%	Development and sale of properties
Heroic Time Global Limited (b)	28 May 2013	300	1	68.58%	68.58%	Investment company

APPENDIX I

FINANCIAL INFORMATION ON THE COMPANY

Company name	Date of incorporation/ establishment	Authorised or registered capital <i>RMB'000</i>	Issued and fully paid capital <i>RMB'000</i>	Percentage of attributable equity interest as at 31 December		Principal activities
				2016	2015	
Zhenjiang Kaisheng Development Co., Ltd.	7 June 2013	364,000	364,000	68.58%	68.58%	Development and sale of properties
Suzhou Kaituo Development Co., Ltd.	20 June 2013	138,938	138,938	68.58%	68.58% (c)	Development and sale of properties
Suzhou Bosheng Development Co., Ltd.	20 June 2013	460,015 (2015: 693,360)	460,015 (2015: 710,015)	76.20%	58.67%	Development and sale of properties
Exalt Creation Limited (b)	27 June 2013	300	1	68.58%	68.58%	Investment company
Suzhou Future Land Chuangsheng Property Co., Ltd.	1 July 2013	21,000 (2015: 30,000)	21,000 (2015: 30,000)	68.26% (Note 39(f))	47.78%	Development and sale of properties
Hong Kong Flourishing Development Limited (b)	16 July 2013	8	–	68.58%	68.58%	Investment company
Hong Kong Perpetual Development Limited (b)	16 July 2013	8	–	68.58%	68.58%	Investment company
Hong Kong Chuanglong Development Limited (b)	28 October 2014	–	–	68.58%	68.58%	Investment company
Suzhou Injoy Commercial Management Co., Ltd.	19 July 2013	5,000	5,000	68.26%	68.26%	Department store management
Changzhou Derun Consultancy Co., Ltd.	28 August 2013	2,000	2,000	100.00%	100.00%	Consulting
Changzhou Future Land Wande Investment Co., Ltd.	9 September 2013	200,000	200,000	100.00%	100.00%	Investment company
Flourish Source Holdings Limited (b)	27 September 2013	300	1	68.58%	68.58%	Investment company
Hangzhou Future Land Chuanghong Real Estate Development Co., Ltd.	27 September 2013	30,000 (2015: 400,000)	400,000	68.26%	68.26%	Development and sale of properties
Hangzhou Future Land Dinghong Real Estate Development Co., Ltd.	8 October 2013	356,000	356,500	68.26%	68.26%	Development and sale of properties

APPENDIX I
FINANCIAL INFORMATION ON THE COMPANY

Company name	Date of incorporation/ establishment	Authorised or registered capital <i>RMB'000</i>	Issued and fully paid capital <i>RMB'000</i>	Percentage of attributable equity interest as at 31 December		Principal activities
				2016	2015	
Zhangjiagang Dingsheng Real Estate Co., Ltd.	25 October 2013	11,424	11,424	68.58%	68.58%	Development and sale of properties
Aceled Limited (b)	1 November 2013	300	1	68.58%	68.58%	Investment company
Danyang Future Land Hongsheng Real Estate Development Co., Ltd.	5 November 2013	589,328	589,328	68.58%	68.58%	Development and sale of properties
Hangzhou Future Land Chuangsheng Real Estate Development Co., Ltd.	6 November 2013	100,000	100,000	68.26%	68.26%	Development and sale of properties
Kunshan Future Land Wanlong Real Estate Development Co., Ltd.	31 December 2013	10,000	10,000	65.45%	65.45%	Development and sale of properties
Emerald Sea holdings Limited (b)	12 November 2013	300	–	100.00%	100.00%	Investment company
Shanghai Jiading Huarui Real Estate Co., Ltd.	9 January 2014	20,000 (2015: 350,000)	20,000 (2015: 350,000)	65.68%	65.68%	Development and sale of properties
Hong Kong Excellent Development Limited (b)	10 January 2014	8	–	68.58%	68.58%	Investment company
Hong Kong Grand Development Limited (b)	10 January 2014	8	–	68.58%	68.58%	Investment company
Hong Kong Exaltation Development Limited (b)	10 January 2014	8	–	100.00%	100.00%	Investment company
Nantong Future Land Chuangzhi Real Estate Co., Ltd.	26 January 2014	850,000	850,000	52.54%	52.54%	Development and sale of properties
Shanghai Future Land Songjun Real Estate Development Co., Ltd.	13 March 2014	470,000	470,000	65.68%	65.68%	Development and sale of properties
Dawn Castle Limited (b)	12 May 2014	300	–	100.00%	100.00%	Investment company
Qingdao Future Land Chuangzhi Real Estate Co., Ltd.	15 May 2014	50,000 (2015: 10,000)	50,000 (2015: 10,000)	68.26%	68.26%	Development and sale of properties

APPENDIX I
FINANCIAL INFORMATION ON THE COMPANY

Company name	Date of incorporation/ establishment	Authorised or registered capital <i>RMB '000</i>	Issued and fully paid capital <i>RMB '000</i>	Percentage of attributable equity interest as at 31 December		Principal activities
				2016	2015	
Dawnwave Holdings Limited (b)	10 July 2014	300	–	100.00%	100.00%	Investment company
Dragon Boom Developments Limited (b)	29 July 2014	300	–	100.00%	100.00%	Investment company
Dragon State Investments Limited (b)	12 August 2014	300	–	100.00%	100.00%	Investment company
Brisk Sail Limited (b)	12 August 2014	300	–	100.00%	100.00%	Investment company
Hong Kong Chuangyu Development Limited (b)	22 August 2014	–	–	100.00%	100.00%	Investment company
Hong Kong Chuanghui Development Limited (b)	22 August 2014	–	–	100.00%	100.00%	Investment company
Hong Kong Glorious Development Limited (b)	22 August 2014	8,000	7,951	68.26%	68.26%	Investment company
Shanghai Injoy Investment Management Co., Ltd.	22 August 2014	10,000	10,000	68.26%	68.26%	Investment company
Nanchang Future Land Yuesheng Real Estate Development Co., Ltd. (a)	29 August 2014	1,164,129	1,164,129	54.86%	54.86%	Development and sale of properties
Afar Connect Limited (b)	3 September 2014	300	–	100.00%	100.00%	Investment company
Wuhai Future Land Chuangzhi Real Estate Co., Ltd. (a)	11 September 2014	10,000	10,000	68.26%	68.26%	Development and sale of properties
Acme Name Limited (b)	12 September 2014	300	–	100.00%	100.00%	Investment company
Hong Kong Jingsheng Development Limited (b)	12 September 2014	–	–	100.00%	100.00%	Investment company
Hong Kong Kaisheng Development Limited (b)	12 September 2014	–	–	100.00%	100.00%	Investment company
Hong Kong Injoy Development Limited (b)	12 September 2014	8,000	16,093	68.26%	68.26%	Investment company
Alpha Oasis Limited (b)	19 September 2014	300	–	100.00%	100.00%	Investment company

APPENDIX I
FINANCIAL INFORMATION ON THE COMPANY

Company name	Date of incorporation/ establishment	Authorised or registered capital <i>RMB '000</i>	Issued and fully paid capital <i>RMB '000</i>	Percentage of attributable equity interest as at 31 December		Principal activities
				2016	2015	
Hong Kong Hengxuan Development Limited (b)	24 September 2014	1,036,711	1,036,711	76.20%	76.20%	Investment company
Changzhou Chuangyu Consultancy Co., Ltd.	25 September 2014	2,000	–	100.00%	100.00%	Consulting
Changchun Future Land Yuesheng Real Estate Development Co., Ltd.	29 September 2014	300,000	232,198	68.58%	68.58%	Development and sale of properties
Changzhou Xincheng Information Technology Co., Ltd.	30 September 2014	–	–	100.00%	100.00%	Information technology
Hong Kong Hengkang Development Limited (b)	16 October 2014	–	–	100.00%	100.00%	Investment company
Hong Kong Chuangzhi Development Limited (b)	16 October 2014	–	–	100.00%	100.00%	Investment company
Hong Kong Hengchang Development Limited (b)	16 October 2014	–	–	100.00%	100.00%	Investment company
Hong Kong Hengyi Development Limited (b)	16 October 2014	–	–	68.58%	68.58%	Investment company
Changzhou Kaituo Consultancy Co., Ltd.	4 November 2014	2,000	–	100.00%	100.00%	Consulting
Changzhou Jingxu Consultancy Co., Ltd.	6 November 2014	2,000	–	100.00%	100.00%	Consulting
Changzhou Jinjunde Consultancy Co., Ltd.	6 November 2014	12,230 (2015: –)	12,230	100.00%	100.00%	Consulting
Danyang Future Land Injoy Commercial Management Co., Ltd.	14 November 2014	5,000	5,000	68.26%	68.26%	Department store management
Zhangjiagang Future Land Injoy Commercial Management Co., Ltd.	20 November 2014	5,000	5,000	68.26%	68.26%	Department store management
Shanghai Chengbei Information Technology Co., Ltd.	26 November 2014	10,000	10,000	100.00%	100.00%	Information technology
Anqing Future Land Yuesheng Development Co., Ltd.	1 December 2014	100,000	100,000	68.26%	68.26%	Development and sale of properties

APPENDIX I
FINANCIAL INFORMATION ON THE COMPANY

Company name	Date of incorporation/ establishment	Authorised or registered capital <i>RMB'000</i>	Issued and fully paid capital <i>RMB'000</i>	Percentage of attributable equity interest as at 31 December		Principal activities
				2016	2015	
Future Land Commercial Management Co., Ltd.	2 December 2014	50,000	50,000	68.26%	68.26%	Department store management
Changzhou Future Land Honghao Commercial Management Co., Ltd.	5 December 2014	20,000	20,000	68.26%	68.26%	Department store management
ATL Group Limited (b)	21 March 2006	80	103	100.00%	100.00%	Investment company
Changzhou Future Land Wanjia Investment Co., Ltd. (formerly: Changzhou Future Land Boyuan Property Co., Ltd.)	12 December 2014	10,000	–	100.00%	100.00%	Investment company (2015: Development and sale of properties)
Jinan Tianhongyongye Real Estate Development Co., Ltd.	12 December 2013	520,000	520,000	68.26%	68.26%	Development and sale of properties
Changzhou Hengxuan Consultancy Management Co., Ltd.	11 December 2014	1,000	–	100.00%	100.00%	Consulting
Shanghai Future Land Duoqimiao Business Management Consultancy Co., Ltd. (formerly: Shanghai Haierbao Investment Management Co., Ltd.)	8 December 2014	50,000 (2015: 10,000)	10,000	100.00%	100.00%	Consulting
Shanghai Baojun Future Land Duoqimiao Business Management Consultancy Co., Ltd.	8 September 2015	1,000	1,000	100.00%	100.00%	Consulting
Shanghai Songfan Future Land Duoqimiao Business Management Consultancy Co., Ltd.	23 October 2015	1,000	1,000 (2015: –)	100.00%	100.00%	Consulting
Changzhou Duoqimiao Business Management Consultancy Co., Ltd.	31 July 2015	5,000	5,000 (2015: –)	100.00%	100.00%	Consulting

APPENDIX I
FINANCIAL INFORMATION ON THE COMPANY

Company name	Date of incorporation/ establishment	Authorised or registered capital <i>RMB'000</i>	Issued and fully paid capital <i>RMB'000</i>	Percentage of attributable equity interest as at 31 December		Principal activities
				2016	2015	
Yangzhou Future Land Duoqimiao Business Management Consultancy Co., Ltd.	20 August 2015	1,000	1,000	100.00%	100.00%	Consulting
Changzhou Yuesheng Consultancy Management Co., Ltd.	25 May 2015	1,000	–	100.00%	100.00%	Consulting
Shanghai Chengju Information Technology Co., Ltd.	8 June 2015	5,000	5,000	100.00%	100.00%	Information technology
Jiangsu Yungui Internet Technology Co., Ltd (Note 34)	13 March 2014	100,000	100,000	100.00%	100.00%	Information technology
Shanghai Xingyi Cinema Management Co., Ltd.	16 January 2015	100,000	91,000 (2015: –)	100.00%	100.00%	Cinema Management
Future Land Development Investment Co., Ltd.	16 March 2015	50,000	50,000 (2015: –)	100.00%	100.00%	Investment company
Haikou Future Land Wanbo Real Estate Development Co., Ltd.	5 January 2015	100,000	100,000	68.26%	68.26%	Development and sale of properties
Nanjing Future Land Wanshun Real Estate Co., Ltd.	16 January 2015	30,000	30,000	65.68%	65.68%	Development and sale of properties
Shanghai Songrui Real Estate Development Co., Ltd.	10 February 2015	10,000	10,000	65.68%	65.68%	Development and sale of properties
Nanchang Future Land Injoy Business Management Co., Ltd.	25 March 2015	5,000	5,000	68.26%	68.26%	Department store management
Shanghai Future Land Chuangxian Real Estate Co., Ltd	1 April 2015	20,000 (2015: 245,000)	20,000 (2015: 10,000)	65.68%	65.68%	Development and sale of properties
Jintan Future Land Wanbo Real Estate Development Co., Ltd.	10 April 2015	335,000 (2015: 100,000)	335,000	68.26%	68.26%	Development and sale of properties
Changzhou Future Land Jiarui Property Co., Ltd.	16 April 2015	20,000	–	65.39%	65.39%	Development and sale of properties

APPENDIX I
FINANCIAL INFORMATION ON THE COMPANY

Company name	Date of incorporation/ establishment	Authorised or registered capital <i>RMB'000</i>	Issued and fully paid capital <i>RMB'000</i>	Percentage of attributable equity interest as at 31 December		Principal activities
				2016	2015	
Anqing Future Land Injoy Business Management Co., Ltd.	16 April 2015	5,000	5,000	68.26%	68.26%	Department store management
Changchun Future Land Injoy Business Management Co., Ltd.	27 May 2015	10,000	10,000	68.26%	68.26%	Department store management
Ever Victory Ventures Limited (b)	28 May 2015	–	–	68.26%	68.26%	Investment company
Premier Point Investments Limited (b)	29 May 2015	–	–	68.26%	68.26%	Investment company
Ever Health Enterprises Limited (b)	12 June 2015	–	–	68.26%	68.26%	Investment company
Hangzhou Songming Real Estate Consultancy Co., Ltd.	3 June 2015	5,000	5,000 (2015: –)	68.26%	68.26%	Consulting
Hangzhou Chuanglong Real Estate Consultancy Co., Ltd.	3 June 2015	5,000	5,000 (2015: –)	68.26%	68.26%	Consulting
Jintan Future Land Injoy Business Management Co., Ltd.	19 June 2015	10,000	10,000	68.26%	68.26%	Department store management
Hong Kong Xisheng Development Limited (b)	19 June 2015	–	–	68.26%	68.26%	Investment company
Hong Kong Ruisheng Development Limited (b)	19 June 2015	–	–	68.26%	68.26%	Investment company
Hong Kong Zesheng Development Limited (b)	19 June 2015	–	–	68.26%	68.26%	Investment company
Shanghai Jiamu Investment Management Co., Ltd.	23 June 2015	586,000	586,000	68.26%	68.26%	Consulting
Hangzhou Future Land Dingjia Real Estate Development Co., Ltd.	23 June 2015	36,750	36,750	40.96% (d)	40.96% (d)	Development and sale of properties
Hangzhou Songrui Industry Co., Ltd.	24 June 2015	380,000	380,000 (2015: –)	68.26%	68.26%	Development and sale of properties

APPENDIX I
FINANCIAL INFORMATION ON THE COMPANY

Company name	Date of incorporation/ establishment	Authorised or registered capital <i>RMB'000</i>	Issued and fully paid capital <i>RMB'000</i>	Percentage of attributable equity interest as at 31		Principal activities
				December 2016	2015	
Quzhou Future Land Wanbo Real Estate Development Co., Ltd.	6 August 2015	50,000	50,000	68.26%	68.26%	Development and sale of properties
Ningbo Future Land Wanbo Real Estate Development Co., Ltd.	3 August 2015	280,000 (2015: 100,000)	280,000 (2015: 100,000)	68.26%	68.26%	Development and sale of properties
Taizhou Huangyan Future Land Injoy Real Estate Development Co., Ltd.	26 June 2015	10,000	10,000	68.26%	68.26%	Department store management
Chengdu Future Land Injoy Business Management Co., Ltd.	7 August 2015	10,000	10,000	68.26%	68.26%	Department store management
Haikou Future Land Injoy Business Management Co., Ltd.	5 August 2015	10,000	10,000	68.26%	68.26%	Department store management
Tongxiang Future Land Injoy Business Management Co., Ltd.	6 September 2015	10,000	10,000	68.26%	68.26%	Department store management
Ningbo Future Land Injoy Business Management Co., Ltd.	19 August 2015	10,000	10,000	68.26%	68.26%	Department store management
Shengzhou Future Land Xisheng Real Estate Development Co., Ltd.	29 August 2015	780,000	780,000 (2015: 623,081)	68.26%	68.26%	Development and sale of properties
Zhenjiang Yuesheng Real Estate Development Co., Ltd.	11 September 2015	479,925	467,693 (2015: 305,989)	68.26%	68.26%	Development and sale of properties
Ningbo Kaituo Real Estate Development Co., Ltd.	22 September 2015	280,000	280,000 (2015: 141,000)	68.58%	68.58%	Development and sale of properties
Tongxiang Zhuosheng Real Estate Development Co., Ltd.	8 July 2015	540,000	420,576 (2015: 278,172)	68.58%	68.58%	Development and sale of properties
Nanjing Future Land Chuanghui Real Estate Development Co., Ltd. (a)	23 December 2015	30,000	30,000 (2015: -)	65.68%	65.68%	Development and sale of properties

APPENDIX I

FINANCIAL INFORMATION ON THE COMPANY

Company name	Date of incorporation/ establishment	Authorised or registered capital <i>RMB'000</i>	Issued and fully paid capital <i>RMB'000</i>	Percentage of attributable equity interest as at 31 December		Principal activities
				2016	2015	
Wuhan Xinruilongxiang Property Co., Ltd.	17 July 2009	50,000 (2015: 10,000)	50,000 (2015: 10,000)	68.26%	68.26%	Development and sale of properties
Shanghai Chuangze Real Estate Development Co., Ltd.	26 August 2015	10,000	10,000	65.68%	65.68%	Development and sale of properties
Shanghai Fuyu Commercial Operation Management Co., Ltd.	24 September 2015	10,000	10,000	65.68%	65.68%	Department store management
Shanghai Longqing Real Estate Development Co., Ltd.	2 November 2015	10,000	10,000	65.68%	65.68%	Development and sale of properties
Shanghai Hanmei Real Estate Development Co., Ltd.	2 November 2015	10,000	10,000	65.68%	65.68%	Development and sale of properties
Shanghai Tuoyu Real Estate Development Co., Ltd.	3 December 2015	10,000	10,000 (2015: –)	65.68%	65.68%	Development and sale of properties
Changshu Future Land Chuanghong Real Estate Co., Ltd.	31 July 2015	200,000	200,000	68.26%	68.26%	Development and sale of properties
Wuxi Xinheng Property Co., Ltd.	13 October 2011	20,000 (2015: 210,000)	20,000 (2015: 210,000)	68.26%	68.26%	Development and sale of properties
Hangzhou Future Land Chuangjia Real Estate Development Co., Ltd.	22 October 2015	50,000 (2015: 30,000)	50,000 (2015: –)	68.26%	68.26%	Development and sale of properties
Jinan Tianhongyongtian Real Estate Development Co., Ltd.	6 January 2015	100,000	100,000	68.26%	68.26%	Development and sale of properties
Changzhou Jindongfang Huliyuan Co., Ltd.	30 November 2015	30,000	30,000	45.78% (e)	45.78% (e)	Care Service
Jiangsu Jindongfang Yiyangyuan Property Co., Ltd. (Note 34)	3 March 2011	500,000	500,000	45.78% (e)	45.78% (e)	Development and sale of properties
Changzhou Jindongfang Hospital Co., Ltd.	30 November 2015	30,000	30,000	45.78% (e)	45.78% (e)	Care Service

APPENDIX I

FINANCIAL INFORMATION ON THE COMPANY

Company name	Date of incorporation/ establishment	Authorised or registered capital <i>RMB'000</i>	Issued and fully paid capital <i>RMB'000</i>	Percentage of attributable equity interest as at 31 December		Principal activities
				2016	2015	
Changzhou Jindongfang Pinzhi Life Service Co., Ltd.	30 July 2015	1,500	1,500	30.52% (f)	30.52% (f)	Pre-packaged food wholesale and retail
Suzhou Beijia Real Estate Consultancy Co., Ltd.	12 August 2015	10,000	–	68.26%	68.26%	Properties Consulting
Suzhou Shengtian Real Estate Consultancy Co., Ltd.	12 August 2015	10,000	–	68.26%	68.26%	Properties Consulting
Hangzhou Dingrui Real Estate Consultancy Co., Ltd.	3 November 2015	5,000	–	68.26%	68.26%	Properties Consulting
Hangzhou Chuangyu Real Estate Consultancy Co., Ltd.	3 November 2015	5,000	–	68.26%	68.26%	Properties Consulting
Shanghai Jinming Investment Management Co., Ltd.	30/12/2015	10,000	10,000	100.00%	100.00%	Consulting
Shengzhou Future Land Injoy Business Management Co., Ltd.	03/12/2015	1,000	1,000	68.26%	68.26%	Department store management
Quzhou Future Land Injoy Business Management Co., Ltd.	02/12/2015	1,000	1,000	68.26%	68.26%	Department store management
Changzhou Huacheng Cost Consulting Co. Ltd.	12/01/2016	1,000	–	68.26%	–	Cost Consulting
Shenzhen Xinyuchuangjia Real Estate Development Co., Ltd.	29/07/2016	75,000	–	68.26%	–	Development and sale of properties
Shanghai Yidong Business Incubator Co. Ltd.	05/05/2016	10,000	–	68.26%	–	Office space rental
Yiwu Future Land Injoy Business Management Co., Ltd.	31/03/2016	1,000	1,000	68.26%	–	Department store management
Zhenjiang Future Land Injoy Business Management Co., Ltd.	18/01/2016	1,000	1,000	68.26%	–	Department store management

APPENDIX I

FINANCIAL INFORMATION ON THE COMPANY

Company name	Date of incorporation/ establishment	Authorised or registered capital <i>RMB '000</i>	Issued and fully paid capital <i>RMB '000</i>	Percentage of attributable equity interest as at 31 December		Principal activities
				2016	2015	
Nanjing Future Land Injoy Business Management Co., Ltd.	18/04/2016	1,000	1,000	68.26%	–	Department store management
Jinjiang Future Land Injoy Development Co., Ltd.	04/01/2016	100,000	100,000	68.26%	–	Department store management
Rugao Injoy Real Estate Development Co., Ltd.	25/04/2016	20,000	20,000	68.26%	–	Department store management
Ruian Injoy Real Estate Development Co., Ltd.	05/08/2016	20,000	20,000	68.26%	–	Department store management
Kunming Future Land Injoy Real Estate Development Co., Ltd.	17/10/2016	20,000	20,000	68.26%	–	Department store management
Shanghai Yilin Real Estate Development Co., Ltd.	13/05/2016	10,000	10,000	65.68%	–	Development and sale of properties
Nanjing Huikai Real Estate Co., Ltd.	14/12/2015	10,000	10,000	65.68%	–	Development and sale of properties
Hangzhou Future Land Deji Real Estate Development Co., Ltd. (a)	02/02/2016	10,200	–	68.26%	–	Development and sale of properties
Jinan Tianhongyongyi Real Estate Development Co., Ltd.*	25/06/2016	10,000	10,000	68.26%	–	Development and sale of properties
Jinan Future Land Chuangzhi Real Estate Development Co., Ltd.	05/04/2016	50,000	50,000	68.26%	–	Development and sale of properties
Nanjing Future Land Wanlong Real Estate Development Co., Ltd. (Note 34)	24/04/2014	700,000	700,000	65.68%	–	Development and sale of properties
Jiangsu Lanhua Investment Development Co., Ltd.*	27/05/2009	30,000	30,000	65.68%	–	Development and sale of properties
Qingdao Lezhou Property Co., Ltd.*	27/12/2013	10,000	10,000	68.26%	–	Development and sale of properties

APPENDIX I

FINANCIAL INFORMATION ON THE COMPANY

Company name	Date of incorporation/ establishment	Authorised or registered capital <i>RMB '000</i>	Issued and fully paid capital <i>RMB '000</i>	Percentage of attributable equity interest as at 31		Principal activities
				December 2016	2015	
Qingdao Mingzhou Property Co., Ltd.*	27/12/2013	10,000	10,000	68.26%	–	Development and sale of properties
Qingdao Linzhou Property Co., Ltd.*	27/12/2013	10,000	10,000	68.26%	–	Development and sale of properties
Qingdao Anzhou Property Co., Ltd.*	27/12/2013	10,000	10,000	68.26%	–	Development and sale of properties
Qingdao Lizhou Property Co., Ltd.*	27/09/2010	10,000	10,000	68.26%	–	Development and sale of properties
Wuhan Jiangnanyinxiang Property Co., Ltd.*	09/05/2016	20,000	20,000	68.26%	–	Development and sale of properties
Beijing Future Land Chuangzhi Real Estate Development Co., Ltd.	23/06/2016	20,000	20,000	68.26%	–	Development and sale of properties
Guangzhou Future Land Dingjia Real Estate Co., Ltd.	11/10/2016	10,000	10,000	68.26%	–	Development and sale of properties
Future Land Holdings Residential Development Co., Ltd	30/03/2016	50,000	–	68.26%	–	Development and sale of properties
Danyang Wanbo Real Estate Development Co., Ltd.	13/12/2016	10,800	10,000	68.58%	–	Development and sale of properties
Zhangjiagang Wanbo Management Co., Ltd.	16/11/2016	11,300	10,000	68.58%	–	Development and sale of properties
Suzhou Longsheng Injoy Real Estate Development Co., Ltd.	02/11/2016	10,400	10,000	68.58%	–	Development and sale of properties
Ruian Qifan Tourism Development Co., Ltd.	17/11/2016	104,100	41,707	68.58%	–	Tourism
Linyi Future Land Injoy Property Co., Ltd.	12/12/2016	20,000	20,000	68.26%	–	Development and sale of properties

APPENDIX I

FINANCIAL INFORMATION ON THE COMPANY

Company name	Date of incorporation/ establishment	Authorised or registered capital <i>RMB'000</i>	Issued and fully paid capital <i>RMB'000</i>	Percentage of attributable equity interest as at 31		Principal activities
				December 2016	2015	
Pinghu Future Land Injoy Business Development Co., Ltd.	26/12/2016	100,000	100,000	68.26%	–	Department store management
Future Land Holdings Real Estate Development Co., Ltd	19/08/2016	50,000	–	68.26%	–	Development and sale of properties
Hefei Future Land Chuanghong Real Estate Co., Ltd.	11/11/2016	10,000	10,000	65.68%	–	Development and sale of properties
Hangzhou Jinjun Real Estate Consultancy Co., Ltd.	27/09/2016	5,000	–	68.26%	–	Consulting
Hangzhou Nanjun Real Estate Consultancy Co., Ltd.	27/09/2016	5,000	–	68.26%	–	Consulting
Jiaxing Future Land Chuangsheng Real Estate Development Co., Ltd.	21/10/2016	100,000	–	68.26%	–	Development and sale of properties
Qingdao Daming Real Estate Development Co., Ltd.	21/11/2016	10,000	10,000	68.26%	–	Development and sale of properties
Beijing Future Land Chuanghong Real Estate Development Co., Ltd.	12/10/2016	10,000	–	68.26%	–	Development and sale of properties
Hebei Jinjun Real Estate Development Co., Ltd.	24/11/2016	10,000	10,000	68.26%	–	Development and sale of properties
Tianjin Future Land Wanjia Real Estate Development Co., Ltd.	17/10/2016	50,000	–	68.26%	–	Development and sale of properties
Hangzhou Binhui Business Management Co., Ltd.	29/12/2015	20	–	68.26%	–	Consulting
Future Land Development Capital (Hong Kong) Limited (b)	01/06/2016	350	–	100.00%	–	Investment company
Super City Global Limited (b)	01/04/2016	8,900	–	100.00%	–	Investment company

APPENDIX I

FINANCIAL INFORMATION ON THE COMPANY

Company name	Date of incorporation/ establishment	Authorised or registered capital <i>RMB'000</i>	Issued and fully paid capital <i>RMB'000</i>	Percentage of attributable equity interest as at 31 December		Principal activities
				2016	2015	
Future Land US Capital Partners Limited (b)	13/09/2016	–	–	100.00%	–	Investment company
Harmonic Castle Limited (b)	08/06/2016	350	–	68.26%	–	Investment company
Excel Ray Limited (b)	10/06/2016	350	–	68.26%	–	Investment company
Harmonic Goal Limited (b)	10/06/2016	350	–	68.26%	–	Investment company
Hong Kong Chuangrong Development Limited (b)	22/07/2016	–	–	68.26%	–	Investment company
Hong Kong Dinghong Development Limited (b)	22/07/2016	–	–	68.26%	–	Investment company
Hong Kong Hengpeng Development Limited (b)	22/07/2016	–	–	68.26%	–	Investment company
Jinjiang Future Land Injoy Business Management Co., Ltd.	20/07/2016	1,000	1,000	68.26%	–	Department store management
Rugao Future Land Injoy Business Management Co., Ltd.	18/08/2016	1,000	1,000	68.26%	–	Department store management
Ruian Future Land Injoy Business Management Co., Ltd.	14/11/2016	1,000	1,000	68.26%	–	Department store management
Zhuji Future Land Injoy Business Management Co., Ltd.	17/10/2016	1,000	1,000	68.26%	–	Department store management
Qingdao Future Land Injoy Business Management Co., Ltd.	08/12/2016	1,000	1,000	68.26%	–	Department store management
Hefei Future Land Wanhong Real Estate Co., Ltd	27/12/2016	50,000	–	68.26%	–	Development and sale of properties
Wuhan Longyu Real Estate Consultancy Co., Ltd.	28/01/2016	10,000	–	68.26%	–	Development and sale of properties

* In 2016, the Group acquired 100% equity interest in these entities. The directors consider these acquisition are asset acquisition in substance rather than business combination and therefore are accounted for as asset acquisition.

- (a) Certain equity interests in the subsidiaries of the Company were pledged for borrowings as at 31 December 2016 and 2015, respectively (Note 22). For details, please refer to the table below:

	As at 31 December	
	2016	2015
Percentage of equity interests in Wuhan Future Land Chuangzhi Real Estate Co., Ltd.	—	100%
Percentage of equity interests in Nanchang Future Land Yuesheng Real Estate Development Co., Ltd.	100%	100%
Percentage of equity interests in Nanjing Future Land Chuanghui Real Estate Development Co., Ltd.	100%	—
Percentage of equity interests in Hangzhou Future Land Dejia Real Estate Development Co., Ltd.	100%	—

- (b) The Company has direct or indirect equity interests in these subsidiaries which have direct or indirect equity interests in the other subsidiaries. These subsidiaries were incorporated in Hong Kong, British Virgin Islands or the United States of America and all the other subsidiaries were established in mainland China. All the subsidiaries are limited liability companies.
- (c) On 20 June 2013, the Group set up Suzhou Kaituo Development Co., Ltd. with the original registered capital of USD75,000,000. According to the cooperative development agreement, a third party investor injected the capital with amounts of USD129,800,000 thereafter. After the capital injection, the Group's share holding in Suzhou Kaituo Development Co., Ltd. dropped to 36.62% while the Group is entitled to 65% of the operating results. In June and November 2015, the Group reduced the capital of USD52,300,000 and the third party investor reduced the capital of USD129,800,000. After the capital reduction, the Group's direct share holding in Suzhou Kaituo Development Co., Ltd. increased to 100%.

Before the reduction of the third party investors, the operation environment and structure of the project company require that all the major financial and operating policies are determined before third party investor is entered into. The project company may not deviate from its approved purpose and design in any material respect. At the same time, according to various legal documents, including the articles of association of the project company, investment agreements and other agreements with the third party investor, the Group retains the power to operate and manage the project company in the ordinary course of business and the day-to-day management of the project company.

- (d) Hangzhou Future Land Dinghong Real Estate Development Co., Ltd., the Company's 68.26% held subsidiary, holds 60% interests in this entity. Hence, the effective rate owned by the Group is 40.96%, but the Company has control over the entity.
- (e) Changzhou Future Land Jiarui Property Co., Ltd., the Company's 65.39% held subsidiary, holds 70% interests in these entities. Hence, the effective rate owned by the Group is 45.78%, but the Company has control over the entity.
- (f) Jiangsu Jindongfang Yiyangyuan Property Co., Ltd., the Company's 45.78% held subsidiary, holds 66.67% interests in this entity. Hence, the effective rate owned by the Group is 30.52%, but the Company has control over the entity.

43 SUBSEQUENT EVENTS

- (a) The Company issued the USD350,000,000, 5.00% senior notes due 2020 on 9 February 2017.
- (b) On 17 February 2017, the Company announced that all the outstanding 2019 Notes will be redeemed in full on 20 March 2017 (the “Redemption Date”) at a redemption price equal to 105.1250% of the principal amount thereof, plus accrued and unpaid interest, if any, to the Redemption Date. The Company completed the redemption on 20 March 2017.
- (c) 100,200,401 shares of the listed subsidiary, Future Land Holdings Co., Ltd., held by a subsidiary of the Company, Wealthzone Development Co., Ltd. were pledged to Shanghai Haitong Asset Management Co., Ltd. for borrowings on 26 January 2017.

3. FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2017

The following unaudited consolidated financial information of the Group for the six months ended 30 June 2017, together with the comparative figures for the six months ended 30 June 2016, have been extracted from the interim results announcement of the Company for the six months ended 30 June 2017:

CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the six months ended 30 June 2017

	Note	Six months ended 30 June	
		2017	2016
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue		11,427,689	9,302,948
Cost of sales	9	(7,682,260)	(7,367,700)
Gross profit		3,745,429	1,935,248
Fair value gains on investment properties		178,779	193,162
Selling and marketing costs	9	(507,542)	(384,205)
Administrative expenses	9	(1,108,200)	(508,776)
Other income		20,786	18,389
Other expenses		(340)	(1,030)
Other (losses)/gains – net		(2,545)	175,944
Operating profit		2,326,367	1,428,732
Finance costs – net	10	(508,764)	(242,413)
Share of results of associates		3,976	(3,179)
Share of results of joint ventures		40,822	(41,631)
Profit before income tax		1,862,401	1,141,509
Income tax expense	11	(1,126,873)	(390,637)
Profit for the period		<u>735,528</u>	<u>750,872</u>
Attributable to:			
Equity holders of the Company		357,624	490,756
Non-controlling interests		377,904	260,116
		<u>735,528</u>	<u>750,872</u>
Earnings per share for profit attributable to equity holders of the Company			
– Basic and diluted	12	<u>RMB0.06</u>	<u>RMB0.09</u>
Dividends	13	<u>–</u>	<u>–</u>

APPENDIX I FINANCIAL INFORMATION ON THE COMPANY

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2017

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Profit for the period	735,528	750,872
Other comprehensive income, which may be reclassified subsequently to profit or loss		
– Currency translation differences	<u>(1,021)</u>	<u>–</u>
Total comprehensive income for the period	<u><u>734,507</u></u>	<u><u>750,872</u></u>
Attributable to:		
Equity holders of the Company	356,603	490,756
Non-controlling interests	<u>377,904</u>	<u>260,116</u>
	<u><u>734,507</u></u>	<u><u>750,872</u></u>

APPENDIX I FINANCIAL INFORMATION ON THE COMPANY

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	<i>Note</i>	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		2,599,667	2,443,001
Investment properties		17,053,383	13,506,826
Intangible assets		59,268	37,224
Investments in associates		912,299	521,623
Investments in joint ventures		8,744,129	4,348,312
Deferred income tax assets		1,103,144	808,660
Available-for-sale financial assets		452,558	434,891
Derivative financial instruments		161,182	154,615
Goodwill		777	–
Land use rights		429,259	430,035
Other receivables and prepayments	5	1,930,974	1,347,031
		<u>33,446,640</u>	<u>24,032,218</u>
Current assets			
Prepayments for leasehold land		7,109,332	7,350,293
Properties held or under development for sale		60,649,861	39,505,462
Trade and other receivables and prepayments	5	20,361,418	20,235,059
Restricted cash		5,733,533	1,851,085
Cash and cash equivalents		17,787,484	11,905,339
		<u>111,641,628</u>	<u>80,847,238</u>
Total assets		<u><u>145,088,268</u></u>	<u><u>104,879,456</u></u>
OWNERS' EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital: nominal value	6	4,609	4,609
Reserves		9,309,183	9,230,441
		<u>9,313,792</u>	<u>9,235,050</u>
Non-controlling interests		<u>6,247,134</u>	<u>5,940,355</u>
Total equity		<u><u>15,560,926</u></u>	<u><u>15,175,405</u></u>

	<i>Note</i>	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings	7	29,962,641	17,036,153
Long-term payables		–	36,670
Deferred income tax liabilities		1,178,343	1,115,016
		<u>31,140,984</u>	<u>18,187,839</u>
Current liabilities			
Trade and other payables	8	35,621,958	28,975,896
Advances from pre-sale of properties		42,333,229	29,846,151
Current income tax liabilities		2,379,596	2,518,327
Borrowings	7	18,051,451	10,175,714
Dividends payable		124	124
		<u>98,386,358</u>	<u>71,516,212</u>
Total liabilities		<u>129,527,342</u>	<u>89,704,051</u>
Total equity and liabilities		<u><u>145,088,268</u></u>	<u><u>104,879,456</u></u>

NOTES:**1 GENERAL INFORMATION**

Future Land Development Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 23 April 2010 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of its registered office is Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, Grand Cayman, KY1-1205, Cayman Islands.

The principal activities of the Company and its subsidiaries (together, the “**Group**”) are property development and property investment in the People’s Republic of China (the “**PRC**”). The Company’s parent company is Wealth Zone Hong Kong Investments Limited (“**Wealth Zone Hong Kong**”) and the Company’s ultimate holding company is First Priority Group Limited, both of which are incorporated in the British Virgin Islands. The ultimate controlling party of the Group is Mr. Wang Zhenhua (“**Mr. Wang**” or the “**Controlling Shareholder**”).

The Company’s shares began to list on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 29 November 2012 (the “**Listing**”).

The condensed consolidated interim financial statements are presented in thousands of Renminbi (“**RMB**”), unless otherwise stated, and were approved and authorised for issue by the board of directors of the Company on 18 August 2017.

The condensed consolidated interim financial statements have not been audited.

2 BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended 30 June 2017 have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss and investment properties that are carried at fair value, and in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting”, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA.

3 ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with those used for and described in the annual consolidated financial statements of the Company for the year ended 31 December 2016.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

New amendments and interpretation adopted by the Group in the first half of 2017

- Amendments to HKAS 12 “Income Taxes”
- Amendments to HKAS 7 “Statement of Cash Flows”
- Amendments to HKFRS 12 “Disclosure of Interest in Other Entities”
- Interpretation of HK(IFRIC) 23 “Uncertainty over Income Tax Treatments”

The adoption of the above new amendments and interpretation starting from 1 January 2017 did not give rise to any significant impact on the Group’s results of operations and financial position for the six months ended 30 June 2017.

The Group has not early adopted any new accounting and financial reporting standards, amendments and improvements to existing standards which have been issued but are not yet effective and is in the process of making assessments on the impacts of these new standards, amendments and improvements, and has not yet in a position to conclude the assessments.

4 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker (the “CODM”) that are used to make strategic decisions. The chairman, Mr. Wang has been identified as the CODM.

The Group manages its business by two operating segments, which is consistent with the way in which information is reported internally to the Group’s CODM for the purpose of resources allocation and performance assessment. No operating segments have been aggregated to form the following reportable segments.

- Future Land Holdings Co., Ltd., a company listed on the Shanghai Stock Exchange (the “A share company” or “Future Land Holdings”).
- Property management and other service companies not within the A share company (the “Non-A share companies”).

The A share company is mainly engaged in development of residential properties and mixed-use complexes for sale and investment, while the Non-A share companies are mainly engaged in services including certain newly established businesses which are at start-up stage. Corporate expenses are also primarily included in the Non-A share companies segment. All the property development projects are in the PRC, and accordingly majority of the revenue of the Group are derived from the PRC and most of the assets are located in the PRC.

The CODM assesses the performance of the operating segments based on a measure of revenue and profit before income tax. The measurement basis excludes the effects of income tax expense.

	Six months ended 30 June 2017 (Unaudited)				
	A share company	Non-A share companies	Total segment	Elimination	Total Group
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Segment revenue	11,327,937	111,530	11,439,467	(11,778)	11,427,689
Segment profit before income tax expense	2,260,001	102,974	2,362,975	(500,574)*	1,862,401
Fair value gains on investment properties	178,779	–	178,779	–	178,779
Finance income	74,420	56,139	130,559	(47,503)	83,056
Finance costs	(304,954)	(334,369)	(639,323)	47,503	(591,820)
Depreciation and amortisation	(86,734)	(50,062)	(136,796)	–	(136,796)
Share of results of associates	(4,888)	8,864	3,976	–	3,976
Share of results of joint ventures	40,822	–	40,822	–	40,822

* The elimination represents mainly the dividend declared by the A share company.

A reconciliation to profit for the period is as follows:

Total segment profits before income tax expense after elimination	1,862,401
Income tax expense	(1,126,873)
Profit for the period	735,528

APPENDIX I
FINANCIAL INFORMATION ON THE COMPANY
As at 30 June 2017 (Unaudited)

Segment assets	<u>139,841,651</u>	<u>9,080,080</u>	<u>148,921,731</u>	<u>(3,833,463)</u>	<u>145,088,268</u>
Segment assets include:					
Investments in associates	712,659	200,000	912,659	(360)	912,299
Investments in joint ventures	8,744,129	–	8,744,129	–	8,744,129
Additions to non-current assets (other than financial instruments and deferred tax assets)	<u>3,597,256</u>	<u>92,852</u>	<u>3,690,108</u>	<u>–</u>	<u>3,690,108</u>
Segment liabilities	<u>122,945,044</u>	<u>9,056,222</u>	<u>132,001,266</u>	<u>(2,473,924)</u>	<u>129,527,342</u>

Six months ended 30 June 2016 (Unaudited)

	A share company RMB'000	Non-A share companies RMB'000	Total segment RMB'000	Elimination RMB'000	Total Group RMB'000
Segment revenue	<u>9,071,574</u>	<u>260,678</u>	<u>9,332,252</u>	<u>(29,304)</u>	<u>9,302,948</u>
Segment profit before income tax expense	1,172,319	95,117	1,267,436	(125,927)	1,141,509
Fair value gains on investment properties	193,162	–	193,162	–	193,162
Finance income	80,032	141,602	221,634	(133,127)	88,507
Finance costs	(102,903)	(361,144)	(464,047)	133,127	(330,920)
Depreciation and amortisation	(68,426)	(39,066)	(107,492)	–	(107,492)
Share of results of associates	5,732	(8,911)	(3,179)	–	(3,179)
Share of results of joint ventures	<u>(41,631)</u>	<u>–</u>	<u>(41,631)</u>	<u>–</u>	<u>(41,631)</u>

A reconciliation to profit for the period is as follows:

Total segment profits before income tax expense after elimination	1,141,509
Income tax expense	<u>(390,637)</u>
Profit for the period	<u>750,872</u>

As at 31 December 2016 (Audited)

Segment assets	<u>103,170,607</u>	<u>4,722,231</u>	<u>107,892,838</u>	<u>(3,013,382)</u>	<u>104,879,456</u>
Segment assets include:					
Investments in associates	201,568	320,055	521,623	–	521,623
Investments in joint ventures	4,348,312	–	4,348,312	–	4,348,312
Additions to non-current assets (other than financial instruments and deferred tax assets)	<u>3,366,769</u>	<u>332,397</u>	<u>3,699,166</u>	<u>–</u>	<u>3,699,166</u>
Segment liabilities	<u>86,802,653</u>	<u>4,555,602</u>	<u>91,358,255</u>	<u>(1,654,204)</u>	<u>89,704,051</u>

5 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Trade receivables	53,737	36,665
Notes receivable	<u>2,000</u>	<u>5,000</u>
Total trade receivables	55,737	41,665
Less: Provision for impairment of receivables	<u>–</u>	<u>–</u>
Trade receivables – net	55,737	41,665
Receivables from related parties	10,666,884	11,012,401
Prepaid income tax and land appreciation tax (a)	1,942,288	1,377,042
Tender deposits (b)	1,581,329	1,147,138
Prepaid value-added tax (c)	1,458,210	741,124
Receivables from other investors of joint ventures (d)	1,417,224	1,184,156
Advances from pre-sale of properties deposited with a government designated entity(e)	1,075,068	–
Prepayments for investments in joint ventures (f)	838,455	1,010,235
Lending to an investee company	551,504	51,908
Receivable from non-controlling shareholders of subsidiaries	418,000	63,388
Other deposits	391,634	335,197
Prepayments for construction costs	363,110	192,428
Prepayments for equipment	367,708	173,100
Prepaid business tax and surcharges (g)	361,185	539,534
Deposits with public housing fund centres (h)	206,475	228,546
Amounts paid on behalf of third parties	172,489	149,119
Deposits for property maintenance (i)	171,607	163,696
Prepaid property management fees	19,015	23,423
Deposits for acquisition of subsidiaries	–	2,999,027
Others	<u>234,470</u>	<u>148,963</u>
	22,292,392	21,582,090
Less: Non-current portion of other receivables and prepayments	<u>(1,930,974)</u>	<u>(1,347,031)</u>
Current portion	<u>20,361,418</u>	<u>20,235,059</u>

Trade receivables are mainly arisen from sales of properties, leases of investment properties and various services. Proceeds in respect of properties sold are normally received within three months after signing of related sales and purchase agreements, and rentals in respect of leased properties are generally received in advance. Customers receiving the Group's services are generally granted a credit term of 30 days to 90 days.

- (a) Land appreciation tax is provisionally levied based on rates required by the local tax bureaus when the Group receives advances from customers, which are recorded as prepayments before the relevant revenue is recognised. In addition, a deemed profit of 5% to 15% of advances received from the customers is added to the accounting income when calculating taxable income and the prepaid income tax is similarly recorded as prepayments.
- (b) This balance represents the tender deposits for bidding of land use rights, which will be subsequently received or transferred to prepayments for leasehold land.
- (c) Effective from 1 May 2016, the Group's sale of properties are subject to value-added tax ("VAT"). Under general VAT method, the Group is subject to 11% VAT on value-added amount. Qualified old construction projects, which are those with construction commenced on or before 30 April 2016, however, has an alternative to elect a simplified VAT method, which is 5% on sales with no deduction of input VAT. The Group prepays VAT at 3% or 5% when receiving advances from customers and such payment is recorded as prepaid VAT before the relevant revenue is recognised.
- (d) The receivables from other investors of joint ventures are unsecured, non-interest bearing and have no fixed repayment terms.
- (e) According to a regulation released by Changzhou government in December 2016, property development companies are required to deposit the advance from pre-sale of properties with a government designated entity. Such deposit is released to the property development companies by installments based on the development stages of the properties. As at 30 June 2017, the Group had a balance of RMB1,075,068,000 deposited with the designated entity.
- (f) This balance represents amounts, mainly for acquisition of land use rights, paid on behalf of the joint ventures to be established.
- (g) Prior to 1 May 2016, the Group's sale of properties are subject to business tax, which is levied at 5% when the Group receives advances from customers. Such payment of taxes, together with the relevant surcharges are recorded as prepaid business tax and surcharges before the relevant revenue is recognised.
- (h) This balance represents the deposits paid to public housing fund centres to secure the housing fund loans taken by certain property purchasers of the Group. Such deposits will be released upon the issue of the properties' ownership certificate by government authorities to these purchasers and submitted to the public housing fund centres.
- (i) This balance represents the deposits paid for property maintenance after first delivery of the relevant properties, which will be subsequently recovered in ten years thereafter.

As at 30 June 2017 and 31 December 2016, the aging of the majority of trade receivables and notes receivable are less than one year.

The maximum exposure to credit risk at 30 June 2017 and 31 December 2016 is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral security.

As at 30 June 2017 and 31 December 2016, the fair value of trade and other receivables approximate their carrying amounts.

As at 30 June 2017 and 31 December 2016, the carrying amounts of trade and other receivables and prepayments are primarily denominated in RMB.

6 SHARE CAPITAL**(a) Authorised shares**

	Number of authorised shares <i>HKD share</i>
As at 1 January 2016, 30 June 2016, 1 January 2017 and 30 June 2017 (Unaudited)	<u>10,000,000,000</u>

(b) Issued shares

	Number of issued shares <i>HKD0.001 each</i>	Ordinary shares <i>RMB</i>
As at 1 January 2016, 30 June 2016, 1 January 2017 and 30 June 2017 (Unaudited)	<u>5,658,000,000</u>	<u>4,608,923</u>

7 BORROWINGS

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Non-current, secured:		
– Bank loans (a)	15,790,438	7,402,275
– Loans from non-bank financial institutions (g)	3,100,000	–
– Senior notes due July 2019 (“2019 Notes”) (b(i))	–	2,393,051
– Senior notes due November 2017 (“2017 Notes”) (b(ii))	1,686,300	1,716,560
– Senior notes due February 2020 (“2020 Notes”) (b(iii))	2,338,361	–
Non-current, unsecured:		
– Middle term notes due March 2022 (“2022 Middle Term Notes”) (c(i))	1,500,000	–
– Middle term notes due Apr 2022 (“2022 Middle Term Notes I”) (c(ii))	1,500,000	–
– Private placement notes due May 2022 (“2022 PPN”) (d)	2,000,000	–
– Corporate bonds due July 2019 (“2019 Bonds”) (e(i))	1,999,635	1,995,873
– Corporate bonds due November 2020 (“2020 Bonds”) (e(ii))	2,989,543	2,985,827
– Corporate bonds due November 2018 (“2018 Bonds”) (e(iii))	1,996,431	1,991,704
– Corporate bonds due March 2019 (“2019 Bonds I”) (e(iv))	1,842,604	1,837,435
– Corporate bonds due August 2021 (“2021 Bonds”) (e(vi))	1,981,236	1,977,117
– Corporate bonds due September 2023 (“2023 Bonds”) (e(vii))	498,467	498,449
– Corporate bonds due October 2021 (“2021 Bonds I”) (e(viii))	2,489,700	2,487,571
	<u>41,712,715</u>	<u>25,285,862</u>
Less: Current portion of long-term borrowings	<u>(11,750,074)</u>	<u>(8,249,709)</u>
	<u>29,962,641</u>	<u>17,036,153</u>
Current, secured:		
– Bank loans (a)	2,666,377	778,615
– Trust arrangement (f(i))	1,300,000	–
Current, unsecured:		
– Corporate bonds due March 2019 (“2019 Bonds II”) (e(v))	1,085,000	1,147,390
– Trust arrangement (f(ii))	1,250,000	–
Current portion of long-term borrowings	<u>11,750,074</u>	<u>8,249,709</u>
	<u>18,051,451</u>	<u>10,175,714</u>

- (a) These bank loans of the Group are secured by leasehold land to be developed, properties under development, properties held for sale, investment properties, land use rights, property, plant and equipment, shares of subsidiaries and bank deposits of the Group and/or guaranteed by subsidiaries of the Company for each other.

(b) Senior notes**(i) 2019 Notes**

In July 2014, the Company issued five-year senior notes with principal amount of USD350,000,000 (“**2019 Notes**”), which were listed on the Singapore Exchange Securities Trading Limited. The 2019 Notes are denominated in USD, and bear interest rate at 10.25% per annum, payable semi-annually in arrears on or on the business day nearest to 21 January and 21 July of each year, beginning 21 January 2015.

According to the terms of 2019 Notes, the Notes may be redeemed in the following circumstances:

- At any time and from time to time on or after 21 July 2017, the Company may redeem the 2019 Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below, plus accrued and unpaid interest, if any, to (but excluding) the redemption date, if redeemed during the 12-month period commencing on 21 July of any year set forth below:

Year	Redemption Price
21 July 2017 to 20 July 2018	105.1250%
21 July 2018 and thereafter	102.5625%

- At any time prior to 21 July 2017, 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 2019 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.
- At any time and from time to time prior to 21 July 2017, the Company may redeem up to 35% of the aggregate principal amount of the 2019 Notes with proceeds from sales of certain kinds of its capital stock, subject to certain conditions, at a redemption price of 110.25% of the principal amount of the 2019 Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the 2019 Notes 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.

On 20 March 2017, the Group redeemed the 2019 Notes at a redemption price of USD378 million, incurring a loss of RMB191,810,000.

(ii) 2017 Notes

In November 2015, the Company issued two-year senior notes with principal amount of USD250,000,000 (“**2017 Notes**”), which were listed on the Singapore Exchange Securities Trading Limited. The 2017 Notes are denominated in USD, and bear interest rate at 6.25% per annum, payable semi-annually in arrears on or on the business day nearest to 12 May and 12 November of each year, beginning 12 November 2015.

According to the terms of 2017 Notes, the Company may at its option redeem the 2017 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2017 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

(iii) 2020 Notes

In February 2017, the Company issued three-year senior notes with principal amount of USD350,000,000 (“**2020 Notes**”), which were listed on the Singapore Exchange Securities Trading Limited. The 2020 Notes are denominated in USD, and bear interest rate at 5.00% per annum, payable semi-annually in arrears on or on the business day nearest to 16 February and 16 August of each year, beginning 16 February 2017.

According to the terms of 2020 Notes, the 2020 Notes may be redeemed in the following circumstances:

- At any time prior to 16 February 2020, the Company may at its option redeem the 2020 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2020 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.
- At any time and from time to time prior to 16 February 2020, the Company may redeem up to 35% of the aggregate principal amount of the 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 105.0% the principal amount of the 2020 Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the 2020 Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

The early redemption options are regarded as embedded derivatives not closely related to the host contract. The board of directors is of the view that the Company has no plan of any early redemption and the fair values of the above early redemption options were insignificant on initial recognition and as at 31 December 2016 and 30 June 2017.

The above senior notes are general obligations guaranteed by certain subsidiaries other than those established under the law of the PRC (“**Subsidiary Guarantors**”), and secured by a pledge on the shares of certain initial Subsidiary Guarantors.

(c) **Middle term notes**

(i) **2022 Middle Term Notes**

In March 2017, the A share company issued five-year medium-term notes with principal amount of RMB1,500,000,000 (“**2022 Middle Term Notes**”), which were listed on the Shanghai Stock Exchange. The 2022 Middle Term Notes are denominated in RMB, and bear interest rate at 5.4% per annum for the first three years, payable annually in arrears on or on the business day nearest to 16 March of each year, beginning 16 March 2017.

According to the terms of 2022 Middle Term Notes, A share company may at its option adjust the interest rate at the end of the third year which will be fixed in the remaining period, and the noteholders may at their option sell the middle term notes back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the 2022 Middle Term Notes plus accrued and unpaid interest to the sold-back date.

(ii) **2022 Middle Term Notes I**

In April 2017, the A share company issued five-year medium-term notes with principal amount of RMB1,500,000,000 (“**2022 Middle term notes I**”), which were listed on the Shanghai Stock Exchange. The 2022 Middle term notes I are denominated in RMB, and bear interest rate at 5.25% per annum for the first three years, payable annually in arrears on or on the business day nearest to 14 April of each year, beginning 14 April 2017.

According to the terms of 2022 Middle Term Notes I, the A share company may at its option adjust the interest rate at the end of the third year which will be fixed in the remaining period, and the noteholders may at their option sell the middle term notes back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the 2022 Middle Term Notes I plus accrued and unpaid interest to the sold-back date.

(d) **2022 Private Placement Notes**

In May 2017, the A share company issued five-year private placement notes with principal amount of RMB2,000,000,000 (“**2022 PPN**”). The 2022 PPN are denominated in RMB, and bear interest rate at 6.3% per annum for the first three years, payable annually in arrears on or on the business day nearest to 17 May of each year, beginning 17 May 2017.

According to the terms of 2022 PPN, the A share company may at its option adjust the interest rate at the end of the third year which will be fixed in the remaining period, and the noteholders may at their option sell the notes back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the 2022 PPN plus accrued and unpaid interest to the sold-back date.

(e) **Corporate bonds**

(i) **2019 Bonds**

In July 2014, the former B share company issued five-year corporate bonds with principal amount of RMB2,000,000,000 (“**2019 Bonds**”), which were listed on the Shanghai Stock Exchange. The 2019 Bonds are denominated in RMB, and bear interest rate at 8.9% per annum for the first three years, payable annually in arrears on or on the business day nearest to 23 July of each year, beginning 23 July 2015.

According to the terms of 2019 Bonds, the former B share company may at its option redeem the 2019 Bonds in whole at end of the third year, at a redemption price equal to 100% of the principal amount of the 2019 Bonds plus accrued and unpaid interest to the redemption date. If the former B share company waives the optional redemption at end of the third year, the former B share company may at its option raise the interest rate by 0 to 100 basis points which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the former B share company, in whole or in part, at a price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the sold-back date.

The obligations relating to the 2019 Bonds had been transferred from the former B share company to the A share company.

On 10 June 2017, the A share company announced that all the outstanding 2019 Bonds will be redeemed in full on 24 July 2017 (the “**Redemption Date**”) at a redemption price equal to 108.9% of the principal amount thereof, plus accrued and unpaid interest, if any, to the Redemption Date. The A share company subsequently completed the redemption on 24 July 2017.

(ii) **2020 Bonds**

In November 2015, the A share company issued five-year corporate bonds with principal amount of RMB3,000,000,000 (“**2020 Bonds**”), which were listed on the Shanghai Stock Exchange. The 2020 Bonds are denominated in RMB and bear interest rate at 4.5% per annum for the first three year, payable annually in arrears on or on the business day nearest to 3 November of each year, beginning 3 November 2016.

According to the terms of 2020 Bonds, the A share company may at its option adjust the interest rate at end of the third year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the 2020 Bonds plus accrued and unpaid interest to the sold-back date.

(iii) **2018 Bonds**

In November 2015, the A share company issued three-year corporate bonds with principal amount of RMB2,000,000,000 (“**2018 Bonds**”), which were listed on the Shanghai Stock Exchange. The 2018 Bonds are denominated in RMB, and bear interest rate at 6.0% per annum for the first two years, payable annually in arrears on or on the business day nearest to 10 November of each year, beginning 10 November 2016.

According to the terms of 2018 Bonds, the A share company may at its option adjust the interest rate at the end of the second year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the 2018 Bonds plus accrued and unpaid interest to the sold-back date.

(iv) 2019 Bonds I

In March 2016, the A share company issued three-year corporate bonds with principal amount of RMB1,850,000,000 (“**2019 Bonds I**”), which were listed on the Shanghai Stock Exchange. The 2019 Bonds I are denominated in RMB, and bear interest rate at 5.44% per annum for the first two years, payable annually in arrears on or on the business day nearest to 31 March of each year, beginning 31 March 2016.

According to the terms of 2019 Bonds I, the A share company may at its option adjust the interest rate at the end of the second year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the 2019 Bonds I plus accrued and unpaid interest to the sold-back date.

(v) 2019 Bonds II

In March 2016, the A share company issued three-year corporate bonds with principal amount of RMB1,150,000,000 (“**2019 Bonds II**”), which were listed on the Shanghai Stock Exchange. The 2019 Bonds II are denominated in RMB, and bear interest rate at 4.76% per annum for the first year, payable annually in arrears on or on the business day nearest to 31 March of each year, beginning 31 March 2016.

According to the terms of 2019 Bonds II, the A share company may at its option adjust the interest rate at the end of the first and second year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the 2019 Bonds II plus accrued and unpaid interest to the sold-back date.

On 29 March 2017, the principal amount of RMB65,000,000 have been redeemed.

(vi) 2021 Bonds

In August 2016, the A share company issued five-year corporate bonds with principal amount of RMB2,000,000,000 (“**2021 Bonds**”), which were listed on the Shanghai Stock Exchange. The 2021 Bonds are denominated in RMB, and bear interest rate at 4.48% per annum for the first three years, payable annually in arrears on or on the business day nearest to 15 August of each year, beginning 15 August 2016.

According to the terms of 2021 Bonds, the A share company may at its option adjust the interest rate at the end of the third year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the 2021 Bonds plus accrued and unpaid interest to the sold-back date.

(vii) 2023 Bonds

In September 2016, the A share company issued seven-year corporate bonds with principal amount of RMB500,000,000 (“**2023 Bonds**”), which were listed on the Shanghai Stock Exchange. The 2023 Bonds are denominated in RMB, and bear interest rate at 4.80% per annum for the first five years, payable annually in arrears on or on the business day nearest to 12 September of each year, beginning 12 September 2016.

According to the terms of 2023 Bonds, the A share company may at its option adjust the interest rate at the end of the fifth year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the 2023 Bonds plus accrued and unpaid interest to the sold-back date.

(viii) 2021 Bonds I

In October 2016, the A share company issued five-year corporate bonds with principal amount of RMB2,500,000,000 (“**2021 Bonds I**”), which were listed on the Shanghai Stock Exchange. The 2021 Bonds I are denominated in RMB, and bear interest rate at 4.41% per annum for the first three years, payable annually in arrears on or on the business day nearest to 17 October of each year, beginning 17 October 2016.

According to the terms of 2021 Bonds I, the A share company may at its option adjust the interest rate at the end of the third year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the 2021 Bonds I plus accrued and unpaid interest to the sold-back date.

(f) Trust arrangement

(i) Secured

The balance represents a loan from a trust company with investment property located in Changzhou and its related rental and management fee receivable as collateral. The loan bears interest rate of 6.7% per annum and falls due in 21 April 2018.

(ii) Unsecured

The balance includes RMB750,000,000, 6%, nine-month loan and RMB500,000,000, 7%, six-month loan. They are bridge loans and RMB750,000,000 was repaid on 1 August 2017.

(g) Loans from non-bank financial institution represent borrowings from a security company with shares of the A share company pledged as collateral.

8 TRADE AND OTHER PAYABLES

	As at 30 June 2017	As at 31 December 2016
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Trade payables	12,943,884	12,479,079
Notes payable	2,477,545	1,660,614
Payables to related parties	16,655,380	10,408,432
Advances from non-controlling shareholders of subsidiaries (a)	176,829	39,300
Business, value-added and other taxes payable	292,963	298,311
Maintenance & decoration fees collected on behalf	56,708	73,840
Accrued payroll	92,214	464,152
Interest payable	730,815	450,583
Deposits for construction biddings and rental deposits	525,775	339,339
Deed tax collected on behalf	68,734	69,686
Temporary funding payables (b)	18,000	18,000
Call option payable	40,000	85,256
Intention deposits from potential property purchasers	177,871	130,113
Amounts received for potential joint investments in property projects (c)	422,917	2,023,305
Payables for acquisition of subsidiaries, joint ventures and associations	443,761	–
Amounts received from participants of the A share company's restricted share incentive scheme	249,660	265,650
Others	248,902	206,906
	<u>35,621,958</u>	<u>29,012,566</u>
Less: Non-current portion of call option payable	–	(36,670)
Current portion	<u>35,621,958</u>	<u>28,975,896</u>

(a) As at 30 June 2017, included in the balance was advances of RMB164,829,000 from an entity established by certain employees including key management of the Group. The advances are non-interest bearing, unsecured and have no fixed repayment terms.

- (b) Temporary funding payables are payables to non-related parties which are non-interest bearing and unsecured.
- (c) These amounts will either be returned upon unsuccessful land biddings or be treated as the other parties' contribution to a new subsidiary or joint venture of the Group for successful land biddings. They are unsecured, non-interest bearing and have no fixed repayment terms.

As at 30 June 2017 and 31 December 2016, the aging of the majority of trade payables and notes payable are less than one year.

As at 30 June 2017 and 31 December 2016, the fair value of trade and other payables approximate their carrying amounts.

As at 30 June 2017 and 31 December 2016, the carrying amounts of trade and other payables are primarily denominated in RMB.

9 EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing costs and administrative expenses are analysed as follows:

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Land use rights costs	2,662,454	3,000,132
Construction costs	4,005,094	3,260,224
Direct operating costs incurred for service income	135,758	53,004
Capitalised interest	392,463	253,886
Business tax and surcharges (a)	265,316	475,545
Depreciation of property, plant and equipment	129,680	91,907
Amortisation of intangible assets	7,116	15,585
Bank charges	39,563	25,585
Staff costs	833,416	667,183
Entertainment expenses	47,990	34,138
Stamp duty and other taxes	75,390	50,331
Professional and consulting fees	122,769	48,907
Auditors' remuneration – interim review	1,200	1,200
Sales commission	84,626	27,576
Advertising and publicity costs	205,257	130,979
Rental expenses	53,116	49,669
Travelling expenses	48,280	41,067
Other expenses	188,514	33,763
	<u>9,298,002</u>	<u>8,260,681</u>
Total cost of sales, selling and marketing costs and administrative expenses	<u>9,298,002</u>	<u>8,260,681</u>

- (a) Before 1 May 2016, the PRC subsidiaries of the Group are subject to business tax and surcharges. Business tax is levied at 5% of revenue from sale of properties and rental income, while surcharges are 10% to 12% of business tax payable.

10 FINANCE COSTS – NET

	Six months ended 30 June	
	2017 <i>RMB'000</i> (Unaudited)	2016 <i>RMB'000</i> (Unaudited)
Finance costs		
– Interest on borrowings	(1,102,061)	(769,979)
– Less: Interest capitalised	639,532	537,524
	<u>(462,529)</u>	<u>(232,455)</u>
– Loss from early redemption of Senior Notes	(191,810)	–
– Net foreign exchange gains/(losses) relating to borrowings	131,142	(99,414)
– Net foreign exchange (losses)/gains on cash and cash equivalents	(68,623)	949
	<u>(591,820)</u>	<u>(330,920)</u>
Finance income		
– Interest income on bank deposits	83,056	88,507
	<u>83,056</u>	<u>88,507</u>
Net finance costs	<u><u>(508,764)</u></u>	<u><u>(242,413)</u></u>

11 INCOME TAX EXPENSE

	Six months ended 30 June	
	2017 <i>RMB'000</i> (Unaudited)	2016 <i>RMB'000</i> (Unaudited)
Current income tax		
– PRC land appreciation tax	615,057	7,448
– PRC corporate income tax	684,016	270,417
	<u>1,299,073</u>	<u>277,865</u>
Deferred income tax	(172,200)	112,772
	<u>(172,200)</u>	<u>112,772</u>
Total income tax charged for the period	<u><u>1,126,873</u></u>	<u><u>390,637</u></u>

Hong Kong profit tax

Hong Kong profits tax has not been provided for as the Group has no estimated assessable profits in Hong Kong during the six months ended 30 June 2017 (Six months ended 30 June 2016: Nil).

PRC corporate income tax

Under the corporate Income Tax Law of the PRC (“CIT Law”), the CIT rate applicable to the Group’s subsidiaries located in mainland China is 25%.

The CIT Law and its implementation rules impose a withholding tax at 10% for dividends distributed by a PRC-resident enterprise to its immediate holding company outside PRC for earnings generated beginning 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. A lower 5% withholding tax rate may be applied when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. For the

six months ended 30 June 2017, the Group accrued for PRC withholding tax with amount of RMB6,178,000 (Six months ended 30 June 2016: RMB4,775,000) based on the tax rate of 5% on a portion of the earnings generated by its PRC entities. The Group controls the dividend policies of these subsidiaries and it has been determined that it is probable that a majority of these earnings will not be distributed in the foreseeable future.

Land appreciation tax

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including lease charges for land use rights and all property development expenditures, and is included in the consolidated statement of income as income tax expense.

12 EARNINGS PER SHARE

Basic earnings per share for the six months ended 30 June 2017 and 2016 is calculated by dividing the profit of the Group attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2017 (Unaudited)	2016 (Unaudited)
Consolidated profit attributable to equity holders of the Company (RMB'000)	357,624	490,756
Weighted average number of ordinary shares in issue ('000)	5,658,000	5,658,000
Basic earnings per share (RMB)	0.06	0.09

As there were no dilutive options and other dilutive potential shares in issue during the six months ended 30 June 2017 and 2016, diluted earnings per share is the same as basic earnings per share.

13 DIVIDENDS

The board of directors has resolved not to declare interim dividend for the six months ended 30 June 2017 (Six months ended 30 June 2016: Nil).

A final dividend in respect of 2016 of RMB0.05 per ordinary share using the share premium account, amounting to RMB282,900,000, has been approved at the annual general meeting of the Company held on 18 May 2017. The dividend is reflected as an appropriation of share premium for the six months ended 30 June 2017. The amount had been fully paid as at 30 June 2017.

4. STATEMENT OF INDEBTEDNESS

As at June 30, 2017, the Group had borrowings of approximately RMB48,014.1 million, comprising (i) bank loans of approximately RMB18,456.8 million, (ii) senior notes of approximately RMB4,024.7 million; (iii) corporate bonds of approximately RMB14,882.6 million; (iv) middle term notes of approximately RMB3,000 million; (v) private placement notes of approximately RMB2,000 million; (vi) trust arrangement of approximately RMB2,550 million; and (vii) and loans from non-bank financial institutions of approximately RMB3,100 million.

- (a) These bank loans of the Group are secured by leasehold land to be developed, properties under development, properties held for sale, investment properties, land use rights, property, plant and equipment, shares of subsidiaries and bank deposits of the Group and/or guaranteed by subsidiaries of the Company for each other.
- (b) Senior notes
- (i) 2019 Notes

In July 2014, the Company issued five-year senior notes with principal amount of USD350,000,000 (“2019 Notes”), which were listed on the Singapore Exchange Securities Trading Limited. The 2019 Notes are denominated in USD, and bear interest rate at 10.25% per annum, payable semi-annually in arrears on or on the business day nearest to 21 January and 21 July of each year, beginning 21 January 2015.

According to the terms of 2019 Notes, the Notes may be redeemed in the following circumstances:

- At any time and from time to time on or after 21 July 2017, the Company may redeem the 2019 Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below, plus accrued and unpaid interest, if any, to (but excluding) the redemption date, if redeemed during the 12-month period commencing on 21 July of any year set forth below:

Year	Redemption Price
21 July 2017 to 20 July 2018	105.1250%
21 July 2018 and thereafter	102.5625%

- At any time prior to 21 July 2017, 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 2019 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.
- At any time and from time to time prior to 21 July 2017, the Company may redeem up to 35% of the aggregate principal amount of the 2019 Notes with proceeds from sales of certain kinds of its capital stock, subject to certain conditions, at a redemption price of 110.25% of the principal amount of the 2019 Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the 2019 Notes 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.

On 20 March 2017, the Group redeemed the 2019 Notes at a redemption price of USD378 million, incurring a loss of RMB191,810,000.

(ii) 2017 Notes

In November 2015, the Company issued two-year senior notes with principal amount of USD250,000,000 (“2017 Notes”), which were listed on the Singapore Exchange Securities Trading Limited. The 2017 Notes are denominated in USD, and bear interest rate at 6.25% per annum, payable semi-annually in arrears on or on the business day nearest to 12 May and 12 November of each year, beginning 12 November 2015.

According to the terms of 2017 Notes, the Company may at its option redeem the 2017 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2017 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

(iii) 2020 Notes

In February 2017, the Company issued three-year senior notes with principal amount of USD350,000,000 (“**2020 Notes**”), which were listed on the Singapore Exchange Securities Trading Limited. The 2020 Notes are denominated in USD, and bear interest rate at 5.00% per annum, payable semi-annually in arrears on or on the business day nearest to 16 February and 16 August of each year, beginning 16 February 2017.

According to the terms of 2020 Notes, the 2020 Notes may be redeemed in the following circumstances:

- At any time prior to 16 February 2020, the Company may at its option redeem the 2020 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2020 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.
- At any time and from time to time prior to 16 February 2020, the Company may redeem up to 35% of the aggregate principal amount of the 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 105.0% the principal amount of the 2020 Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the 2020 Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

The early redemption options are regarded as embedded derivatives not closely related to the host contract. The board of directors is of the view that the Company has no plan of any early redemption and the fair values of the above early redemption options were insignificant on initial recognition and as at 31 December 2016 and 30 June 2017.

The above senior notes are general obligations guaranteed by certain subsidiaries other than those established under the law of the PRC (“**Subsidiary Guarantors**”), and secured by a pledge on the shares of certain initial Subsidiary Guarantors.

(c) Middle term notes

(i) 2022 Middle Term Notes

In March 2017, the A share company issued five-year medium-term notes with principal amount of RMB1,500,000,000 (“**2022 Middle Term Notes**”), which were listed on the Shanghai Stock Exchange. The 2022 Middle Term Notes are denominated in RMB, and bear interest rate at 5.4% per annum for the first three years, payable annually in arrears on or on the business day nearest to 16 March of each year, beginning 16 March 2017.

According to the terms of 2022 Middle Term Notes, A share company may at its option adjust the interest rate at the end of the third year which will be fixed in the remaining period, and the noteholders may at their option sell the middle term notes back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the 2022 Middle Term Notes plus accrued and unpaid interest to the sold-back date.

(ii) 2022 Middle Term Notes I

In April 2017, the A share company issued five-year medium-term notes with principal amount of RMB1,500,000,000 (“**2022 Middle term notes I**”), which were listed on the Shanghai Stock Exchange. The 2022 Middle term notes I are denominated in RMB, and bear interest rate at 5.25% per annum for the first three years, payable annually in arrears on or on the business day nearest to 14 April of each year, beginning 14 April 2017.

According to the terms of 2022 Middle Term Notes I, the A share company may at its option adjust the interest rate at the end of the third year which will be fixed in the remaining period, and the noteholders may at their option sell the middle term notes back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the 2022 Middle Term Notes I plus accrued and unpaid interest to the sold-back date.

(d) 2022 Private Placement Notes

In May 2017, the A share company issued five-year private placement notes with principal amount of RMB2,000,000,000 (“**2022 PPN**”). The 2022 PPN are denominated in RMB, and bear interest rate at 6.3% per annum for the first three years, payable annually in arrears on or on the business day nearest to 17 May of each year, beginning 17 May 2017.

According to the terms of 2022 PPN, the A share company may at its option adjust the interest rate at the end of the third year which will be fixed in the remaining period, and the noteholders may at their option sell the notes back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the 2022 PPN plus accrued and unpaid interest to the sold-back date.

(e) Corporate bonds

(i) 2019 Bonds

In July 2014, the former B share company issued five-year corporate bonds with principal amount of RMB2,000,000,000 (“**2019 Bonds**”), which were listed on the Shanghai Stock Exchange. The 2019 Bonds are denominated in RMB, and bear interest rate at 8.9% per annum for the first three years, payable annually in arrears on or on the business day nearest to 23 July of each year, beginning 23 July 2015.

According to the terms of 2019 Bonds, the former B share company may at its option redeem the 2019 Bonds in whole at end of the third year, at a redemption price equal to 100% of the principal amount of the 2019 Bonds plus accrued and unpaid interest to the redemption date. If the former B share company waives the optional redemption at end of the third year, the former B share company may at its option raise the interest rate by 0 to 100 basis points which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the former B share company, in whole or in part, at a price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest to the sold-back date.

The obligations relating to the 2019 Bonds had been transferred from the former B share company to the A share company.

On 10 June 2017, the A share company announced that all the outstanding 2019 Bonds will be redeemed in full on 24 July 2017 (the “**Redemption Date**”) at a redemption price equal to 108.9% of the principal amount thereof, plus accrued and unpaid interest, if any, to the Redemption Date. The A share company subsequently completed the redemption on 24 July 2017.

(ii) 2020 Bonds

In November 2015, the A share company issued five-year corporate bonds with principal amount of RMB3,000,000,000 (“2020 Bonds”), which were listed on the Shanghai Stock Exchange. The 2020 Bonds are denominated in RMB and bear interest rate at 4.5% per annum for the first three year, payable annually in arrears on or on the business day nearest to 3 November of each year, beginning 3 November 2016.

According to the terms of 2020 Bonds, the A share company may at its option adjust the interest rate at end of the third year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the 2020 Bonds plus accrued and unpaid interest to the sold-back date.

(iii) 2018 Bonds

In November 2015, the A share company issued three-year corporate bonds with principal amount of RMB2,000,000,000 (“**2018 Bonds**”), which were listed on the Shanghai Stock Exchange. The 2018 Bonds are denominated in RMB, and bear interest rate at 6.0% per annum for the first two years, payable annually in arrears on or on the business day nearest to 10 November of each year, beginning 10 November 2016.

According to the terms of 2018 Bonds, the A share company may at its option adjust the interest rate at the end of the second year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the 2018 Bonds plus accrued and unpaid interest to the sold-back date.

(iv) 2019 Bonds I

In March 2016, the A share company issued three-year corporate bonds with principal amount of RMB1,850,000,000 (“**2019 Bonds I**”), which were listed on the Shanghai Stock Exchange. The 2019 Bonds I are denominated in RMB, and bear interest rate at 5.44% per annum for the first two years, payable annually in arrears on or on the business day nearest to 31 March of each year, beginning 31 March 2016.

According to the terms of 2019 Bonds I, the A share company may at its option adjust the interest rate at the end of the second year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the 2019 Bonds I plus accrued and unpaid interest to the sold-back date.

(v) 2019 Bonds II

In March 2016, the A share company issued three-year corporate bonds with principal amount of RMB1,150,000,000 (“**2019 Bonds II**”), which were listed on the Shanghai Stock Exchange. The 2019 Bonds II are denominated in RMB, and bear interest rate at 4.76% per annum for the first year, payable annually in arrears on or on the business day nearest to 31 March of each year, beginning 31 March 2016.

According to the terms of 2019 Bonds II, the A share company may at its option adjust the interest rate at the end of the first and second year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the 2019 Bonds II plus accrued and unpaid interest to the sold-back date.

On 29 March 2017, the principal amount of RMB65,000,000 have been redeemed.

(vi) 2021 Bonds

In August 2016, the A share company issued five-year corporate bonds with principal amount of RMB2,000,000,000 (“**2021 Bonds**”), which were listed on the Shanghai Stock Exchange. The 2021 Bonds are denominated in RMB, and bear interest rate at 4.48% per annum for the first three years, payable annually in arrears on or on the business day nearest to 15 August of each year, beginning 15 August 2016.

According to the terms of 2021 Bonds, the A share company may at its option adjust the interest rate at the end of the third year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the 2021 Bonds plus accrued and unpaid interest to the sold-back date.

(vii) 2023 Bonds

In September 2016, the A share company issued seven-year corporate bonds with principal amount of RMB500,000,000 (“**2023 Bonds**”), which were listed on the Shanghai Stock Exchange. The 2023 Bonds are denominated in RMB, and bear interest rate at 4.80% per annum for the first five years, payable annually in arrears on or on the business day nearest to 12 September of each year, beginning 12 September 2016.

According to the terms of 2023 Bonds, the A share company may at its option adjust the interest rate at the end of the fifth year which will be fixed

in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the 2023 Bonds plus accrued and unpaid interest to the sold-back date.

(viii) 2021 Bonds I

In October 2016, the A share company issued five-year corporate bonds with principal amount of RMB2,500,000,000 (“**2021 Bonds I**”), which were listed on the Shanghai Stock Exchange. The 2021 Bonds I are denominated in RMB, and bear interest rate at 4.41% per annum for the first three years, payable annually in arrears on or on the business day nearest to 17 October of each year, beginning 17 October 2016.

According to the terms of 2021 Bonds I, the A share company may at its option adjust the interest rate at the end of the third year which will be fixed in the remaining period, and the bondholders may at their option sell the bonds back to the A share company, in whole or in part, at a price equal to 100% of the principal amount of the 2021 Bonds I plus accrued and unpaid interest to the sold-back date.

(f) Trust arrangement

(i) Secured

The balance represents a loan from a trust company with investment property located in Changzhou and its related rental and management fee receivable as collateral. The loan bears interest rate of 6.7% per annum and falls due in 21 April 2018.

(ii) Unsecured

The balance includes RMB750,000,000, 6%, nine-month loan and RMB500,000,000, 7%, six-month loan. They are bridge loans and RMB750,000,000 was repaid on 1 August 2017.

(g) Loans from non-bank financial institution represent borrowings from a security company with shares of the A share company pledged as collateral.

Pursuant to the mortgage contracts of the purchasers of the Group’s properties, banks require the Group to guarantee its purchasers’ mortgage loans. Guarantees for mortgages on pre-sold residential properties are generally discharged at the earlier of: (i) the issue of the real estate ownership certificate by government authorities to the purchaser, or (ii) the satisfaction of mortgage loans by the purchasers of the properties. If a purchaser defaults on a mortgage loan, the Group is responsible to repay the outstanding mortgage principal together with

accrued interest and penalties owed by the defaulting purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period typically starts from the date of grant of the mortgage.

As at June 30, 2017, the Group's contingent liabilities in respect of the guarantees given to the financial institutions for mortgage loan facilities granted to purchasers of the Group's properties amounted to approximately RMB16,253.1 million. In light of the minimal historical default rates of such mortgage loans facilities, the Directors considered that the likelihood of default of payments by the purchasers is minimal and therefore the financial guarantee measured at fair value is immaterial. There are certain corporate guarantees provided by the Company's subsidiaries for each other in respect of borrowings as at June 30, 2017. The Directors consider that the Company's subsidiaries are sufficiently financially resourced to settle their obligations. As at June 30, 2017, the Group provided guarantee with the amount of approximately RMB15,526.1 million to its joint ventures and associates.

Save as disclosed above, the Group had no other material contingent liabilities as at June 30, 2017.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have outstanding at June 30, 2017, any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, obligations under finance lease contracts, liabilities under acceptances (other than normal trade bills) or acceptable credits, debentures, mortgages, charges, finance lease or hire purchases commitments, guarantees or contingent liabilities.

5. MATERIAL CHANGE

The Directors confirm that save for:

- (i) the entering into of the Deed of Undertaking for redemption of the Existing Notes in the aggregate principal amount of US\$600 million following the approval of the Scheme and the capital reduction of the Company at the Court Meeting and the EGM;
- (ii) recognition by the Group of (a) a total amount of contracted sales of approximately RMB63,897 million; and (b) a total gross floor area sold (including area of car parks sold) of approximately 4,603,000 sq.m. during the eight months ended August 31, 2017 based on the unaudited operating statistics set out in the announcements of the Company dated February 9, 2017, March 7, 2017, April 6, 2017, May 4, 2017, June 5, 2017, July 7, 2017, August 4, 2017 and September 6, 2017;
- (iii) the increase in total land bank of the Group of approximately 14,281,628 sq.m. to approximately 49,596,957 sq.m. as at June 30, 2017 from approximately 35,315,329 sq.m. as at December 31, 2016; and
- (iv) as disclosed in the interim results of Company for the six months ended June 30, 2017 (the "Period"), in particular:

- (a) the increase in gross profit by approximately RMB1,810 million or approximately 94% from approximately RMB1,935 million for the six months ended June 30, 2016 to approximately RMB3,745 million for the Period mainly due to the difference in the composition of recognised projects and an increase in the gross floor area of properties delivered and recognised as sales in the Period;
- (b) the increase in administrative expenses by approximately RMB599 million or approximately 118% from approximately RMB509 million for the six months ended June 30, 2016 to approximately RMB1,108 million for the Period mainly due to the increase in the Group's staff headcount and remuneration as well as higher professional and consulting fee during the Period;
- (c) the increase in income tax expense by approximately RMB736 million or approximately 188% from approximately RMB391 million for the six months ended June 30, 2016 to approximately RMB1,126 million for the Period due to (1) the surge in the PRC land appreciation tax as a result of the improvement of the profitability of the properties sold, which were subject to higher rates of land appreciation tax, in the Period; and (2) the increase in the PRC corporate income tax due to the increased profit achieved during the Period; and
- (d) the increase in borrowings by approximately RMB20,802 million or approximately 76% from approximately RMB27,212 million as at December 31, 2016 to approximately RMB48,014 million as at June 30, 2017 as set out below for development of property projects, refinancing of existing borrowings and general working capital:
 - (1) on February 9, 2017, the Company issued three-year senior notes with principal amount of US\$350 million and 5.00% coupon rate per annum, which were listed on the SGX-ST;
 - (2) from March 14 to 15, 2017, the A-share Listed Subsidiary issued five-year medium-term notes, with principal amount of RMB1,500 million and 5.40% coupon rate per annum, which were listed on the Shanghai Stock Exchange;
 - (3) on March 20, 2017, the Group redeemed all outstanding 2019 Notes at a redemption price of US\$378 million and incurred a loss of approximately RMB191.8 million. The 2019 Notes were issued by the Company in July 2014 with an aggregate principal amount of US\$350 million, 10.25% coupon rate per annum and a maturity period of 5 years;
 - (4) on March 29, 2017, the A-share Listed Subsidiary redeemed certain outstanding 2019 Bonds II with a principal amount of RMB65 million. The 2019 Bonds II was issued by the A-share Listed Subsidiary in March 2016 with a principal amount of RMB1,150 million, 4.76% coupon rate per annum and a maturity period of 3 years;

- (5) on April 13, 2017, the A-share Listed Subsidiary issued five-year medium-term notes with principal amount of RMB1,500 million and 5.25% coupon rate per annum, which were listed on the Shanghai Stock Exchange;
- (6) on May 17, 2017, the A-share Listed Subsidiary issued five-year private placement notes with principal amount of RMB2,000 million and 6.30% coupon rate per annum;
- (7) on July 24, 2017, the A-share Listed Subsidiary redeemed all outstanding 2019 Bonds at a redemption price equal to 108.9% of the principal amount thereof, plus accrued and unpaid interest. The 2019 Bonds amounted to RMB2,000 million with coupon rate of 8.90% per annum and a maturity period of 5 years;
- (8) on August 1, 2017, the Company fully repaid the unsecured bridge loans of RMB750 million;
- (9) on August 8, 2017, the A-share Listed Subsidiary, through its wholly-owned subsidiary, issued U.S. dollar denominated five-year notes with principal amount of US\$200 million and 5% coupon rate per annum, which were listed on the SGX-ST; and
- (10) the increase in bank loans and other borrowings during the Period;

there had been no material change in the financial or trading position or outlook of the Group since December 31, 2016, being the date to which the latest published audited consolidated financial statements of the Company were made up, up to and including the Latest Practicable Date.

A. LETTER FROM PROPERTY VALUER AND SUMMARY OF VALUATIONS

The following is the text of a letter, summary disclosure of property information and valuations and a valuation certificate for the major property interest of which accounted for above 5% of the total market value prepared for the purpose of incorporation in this Scheme Document received from DTZ Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of market value in existing state of the Properties held by the Group in the PRC as at 30 June 2017. As stated in “Appendix III – Documents Available for Inspection”, a copy of the full property valuation report of the Group is available for public inspection.



16/F Jardine House
1 Connaught Place
Central
Hong Kong

22 September 2017

The Directors
Future Land Development Holdings Limited
36/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

Dear Sirs

INSTRUCTIONS, PURPOSE & VALUATION DATE

In accordance with the instructions from Future Land Development Holdings Limited (the “Company”) for us to carry out the valuations of the market values of the properties (“Properties”) held by the Company and its subsidiaries and associates (the “Group”) in the People’s Republic of China (the “PRC”), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we considered necessary for the purpose of providing you with our opinion of the market values in existing state of the Properties as at 30 June 2017 (the “valuation date”).

DEFINITION OF MARKET VALUE

Our valuation of each of the Properties represent its Market Value. The definition of Market Value adopted in The HKIS Valuation Standards 2012 Edition follows the International Valuation Standards published by the International Valuation Standards Council (“IVSC”). Market Value is defined by the IVSC as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s

length transaction, after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion”.

VALUATION BASIS & ASSUMPTIONS

Our valuations of the Properties exclude an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

In the course of our valuations of the Properties held in the PRC, with reference to the PRC Legal opinion of the legal adviser, 廣東信達律師事務所 (SHU JIN LAW FIRM), we have prepared our valuation on the basis that transferable land use rights in respect of the Properties for their specific term at nominal annual land use fee has been granted and that any premium payable has already been fully paid. We have relied on the information and advice given by the Company and the PRC legal opinion of the Company’s legal adviser, dated 30 August 2017, regarding the titles to the Properties and the interests in the Properties. In valuing the Properties, we have prepared our valuations on the basis that the owners have enforceable title to the Properties and has free and uninterrupted rights to use, occupy or assign the Properties for the whole of the unexpired terms as granted.

In respect of the Properties situated in the PRC, the status of titles and grant of major certificates, approvals and licences, in accordance with the information provided by the Company, are set out in the notes in the valuation certificate.

No allowance has been made in our valuations for any charges, pledges or amounts owing on the Properties nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is valued on the basis that the Properties is free from encumbrances, restrictions and outgoings of any onerous nature which could affect their values.

METHOD OF VALUATION

We have valued the Properties on market value basis which base on the highest and best use of the Properties. We have adopted Direct Comparison Approach or Investment Approach for valuing Properties under Group I to Group VI respectively.

In valuing the Properties in Group I, which are completed properties held by the Group for sale in the PRC, we have adopted Direct Comparison Approach by making reference to comparable sales evidences as available in the relevant market.

In valuing the Properties in Group II, which are completed properties held by the Group for investment in the PRC, as they are subject to tenancies, we have adopted Investment Approach by considering the capitalized rental derived from the existing tenancies with due provision of the reversionary rental potential. For those vacant portion of the investment properties, we have applied market rent and market capitalization rate which is in line with the market practice. The respective valuation result by Investment Approach is also, where appropriate, double checked with Direct Comparison Approach by making reference to comparable sales evidences as available in the relevant market.

In valuing the Properties in Group III, which are held by the Group for occupation in the PRC, we have adopted Direct Comparison Approach by making reference to comparable sales evidences as available in the relevant market.

In valuing the Property in Group IV, which is completed property held by the Group for operation as hotel in the PRC, as it is not subject to tenancies, we have adopted Direct Comparison Approach by making reference to comparable sales evidences as available in the relevant market.

In valuing the Properties in Group V, which are held by the Group under development in the PRC, we have valued them on the basis that they will be developed and completed in accordance with the Group's latest development proposal provided to us. In arriving at our opinion of value, we have adopted Direct Comparison Approach by making reference to comparable sales evidences as available in the relevant market, and where appropriate, we have taken into account the estimated total and expended construction costs.

The Properties in Group V comprise properties under development in the PRC. Permits for Commencement of Construction Works or such equivalent permits have been obtained. Construction Works Completion Examination Certificates, Building Ownership Certificates or Real Estate Title Certificates or such equivalent certificates or permits will not be obtained until the development is completed; without such said certificates will not affect our valuation and is in line with the market practice.

In valuing the Properties in Group VI, which are held by the Group for future development in the PRC, we have mainly used Direct Comparison Method assuming sale of each of these properties in its respective existing state by making reference to comparable land sales transactions as available in the relevant market.

The Properties in Group VI comprise properties held for future development in the PRC. Permits for Commencement of Construction Works or such equivalent permits have not been obtained yet because the development have not yet commenced and such permit is not necessary at vacant land stage. As the Properties are still vacant land, without such said permits will not affect our valuation and is in line with the market practice. Grant Contracts of Land Use Rights or such equivalent contracts have been obtained as at the Valuation Date. We have assigned market values to the properties with Certificate for the Use of State-owned Land that has been obtained. We have assigned no commercial values to the properties with Certificate for the Use of State-owned Land that has not been obtained.

The Properties are located in the urban or rural districts of Shanghai, Beijing, Hangzhou, Suzhou, Nanjing, Kunshan, Wuxi, Hefei, Changzhou, Haikou, Jiaxing, Ningbo, Changshu, Changzhou, Danyang, Haikou, Nanchang, Qindao, Quzhou, Shengzhou, Taizhou, Tongxiang, Wuhan, Zhangjiagang, Changchun, Changsha, Zhenjiang, Anqing, Chengdu, Huainan, Jinan, Jinhua, Jingjiang, Kunming, Linyi, Nantong, Shaoxing, Taixing, Tianjin, Wenzhou, Yangzhou, Foshan, Jiaozhou, Nanning, Shangrao, Taiyuan, Xian, Suqian, Zhengzhou, Chongqing respectively.

According to the Group, the Properties are planned for residential and commercial use; there are no environmental issues and litigation disputes; there are no plan for renovation or change the uses of the Properties.

According to the Group, the land will be developed according to the building covenants as stipulated in the respective Grant Contract of State-owned Land Use Rights, or where applicable, the actual subsequent government approval procedures.

General PRC Property Market Commentary As Per Our Market Research

According to China National Information Center Real Estate Information Office, China announced that in the second quarter of 2017 its economy increased by 6.9%, same as the first quarter 2017 growth rate. Driving China's economic growth is still a lot of familiar industry: the rapid construction of apartment buildings; strong retail sales, especially online retail sales; infrastructure construction continued large investment, including the construction of new highways and high-speed rail lines.

China's commercial property market continues to evolve in large part on the back of a rapidly widening consumer base. According to Cushman & Wakefield Retail Snapshot Q2 2017, the vacancy rate in Tier-1 cities remained stable in Q2 which ranged from about 3% to 12%. The vacancy rate in selected Tier-2 and 3 cities ranged from about 4% to 11%. In Q2, rent levels were stable on the whole across Tier-1 markets compared to the previous quarter. The average rent levels ranged from about RMB814 to 2,460 per sq.m. The average rent levels in selected Tier-2 and 3 cities ranged from about RMB280 to 640 per sq.m. According to our market research, the commercial property general capitalization rate ranged from 3.5% to 8.0%.

According to Cushman & Wakefield Office Snapshot Q2 2017, strong leasing demand continued from the previous quarter in China's office property market. The overall vacancy rate in Tier-1 cities remained stable in Q2 which ranged from about 7% to 13%. The vacancy rate in selected Tier-2 and 3 cities ranged from about 28% to 38%. In Q2, rent levels were stable on the whole across Tier-1 markets compared to the previous quarter. The average rent levels ranged from about RMB260 to 400 per sq.m. The average rent levels in selected Tier-2 and 3 cities ranged from about RMB88 to 123 per sq.m. According to our market research, the office property general capitalization rate ranged from 4.0% to 7.0%.

According to China National Information Center Real Estate Information Office, in the first quarter of 2017, the residential property market sales growth was stable with price level rose steadily. In second quarter, housing sales situation was still good, but the growth rate continued to slow down. According to our market research, the housing average price level in Tier-1 cities ranged from RMB50,000 to 150,000 per sq.m. The housing average price level in selected Tier-2 and 3 cities ranged from 4,000 to 50,000 per sq m.

Key Assumptions

In undertaking our valuations for the Properties, we have mainly made reference to sales or lettings within the subject Properties as well as other relevant comparable sales or rental evidences of properties of similar use type subject to appropriate adjustments including but not limited to location, accessibility, age, quality, maintenance standards, size, time, configuration and other relevant factors.

The capitalisation rates adopted in our valuations are based on our analyses of the yields of properties of similar use type after due adjustments. Such capitalisation rates are estimated with reference to the yields generally expected by the market for comparable properties of similar use type, which implicitly reflect the type and quality of the properties, the expectation of the potential future rental growth, capital appreciation and relevant risk factors. The capitalisation rates adopted are reasonable and in line with the market norm having regard to the analysed yields of transactions of the relevant use type.

Set out below are the key assumptions used in our valuations of the PRC properties:

Market unit price for

- (i) Residential: RMB5,000 to RMB110,000 per sq.m. on GFA basis
- (ii) Office: RMB5,800 to RMB36,000 per sq.m. on GFA basis
- (iii) Commercial: RMB6,000 to RMB60,000 per sq.m. on GFA basis
- (iv) Carpark: RMB35,000 to RMB350,000 per lot
- (v) Land: RMB774 to RMB69,355 per sq.m. (accommodation value)

Market monthly unit rent for

- (i) Office: RMB50 to RMB339 per sq.m. on GFA basis
- (ii) Commercial: RMB15 to RMB491 per sq.m. on GFA basis

Capitalisation rate for

- (i) Office: 5% to 5.5%
- (ii) Commercial: 4.0% to 6.5%

In valuing the Properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, Rule 11 of The Codes on Takeovers and Mergers published by the Securities and Futures Commission and The HKIS Valuation Standards 2012 Edition published by the Hong Kong Institutes of Surveyors.

POTENTIAL TAX LIABILITIES

As advised by the Company, the potential tax liabilities which would arise on the direct disposal of the property interests held by the Company at the amounts valued by us mainly comprise the following:

- Enterprise income tax at 25% on the gain
- Land appreciation tax at progressive rates from 30% to 60% on the appreciation of property value

In respect of the properties held by the Company for occupation, operation and investment (including completed and under/for development), the likelihood of the relevant tax liabilities crystallising is remote as the Company has no plans for the disposal of such properties yet. In respect of the properties held for sale (including completed and under/for development), it is likely that the relevant tax liabilities will crystallise upon sale.

According to our established practice, in the course of our valuation, we have neither verified nor taken into account such tax liabilities. The precise tax implication will be subject to prevailing rules and regulations at the time of disposal.

SOURCE OF INFORMATION

We have been provided by the Company with extracts of documents in relation to the title to the Properties. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us.

In the course of our valuation, we have relied to a considerable extent on the information given by the Company in respect of the Properties in the PRC and have accepted advice on such matters as planning approvals or statutory notices, easements, tenure, identification of the Properties, particulars of occupancy, tenancy details, completion date of buildings, number of car parking spaces, construction cost, development scheme, site and floor areas and all other relevant matters.

Dimensions, measurements and areas included in the valuation certificates are based on the information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation. We were also advised by the Company that no material facts have been omitted from the information provided.

We would point out that the copies of documents provided to us are mainly compiled in Chinese characters and the transliteration into English represents our understanding of the contents. We would therefore advise the Company to make reference to the original Chinese edition of the documents and consult your legal adviser regarding the legality and interpretation of these documents.

TITLE INVESTIGATION

We have been provided with copies of documents in relation to the current title to the Properties. However, we have not been able to conduct searches to verify the ownership of the Properties or to ascertain any amendment which may not appear on the copies handed to us. We are also unable to ascertain the title of the Properties in the PRC. We have obtained PRC Legal opinion which confirm the transferability of the land use rights in respect of the Properties in Group I to Group VI, and we have therefore relied on the advice given by the PRC Legal adviser and the Company.

SITE INSPECTION

Our PRC Office valuers, have inspected the exterior and, wherever possible, the interior of the Properties in July 2017 respectively.

Name of Valuers	PRC Offices	Professional Qualification* / Experience in the valuation of properties in the PRC	Experience in the relevant PRC Cities, include but not limited to
Eric Y Fan	Shanghai	MCIREA, MRICS, CPV/19 years	Shanghai, Hangzhou, Suzhou, Nanjing, Kunshan, Wuxi, Hefei, Changzhou, Haikou, Jiaxing, Ningbo, Chengdu
Jack M H Sun	Shanghai	CPV/12 years	Shanghai, Hangzhou, Suzhou, Nanjing, Kunshan, Wuxi, Hefei, Changzhou, Haikou, Yancheng, Chongqing, Qidong, Tianjin, Wuhan, Jiaxing, Nanchang
Rick K Sun	Shanghai	12 years	Shanghai, Hangzhou, Suzhou, Nanjing, Kunshan, Wuxi, Hefei, Changzhou,
David D W Zhu	Shanghai	6 years	Shanghai, Hangzhou, Suzhou, Nanjing, Kunshan, Wuxi, Hefei, Changzhou, Huainan Zhangjiagang, Qidong
Nicola H Z Zhou	Shanghai	5 years	Shanghai, Hangzhou, Suzhou, Nanjing, Kunshan, Wuxi, Changzhou, Yancheng, Chongqing, Qidong, Tianjin, Wuhan
Jason J Chen	Hangzhou	MCIREA, MRICS/13 years	Shanghai, Hangzhou, Suzhou, Ningbo, Taizhou, Shengzhou, Jiaxing, Changzhou, Yiwu, Pinghu, Wenzhou, Shaoxing, Jinhua, Quzhou, Wuhan
Tom C Zheng	Hangzhou	MCIREA/7 years	Shanghai, Hangzhou, Suzhou, Ningbo, Taizhou, Shengzhou, Jiaxing, Changzhou, Yiwu, Pinghu, Wenzhou, Shaoxing, Taizhou, Quzhou
Kelly S Y Song	Nanjing	6 years	Shanghai, Hangzhou, Suzhou, Nanjing, Kunshan, Wuxi, Hefei, Changzhou, Haikou, Shuqian, Huainan, Anqing, Qidong, Changshu, Zhenjiang, Danyang
Tiger Q B Zhao	Qingdao	MCIREA/9 years	Qingdao, Jinan, Linyi, Nanjing, Jiaozhou, Wuxi, Hefei, Changzhou, Huainan, Shijiazhuang, Baoding
Lucy L Xu	Wuhan	MCIREA, MCREVA/9 years	Wuhan, Zhengzhou, Changsha, Nanchang
Merry X Y Mo	Changsha	MCIREA, MCREVA/4 years	Wuhan, Changsha, Zhengzhou, Nanchang
Eric P B Liu	Beijing	6 years	Beijing, Qingdao, Jinan, Linyi, Langfang, Tianjin, Dalian, Shenyang, Zhengzhou, Changchun
Robert R M Liang	Tianjin	MCIREA/12 years	Beijing, Qingdao, Langfang, Tianjin, Dalian, Zhengzhou, Changchun, Xian
Jeffery Z F Wang	Shenyang	MCIREA, MCREVA/10 years	Jinan, Linyi, Langfang, Tianjin, Shenyang, Zhengzhou, Taiyuan,
Jeff S Zui	Xian	MCREVA/7 years	Tianjin, Taiyuan

Name of Valuers	PRC Offices	Professional Qualification* / Experience in the valuation of properties in the PRC	Experience in the relevant PRC Cities, include but not limited to
Andy Z X He	Guangzhou	MCIREA, MRICS/19 years	Guangzhou, Shenzhen, Xiamen, Foshan, Huizhou, Jingjiang
Ginnie X J Zhang	Shenzhen	3 years	Shenzhen, Xiamen, Foshan, Nanning
Fajin Li	Nanning	MCIREA, MCREVA/12 years	Xiamen, Foshan, Wuzhou, Nanning
Andy Chen	Xiamen	5 years	Wenzhou, Jingjiang Xiamen, Foshan, Huizhou, Nanchang

* Member of China Institute of Real Estate Appraisers and Agents 中國房地產估價師與房地產經紀人學會會員 (“MCIREA”)

* Member of China Real Estate Valuers Association 中國土地估價師協會會員 (“MCREVA”)

* Certified public assets valuer 中國註冊資產評估師 (“CPV”)

However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Properties are free of rot, infestation or any other structural defects. No tests were carried out to any of the services. Moreover, we have not carried out investigation on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary costs or delays will be incurred during the construction period.

Unless otherwise stated, we have not carried out on-site measurements to verify the site and floor areas of the Properties and we have assumed that the areas shown on the copies of the documents handed to us are correct.

CURRENCY

Unless otherwise stated, all monetary amounts indicated herein our valuation are in Renminbi (RMB) which is the official currency of the PRC.

COMPLIANCE

In valuing the Properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, Rule 11 of The Codes on Takeovers and Mergers published by the Securities and Futures Commission and The HKIS Valuation Standards 2012 Edition published by the Hong Kong Institutes of Surveyors.

SUMMARY OF DISCLOSURE

In accordance with the requirements in rule 5.02B of Chapter 5 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited, as each of the Market value of the Properties (except Property No. 44 of Group VI) as at the valuation date are less than 5% of the total Market Value in existing state attributable to the Group, we have presented the property information and valuation in the format of summary disclosure in this Scheme Document. This summary of disclosure is permissible under rule 5.02B. This summary of disclosure has an overview of property interests, including their number and approximate size range, uses, how they are held and the general description of the area where they are located and the general information in rule 5.10, if it applies. This summary of disclosure complies with Rule 11 of The Codes on Takeovers and Mergers published by the Securities and Futures Commission. A separate valuation certificate of Property 44 of Group VI of which its Market Value accounted for above 5% of the total Market Value in existing state attributable to the Group as at the same date is also attached. As stated in “Appendix III – Documents Available for Inspection”, a copy of the full property valuation report which has about 730 pages for 252 properties of the Group is available for public inspection.

Yours faithfully,

For and on behalf of

DTZ Cushman & Wakefield Limited

Philip C Y Tsang

Registered Professional Surveyor (General Practice)

Registered China Real Estate Appraiser

MSc, MHKIS

Director

Note: Mr. Philip C Y Tsang is Registered Professional Surveyor who has over 24 years' experience in the valuation of properties in the PRC.

SUMMARY OF VALUATIONS

Property Group	No. of Properties	Market Value in Existing State as at 30 June 2017 (RMB Million)	Market Value in Existing State Attributable to the Group as at 30 June 2017 (RMB Million)
Group I – Properties held by the Group for sale in the PRC	95	8,956.50	5,235.65
Group II – Properties held by the Group for investment in the PRC	11	10,660.00	6,885.71
Group III – Properties held by the Group for occupation in the PRC	5	1,403.00	814.26
Group IV – Property held by the Group for operation as hotel in the PRC	1	542.00	348.79
Group V – Properties held by the Group under development in the PRC	76	98,111.00	48,982.89
Group VI – Properties held by the Group for future development in the PRC	64	55,343.00	26,306.32
Total	252	175,015.50	88,573.62

**Group I – Properties held by the Group for sale in the PRC
Valuation Summary as at 30 June 2017**

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA (Note 1) (sq.m.)	Number of Carparking Spaces (No.)	GFA Committed for Sale (sq.m.)	Pre-sold Consideration (RMB million)	Year of completion	Market value (Note 2) in existing state as at the Valuation Date (RMB million)	Interest attributable to the Group (%)	Market value (Note 2) in existing state attributable to the Group as at the Valuation Date (RMB million)
1	Shanghai Future Flower Bay	Shanghai Future Land Chuangxian Real Estate Co., Ltd.	Shanghai	Fengxian	Residential	3/05/2085	Carparking	24,098.89	798	116.47	2.36	2017	66.10	64.564%	42.68
2	Shanghai Future Land Fragment Metropolis	Shanghai Jiading Huarui Real Estate Co., Ltd.	Shanghai	Jiading	Residential, Commercial, Office	Residential: 25/02/2084; Commercial: 25/02/2054; Office: 25/02/2064	Commercial, Carparking	15,019.16	165	342.64	7.33	2016	211.70	64.564%	136.68
3	Shanghai Future Land Fragment Legend	Shanghai Future Land Chuangyu Real Estate Co., Ltd.	Shanghai	Jiading	Residential, Commercial, Office	Commercial: 7/12/2050 Office: 7/12/2060 Residential: 7/12/2080	Commercial, Carparking	10,242.13	234			2014	64.70	64.564%	41.77
4	Phase I and Phase II (Part A) of Shanghai Future Land Fragment View	Shanghai Future Land Chuangyu Real Estate Co., Ltd.	Shanghai	Jiading	Residential, Commercial	Commercial: 26/05/2053 Residential: 26/05/2083	Commercial, Carparking	57,374.20	653			2016	448.00	64.564%	289.25
5	Phase III (Part A) of Shanghai Park View International Community	Shanghai Fuming Real Estate Development Co., Ltd.	Shanghai	Jiading	Residential, Commercial, Office	Commercial: 05/01/2050 Residential: 05/01/2080 Office: 05/01/2060	Commercial, Carparking	10,284.33	167			2014	44.30	64.564%	28.60
6	Shanghai Future Land Garden House	Shanghai Fuming Real Estate Development Co., Ltd.	Shanghai	Jiading	Residential	26/03/2083	Commercial, Carparking	5,375.34	135			2014	16.20	64.564%	10.46
7	Part A Portion of Phase I, II, IV; Part B Portion of Phase I, II and Subsequent Project of Phase I of Shanghai Future Land Golden County	Shanghai Future Land Chuangjia Property Co., Ltd.	Shanghai	Jiading	Residential, Commercial, Office	Commercial: 01/08/2049 Residential: 01/08/2079 Office: 01/08/2059	Commercial, Carparking	22,582.00	1387	339.68	6.46	2016	271.20	64.564%	175.10
8	Shanghai Legend Mansion	Shanghai Future Land Chuangjia Property Co., Ltd.	Shanghai	Jiading	Residential Commercial	Residential: 22/05/2050 Commercial: 22/05/2080	Commercial, Carparking	4,998.00	357			2012	57.10	64.564%	36.87

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA (Note 1) (sq.m.)	Number of Carparking Spaces (No.)	GFA Committed for Sale (sq.m.)	Pre-sold Consideration (RMB million)	Year of completion	Market value in existing state as at the Valuation Date (RMB million)	Interest attributable to the Group (%)	Market value in existing state attributable to the Group as at the Valuation Date (RMB million)
9	Shanghai YOHO City	Shanghai Future Land Wanjia Real Estate Co., Ltd.	Shanghai	Jiading	Residential, Commercial, Office	Commercial: 01/08/2049 Residential: 01/08/2079 Office: 01/08/2059	Commercial, Apartment	15,962.00	0			2013	256.60	64.564%	165.67
10	Shanghai Up Town	Shanghai Future Land Chuanghong Real Estate Co., Ltd.	Shanghai	Jiading	Residential, Commercial, Office, Entertainment	Commercial: 31/05/2050 Residential: 31/05/2080 Office, Entertainment: 31/05/2060	Commercial, Carparking	14,534.62	292			2013	33.90	64.564%	21.89
11	Shanghai Future Land Reminiscence	Shanghai Future Land Jirjun Real Estate Co., Ltd.	Shanghai	Qingpu	Residential, Commercial	Commercial: 10/04/2050 Residential: 10/04/2080 Office: 10/04/2060 Others: 10/04/2050	Commercial, Carparking	846.10	24			2014	4.40	64.564%	2.84
12	Shanghai Future Land Glorious Century	Shanghai Future Land Chuangzhi Real Estate Co., Ltd.	Shanghai	Qingpu	Residential	11/12/2076	Commercial, Carparking	32.35	1			2012	0.20	64.564%	0.13
13	Shanghai Future Land Bright Green Land	Shanghai Dongjun Real Estate Development Co., Ltd.	Shanghai	Pudong	Residential	18/10/2079	Commercial, Carparking	4,410.00	315			2015	37.80	67.1%	25.36
14	Shanghai Future Royal Fame	Shanghai Future Land Songjun Real Estate Development Co., Ltd.	Shanghai	Songjiang	Residential	13/2/2084	Commercial, Carparking	2,896.41	90	100.30	3.03	2016	13.80	64.564%	8.91
15	Shanghai Leisure Land	Shanghai Future Land Chuangzhi Real Estate Co., Ltd.	Shanghai	Qingpu	Residential	25/12/2072	Residential, Carparking	74.47	0			2005	2.60	64.564%	1.68
16	Shanghai Future Land Valuable View	Shanghai Future Land Wanjia Real Estate Co., Ltd.	Shanghai	Baoshan	Residential	26/04/2074	Commercial, Carparking	77.34	2			2006	0.40	64.564%	0.26
17	Phase I (Part A&B) of Nantong Future France	Nantong Future Land Chuangzhi Real Estate Co., Ltd.	Nantong	Gangzha	Commercial, Residential	Commercial: 22/04/2054; Residential: 22/04/2084	Commercial, Carparking	9,937.00	260			2016	18.20	51.651%	9.40
18	Shanghai Elite Mansion	Shanghai Xincheng Xudi Real Estate Co., Ltd.	Shanghai	Jinshan	Residential	14/11/2083	Commercial, Carparking	17,729.42	455	2,811.30	53.84	2016	108.30	32.282%	34.96

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA (Note 1) (sq.m.)	Number of Carparking Spaces (No.)	GFA Committed for Sale (sq.m.)	Pre-sold Consideration (RMB million)	Year of completion	Market value (Note 2) in existing state as at the Valuation Date (RMB million)	Interest attributable to the Group (%)	Market value (Note 2) in existing state attributable to the Group as at the Valuation Date (RMB million)
19	Shanghai Future Land Golden Area	Shanghai Yuan Zhi Cheng Real Estate Development Co., Ltd.	Shanghai	Jiading	Residential	17/4/2081	Commercial, Carparking	1,432.80	45			2012	5.40	32.282%	1.74
20	Phase I, II, III and IV (South) of Changsha Future Land International Metropolis	Changsha Future Land Wanbo Property Co., Ltd.	Changsha	Wangcheng	Residential, Commercial	Residential: 19/04/2081 Commercial: 19/04/2051	Residential, Commercial, Carparking	101,452.86	1757	317.58	1.38	2016	363.20	67.1%	243.71
21	Hangzhou Whispering Hills	Hangzhou Future Land Chuangsheng Real Estate Development Co., Ltd.	Hangzhou	Yuhang	Residential Commercial	Residential: 17/11/2083 Commercial: 17/11/2053	Commercial, Carparking	4,992.00	285	1,002.05	10.44	2015	19.00	67.1%	12.75
22	Hangzhou Leisure Land	Hangzhou Future Land Chuangsheng Real Estate Development Co., Ltd.	Hangzhou	Yuhang	Residential	09/03/2084	Carparking	1,456.00	104			2016	11.70	67.1%	7.85
23	Hangzhou Majestic Mansion	Hangzhou Future Land Dinghong Real Estate Development Co., Ltd.	Hangzhou	Gong shu	Residential Commercial	Residential: 14/09/2084 Commercial: 14/09/2054	Residential, Commercial, Carparking	972.38	28	258.31	8.02	2016	20.30	67.1%	13.62
24	Hangzhou Scarce Mansion	Hangzhou Future Land Chuangsheng Real Estate Development Co., Ltd.	Hangzhou	Yuhang	Residential	5/05/2085	Residential, Commercial, Carparking	4,273.19	153	1,178.20	34.56	2017	72.50	67.1%	48.65
25	Phase I of Hangzhou Hongjun	Hangzhou Jiahao Real Estate Development Co., Ltd.	Hangzhou	Jiangan	Residential	Residential: 30/08/2082 Commercial: 30/08/2052	Residential, Commercial, Carparking	11,926.10	387	277.94	6.66	2017	181.10	43.615%	78.99
26	Changzhou Future Land Four Seasons	Changzhou Future Land Real Estate Development Co., Ltd.	Changzhou	Wujin	Residential	19/04/2068 and 19/01/2076	Carparking	3,846.83	49			2008	3.40	64.282%	2.19

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA (Note 1) (sq.m.)	Number of Carparking Spaces (No.)	GFA Committed for Sale (sq.m.)	Pre-sold Consideration (RMB million)	Year of completion	Market value (Note 2) in existing state as at the Valuation Date (RMB million)	Interest attributable to the Group (%)	Market value (Note 2) in existing state attributable to the Group as at the Valuation Date (RMB million)
27	Phase I (& Subsequent Project of Phase I), Phase II, Phase III and Phase IV (Part A) of Changzhou Legend Mansion	Changzhou Future Land Real Estate Development Co., Ltd.	Changzhou	Wujin	Residential, Commercial	Commercial: 02/03/2046 Residential: 02/03/2076 Phase 4: Office 13/01/2056 Residential: 12/01/2086	Residential, Carparking	5,240.94	162			2017	9.10	64.282%	5.85
28	Western Area of Changzhou Legend Mansion	Changzhou Future Land Real Estate Development Co., Ltd.	Changzhou	Wujin	Residential, Commercial	Residential: 23/01/2075, 02/12/2068 Commercial: 30/12/2045	Carparking	702.97	19			2010	1.10	64.282%	0.71
29	Changzhou Future Land Future Legend	Changzhou Future Land Real Estate Development Co., Ltd.	Changzhou	Wujin	Residential	29/06/2081	Residential, Carparking	20,913.21	770	545.12	6.32	2014	49.40	64.282%	31.76
30	Phase I (A, B&C) and Phase II of Changzhou Future Land Long Island	Changzhou Future Land Real Estate Development Co., Ltd.	Changzhou	Wujin	Commercial, Residential	Commercial: 04/11/2042 Residential: 04/11/2072	Residential, Carparking	1,039.46	30			2010	3.30	64.282%	2.12
31	Changzhou Future Land North of Huaide Road	Changzhou Future Land Real Estate Development Co., Ltd.	Changzhou	Xinbei	Commercial	18/09/2043	Carparking	308.82	8			2007	0.30	64.282%	0.19
32	Changzhou Future Land People Hometown	Changzhou Future Land Real Estate Development Co., Ltd.	Changzhou	Tanning	Residential	30/04/2076	Commercial, Carparking	2,892.64	17			2008	30.40	64.282%	19.54
33	Changzhou Future Land Capital	Changzhou Future Land Real Estate Development Co., Ltd.	Changzhou	Zhonglou	Office	07/12/2046	Commercial, Carparking	28,113.01	440	4,213.67	42.63	2013	198.90	64.282%	127.86
34	Changzhou Future Land Blue Diamond	Changzhou Future Land Real Estate Development Co., Ltd.	Changzhou	Xinbei	Commercial, Residential	Commercial: 02/11/2044 Residential: 02/11/2074 Office 02/11/2054	Commercial, Carparking	6,519.33	122			2008	9.80	64.282%	6.30

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA (Note 1) (sq.m.)	Number of Carparking Spaces (No.)	GFA Committed for Sale (sq.m.)	Pre-sold Consideration (RMB million)	Year of completion	Market value in existing state as at the Valuation Date (RMB million)	Interest attributable to the Group (%)	Market value in existing state attributable to the Group as at the Valuation Date (RMB million)
35	Changzhou Future Land Fragrant Grass Garden	Changzhou Future Land Real Estate Development Co., Ltd.	Changzhou	Wujin	Commercial, Residential	Commercial: 10/09/2040 Residential: 10/09/2070	Carparking	28.08	2			2004	0.10	64.282%	0.06
36	Phase I, Phase II and Subsequent Projects of Phase I & II of Changzhou Golden Future Land Area	Changzhou Future Land Wanjia Real Estate Co., Ltd.	Changzhou	Wujin	Commercial, Residential	Commercial: 05/11/2046 Residential: 05/11/2076	Carparking	23,795.86	756			2013	42.30	64.282%	27.19
37	Changzhou South Future Land	Future Land Holdings Co., Ltd.	Changzhou	Wujin	Residential	20/05/2073 and 17/05/2071	Residential, Carparking	4,528.69	70	91.55	0.26	2014	9.60	67.1%	6.44
38	Phase I & II, Phase I & II West, Phase III, Subsequent Project of Phase II West and the Office Portion of Changzhou Golden Future Land	Changzhou Future Land Real Estate Development Co., Ltd.	Changzhou	Zhonglou	Commercial, Residential	Commercial: 14/02/2041 Residential: 14/02/2071	Carparking	1,933.40	10			2007	0.60	64.282%	0.39
39	Changzhou Future Land Fresh Centre	Changzhou Future Land Real Estate Development Co., Ltd.	Changzhou	Tianming	Residential	02/12/2068 and 29/09/2074	Carparking	92.80	10			2003	0.40	64.282%	0.26
40	Changzhou Future Land Xi Garden	Changzhou Future Land Real Estate Development Co., Ltd.	Changzhou	Wujin	Commercial, Residential	Commercial: 21/08/2047 Residential: 21/08/2077	Carparking	2,012.98	56			2011	3.10	64.282%	1.99
41	Changzhou Future Land Jade Dragon Bay	Changzhou Dingjia Property Real Estate Development Co., Ltd.	Changzhou	Xinbei	Residential	27/08/2075	Carparking	240.18	7			2012	0.40	64.643%	0.26
42	Changzhou Future Land First Garden	Changzhou Future Land Dongsheng Real Estate Co., Ltd.	Changzhou	Wujin	Commercial Residential	Commercial: 30/12/2045 Residential: 30/12/2075	Residential, Carparking	1,211.64	31	130.61	0.54	2013	2.60	66.875%	1.74

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA (Note 1) (sq.m.)	Number of Carparking Spaces (No.)	GFA Committed for Sale (sq.m.)	Pre-sold Consideration (RMB million)	Year of completion	Market value (Note 2) in existing state as at the Valuation Date (RMB million)	Interest attributable to the Group (%)	Market value (Note 2) in existing state attributable to the Group as at the Valuation Date (RMB million)
43	Changzhou Future Land Limpid Bay	Changzhou Xinlong Chuangzhi Real Estate Development Co., Ltd.	Changzhou	Xinbei	Residential	29/01/2074	Residential, Commercial, Carparking	22,573.99	751			2012	52.60	66.536%	35.00
44	Phase I and Phase II of Changzhou Future Land Golden County	Changzhou Future Land Jijun Real Estate Co., Ltd.	Changzhou	Tanning	Residential	Phase 1: Residential 09/09/2077 and 29/06/2078 Phase 2: Residential 12/06/2081	Residential, Commercial, Carparking	4,385.87	120	1,068.38	24.57	2013	33.00	64.564%	21.31
45	Changzhou Future Land Success	Changzhou Future Land Jijun Real Estate Co., Ltd.	Changzhou	Tanning	Residential	29/06/2078 09/09/2077 12/06/2081 04/01/2082	Residential, Commercial, Carparking	7,941.66	455	604.92	4.29	2015	36.10	64.564%	23.31
46	Changzhou Future Land Future France	Changzhou Hengfu Property Co., Ltd.	Changzhou	Tanning	Residential	08/06/2080	Carparking	35,690.91	1654			2015	115.80	64.282%	74.44
47	Changzhou Future Land Future Consequence	Changzhou Future Land Jijun Real Estate Co., Ltd.	Changzhou	Wujin	Residential, Ancillary	20/09/2081	Residential, Commercial, Carparking	17,600.42	550	1,755.23	17.42	2014	61.40	64.564%	39.64
48	Phase I, Phase II and the Office, Hotel & Retail Portions of Cangzhou Future Land Emporium	Changzhou Wanfang Future Land Real Estate Development Co., Ltd.	Changzhou	Wujin	Residential, Commercial	Commercial: 06/02/2047 Residential: 06/02/2077	Residential, Commercial, Carparking	27,607.33	1154	2,967.53	30.21	2016	166.30	64.352%	107.02
49	Changzhou YOHO City	Changzhou Xinlong Chuangzhi Real Estate Development Co., Ltd.	Changzhou	Xinbei	Commercial, Residential	Residential: 12/01/2084 Commercial: 12/01/2054	Residential, Commercial, Carparking	10,705.19	671			2015	56.00	66.536%	37.26
50	Changzhou Future Land Shangdong Area	Changzhou Future Land Zhidi Real Estate Development Co., Ltd.	Changzhou	Tanning	Commercial, Residential	Residential: 19/12/2076 Commercial: 19/12/2046	Carparking	625.88	21			2010	1.70	64.282%	1.09
51	Wuxi Future Land Glorious Century	Wuxi Future Land Wanjia Property Co., Ltd.	Wuxi	Liangxi	Commercial, Residential	Residential: 30/10/2077 Commercial: 30/10/2047	Carparking	3,399.25	108			2011	4.50	67.1%	3.02

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA (Note 1) (sq.m.)	Number of Carparking Spaces (No.)	GFA Committed for Sale (sq.m.)	Pre-sold Consideration (RMB million)	Year of completion	Market value in the existing state as at the Valuation Date (RMB million)	Interest attributable to the Group (%)	Market value in the existing state attributable to the Group as at the Valuation Date (RMB million)
52	Wuxi Future Land Up Town	Wuxi Future Land Chuangzhi Real Estate Co., Ltd.	Wuxi	Binhu	Commercial, Residential	Residential: 18/10/2080 Commercial: 18/10/2050	Commercial, Carparking	14,429.66	723	5,233.10	58.40	2016	88.80	67.1%	59.58
53	Wuxi Future Land Future France	Wuxi Future Land Chuangzhi Real Estate Co., Ltd.	Wuxi	Binhu	Commercial Residential	Residential: 22/03/2082 Commercial: 22/03/2052	Commercial, Carparking	24,069.33	268			2014	218.00	67.1%	146.28
54	Wuxi Jinqun Yuan	Wuxi Xinheng Property Co., Ltd.	Wuxi	Binhu	Commercial	14/11/2079	Commercial, Carparking	613.53	44			2017	2.50	67.1%	1.68
55	Changzhou In Spring Live	Changzhou Future Land Yuesheng Development Co., Ltd.	Changzhou	Wujin	Commercial, Residential	Residential: 19/08/2083 Commercial: 19/08/2053	Residential, Commercial, Carparking	41,798.86	1404	633.58	5.45	2015	84.10	67.1%	56.43
56	Changzhou Future Royal Bay	Changzhou Fu Long Real Estate Development Co., Ltd.	Changzhou	Xinbei	Commercial, Residential, Carparking	Residential: 29/06/2081 Commercial: 29/06/2051	Carparking	594.00	15			2013	1.20	67.1%	0.81
57	Kunshan Future Land Fresh Area	Kunshan Future Land Chuangzhi Development Co., Ltd.	Kunshan	Yushan Town	Residential Commercial	Residential: 27/02/2076 Commercial: 27/02/2046	Carparking	42,064.00	2079			2010	166.30	64.335%	106.99
58	Suzhou Future Land Jadeite Bay	Suzhou Future Land Wanjia Real Estate Co., Ltd.	Suzhou	Bacheng Town	Residential, Commercial	Commercial: 20/12/2044 Residential: 20/12/2074	Carparking	34,745.00	1058			2009	84.60	64.564%	54.62
59	Phase I and Phase II of Kunshan Future Land Future France	Kunshan Future Land Chuanghong Real Estate Co., Ltd.	Kunshan	Yushan Town	Commercial, Office, Residential	Commercial, Office: 17/08/2051 Residential: 17/08/2081	Commercial, Carparking	4,400.00	146			2014	14.50	67.1%	9.73
60	Suzhou Future Land Golden County	Suzhou Future Land Chuangjia Property Co., Ltd.	Suzhou	Wuzhong	Commercial, Urban Residential	Commercial: 30/07/2047 Residential: 30/07/2077	Carparking	11,478.00	872			2012	69.80	67.1%	46.84
61	Suzhou Future Land Fragrant Legend	Suzhou Future Land Chuangjia Property Co., Ltd.	Suzhou	Wuzhong	Residential Commercial	Residential: 03/07/2083 Commercial: 03/07/2053	Commercial, Carparking	10,595.00	311	3,137.00	56.02	2014	134.70	67.1%	90.38

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA (Note 1) (sq.m.)	Number of Carparking Spaces (No.)	GFA Committed for Sale (sq.m.)	Pre-sold Consideration (RMB million)	Year of completion	Market value in the state as at the Valuation Date (RMB million)	Interest attributable to the Group (%)	Market value in the state attributable to the Group as at the Valuation Date (RMB million)
62	Suzhou Future Land Stone Lake Mansion	Suzhou Future Land Chuangsheng Real Estate Co., Ltd.	Suzhou	Wuzhong	Wholesale and retail Urban Residential	Wholesale and retail: 03/07/2053 Urban Residential: 03/07/2083	Commercial, Carparking	7,716.58	224	3,640.30	52.38	2015	83.20	67.1%	55.83
63	Phase I and Phase II (Part A) of Suzhou Future Land Mangrove Bay	Suzhou Future Land Chuangsheng Property Co., Ltd.	Suzhou	Wujiang	Residential, Commercial	Residential: 28/06/2083 Commercial: 28/06/2053	Commercial, Carparking	4,400.00	146	83.11	1.18	2016	19.30	67.1%	12.95
64	Part A of Kunshan Future Baoli Bay	Kunshan Future Land Chuangyu Real Estate Co., Ltd.	Kunshan	Yushan Town	Commercial, Office, Residential	Commercial: 29/06/2054 Office: 29/06/2054 Residential: 29/06/2084	Carparking	1,997.00	157			2015	12.60	67.1%	8.45
65	Phase I of Suzhou Future Land Future County	Suzhou Future Land Wanri Real Estate Co., Ltd.	Suzhou	Wuzhong	Urban Residential	28/10/2084	Residential, Commercial, Carparking	288.00	1	148.41	3.20	2016	6.10	45.628%	2.78
66	Phase I of Kunshan Future County	Kunshan Derui Real Estate Development Co., Ltd.	Kunshan	Huqiao Town	Residential	09/07/2085	Carparking	572.00	45			2017	3.60	26.84%	0.97
67	Changshu Fragrant View	Changshu Future Land Chuanghong Real Estate Co., Ltd.	Changshu	Yushan Town	Urban Residential	13/10/2085	Carparking	1,785.82	120			2017	8.60	67.1%	5.77
68	Phase III of Wujiang Injoy Plaza	Suzhou Bosheng Real Estate Development Co., Ltd.	Suzhou	Wujiang	Commercial, Residential	Commercial: 06/06/2053 Residential: 06/06/2083	Carparking	5,908.00	422			2015	38.00	75.325%	28.62
69	Nanjing Future France	Nanjing Future Land Yunsheng Real Estate Co., Ltd.	Nanjing	Pukou	Commercial	25/04/2051	Residential, Commercial, Carparking	11,631.81	386	77.57	0.82	2015	119.30	64.564%	77.02
70	Nanjing Longwan Garden	Nanjing Future Land Chuanghong Real Estate Co., Ltd.	Nanjing	Jiangning	Residential	18/06/2083	Residential, Carparking	22,269.68	1714	141.24	3.52	2016	177.10	64.564%	114.34
71	Phase I of Nanjing Xianlin Lake	Nanjing Future Land Wanlong Real Estate Development Co., Ltd.	Nanjing	Qixia	Urban Mix Residential	Residential: 04/09/2084	Residential, Commercial, Carparking	12,496.72	843	196.71	7.79	2016	104.00	64.564%	67.15

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

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72	Phase I of Nanjing Flourish France	Nanjing Future Land Wanshan Real Estate Co., Ltd.	Nanjing	Pukou	Urban Residential (Mix)	Commercial: 24/05/2055 Residential: 24/05/2085	Residential, Commercial, Carparking	17,368.34	-	17,368.34	18.00	2017	18.00	64.564%	11.62
73	Phase I of Qingdao Future France	Qingdao Future Land Dongjun Real Estate Development Co., Ltd.	Qingdao	Licang	Residential, Commercial	Residential: 11/01/2085 Commercial: 11/01/2055	Residential, Carparking	4,057.17	118	4,057.17	18.30	2017	18.30	33.55%	6.14
74	Phase I Beijing Triumph City	Langfangshi Hairunda Real Estate Development Co., Ltd.	Beijing	Langfang	Residential, Commercial	Residential: 01/11/2081 Commercial: 01/11/2051	Residential, Commercial, Carparking	31,695.85	566	137.23	1.20	2016	100.50	67.1%	67.44
75	Wuhan In Spring Live	Wuhan Future Land Hongsheng Property Co., Ltd.	Wuhan	HanYang	Residential	24/08/2082	Residential, Commercial, Carparking	2,172.69	60	2,172.69	4.90	2013	4.90	67.1%	3.29
76	Wuhan Delight City	Wuhan Future Land Chuangzhi Real Estate Co., Ltd.	Wuhan	HanYang	Residential	30/03/2085	Residential, Carparking	394.93	-	394.93	5.10	2017	5.10	67.1%	3.42
77	Phase I of Wuhan Jinghui Project	Wuhan Jinruilongxiang Property Co., Ltd.	Wuhan	East west lake	Residential	28/12/2079	Residential, Commercial, Carparking	7,507.16	32	706.56	5.53	2014	52.00	67.1%	34.89
78	Dantu Future Land Exalted Uptown	Zhenjiang Kaisheng Real Estate Development Co., Ltd.	Zhenjiang	Dantu	Urban Residential, Wholesale and retail, Public Facilities	Residential: 07/10/2083 Commercial: 07/10/2053 Public Facilities: 07/10/2063	Residential, Retail, Underground Carparking	27,062.95	831	15,522.96	74.51	2016	103.10	67.429%	69.52
79	East China Arts Center	Wuxi Future Land Wanbo Property Co., Ltd.	Wuxi	Liangxi	Commercial, Office	21/12/2050	Commercial, Carparking	32,757.14	-	54.27	0.24	2012	409.50	67.1%	274.77
80	Nanjing Future Land Shangdong Project	Nanjing Future Land Chuangzhi Real Estate Co., Ltd.	Nanjing	Qixia	Residential	Residential: 08/10/2075 Commercial: 08/10/2045	Carparking	495.00	-	495.00	3.60	2007	3.60	67.1%	2.42
81	Changzhou International Plaza	Changzhou Future Land Wanbo Property Co., Ltd.	Changzhou	Zhonglou	Residential	Residential: 30/03/2077 Commercial: 30/03/2047	Residential	1,802.00	-	1,374.76	19.66	2012	25.80	67.1%	17.31

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA (Note 1) (sq.m.)	Number of Carparking Spaces (No.)	GFA Committed for Sale (sq.m.)	Pre-sold Consideration (RMB million)	Year of completion	Market value in existing state as at the Valuation Date (RMB million)	Interest attributable to the Group (%)	Market value in existing state attributable to the Group as at the Valuation Date (RMB million)
82	Phase I, II, III (Part A) and IV of Changzhou Injoy Plaza	Changzhou Future Land Hongye Real Estate Co., Ltd.	Changzhou	Wujiang	Commercial, Office	Residential: 09/08/2081, 30/03/2080, 20/12/2079 Commercial and office: 09/08/2051, 30/03/2050, 20/12/2049	Apartment, Carparking	13,436.52	440			2015	27.00	67.1%	18.12
83	Suzhou Wujiang Injoy Plaza	Suzhou Kaiyuo Real Estate Development Co., Ltd.	Suzhou	Wujiang	Composite	Commercial: 07/06/2053 Residential: 07/06/2083	Commercial	17,513.00	784	9,179.00	76.04	2015	109.00	67.429%	73.50
84	Zhangjiagang Injoy Plaza	Zhangjiagang Dingsheng Real Estate Co., Ltd.	Zhangjiagang	Yangshe Town	Commercial	10/02/2054	Commercial, Carparking	3,798.45	197	1,251.00	19.49	2016	49.40	67.429%	33.31
85	Changzhou Jintan Injoy Plaza	Changzhou Jintan Future Land Wanbo Real Estate Development Co., Ltd.	Changzhou	Jintan	Composite	Commercial: 12/05/2055 Residential: 12/05/2085	Commercial, Carparking	1,409.90	4			2016	13.20	67.1%	8.86
86	Danyang Project Lot A, B, C & D	Danyang Future Land Hongsheng Real Estate Development Co., Ltd.	Danyang	Danyang	Residential, Commercial	Residential: 04/05/2084, 23/01/2084, 19/08/2084, 05/08/2085 Commercial: 04/05/2054, 23/01/2054, 19/08/2054, 05/08/2054	Residential, Apt, Commercial, Underground Carparking	57,898.25	1156	9,765.85	80.36	2016	240.70	67.429%	162.30
87	Anqing Project Phase I (Residential & Retail Portion)	Anqing Future Land Yuesheng Real Estate Development Co., Ltd.	Anqing	Yingjiang	Commercial/Urban Residential	Residential: 01/03/2085 Commercial: 01/03/2055	Residential, Commercial, Carparking	48,869.06	748	8,155.47	57.61	2016	275.50	67.1%	184.86
88	Nanchang Injoy Plaza	Nanchang Future Land Yuesheng Real Estate Development Co., Ltd.	Nanchang	Gaoxin	Commercial, Residential	Commercial: 09/09/2054 Residential: 09/09/2084	Residential, Commercial, Carparking	143,120.18	693	35,543.92	302.00	2017	1,073.60	36.04%	386.92
89	Quzhou Metro Injoy Plaza	Quzhou Future Land Wanbo Real Estate Development Co., Ltd.	Quzhou	Kechang	Commercial, Residential	Commercial: 29/10/2055 Residential: 29/10/2085	Commercial	11,171.98	11,171.98	241.83		2017	241.80	67.1%	162.25

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA (Note 1) (sq.m.)	Number of Carparking Spaces (No.)	GFA Committed for Sale (sq.m.)	Pre-sold Consideration (RMB million)	Year of completion	Market value in the state as at the Valuation Date (RMB million)	Interest attributable to the Group (%)	Market value in the state as at the Valuation Date (RMB million)	Market value attributable to the Group as at the Valuation Date (RMB million)
90	Tongxiang Injoy Plaza (Residential Portion)	Tongxiang Zhuosheng Real Estate Development Co., Ltd.	Tongxiang	Tongxiang	Wholesale and retail, Urban Residential	Commercial: 01/09/2055 Residential: 01/09/2085	Residential, Commercial, Carparking	17,424.50	491	1,004.33	17.03	2017	86.40	66.429%	86.40	57.39
91	Phase I and II (Residential Portion) of Haikou Injoy Plaza	Haikou Future Land Wanho Real Estate Development Co., Ltd.	Haikou	Longhua	Wholesale and retail, Urban Residential	Wholesale and retail: 29/01/2055 Urban Residential: 29/01/2085	Residential, Commercial, Carparking	24,888.31	524	5,711.74	168.81	2017	234.30	67.1%	234.30	157.22
92	Taizhou Future Land Wanho Plot A and B	Taizhou Future Land Wanho Real Estate Development Co., Ltd.	Taizhou	Huangyan	Residential, Commercial	Residential: 26/01/2086 Commercial: 26/01/2056	Residential, Commercial, Carparking	58,820.22	363	47,753.40	652.44	2017	681.70	26.84%	681.70	182.97
93	Phase I & II of Shengzhou Residential Land Parcel	Shengzhou Future Land Xisheng Real Estate Co., Ltd.	Chengzhou	Chengzhou	Residential, Commercial	Residential: 20/07/2085 Commercial: 20/07/2055	Residential, Commercial, Carparking	68,404.98	825	6,161.37	90.49	2017	413.10	67.1%	413.10	277.19
94	Part A of Changchun Project	Changchun Future Land Yuesheng Real Estate Development Co., Ltd.	Changchun	Lvyuan	Residential, Commercial	Residential: 07/12/2085 Commercial: 07/12/2055	Residential, Commercial, Carparking	26,996.10	640	2,557.06	24.11	2016	92.80	67.429%	92.80	62.57
95	Parking spaces of Changzhou Life Square	Changzhou Future Land Wansheng Real Estate Co., Ltd.	Changzhou	Wujin	Residential Commercial	Residential: 18/09/2073 Commercial: 18/09/2043	Carparking	15,888.49	357			2012	20.00	67.1%	20.00	13.42
	Total							37,200	187,463.40	2,280.43			8,956.50		8,956.50	5,235.65

Notes:

(1) All areas are stated in approximations.

(2) All values are stated in approximations.

**Group II – Properties held by the Group for investment in the PRC
Valuation Summary as at 30 June 2017**

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA (Note 1) (sq.m.)	Year of completion	Occupancy Rate %	Annual Passing Rent (RMB million)	Market value (Note 2) in existing state as at the Valuation Date (RMB million)	Interest attributable to the group %	Market value (Note 2) in existing state attributable to the group as at the Valuation Date (RMB million)
1	Changzhou Injoy International Plaza	Changzhou Future Land WanSheng Real Estate Co., Ltd.	Changzhou	Zhonglou	Commercial and residential	Commercial: 30/03/2047 Residential: 30/03/2077	Commercial, Office	142,518.76	Dec 2012	97%	89.87	1,789.00	67.1%	1,200.42
2	Changzhou Wujin Injoy Plaza	Changzhou Future Land Honghao Business Management Co., Ltd.	Changzhou	Wujin	Commercial	Commercial: 30/12/2049 and 09/08/2051	Commercial	186,335.68	May 2012	93%	81.47	1,580.00	67.1%	1,060.18
3	Suzhou Wujiang Injoy Plaza	Suzhou Kaituo Real Estate Development Co., Ltd.	Suzhou	Wujiang	Commercial	07/06/2053	Commercial	171,558.86	Jun 2015	96%	29.83	725.00	67.429%	488.86
4	Zhangjiagang Injoy Plaza	Zhangjiagang Dingsheng Real Estate Co., Ltd.	Suzhou	Zhangjiagang	Commercial	02/10/2084	Commercial	158,168.95	Sep 2015	96%	35.22	1,003.00	67.429%	676.31
5	Jintan Injoy Plaza	Changzhou Jintan Future Land Wanbo Real Estate Development Co., Ltd.	Changzhou	Jintan	Commercial	12/05/2055	Commercial	123,843.80	Dec 2016	98%	48.60	545.00	67.1%	365.70
6	Danyang Injoy Plaza	Danyang Future Land Hongsheng Real Estate Development Co., Ltd.	Danyang	Danyang	Commercial	Commercial: 04/05/2054, 23/01/2054 and 19/08/2054	Commercial	153,305.00	Dec 2015	100%	32.37	907.00	67.429%	611.58
7	Anqing Injoy Plaza	Anqing Future Land Yueheng Real Estate Development Co., Ltd.	Anqing	Yingjiang	Commercial	01/03/2055	Commercial	159,315.47	Dec 2016	98%	40.61	697.00	67.1%	467.69
8	Nanchang Injoy Plaza	Nanchang Future Land Yueheng Real Estate Development Co., Ltd.	Nanchang	Qingshanhu	Commercial	09/09/2054	Commercial	169,490.43	Nov 2016	100%	41.88	888.00	36.04%	320.03

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA (Note 1) (sq.m.)	Year of completion	Occupancy Rate %	Annual Passing Rent (RMB million)	Market value (Note 2) in existing state as at the Valuation Date (RMB million)	Interest attributable to the group %	Market value (Note 2) in existing state attributable to the group as at the Valuation Date (RMB million)
9	Quzhou Injoy Plaza	Quzhou Future Land Wanbo Real Estate Development Co., Ltd.	Quzhou	Kecheng	Commercial	29/10/2055	Commercial	141,818.42	Jun 2017	100%	49.59	539.00	67.1%	361.67
10	Haikou Injoy Plaza	Haikou Future Land Wanbo Real Estate Development Co., Ltd.	Haikou	Longhua	Commercial	29/01/2055	Commercial	174,210.80	Oct 2016	98%	58.08	924.00	67.1%	620.00
11	Shanghai Future Holdings Tower B	Shanghai Jianu Investment Management Co., Ltd.	Shanghai	Putuo	Commercial	10/12/2055	Office	42,299.66	2016	94%	4.73	1,063.00	67.1%	713.27
	Total							1,622,865.83			512.25	10,660.00		6,885.71

Notes:

(1) All areas are stated in approximations.

(2) All values are stated in approximations.

**Group III – Properties held by the Group for occupation in the PRC
Valuation Summary as at 30 June 2017**

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA (Note 1) (sq.m.)	Year of completion	Market value existing state as at the Valuation Date (RMB million)	Interest attributable to the group (%)	Market value existing state attributable to the group as at the Valuation Date (RMB million)
1	Shanghai Future Holdings Tower A	Shanghai Future Land Chuangyu Real Estate Co., Ltd.	Shanghai	Putuo	Office	10/12/2055	Office	32,749.31	2014	832.00	64.564%	537.17
2	Jindongfang Hospital	Changzhou Jindongfang Hospital Co., Ltd.	Changzhou	Wujin	Carparking, Commercial, Urban Residential	Commercial: 29/6/2051 Residential: 29/6/2081	Commercial	42,770.61	Aug 2015	276.00	44.997%	124.19
3	Jindongfang Nursing Hospital	Changzhou Jindongfang Hospital Co., Ltd.	Changzhou	Wujin	Carparking, Commercial, Urban Residential	Commercial: 29/6/2051 Residential: 29/6/2081	Commercial	38,299.80	Aug 2015	191.00	44.997%	85.94
4	Changzhou New Town Capital Building	Changzhou Future Land Real Estate Development Co., Ltd.	Changzhou	Zhonglou	Commercial	07/12/2046	Office	5,062.96	Nov 2011	68.00	64.282%	43.71
5	8F of China Merchants Building	Shanghai Future Land Chuangzhi Real Estate Co., Ltd.	Shanghai	Jing'an	Composite	23/8/2044	Office	1,004.68	Jul 1999	36.00	64.564%	23.24
	Total							119,887.36		1,403.00		814.26

Notes:

(1) All areas are stated in approximations.

(2) All values are stated in approximations.

**Group IV – Property held by the Group for operation as hotel in the PRC
Valuation Summary as at 30 June 2017**

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA (Note 1) (sq.m.)	Number of Room (No.)	Year of completion	Market value (Note 2) in state as at the Valuation Date (RMB million)	Interest attributable to the group (%)	Market value (Note 2) in state attributable to the group as at the Valuation Date (RMB million)
1	Emporium Hilton Hotel	Changzhou Wanfang Future Land Real Estate Development Co., Ltd.	Changzhou	Wujin	Commercial	6/02/2047	Hotel	46,964.50	303	Oct 2014	542.00	64.352%	348.79
	Total							46,964.50	303		542.00		348.79

Notes:

- (1) All areas are stated in approximations.
- (2) All values are stated in approximations.

**Group V – Properties held by the Group under development in the PRC
Valuation Summary as at 30 June 2017**

Property No.	Property Name	Holding entity	City	District	Land use	Expiry date of land use term	Site area (Note 1) (according to grant contract of land use rights)	Site area (Note 1) (according to state-owned land use rights certificates)	Planned GFA (Note 1) (sq.m.)	Number of Carparking Spaces (No.)	Year of commencement of construction	Scheduled year of completion of construction	GFA Committed for Sale (sq.m.)	Pre-sold Consideration (RMB million)	Construction cost incurred (RMB million)	Construction cost to be incurred (RMB million)	Development Value as if Completed as at Valuation Date (RMB million)	Market value (Note 2) in existing state as at the Valuation Date (RMB million)	Interest to the attributable group (%)	Market value (Note 2) in existing state attributable to the group as at the Valuation Date (RMB million)
1	Phase I of Suzhou San Qian Yi	Suzhou Jizhong Real Estate Development Co., Ltd.	Suzhou	Wujiang	Urban Residential	23/06/2086	62,023.00	62,023.00	175,219.04	1,140	1/12/2016	1/6/2019	21,954.00	347.24	121.11	520.37	2,927.00	1,885.00	23.485%	442.69
2	Nanjing Qin Lot G59 Project	Nanjing Xinbaohong Real Estate Co., Ltd.	Nanjing	Jiangning	Urban Residential (Mix)	Residential: 02/11/2086 Commercial: 02/11/2056	67,809.78	67,809.78	247,728.10	1,430	3/06/2017	31/12/2019	-	-	113.07	729.16	6,658.00	4,115.00	21.952%	903.31
3	Nanjing Qianglong Lot G60 Project	Nanjing Huifeng Real Estate Co., Ltd.	Nanjing	Jiangning	Urban Residential (Mix) Community Center	Residential: 22/02/2087 Community Center: 02/22/2067	74,740.88	74,740.88	230,972.50	1,356	3/07/2017	31/12/2020	-	-	50.40	845.11	6,138.00	3,456.00	21.952%	758.65
4	Suzhou Hongjinhu	Suzhou Baixiang Property Co. Ltd.	Suzhou	Wujiang	Commercial	25/05/2054	8,656.96	8,656.96	99,332.07	482	1/5/2016	1/6/2019	-	-	86.37	348.69	1,606.00	812.00	20.13%	165.46
5	Phase I of Zhangjiagang Ming Yuehua	Zhangjiagangshi Xiangsheng Real Estate Developer	Suzhou	Zhangjiagang	Residential Commercial	Residential: 08/03/2077 Commercial: 08/03/2047	103,604.09	103,604.09	210,627.00	1,434	1/5/2017	1/6/2019	-	-	20.82	565.31	1,659.00	720.00	22.143%	159.43
6	Hangzhou Xi Wang Shang Ting	Hangzhou Wanzhao Property Co., Ltd.	Hangzhou	Yuhang	Residential	21/04/2086	68,770.70	68,770.70	172,897.52	798	1/6/2016	1/9/2018	29,487.48	927.90	131.70	550.64	3,497.00	1,919.00	22.814%	437.80
7	Hangzhou Wan Shang Feng Hua	Hangzhou Future Land Songjun Real Estate Development Co., Ltd.	Hangzhou	Jiangnan	Residential	Residential: 29/10/2086 Commercial: 29/10/2056	39,578.00	39,578.00	124,436.67	877	1/1/2017	1/8/2018	29,987.73	508.46	32.15	385.03	1,593.00	787.00	23.485%	184.83
8	Phase II of Kunshan Future County	Kunshan Derui Real Estate Development Co., Ltd.	Kunshan	Huajiao	Residential	09/07/2085	39,874.00	39,874.00	124,863.32	730	3/06/2016	1/12/2017	91,256.00	2,017.31	144.67	375.64	2,129.00	1,367.00	26.84%	366.90
9	Phase I, II & III of Shanghai Shang Kun Yue Shan	Shanghai Shengyan Xiangcun Cihui Co., Ltd.	Shanghai	Songjiang	Residential	27/06/2075	281,730.40	281,730.40	489,939.45	3,281	29/4/2016	1/12/2020	149,787.95	7,275.74	852.98	2,663.06	10,125.00	4,293.00	32.282%	1,385.86
10	Shanghai Zhoupu Project	Shanghai Jiapeng Real Estate Co., Ltd.	Shanghai	Pudong	Commercial, Residential	Residential: 30/08/2074 Commercial: 30/08/2044	61,316.90	61,316.90	199,988.76	1,500	3/17/2012	31/12/2017	-	-	96.38	1,367.62	5,724.00	2,623.00	32.927%	865.69

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Property Name	Holding entity	City	District	Land use	Expiry date of land use term	Site area (Note 1) (according to grant contract of land use rights)	Site area (Note 1) (according to state-owned land use rights certificates)	Planned GFA (Note 1) (sq.m.)	Number of Carparking Spaces (No.)	Year of commencement of construction	Scheduled year of completion of construction	GFA Committed for Sale (sq.m.)	Pre-sold Consideration (RMB million)	Construction cost incurred (RMB million)	Construction cost to be incurred (RMB million)	Development Value as if Completed Valuation Date (RMB million)	Market value (Note 2) in existing state as at the Valuation Date (RMB million)	Interest to the attributable group (%)	Market value (Note 2) in existing state attributable to the group as at the Valuation Date (RMB million)
11	Phase I of Tianjin Baodi Project	Tianjin Future Land Baojun Real Estate Development Co., Ltd.	Tianjin	Baodi	Residential, Commercial	Residential: 10/10/2086 Commercial: 13/10/2056	75,820.00	75,820.00	223,363.29	998	12/06/2017	31/12/2019	73,630.60	-	47.77	733.74	2,577.00	1,054.00	33.55%	355.62
12	Phase I of Changsha Jinmao Bay	Changsha Qianjing Property Co., Ltd.	Changsha	YueLu	Residential, Commercial	Residential: 04/01/2085 Commercial: 04/01/2055	22,795.40	22,795.40	139,692.68	1,032	1/9/2016	1/9/2019	73,630.60	800.73	94.96	420.76	1,405.00	636.00	33.55%	213.38
13	Suzhou Wan Shang Feng Hua	Suzhou Chenglong Real Estate Development Co., Ltd.	Suzhou	Wujiang	Residential	29/11/2085	68,292.20	68,292.20	219,712.47	996	1/7/2016	1/1/2019	163,448.00	2,641.84	176.85	660.16	2,806.00	1,445.00	33.55%	484.80
14	Phase I and II of Suzhou Xiang Xi Yuan	Suzhou Chengming Real Estate Development Co., Ltd.	Suzhou	Wujiang	Urban Residential	21/01/2086	93,024.72	93,024.72	342,539.21	2,216	15/4/2016	1/12/2018	231,373.00	3,349.92	312.39	644.31	3,662.00	2,240.00	33.55%	751.52
15	Phase I of Suzhou Yueshan Lakeside	Suzhou Jinshiji Real Estate Development Co., Ltd.	Suzhou	Xiangcheng	Residential	05/03/2082	104,868.00	104,868.00	285,404.35	1,651	15/12/2016	31/10/2019	121,983.00	1,552.83	109.23	886.48	3,528.00	397.00	33.55%	133.19
16	Phase I (Residential & Retail Portion) and Phase II of Qingdao Future France	Qingdao Future Land Dongjun Real Estate Development Co., Ltd.	Qingdao	Licang	Residential, Commercial	Residential: 11/01/2085 Commercial: 11/01/2055	68,044.37	68,044.37	246,179.81	1,474	1/7/2015	1/12/2017	146,860.72	1,880.38	344.51	544.47	2,612.00	1,515.00	33.55%	508.28
17	Phase I & II of Qingdao Zhongyuan Excellent Queen's Road	Qingdao Zhongyuan Property Tid	Qingdao	Licang	Residential, Commercial	Residential: 11/01/2085 Commercial: 11/01/2055	116,134.90	116,134.90	468,995.95	2,786	31/8/2015	30/6/2019	185,503.00	2,512.89	528.42	1,635.41	5,393.00	2,348.00	33.55%	787.75
18	Hangzhou Xiaoshan Delight Bay	Hangzhou Future Land Dingjia Real Estate Development Co., Ltd.	Hangzhou	Xiaoshan	Residential	Commercial: 01/08/2055 Residential: 01/08/2085	44,048.00	44,048.00	165,714.50	965	1/8/2015	1/6/2018	113,575.45	1,784.74	267.22	236.60	2,059.00	1,355.00	40.26%	545.52
19	Phase II of Hangzhou Hongjun	Hangzhou Jiahao Real Estate Development Co., Ltd.	Hangzhou	Jiangnan	Residential	30/08/2082	29,174.00	29,174.00	140,830.00	555	1/12/2014	1/12/2017	38,609.73	537.20	274.43	201.48	1,583.00	1,097.00	43.615%	478.46
20	Changshu Yuyue Garden	Changshu Zhongzhi Real Estate Co., Ltd.	Suzhou	Changshu	Residential, Commercial	Residential: 31/08/2085 Commercial: 31/08/2055	87,273.00	87,273.00	230,328.00	1,305	23/9/2015	1/6/2018	170,260.00	2,667.42	367.99	420.55	3,020.00	1,951.00	43.615%	850.93
21	Nanjing Puyue Zhongshan	Nanjing Future Land Chuangjin Real Estate Co., Ltd.	Nanjing	Qixia	Urban Residential Commercial Office	Residential: 06/04/2086 Commercial: 06/04/2056	70,321.20	70,321.20	167,191.40	948	30/4/2016	31/12/2019	33,808.86	1,331.10	297.50	1,116.24	4,945.00	2,476.00	45.291%	1,121.41

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22	Phase II & III of Suzhou Future County	Suzhou Future Land Wannu Real Estate Co., Ltd.	Suzhou	Wuzhong	Residential	28/10/2084	39,733.00	39,733.00	199,214.54	1,561	25/6/2016	1/12/2017	91,080.00	1,622.20	257.55	572.29	2,772.00	1,591.00	45.628%	725.94	
23	Phase IV of Suzhou Wujiang Yue Garden	Suzhou Bosheng Real Estate Development Co., Ltd.	Suzhou	Wujiang	Residential	06/06/2083	13,341.80	13,341.80	45,920.76	340	1/6/2016	1/12/2017	28,927.00	403.67	57.40	87.21	334.00	184.00	75.325%	138.60	
24	Phase I (Part A, B&C) and Phase II (Part A&B) of Nantong Cheshire Changzhou Legend Mansion	Nantong Future Land Changzhi Real Estate Co., Ltd.	Nantong	Gangzha	Urban Residential Wholesale and Retail Commercial Residential	Residential: 22/04/2084 wholesale and retail, Commercial: 22/04/2054	157,581.06	157,581.06	422,750.20	2,228	1/7/2016	31/12/2019		-	396.95	869.55	2,665.00	1,142.00	51.651%	589.85	
25	Phase IV (Part B & C) of Changzhou Legend Mansion	Changzhou Future Land Real Estate Development Co., Ltd.	Changzhou	Wujin	Commercial Residential	Residential: 13/01/2086 Commercial: 13/01/2056	64,013.51	64,013.51	178,090.03	512	31/7/2012	31/12/2017	108,603.30	1,459.70	235.41	805.87	2,089.00	647.00	64.282%	415.90	
26	Phase III (Part B) of Changzhou Future Land Emporium	Changzhou Wangfeng Future Land Real Estate Development Co., Ltd.	Changzhou	Wujin	Commercial Residential	Residential: 06/02/2077 Commercial: 06/02/2047	17,961.04	17,961.04	78,270.96		31/7/2012	30/11/2017	72,976.38	1,096.99	377.67	324.06	1,104.00	745.00	64.352%	479.42	
27	Shanghai Pu Yue Pedigree	Shanghai Tuoyu Real Estate Development Co., Ltd.	Shanghai	Qingpu	Commercial Residential	21/01/2086	26,653.70	26,653.70	67,207.72	672	24/1/2017	30/6/2019	253,149.23	1,968.33	38.07	265.25	1,582.00	962.00	64.564%	621.10	
28	Phase II (Part B) of Shanghai Future Land Fragrant View	Shanghai Future Land Chuangyu Real Estate Co., Ltd.	Shanghai	Jiading	Commercial Residential	26/05/2083	32,186.10	32,186.10	22,899.90	149	1/3/2015	1/6/2018		-	95.77	58.60	420.00	295.00	64.564%	190.46	
29	Phase III of Changzhou Future Land Golden County Project	Changzhou Future Land Jintun Real Estate Co., Ltd.	Changzhou	Tianning	Residential	12/06/2081	11,417.12	11,417.12	34,125.00		31/7/2012	31/12/2017	32,580.02	445.94	181.96	45.08	448.00	322.00	64.564%	207.89	
30	Hefei Changfeng Project	Hefei Future Land Changfeng Real Estate Co., Ltd.	Hefei	Changfeng	Residential	07/11/2086	58,147.00	58,147.00	175,035.05	932	20/3/2017	19/5/2020	47,570.00	538.87	40.07	403.32	1,629.00	767.00	64.564%	495.20	
31	Phase II and Phase III of Nanjing Xiantin Lake Project	Nanjing Future Land Wandong Real Estate Development Co., Ltd.	Nanjing	Qixia	Urban Mix Residential	Residential: 04/09/2084 Commercial: 04/09/2054	91,508.54	91,508.54	302,371.20	2,621	8/7/2015	7/7/2019	207,858.05	5,068.16	717.83	319.24	5,214.00	3,578.00	64.564%	2,310.09	
32	Phase II of Nanjing Flourish France	Nanjing Future Land Wanshun Real Estate Co., Ltd.	Nanjing	Pukou	Urban Residential (Mix)	Commercial: 24/05/2085 Residential: 24/05/2085	65,819.42	65,819.42	200,570.20	1,505	25/3/2016	31/5/2018	141,813.41	2,269.11	356.62	384.84	2,373.00	1,462.00	64.564%	943.92	

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33	Nanjing Pyue Heshan	Nanjing Future Land Chuanghui Real Estate Development Co., Ltd.	Nanjing	Qixia	Urban Residential Commercial Office	Residential: 07/04/2086 Office: 07/04/2056 Commercial: 07/04/2046	56,889.60	122,579.60	523	30/7/2016	31/12/2018		-	-	132.62	556.99	2,585.00	1,388.00	64.564%	896.14
34	Changzhou Yue Fu	Changzhou Xinlong Chuangzhi Real Estate Development Co., Ltd.	Changzhou	Xinbei	Residential	Residential: 30/07/2080 Commercial: 30/07/2050	24,716.10	94,420.09	499	1/3/2017	2018年		74,460.01	1,261.67	67.43	388.84	1,310.00	555.00	66.536%	369.28
35	Changzhou Jun Wei Lai	Changzhou Future Land Huisheng Development Co., Ltd.	Changzhou	Wujin	Residential	Residential: 17/06/2081 Commercial: 17/06/2051	78,886.00	273,922.00		16/2/2017	2019年		114,801.63	1,239.14	159.58	639.17	2,315.00	998.00	66.765%	666.31
36	Jinan Future France	Jinan Tianhongyongye Real Estate Development Co., Ltd.	Jinan	Licheng	Residential Commercial	Residential: 16/07/2084 Commercial: 16/07/2054	84,362.00	298,525.36	1,578	1/9/2015	30/10/2017		245,359.05	1,937.81	509.45	520.30	2,089.00	1,363.00	67.1%	914.57
37	Jinan Fragrant Legend	Jinan Tianhongyongyan Real Estate Development Co., Ltd.	Jinan	Licheng	Residential Commercial	Residential: 01/06/2085 Commercial: 01/06/2055	98,294.00	374,983.87	1,923	1/9/2016	1/9/2019		-	-	146.44	905.95	3,538.00	1,667.00	67.1%	1,118.56
38	Phase IV (North) and Phase VI (Part A, B&C) of Changsha Future Land International Metropolis	Changsha Future Land Wambo Property Co., Ltd.	Changsha	Wangcheng	Residential Commercial	Commercial: 19/04/2051 Residential: 19/04/2081	77,213.19	286,917.93	1,157	1/7/2016	1/6/2019		124,239.00	712.67	205.20	423.22	1,604.00	762.00	67.1%	511.30
39	Hangzhou Xiaoshan Aofu	Hangzhou Future Land Chuangjia Real Estate Development Co., Ltd.	Hangzhou	Xiaoshan	Residential	Residential: 15/03/2056	51,255.00	188,036.89	1,254	1/2/2016	1/3/2018		126,575.31	2,980.30	198.01	528.63	3,275.00	2,018.00	67.1%	1,354.08
40	Xiaoshan Future Legend Mansion	Hangzhou Future Land Dejia Real Estate Development Co., Ltd.	Hangzhou	Xiaoshan	Residential (Including Ancillary Commercial)	Residential: 05/08/2086 Commercial: 05/08/2056	77,096.00	270,910.34	1,901	14/9/2016	31/1/2020		63,450.01	1,536.76	148.79	1,322.84	5,116.00	2,312.00	67.1%	1,551.35
41	Phase I of Jiaxing Sea Elegance	Jiaxing Future Land Chuangsheng Real Estate Development Co., Ltd.	Jiaxing	Jiashan	Residential	Residential: 23/11/2086	14,709.56	59,806.78	287	1/3/2017	1/6/2019		37,202.39	644.38	24.90	142.03	821.00	475.00	67.1%	318.73

APPENDIX II

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42	Wujiang Nan Ma Project	Wujiang Hengji Real Estate Co., Ltd.	Suzhou	Wujiang	Residential	14/08/2082	303,140.00	303,140.00	697,162.00	3,897	1/6/2016	1/12/2023	-	-	82.10	2,976.37	7,273.00	1,732.00	67.1%	1,162.17
43	Wujiang Jiuji Lake Project	Wujiang Hengji Real Estate Co., Ltd.	Suzhou	Wujiang	Residential	11/04/2083	26,799.90	26,799.90	25,294.86	107	1/9/2015	1/5/2018	-	-	70.90	82.85	380.00	237.00	67.1%	159.03
44	Hefei Yaohai Project	Hefei Future Land Wanhong Real Estate Co., Ltd.	Hefei	Yaohai	Urban Residential	22/01/2087	26,707.67	26,707.67	73,079.15	484	1/4/2017	3/12/2018	-	-	11.38	199.67	942.00	499.00	67.1%	334.83
45	Beijing No.1 Guangyang Road Project	Langfang Hainuda Real Estate Development Co., Ltd.	Beijing	Langfang	Urban Residential	Residential: 15/11/2082 and 28/01/2083	71,463.00	71,463.00	223,108.73	1,260	1/5/2017	1/5/2020	-	-	200.36	570.57	2,495.00	1,162.00	67.1%	779.70
46	Phase II of Beijing Triumph City Project	Langfang Hainuda Real Estate Development Co., Ltd.	Beijing	Langfang	Commercial, Residential	Residential: 01/11/2081 Commercial: 01/11/2051	44,426.13	44,426.13	110,393.71	742	18/8/2014	1/10/2017	75,944.34	716.06	615.61	34.39	838.00	703.00	67.1%	471.71
47	Phase I and Phase II of Wuhan Delight City	Wuhan Future Land Chuangzhi Real Estate Co., Ltd.	Wuhan	Hanyang	Residential	30/03/2085	93,527.58	93,527.58	291,556.04	1,624	1/5/2015	1/6/2018	-	-	414.91	475.68	2,419.00	1,465.00	67.1%	983.02
48	Wuhan Jingxiang Project	Wuhan Future Land Chuangzhi Real Estate Co., Ltd.	Wuhan	Hanyang	Residential	06/12/2085	96,894.65	96,894.65	327,154.00	1,413	1/3/2017	1/12/2019	-	-	75.92	1,074.04	3,092.00	1,085.00	67.1%	728.04
49	Phase II of Wuhan Jinghui Project	Wuhan Jirui Longxiang Property Co., Ltd.	Wuhan	East west lake	Residential	28/12/2079	58,172.00	58,172.00	169,251.81	670	1/4/2016	1/6/2018	-	-	200.53	388.29	1,337.00	761.00	67.1%	510.63
50	Phase III (Part B) of Changzhou Injoy Plaza	Changzhou Future Land Hongye Real Estate Co., Ltd.	Changzhou	Wujiang	Commercial, Residential	Residential: 09/08/2081 Commercial: 09/08/2051	7,648.00	7,648.00	47,548.49	-	1/5/2013	1/6/2020	-	-	58.54	98.25	-	184.00	67.1%	123.46
51	Nanjing Gulou Injoy Plaza	Nanjing Future Land Chuangzhi Real Estate Co., Ltd.	Nanjing	Gulou	Commercial	19/10/2054	11,629.15	11,629.15	66,093.60	200	11/1/2016	3/1/2017	-	-	290.83	492.26	1,697.00	862.00	64.564%	556.54
52	Danyang Plot E	Danyang Future Land Hongsheng Real Estate Development Co., Ltd.	Danyang	Danyang	Commercial, Residential	Commercial 18/04/2056 Residential 18/04/2086	47,911.56	47,911.56	218,523.80	983	30/4/2016	1/12/2017	115,977.58	798.40	430.32	206.55	1,251.00	851.00	66.429%	565.31
53	Dingmao Injoy Plaza	Zhenjiang Yueheng Real Estate Development Co., Ltd.	Zhenjiang	Dingmao	Commercial, Residential	Commercial 19/11/2055 Residential 19/11/2085	101,914.00	101,914.00	458,551.39	1,400	1/12/2015	1/10/2017	278,748.72	2,134.57	1,179.55	866.06	3,159.00	1,809.00	67.1%	1,213.84

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Property No.	Property Name	Holding entity	City	District	Land use	Expiry date of land use term	Site area (Note 1) (according to grant contract of land use rights)	Site area (Note 1) (according to state-owned land use rights certificates)	Planned GFA (Note 1) (sq.m.)	Number of Carparking Spaces (No.)	Year of commencement of construction	Scheduled year of completion of construction	GFA Committed for Sale (sq.m.)	Pre-sold Consideration (RMB million)	Construction cost incurred (RMB million)	Construction cost to be incurred (RMB million)	Development Value as if Completed Valuation Date (RMB million)	Market value existing state as at the Valuation Date (RMB million)	Interest to the attributable group (%)	Market value existing state attributable to the group as at the Valuation Date (RMB million)
54	Part B Portion of Changchun Project	Changchun Future Land Yuesheng Real Estate Development Co., Ltd.	Changchun	Liyuan	Residential, Commercial	Residential: 27/08/2084 Commercial: 27/08/2054	108,933.00	108,933.00	329,625.62	1,164	1/3/2015	17/9/2017	96,544.31	851.30	1,087.87	74.75	2,382.00	1,906.00	66.419%	1,266.14
55	Phase I Condo, Loft & Hotel and Phase II of Anqing Project	Anqing Future Land Yuesheng Real Estate Development Co., Ltd.	Anqing	Yingjiang	Commercial, Residential	Residential: 01/03/2085 Commercial: 01/03/2055	191,135.84	191,135.84	463,294.82	2,626	3/03/2015	23/2/2018	195,372.32	892.93	883.32	694.03	2,318.00	1,185.00	67.1%	795.14
56	Rugao Injoy Plaza	Rugao Injoy Real Estate Development Co., Ltd.	Nantong	Rugao	Wholesale and Retail	10/05/2056	78,330.00	78,330.00	146,171.63	485	10/7/2016	30/12/2017	24,366.69	457.08	371.79	266.43	1,262.00	754.00	67.1%	505.93
57	Tianjin Jiman Injoy Plaza	Tianjin Future Land Injoy Real Estate Development Co., Ltd.	Tianjin	Jiman	Residential	25/07/2086	167,224.80	167,224.80	429,234.96	2,932	1/11/2016	1/6/2019	54,248.00	786.25	243.71	1,741.74	4,548.00	1,476.00	46.97%	693.28
58	Yangzhou Project	Yangzhou Future Land Yuesheng Real Estate Development Co., Ltd.	Yangzhou	Xiajiang	Commercial, Urban Residential	Commercial: 05/09/2086 Residential: 05/09/2086	143,650.46	143,650.46	395,393.85	3,064	1/11/2016	1/12/2018	102,640.46	1,057.23	241.68	1,303.73	3,019.00	1,164.00	53.68%	624.84
59	Phase I of Linyi Project (1-3#, 11# · 12#)	Linyi Future Land Injoy Property Co., Ltd.	Linyi	Hedong	Residential, Commercial	Residential: 16/11/2085 Commercial: 16/11/2056	20,931.39	20,931.39	63,649.33		31/3/2017	30/6/2019	44,516.32	337.74	85.95	179.61	517.00	186.00	67.1%	124.81
60	Taixing Injoy Plaza, Part A	Taixing Future Land Wanbo Real Estate Development Co., Ltd.	Taixing	Taixing	Residential, Commercial	Residential: 09/03/2087 Commercial: 09/03/2057	172,616.00	172,616.00	178,166.12	960	2/6/2017	1/5/2019			303.21	190.08	1,422.00	827.00	67.1%	554.92
61	Lot D02 of Huainan	Huainan Future Land Injoy Real Estate Development Co., Ltd.	Huainan	Tianjia'an	Residential, Commercial	Residential: 14/03/2087 Commercial: 14/31/2057	83,297.06	83,297.06	264,988.00	643	23/5/2017	4/11/2019			40.91	842.01	1,394.00	273.00	67.1%	183.18
62	Qidong Injoy Plaza	Qidong Future Land Wanbo Real Estate Development Co., Ltd.	Nantong	Qidong	Residential	13/03/2087	110,986.00	110,986.00	227,794.30	1,270	25/5/2017	1/3/2019			64.20	1,296.61	2,494.00	402.00	67.1%	269.74
63	Qizhou Injoy Plaza	Qizhou Future Land Wanbo Real Estate Development Co., Ltd.	Qizhou	Kecheng	Urban Residential	29/10/2085	51,609.45	51,609.45	195,479.68	1,002	4/1/2016	1/9/2017	152,684.36	1,865.78	494.76	512.69	1,838.00	1,003.00	67.1%	673.01

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Property Name	Holding entity	City	District	Land use	Expiry date of land use term	Site area (Note 1) (according to grant of land use rights)	Site area (Note 1) (according to state-owned land use rights certificates)	Planned GFA (Note 1) (sq.m.)	Number of Carparking Spaces (No.)	Year of commencement of construction	Scheduled year of completion of construction	GFA Committed for Sale (sq.m.)	Pre-sold Consideration (RMB million)	Construction cost incurred (RMB million)	Construction cost to be incurred (RMB million)	Development Value as at Completed Valuation Date (RMB million)	Market value existing state as at the Valuation Date (RMB million)	Interest to the attributable group (%)	Market value existing state attributable to the group as at the Valuation Date (RMB million)
64	Tongxiang Jinjoy Plaza	Tongxiang Zhusheng Real Estate Development Co., Ltd.	Jiaxing	Tongxiang	Wholesale and Retail Urban Residential	Commercial: 01/09/2085 Residential: 01/09/2085	89,080.38	89,080.38	302,456.38	712	19/22/2016	1/11/2017	110,278.49	1,288.89	641.16	325.37	1,887.00	1,341.00	66.429%	890.81
65	Phase II of Haikou Jinjoy Plaza	Haikou Future Land Wambo Real Estate Development Co., Ltd.	Haikou	Longhua	Wholesale and Retail	29/01/2085	145,516.77	48,426.31	48,426.31	1,927	1/3/2016	1/9/2017	42,815.67	323.36	143.68	25.40	325.58	267.00	67.1%	179.16
66	Taizhou Future Land Wambo Plot C	Taizhou Future Land Wambo Real Estate Development Co., Ltd.	Taizhou	Huangyan	Residential, Commercial	Residential: 26/01/2086 Commercial: 26/01/2086	53,047.00	55,047.00	420,243.58	2,812	29/8/2015	30/6/2019	23,325.56	400.60	758.93	1,654.32	4,156.00	1,554.00	26.84%	417.09
67	Phase III of Shengzhou Jinjoy Plaza	Shengzhou Future Land Xisheng Real Estate Development Co., Ltd.	Shaoxing	Chengzhou	Commercial, Residential	Residential: 15/11/2086 Commercial: 15/11/2086	189,200.00	189,200.00	559,213.66	2,112	1/10/2015	1/6/2018	72,913.31	874.45	779.45	1,202.35	4,480.00	2,222.00	67.1%	1,490.96
68	Phase I of Ningbo Jinjoy Plaza (Plot A & C)	Ningbo Future Land Wambo Real Estate Development Co., Ltd.	Ningbo	Zhenhai	Residential, Commercial	Residential: 03/07/2086 Commercial: 03/07/2086	141,567.00	141,567.00	441,574.63	2,550	24/10/2015	31/12/2019	175,090.78	1,767.07	813.15	990.03	3,692.00	1,765.00	67.1%	1,184.32
69	Phase II of Ningbo Jinjoy Plaza (Plot B)	Suzhou Kaiuo Real Estate Development Co., Ltd.	Ningbo	Zhenhai	Residential, Commercial	Residential: 03/07/2086 Commercial: 04/07/2086	76,967.00	76,967.00	280,536.33	710	19/3/2016	31/12/2017	84,401.70	977.67	720.26	547.73	2,293.00	1,360.00	66.429%	903.43
70	Yiwu Jinjoy Plaza	Yiwu Jinjoy Real Estate Development Co., Ltd.	Jinhua	Yiwu	Residential, Commercial	Commercial: 29/10/2085 Residential: 29/10/2085	73,833.00	73,833.00	432,117.40	1,249	1/12/2015	31/12/2018	130,816.18	2,353.88	358.98	1,682.44	5,654.00	2,256.00	34.221%	772.03
71	Jingjiang Jinjoy Plaza	Jingjiang Future Land Jinjoy Real Estate Development Co., Ltd.	Jinjiang	Chendi Town	Residential, Commercial	Residential: 27/12/2085 Commercial: 27/12/2085	104,744.00	104,744.00	319,152.00	2,693	20/5/2016	24/12/2017	100,601.97	825.50	480.73	1,010.12	2,587.00	999.00	67.1%	670.33
72	Phase I of Ruian Jinjoy Plaza	Ruian Jinjoy Real Estate Development Co., Ltd.	Wenzhou	Ruian	Commercial	27/07/2086	45,924.89	45,924.89	201,463.56	1,171	1/9/2016	1/7/2018	44,919.70	906.21	269.42	496.34	1,943.00	885.00	67.1%	593.84
73	Kunming Jinjoy Plaza	Kunming Future Land Jinjoy Real Estate Development Co., Ltd.	Kunming	Wuhua	Residential, Commercial	Residential: 08/10/2086 Commercial: 08/10/2086	101,856.78	101,856.78	486,055.93	3,073	1/4/2017	1/4/2023	27,512.04	222.70	124.76	1,554.53	3,848.00	884.00	67.1%	593.16

Property No.	Property Name	Holding entity	City	District	Land use	Expiry date of land use term	Site area (Note 1) (according to grant of land use rights)	Site area (Note 1) (according to state-owned land use rights certificates)	Planned GFA (Note 1) (sq.m.)	Number of Carparking Spaces (No.)	Year of commencement of construction	Scheduled year of completion of construction	GFA Committed for Sale (sq.m.)	Pre-sold Consideration (RMB million)	Construction cost incurred (RMB million)	Construction cost to be incurred (RMB million)	Development Value as at Completed Valuation Date (RMB million)	Market value existing state as at the Valuation Date (RMB million)	Interest to the attributable group (%)	Market value existing state attributable to the group as at the Valuation Date (RMB million)
74	Pinghu Injoy Plaza	Pinghu Future Land Wanbo Commercial Development Co., Ltd.	Jiaxing	Pinghu	Residential, Commercial	Residential: 26/12/2086 Commercial: 26/12/2056	126,537.20	126,537.20	420,357.31	2,117	1/4/2017	1/6/2019	-	-	176.24	1,244.53	3,458.00	1,113.00	67.1%	746.82
75	Yuhuan Injoy Plaza (Commercial Portion)	Yuhuan Future Land Injoy Real Estate Development Co., Ltd.	Taizhou	Yuhuan	Residential, Commercial	Residential: 16/01/2087 Commercial: 16/01/2057	56,045.00	56,045.00	127,180.00	950	20/6/2017	31/5/2019	-	-	72.66	431.38	1,441.00	610.00	67.1%	409.31
76	Chengdu Injoy Plaza	Chengdu Jiamu Property Co., Ltd.	Chengdu	Wuhou	Commercial	28/05/2044	41,897.31	41,897.31	83,709.28		1/6/2017	1/12/2017	-	-	72.00	72.00	680.00	605.00	22.841%	138.19
	Total						5,956,722.31	5,956,722.31	17,926,422.97	94,671			5,325,838.81	751,540.8	21,606.45	51,257.49	201,410.58	98,111.00		48,982.89

Notes:

- (1) All areas are stated in approximations.
- (2) All values are stated in approximations.

**Group VI – Properties held by the Group for future development in the PRC
Valuation Summary as at 30 June 2017**

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Site area (Note 1) (according to contract of land use rights) (sq.m.)	Site area (Note 1) (according to state-owned land use rights certificates) (sq.m.)	Plot Ratio GFA (Note 1)	Year of commencement of construction	Scheduled year of completion of construction	Market value (Note 2) in existing state as at the Valuation Date (RMB million)	Interest attributable to the Group (%)	Market value (Note 2) in existing state attributable to the Group as at the Valuation Date (RMB million)
1	Phase II and Phase III of Suzhou San Qian Yi	Suzhou Jiazhong Real Estate Development Co., Ltd.	Suzhou	Wujiang	Residential	23/06/2086	70,661.00	N/A	176,652.50	2018	2021	No commercial value (note 3)	23.485%	-
2	Qingdao Wool Beach Project	Qingdao Daming Real Estate Development Co., Ltd.	Qingdao	Hongdao	Residential, Commercial	Residential: 03/12/2083 Commercial: 03/12/2051	747,593.10	747,593.10	1,238,506.60	Aug 2017	2026	5,090.00	20.134%	1,024.82
3	Hefei Binhui Plot No.15	Hefei Future Land Chuangyu Real Estate Development Co., Ltd.	Hefei	Binhui	Residential	04/03/2087	115,491.50	115,491.50	254,081.36	Aug 2017	2020	1,857.00	21.213%	393.93
4	Phase II and Phase III of Zhangjiagang Mingyue Huating	Zhangjiagang Xiangsheng Real Estate Development Co., Ltd.	Suzhou	Zhangjiagang	Residential, Commercial	Residential: 08/03/2077 Commercial: 08/03/2047	116,386.62	N/A	328,353.22	2018	2022	No commercial value (note 4)	22.143%	-
5	Qingdao Huangdao Hua Ban Li	Qingdao Huihaitong Property Co., Ltd.	Qingdao	Huangdao	Residential, Commercial	Residential: 28/01/2087 Commercial: 28/01/2057	6,583.00	6,583.00	19,749.00	Sep 2017	2018	86.00	26.84%	23.08
6	Chongqing Aerotropolis Project	Chongqing Shengmu Real Estate Development Co., Ltd.	Chongqing	Yubei	Residential, Commercial	Residential: 24/05/2067 Commercial: 24/05/2057	45,575.00	45,575.00	156,000.00	Sep 2017	2019	852.00	32.282%	275.04
7	Phase IV of Shanghai Shangkun Yueshan	Shanghai Sixshan Xiangcun Clubs Co., Ltd.	Shanghai	Songjiang	Residential, Commercial, Office	Residential: 27/06/2075 Commercial: 27/06/2045 Office: 27/06/2055	51,986.20	51,986.20	118,266.34	2018	2020	747.00	32.282%	241.15
8	Shanghai Jin Mao Fu	Shanghai Jiayu Real Estate Co., Ltd.	Shanghai	Hongkou	Residential	4/9/2076	19,959.50	19,959.46	58,078.00	Sep 2017	2020	4,028.00	32.927%	1,326.32
9	Chengdu Bandao Yunzhu (Longqiao Project)	Chengdu Ronghui Qiaoyu Property Co., Ltd.	Chengdu	Xindu	Residential	Residential: 70 Years	110,510.17	N/A	198,918.31	Aug 2017	2020	No commercial value (note 5)	33.55%	-

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Site area (according to grant contract of land use rights) (sq.m.)	Site area (Note 1) (according to state-owned land use rights certificates) (sq.m.)	Plot Ratio GFA (Note 1) (sq.m.)	Year of commencement of construction	Scheduled year of completion of construction	Market value (Note 2) in existing state as at the Valuation Date (RMB million)	Interest attributable to the Group (%)	Market value (Note 2) in existing state as at the Valuation Date (RMB million)	Market value (Note 2) in existing state attributable to the Group as at the Valuation Date (RMB million)
10	Phase II, III, IV and V of Tianjin Baodi Project	Tianjin Xincheng Baoyun Real Estate Development Co., Ltd.	Tianjin	Baodi	Residential, Commercial	Residential: 13/10/2086 Commercial: 13/10/2056	195,379.10	195,379.10	360,070.43	Nov 2017	2020	2,934.00	33.55%	2,934.00	984.36
11	Phase II and Phase III of Changsha Jin Mao Wan	Changsha Qianjing Property Co., Ltd.	Changsha	Yuehu	Residential	Residential: 04/01/2085 Commercial: 04/01/2055	97,933.23	97,933.23	395,015.67	Oct 2017	2021	2,166.00	33.55%	2,166.00	726.69
12	Phase III of Suzhou Xiang Xi Yuan	Suzhou Chengming Real Estate Development Co., Ltd.	Suzhou	Wujiang	Residential	21/01/2086	33,140.50	33,140.50	104,008.97	2018	2020	669.00	33.55%	669.00	224.45
13	Commercial Portion of Suzhou Cheng Ming East	Suzhou Chengming Real Estate Development Co., Ltd.	Suzhou	Wujiang	Commercial and Residential	Residential: 11/05/2086 Commercial: 11/05/2056	26,512.40	N/A	40,760.74	2018	2018	No commercial value (note 6)	33.55%	-	-
14	Phase II of Suzhou Yueshan Lakeside	Suzhou Jinshiji Real Estate Development Co., Ltd.	Suzhou	Xiangcheng	Commercial and Residential	Residential: 05/03/2082 Commercial: 05/03/2052	66,675.00	66,675.00	226,664.43	Sep 2017	2020	1,112.00	33.55%	1,112.00	373.08
15	Qingdao Haida Project	Qingdao Huihatong Real Estate Development Co., Ltd.	Qingdao	Jiaozhou	Commercial, Residential	Residential: 15/02/2081 Commercial: 15/02/2051	209,522.00	N/A	419,044.00	Oct 2017	2024	No commercial value (note 7)	33.55%	-	-
16	A Parcel of Residential Land in Xingyang	Zhengzhou Longcheng Injoy Real Estate Development Co., Ltd.	Zhengzhou	Xingyang	Urban Residential	03/02/2087	56,301.94	56,301.94	140,732.69	Aug 2017	2019	354.00	34.221%	354.00	121.14
17	Tianjin Wujing Junan Project	Tianjin Junan Real Estate Development Co., Ltd.	Tianjin	Wujing	Residential	17/02/2083	57,559.60	57,559.60	115,119.20	2018	2020	281.00	60.39%	281.00	169.70
18	Phase III of Nantong Cheshire	Nantong Future Land Chuangzhi Real Estate Co., Ltd.	Nantong	Gangzha	Commercial and Residential	Commercial: 22/04/2054 Residential: 22/04/2084	27,993.94	27,993.94	83,784.30	2018	2020	147.00	51.651%	147.00	75.93
19	Phase IV (Area D) of Changzhou Legend Mansion	Changzhou Future Land Real Estate Development Co., Ltd.	Changzhou	Wujin	Residential	Residential: 13/01/2086 Commercial: 13/01/2056	63,474.87	54,721.53	82,266.78	2018	2020	358.00	64.282%	358.00	230.13

APPENDIX II

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Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Site area (according to grant contract of land use rights) (sq.m.)	Site area (Note 1) (according to state-owned land use rights certificates) (sq.m.)	Plot Ratio GFA (Note 1)	Year of commencement of construction	Scheduled year of completion of construction	Market value (Note 2), in existing state as at the Valuation Date (RMB million)	Interest attributable to the Group (%)	Market value (Note 2), in existing state as at the Valuation Date (RMB million)	Market value (Note 2) in existing state attributable to the Group as at the Valuation Date (RMB million)
20	Eastern Area of Changzhou Long Island	Changzhou Future Land Real Estate Development Co., Ltd.	Changzhou	Wujin	Residential	Residential: 05/11/2072 Commercial: 05/11/2042	157,740.40	157,740.40	2.56:610.00	2019	2020	734.00	64.282%	734.00	471.83
21	Phase III of Changzhou Future Land Town	Changzhou Future Land Wujia Real Estate Co., Ltd.	Changzhou	Wujin	Residential	Residential: 29/03/2077 Commercial: 29/03/2047	33,847.49	33,847.49	74.464.48	2018	2020	286.00	64.282%	286.00	183.85
22	Phase III of West Changzhou Golden Future Land	Changzhou Future Land Real Estate Development Co., Ltd.	Changzhou	Zhonglou	Residential	Residential: 29/06/2072 Commercial: 29/06/2042	18,863.00	18,863.00	33.953.00	2018	2020	170.00	64.282%	170.00	109.28
23	Land Lot of Bus Factory of Changzhou	Changzhou Jiafeng Market Research Co., Ltd.	Changzhou	Zhonglou	Industry	19/03/2031	Judicial Sale	241,529.30	N/A	N/A	N/A	279.00	64.282%	279.00	179.35
24	Jintan Dadao Project (30#)	Changzhou Future Land Chuangheng Development Co., Ltd.	Changzhou	Jintan	Residential	27/10/2087	48,592.00	48,592.00	121,337.84	Aug 2017	2020	602.00	64.282%	602.00	386.98
25	Jintan Dadao Project (14#31#)	Changzhou Future Land Chuangheng Development Co., Ltd.	Changzhou	Jintan	Residential	27/10/2087	134,344.00	134,344.00	335.860.00	2018	2021	1,705.00	64.282%	1,705.00	1,096.00
26	Changzhou Jiuzhou Goods Market	Changzhou Future Land Real Estate Development Co., Ltd.	Changzhou	Zhonglou	Residential	Residential: 21/06/2087 Commercial: 21/06/2047	83,179.00	N/A	182.958.00	Nov 2017	2020	No commercial value (note 8)	64.282%	No commercial value (note 8)	-
27	Nanjing Baohua Project	Jiangsu Lamhua Investment Development Co., Ltd.	Nanjing	Jurong	Residential, Office, Culture	Residential: 25/02/2081 Office: 01/02/2051 Culture: 01/02/2061	129,189.00	129,189.00	139,441.30	Aug 2017	2019	467.00	64.564%	467.00	301.51
28	Changzhou Guifang Road Project	Changzhou Future Land Zhuosheng Development Co., Ltd.	Changzhou	Wujin	Residential	Residential: 30/06/2086 Commercial: 30/06/2056	137,789.10	N/A	344,505.00	2018	2021	No commercial value (note 9)	66.765%	No commercial value (note 9)	66.765%

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Site area (according to grant contract of land use rights) (sq.m.)	Site area (Note 1) (according to state-owned land use rights certificates) (sq.m.)	Plot Ratio GFA (Note 1)	Year of commencement of construction	Scheduled year of completion of construction	Market value (Note 2) in existing state as at the Valuation Date (RMB million)	Interest attributable to the Group (%)	Market value (Note 2) in existing state as at the Valuation Date (RMB million)	Market value (Note 2) in existing state attributable to the Group as at the Valuation Date (RMB million)
29	Jinan Plot B2-2	Jinan Tianhongyongyi Real Estate Development Co., Ltd.	Jinan	Licheng	Residential, Commercial	Residential: 23/12/2085 Commercial: 23/12/2055	106,551.00	106,551.00	319,653.00	2018	2021	1,087.00	67.1%	1,087.00	729.38
30	Jinan Future Land Ling Yu	Jinan Rongjian Property Co., Ltd.	Jinan	Huaiyin	Commercial	13/08/2055	18,932.10	18,932.10	140,097.00	Nov 2017	2020	219.00	67.1%	219.00	146.95
31	Tianjin Eco-City Project	Tianjin Future Land Chuangzhi Real Estate Development Co., Ltd.	Tianjin	Binhai	Residential	21/12/2075	87,339.40	87,339.40	96,000.00	Oct 2017	2018	1,505.00	67.1%	1,505.00	1,009.86
32	Phase IV (Part C) of Changsha Future Land International Metropolis	Changsha Future Land Wanbo Property Co., Ltd.	Changsha	Wangcheng	Commercial and Residential	Residential: 19/04/2081 Commercial: 19/04/2051	69,686.28	69,686.28	252,473.84	Aug 2017	2020	406.00	67.1%	406.00	272.43
33	Phase II of Jiaxing Sea Elegance	Jiaxing Future Land Chuangsheng Real Estate Development Co., Ltd.	Jiaxing	Jiashan Town	Residential	23/11/2086	59,583.80	44,874.24	81,377.40	Aug 2017	2019	689.00	67.1%	689.00	462.32
34	Phase II (Part B) of Suzhou Mangrove Bay	Suzhou Future Land Chuangsheng Real Estate Development Co., Ltd.	Suzhou	Wujiang	Commercial and Residential	Residential: 28/06/2083 Commercial: 28/06/2053	25,673.90	25,673.90	33,170.68	2018	2019	237.00	67.1%	237.00	159.03
35	Area B of Kunshan Future Land Beautiful Harbour	Kunshan Future Land Chuangyu Real Estate Co., Ltd.	Kunshan	Kunshan	Commercial, Office, Residential	Commercial, Office: 29/06/2054 Residential: 29/06/2084	65,582.00	65,582.00	17,249.40	2019	2020	186.00	67.1%	186.00	124.81
36	Suzhou Waiguoju	Jiangsu Meiliu Investment Co., Ltd.	Suzhou	Wujiang	Commercial	Commercial 40 Years	113,771.90	N/A	129,415.54	2018	2020	No commercial value (note 10)	67.1%	No commercial value (note 10)	-
37	Phase I, II & III of Guangzhou Foshan Yiming Garden	Foshan Dingyu Real Estate Co., Ltd.	Foshan	Nanhai	Residential, Commercial, Edu	Residential: 13/02/2087; Commercial: 13/02/2057; EDU: 13/02/2067	144,563.20	144,563.20	433,689.60	Aug 2017	2020	4,560.00	67.1%	4,560.00	3,059.76
38	Guangzhou Foshan Future Land Jing Hui	Foshan Dingyu Real Estate Co., Ltd.	Foshan	Sanshui	Urban Residential, Commercial	Urban Residential: 70 Years Commercial: 40 Years	47,252.97	N/A	165,385.39	Aug 2017	2020	No commercial value (note 11)	67.1%	No commercial value (note 11)	-
39	Hefei Binhui Plot #17	Hefei Future Land Chuangsheng Real Estate Co., Ltd.	Hefei	Binhu	Residential	24/02/2087	50,750.50	50,750.50	93,546.55	Aug 2017	2019	1,513.00	67.1%	1,513.00	1,015.22
40	Nanjing Juroeng Research Institute of Agricultural Science Project (Plot 28)	Juroeng Wanbo Real Estate Development Co., Ltd.	Nanjing	Jurong	Residential, Commercial	Residential: 19/06/2087 Commercial: 19/06/2057	69,889.00	69,889.00	174,722.50	Aug 2017	2020	967.00	67.1%	967.00	648.86

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Site area (according to grant contract of land use rights) (sq.m.)	Site area (Note 1) (according to state-owned land use rights certificates) (sq.m.)	Plot Ratio GFA (Note 1) (sq.m.)	Year of commencement of construction	Scheduled year of completion of construction	Market value (Note 2) in existing state as at the Valuation Date (RMB million)	Interest attributable to the Group (%)	Market value (Note 2) in existing state as at the Valuation Date (RMB million)
41	Suqian Taihu Garden	Suqian Lida Property Co., Ltd.	Suqian	Sucheng	Residential	Urban Residential: 07/06/2079 Wholesale and Retail: 07/06/2049	218,881.76	218,881.76	383,918.72	Sep 2017	2026	498.00	67.1%	334.16
42	Phase III (Part A & B) of Suqian Shui Mu Qing Hua	Suqian Future Land Hengji Real Estate Co., Ltd.	Suqian	Sucheng	Residential Commercial	Urban Residential: 02/08/2080 Hotel: 02/08/2050	109,173.30	N/A	221,752.10	Sep 2017	2020	no commercial value (note 12)	67.1%	-
43	Qingdao Future Land Xi Yue	Qingdao Lizhou Property Co., Ltd.	Qingdao	Jiaozhou	Commercial, Residential	Residential: 05/03/2084 Commercial: 06/03/2054	809,243.00	809,200.25	1,093,488.00	Aug 2017	2027	1,680.00	67.1%	1,127.28
44	Suzhou High Speed Rail Project	Suzhou Yusheng Real Estate Development Co., Ltd.	Suzhou	Xiangcheng	Residential Commercial	Residential: 11/01/2087 Commercial: 11/01/2057	350,761.00	350,762.00	1,332,891.80	Sep 2017	2024	11,315.00	41.831%	4,732.36
45	Yangzhou Project (Residential)	Yangzhou Future Land Yuesheng Real Estate Development Co., Ltd.	yangzhou	Hanjiang	Commercial, Urban Residential	Residential: 05/09/2086 Commercial: 05/09/2056	18,267.54	18,267.54	30,509.00	2018	2018	135.00	53.68%	72.47
46	Phase I of Linyi Project (5-10#, 13#)	Linyi Future Land Injoy Property Co., Ltd.	Linyi	Hedong	Residential, Commercial	Residential: 16/11/2085 Commercial: 16/11/2056	71,011.61	71,006.20	213,034.82	Aug 2017	2019	165.00	67.1%	110.72
47	Taixing Injoy Plaza Part B	Taixing Future Land Wanbo Real Estate Development Co., Ltd.	Taixing	Taixing	Residential	Residential: 09/03/2087 Commercial: 09/03/2057	172,616.00	172,616.00	193,440.53	Aug 2017	2019	186.00	67.1%	124.81
48	Nanjing Jianye Project	Nanjing Future Land Wanbo Real Estate Development Co., Ltd.	Nanjing	Jianye	Commercial	22/05/2057	61,544.24	61,544.24	203,095.99	Sep 2017	2019	2,463.00	67.1%	1,652.67
49	Two parcels of Huainan Residential Land (Plot No.D3 & No.D7)	Huainan Future Land Injoy Real Estate Development Co., Ltd.	Huainan	Tianjia'an	Residential Commercial	Residential: 14/03/2087 Commercial: 14/03/2057	148,507.33	148,507.33	163,025.68	Dec 2017	2020	135.00	67.1%	90.59
50	Qidong Injoy Plaza (Investment Property)	Qidong Future Land Wanbo Real Estate Development Co., Ltd.	Nantong	Qidong	Wholesale and Retail	13/03/2057	110,986.00	110,986.00	73,013.24	Aug 2017	2018	171.00	67.1%	114.74
51	Jurong Injoy Plaza	Jurong Wanbo Real Estate Development Co., Ltd.	Nanjing	Jurong	Residential, Commercial	Residential: 14/08/2087 Commercial: 14/08/2057	88,983.00	88,983.00	240,254.10	Aug 2017	2019	186.00	67.1%	124.81

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Site area (Note 1) (according to grant contract of land use rights) (sq.m.)	Site area (Note 1) (according to state-owned land use rights certificates) (sq.m.)	Plot Ratio GFA (Note 1) (sq.m.)	Year of commencement of construction	Scheduled year of completion of construction	Market value (Note 2), in existing state as at the Valuation Date (RMB million)	Market value (Note 2), in existing state as at the Valuation Date (RMB million)	Interest attributable to the Group (%)
52	Taiyuan Wanbolin Project	Taiyuan Future Land Kaiuo Real Estate Development Co., Ltd.	Taiyuan	Wanbolin	Residential, Commercial	Residential: 16/05/2087 Commercial: 16/05/2057	82,022.64	N/A	325,086.00	Aug 2017	2019	No commercial value (note 13)	-	67.1%
53	Xi'an Peidong Injoy Plaza	Xian Future Land Injoy Real Estate Development Co., Ltd.	Xi'an	Xixian	Residential, Commercial	Residential: 70 Years Commercial: 40 Years	54,606.12	N/A	163,819.00	Aug 2017	2019	No commercial value (note 14)	-	67.1%
54	Shengzhou West Residential Land Plot #19	Shengzhou Future Land Xisheng Real Estate Development Co., Ltd.	Shaoying	Shengzhou	Commercial, Residential	Residential: 24/07/2086 Commercial: 24/07/2056	42,803.00	N/A	117,708.25	Aug 2017	2019	No commercial value (note 15)	-	67.1%
55	Yuhuan Injoy Plaza (residential & office portion)	Yuhuan Future Land Injoy Real Estate Development Co., Ltd.	Taizhou	Yuhuan	Residential, Commercial	Residential: 16/01/2087 Commercial: 16/01/2057	97,189.00	97,189.00	259,003.37	Sep 2017	2019	606.00	406.63	67.1%
56	Nanchang Xinjian Injoy Plaza	Nanchang Injoy Real Estate Development Co., Ltd.	Nanchang	Xinjian	Commercial	09/03/2057	66,395.00	66,395.00	132,790.00	Oct 2017	2019	349.00	234.18	67.1%
57	Nanning Yongzhou Injoy Plaza	Nanning Injoy Real Estate Development Co., Ltd.	Nanning	Xingning	Commercial, Wholesale and Retail	Commercial: 06/06/2057 and 06/06/2067	58,170.32	58,170.32	116,340.64	Aug 2017	2019	215.00	144.27	67.1%
58	Changsha Songya Lake Project	Changsha Injoy Real Estate Development Co., Ltd.	Changsha	Changsha	Commercial	30/09/2057	73,855.26	73,855.26	147,710.52	Sep 2017	2019	265.00	177.82	67.1%
59	Cixi Injoy Plaza	Cixi Future Land Injoy Real Estate Development Co., Ltd.	Ningbo	Cixi	Residential, Commercial	Residential: 27/04/2087 Commercial: 27/04/2057	152,092.00	N/A	407,776.00	Nov 2017	2019	No commercial value (note 16)	-	67.1%
60	Shangrao Injoy Plaza	Shangrao Future Land Injoy Real Estate Development Co., Ltd.	Shangrao	Xinyang	Commercial, Residential	Residential: 27/06/2087 Commercial: 27/06/2057	133,334.00	N/A	426,668.00	Sep 2017	2019	No commercial value (note 17)	-	67.1%
61	Jinan Yueshan Lakeside (Joint Operation)	Jinan Heyichang Property Co., Ltd.	Jinan	Zhangqiu	Residential	02/03/2087	62,592.00	62,592.00	93,888.00	Nov 2017	2019	436.00	146.28	33.55%

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Site area (Note 1) (according to grant contract of land use rights) (sq.m.)	Site area (Note 1) (according to state-owned land use rights certificates) (sq.m.)	Plot Ratio GFA (Note 1) (sq.m.)	Year of commencement of construction	Scheduled year of completion of construction	Market value (Note 2) in existing state as at the Valuation Date (RMB million)	Interest attributable to the Group (%)	Market value (Note 2) in existing state as at the Valuation Date (RMB million)
62	Tianjin Xiaodian Project	Tianjin Dianxing Real Estate Development Co., Ltd.	Tianjin	Beichen	Residential	29/11/2076	292,229.50	N/A	526,013.10	Oct 2017	2020	No commercial value (note 18)	53.68%	-
63	Jintan Wanjiang Town	Changzhou Jintan Future Land Wanjiang Property Co., Ltd.	Changzhou	Jintan	Commercial	05/04/2051	31,841.00	31,841.00	31,841.00	2019	2021	26.00	65.691%	17.08
64	Kunshan Injoy Plaza	Kunshan Future Land Chuanghong Real Estate Co., Ltd.	Kunshan	Kunshan	Commercial, Office, Residential	Commercial, Office: 17/08/2051 Residential: 17/08/2081	66,254.60	38,784.20	199,491.12	Aug 2017	2020	221.00	67.1%	148.29
Total							<u>7,095,717.93</u>	<u>5,309,041.91</u>	<u>15,018,542.03</u>			<u>55,343.00</u>		<u>26,306.32</u>

Notes:

- (1) All areas are stated in approximations.
- (2) All values are stated in approximations.
- (3) We noted that no Certificate for the Use of State-owned Land of the portion of the Property with a total site area of 70,661.00 sq m has been obtained, we are on the assumption that all relevant Certificates for the Use of State-owned Land will be issued in due course and the land premium has been fully settled, the Market Value of the Property in existing state as at 30 June 2017 was RMB1,663,000,000 (23.485% interest attributable to the Group: RMB390,560,000).
- (4) We noted that no Certificate for the Use of State-owned Land has been obtained, we are on the assumption that all relevant Certificates for the Use of State-owned Land will be issued in due course and the land premium has been fully settled, the Market Value of the Property in existing state as at 30 June 2017 was RMB1,340,000,000 (22.143% interest attributable to the Group: RMB296,720,000).
- (5) We noted that no Certificate for the Use of State-owned Land has been obtained, we are on the assumption that all relevant Certificates for the Use of State-owned Land will be issued in due course and the land premium has been fully settled, the Market Value of the Property in existing state as at 30 June 2017 was RMB808,000,000 (33.55% interest attributable to the Group: RMB271,080,000)
- (6) We noted that no Certificate for the Use of State-owned Land has been obtained, we are on the assumption that all relevant Certificates for the Use of State-owned Land will be issued in due course and the land premium has been fully settled, the Market Value of the Property in existing state as at 30 June 2017 was RMB204,000,000 (33.55% interest attributable to the Group: RMB68,440,000)

- (7) We noted that no Certificate for the Use of State-owned Land has been obtained, we are on the assumption that all relevant Certificates for the Use of State-owned Land will be issued in due course and the land premium has been fully settled, the Market Value of the Property in existing state as at 30 June 2017 was RMB838,000,000 (33.55% interest attributable to the Group: RMB281,150,000).
- (8) We noted that no Certificate for the Use of State-owned Land has been obtained, we are on the assumption that all relevant Certificates for the Use of State-owned Land will be issued in due course and the land premium has been fully settled, the Market Value of the Property in existing state as at 30 June 2017 was RMB1,119,000,000 (64.282% interest attributable to the Group: RMB719,310,000).
- (9) We noted that no Certificate for the Use of State-owned Land has been obtained, we are on the assumption that all relevant Certificates for the Use of State-owned Land will be issued in due course and the land premium has been fully settled, the Market Value of the Property in existing state as at 30 June 2017 was RMB1,074,000,000 (66.765% interest attributable to the Group: RMB717,050,000).
- (10) We noted that no Certificate for the Use of State-owned Land has been obtained, we are on the assumption that all relevant Certificates for the Use of State-owned Land will be issued in due course and the land premium has been fully settled, the Market Value of the Property in existing state as at 30 June 2017 was RMB209,000,000 (67.1% interest attributable to the Group: RMB140,240,000).
- (11) We noted that no Certificate for the Use of State-owned Land has been obtained, we are on the assumption that all relevant Certificates for the Use of State-owned Land will be issued in due course and the land premium has been fully settled, the Market Value of the Property in existing state as at 30 June 2017 was RMB1,039,000,000 (67.1% interest attributable to the Group: RMB697,170,000).
- (12) We noted that no Certificate for the Use of State-owned Land has been obtained, we are on the assumption that all relevant Certificates for the Use of State-owned Land will be issued in due course and the land premium has been fully settled, the Market Value of the Property in existing state as at 30 June 2017 was RMB380,000,000 (67.1% interest attributable to the Group: RMB254,980,000).
- (13) We noted that no Certificate for the Use of State-owned Land has been obtained, we are on the assumption that all relevant Certificates for the Use of State-owned Land will be issued in due course and the land premium has been fully settled, the Market Value of the Property in existing state as at 30 June 2017 was RMB616,000,000 (67.1% interest attributable to the Group: RMB413,340,000).
- (14) We noted that no Certificate for the Use of State-owned Land has been obtained, we are on the assumption that all relevant Certificates for the Use of State-owned Land will be issued in due course and the land premium has been fully settled, the Market Value of the Property in existing state as at 30 June 2017 was RMB262,060,000 (67.1% interest attributable to the Group: RMB175,840,000).
- (15) We noted that no Certificate for the Use of State-owned Land has been obtained, we are on the assumption that all relevant Certificates for the Use of State-owned Land will be issued in due course and the land premium has been fully settled, the Market Value of the Property in existing state as at 30 June 2017 was RMB293,000,000 (67.1% interest attributable to the Group: RMB196,600,000).

- (16) We noted that no Certificate for the Use of State-owned Land has been obtained, we are on the assumption that all relevant Certificates for the Use of State-owned Land will be issued in due course and the land premium has been fully settled, the Market Value of the Property in existing state as at 30 June 2017 was RMB612,000,000 (67.1% interest attributable to the Group: RMB410,650,000).
- (17) We noted that no Certificate for the Use of State-owned Land has been obtained, we are on the assumption that all relevant Certificates for the Use of State-owned Land will be issued in due course and the land premium has been fully settled, the Market Value of the Property in existing state as at 30 June 2017 was RMB811,000,000 (67.1% interest attributable to the Group: RMB544,180,000).
- (18) We noted that no Certificate for the Use of State-owned Land has been obtained, we are on the assumption that all relevant Certificates for the Use of State-owned Land will be issued in due course and the land premium has been fully settled, the Market Value of the Property in existing state as at 30 June 2017 was RMB2,136,000,000 (53.68% interest attributable to the Group: RMB1,146,600,000).

B. VALUATION CERTIFICATE

The following is the valuation certificate received from DTZ Cushman & Wakefield Limited, prepared for the purpose of incorporation in the Scheme Document, in connection with its opinion of value of the major property interest of the Group as at 30 June 2017, of which accounted for above 5% of the total market value in existing state attributable to the Group as at the same date.

VALUATION CERTIFICATE**Group VI – Properties held by the Group for future development in the PRC**

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2017
44. Suzhou High Speed Rail Project (蘇州高鐵新城項目), Nantian Cheng Road, Xiangcheng District, Suzhou, the PRC	<p>Suzhou High Speed Rail Project is a mixed-use development erected on 27 parcels of land with a total site area of 350,762.00 sq m.</p> <p>According to the information provided by the Group, the Property comprises a total planned gross floor area of approximately 1,332,891.80 sq m (excluding basement area).</p> <p>The Property is located at Nantian Cheng Road, Xiangcheng District. Developments nearby are mainly commercial and residential development. According to the Group, the Property is planned for residential and commercial use; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property.</p> <p>The land use rights of the Property has been granted for a term due to expiry on 11 January 2087 for residential use and 11 January 2057 for commercial use.</p>	The Property is vacant land and pending for future development.	RMB11,313,000,000 (41.831% interest attributable to the Group; RMB4,732,360,000)

Notes:

- (1) According to 27 Certificates of Real Estate Ownership, the land use rights of the Property, comprising a total site area of approximately 350,762.00 sq m have been vested in Suzhou Yusheng Real Estate Development Co., Ltd. (蘇州聿盛房地產開發有限公司) for a term due to expire on 11 January 2087 and 11 January 2057 for residential use and commercial use respectively with details as follows:

Certificate No.	Date of issue	Use	Expiry date of land use term	Site area (sq m)
(2017)7003761	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	27,322.00
(2017)7003763	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	24,089.00
(2017)7003765	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	50,411.00
(2017)7003767	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	8,379.00
(2017)7003768	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	11,197.00
(2017)7003770	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	6,591.00
(2017)7003772	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	10,402.00
(2017)7003773	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	9,997.00
(2017)7003769	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	9,094.00
(2017)7003774	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	4,433.00
(2017)7003775	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	6,194.00
(2017)7003777	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	15,255.00
(2017)7003778	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	7,502.00
(2017)7003780	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	12,394.00
(2017)7003782	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	13,925.00
(2017)7003783	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	7,531.00
(2017)7003785	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	10,488.00
(2017)7003787	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	10,743.00
(2017)7003789	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	10,705.00
(2017)7003790	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	12,941.00
(2017)7003795	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	12,737.00
(2017)7003799	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	6,437.00
(2017)7003797	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	11,157.00
(2017)7003800	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	13,568.00
(2017)7003801	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	11,489.00
(2017)7003802	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	14,072.00
(2017)7003804	14 March 2017	Commercial, Residential	Commercial: 11 January 2057 Residential: 11 January 2087	11,699.00
Total:				350,762.00

- (2) According to Grant Contract of State-owned Land Use Rights No. 3205012016CR0128 dated 1 November 2016, the Property have been granted to Suzhou Yusheng Real Estate Development Co., Ltd. (蘇州聿盛房地產開發有限公司) with details as follows:

Site Area (sq m)	Gross Floor Area (sq m)	Land Premium (RMB)	Land Use Term (year)
350,761.00	no more than 1,332,891.80	10,396,052,534	70/40

According to Supplemental Contract dated 12 December 2016, the rights of the land was granted from Changzhou Wanfang Future Land Real Estate Development Co., Ltd (常州萬方新城房地產開發有限公司) to Suzhou Yusheng Real Estate Development Co., Ltd. (蘇州聿盛房地產開發有限公司).

- (3) According to Planning Permits for Construction Use of Land No. 320507201700020 dated 30 March 2017, the construction project on the land with a total site area of 350,761.00 sq m is in compliance with the urban planning requirements and has been approved.
- (4) According to the PRC legal opinion:
- (i) The Certificate of Real Estate Ownership of the Property are valid, legal and enforceable under the PRC laws;
- (ii) Suzhou Yusheng Real Estate Development Co., Ltd. (蘇州聿盛房地產開發有限公司) is the legal land user of the Property; and
- (iii) The Property is subject to a mortgage in favor of Shanghai Bank Co., Ltd. with a current remaining loan amount of RMB6,350,000,000.
- (5) The status of the title and grant of major approvals and licence in accordance with the information provided by the Group and the opinion of the PRC legal adviser:-

Certificate of Real Estate Ownership	Yes
Grant Contract of State-owned Land Use Rights and its Supplemental Contract	Yes
Planning Permit for Construction Use of Land	Yes

C. SUPPLEMENT INFORMATION

Supplement Information of the Properties in Group I

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
1	Shanghai Future Flower Bay (上海花嶼灣), Lane 1455, Lanbo Road, Fengxian District, Shanghai	Residential	Vacant	N/A	The Property is located at Lane 1455, Lanbo Road, Fengxian District, Shanghai. Developments nearby are mainly residential and commercial development.
2	Shanghai Future Land Fragrant Metropolis (上海香溢都荟), No. 3019, Huyi Highway, Jiading District, Shanghai	Residential	Vacant	N/A	The Property is located at No 3019, Huyi Highway, Jiading District, Shanghai. Developments nearby are mainly residential and commercial development.
3	Shanghai Future Land Fragrant Legend (上海香溢瀾庭), Lane 1125, Hongde Road, Jiading District, Shanghai	Residential	Vacant	N/A	The Property is located at Lane 1125, Hongde Road, Jiading District, Shanghai. Developments nearby are mainly residential and commercial development.
4	Phase I and Phase II (Part A) of Shanghai Future Land Fragrant View (上海香溢璟庭一期、二期A), Lane 389, Yima Road, Jiading District, Shanghai	Residential	Vacant	N/A	The Property is located at Lane 389, Yima Road, Jiading District, Shanghai. Developments nearby are mainly residential and commercial development.

APPENDIX II
SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
5	Phase III (Part A) of Shanghai Park View International Community (上海金郡三期A), Lane 188, Linze Road, Jiading District, Shanghai	Residential	Vacant	N/A	The Property is located at Lane 188, Linze Road, Jiading District, Shanghai. Developments nearby are mainly residential and commercial development.
6	Shanghai Future Land Garden House (上海馥華里), Lane 386, Chengze Road, Jiading District, Shanghai	Residential	Vacant	N/A	The Property is located at Lane 386, Chengze Road, Jiading District, Shanghai. Developments nearby are mainly residential and commercial development.
7	Part A Portion of Phase I, II, IV; Part B Portion of Phase I, II and Subsequent Project of Phase I of Shanghai Future Land Golden County (上海金郡A一期A二期A四期B一期B一期續建B二期), Lane 189, Linze Road, Jiading District, Shanghai	Residential	Vacant	N/A	The Property is located at Lane 189, Linze Road, Jiading District, Shanghai. Developments nearby are mainly residential and commercial development.
8	Shanghai Legend Mansion (上海公館項目), Lane 191/225, Baoxiang Road, Jiading District, Shanghai	Residential	Vacant	N/A	The Property is located at Lane 191/225, Baoxiang Road, Jiading District, Shanghai. Developments nearby are mainly residential and commercial development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
9	Shanghai YOHO City (上海悠活城), Lane 55, Liuliang Road, Jiading District, Shanghai	Residential	Vacant	N/A	The Property is located at Lane 55, Liuliang Road, Jiading District, Shanghai. Developments nearby are mainly residential and commercial development.
10	Shanghai Up Town (上海尚上城), Lane 9, Anxie Road, Jiading District, Shanghai	Residential	Vacant	N/A	The Property is located at Lane 9, Anxie Road, Jiading District, Shanghai. Developments nearby are mainly residential and commercial development.
11	Shanghai Future Land Reminiscence (上海憶華里), Yinhao Road, North Caosui Road, Dianshan Lake Avenue, Qingpu District, Shanghai	Residential	Vacant	N/A	The Property is located at Yinhao Road, North Caosui Road, Dianshan Lake Avenue, Qingpu District, Shanghai. Developments nearby are mainly residential and commercial development.
12	Shanghai Future Land Glorious Century (上海盛景), Lane 300, Songwen Road, Zhaoxiang Town, Qingpu District, Shanghai	Residential	Vacant	N/A	The Property is located at Lane 300, Songwen Road, Zhaoxiang Town, Qingpu District, Shanghai. Developments nearby are mainly residential and commercial development.

APPENDIX II
SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
13	Shanghai Future Land Bright Green Land (上海碧翠), Lane 1288, Fanjin Road, Pudong New District, Shanghai	Residential	Vacant	N/A	The Property is located at Lane 1288, Fanjin Road, Pudong New District, Shanghai. Developments nearby are mainly residential and commercial development.
14	Shanghai Future Royal Fame (上海水雲間), Lane 239, Xingcang Road, Songjiang District, Shanghai	Residential	Vacant	N/A	The Property is located at Lane 239, Xingcang Road, Songjiang District, Shanghai. Developments nearby are mainly residential and commercial development.
15	Shanghai Leisure Land (上海新城逸境), Lane 255, Huake Road, Qingpu District, Shanghai	Residential	Vacant	N/A	The Property is located at Lane 255, Huake Road, Qingpu District, Shanghai. Developments nearby are mainly residential and commercial development.
16	Shanghai Future Land Valuable View (上海尚景), Lane 333, Songzhao Road, Baoshan District, Shanghai	Residential	Vacant	N/A	The Property is located at Lane 333, Songzhao Road, Baoshan District, Shanghai. Developments nearby are mainly residential and commercial development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
17	Phase I (Part A&B) of Nantong Future France (香溢紫郡一期A部分、一期B部份), West of Tongning Avenue and North of Yongxing Avenue, Gangzha District, Nantong, Jiangsu Province	Residential	Vacant	The Property is subject to a mortgage in favor of Bank of China Ltd. Nantong Branch with a current remaining loan amount of RMB340,000,000.	The Property is located at West of Tongning Avenue and North of Yongxing Avenue in Gangzha District, Nantong. Developments nearby are mainly residential and commercial development.
18	Shanghai Elite Mansion (上海新城旭輝府), Lane 500, Haisheng Road, ShanYang Town, Jinshan District, Shanghai	Residential	Vacant	N/A	The Property is located at Lane 500, Haisheng Road, ShanYang Town, Jinshan District, Shanghai. Developments nearby are mainly residential and commercial development.
19	Shanghai Future Land Golden Area (上海金色領域), Lane 802, Qiuzhu Road, Jiading District, Shanghai	Residential	Vacant	N/A	The Property is located at Lane 802, Qiuzhu Road, Jiading District, Shanghai. Developments nearby are mainly residential and commercial development.
20	Phase I, II, III, IV (South) of Changsha Future Land International Metropolis (長沙新城國際花都一期二期三期四期南未售部份), JinshanQiao Street, Wangcheng District, Changsha, Hunan Province	Residential/ Commercial	Vacant	N/A	The Property is located at JinshanQiao Street in Wang Cheng District. Developments nearby are mainly commercial and residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
21	Hangzhou Whispering Hills (杭州山語院), Star Street and Yuhe Road, Yuhang District, Hangzhou, Zhejiang Province	Residential	Vacant	N/A	The Property is located at northwest of Star Street and Yuhe Road, Yuhang District, Hangzhou. Developments nearby are mainly residential and commercial development.
22	Hangzhou Leisure Land (杭州新城逸境), Southeast of Gaojiao Road and Dianzi Road, Yuhang District, Hangzhou, Zhejiang Province	Residential	Vacant	N/A	The Property is located at Southeast of Gaojiao Road and Dianzi Road, Yuhang District, Hangzhou. Developments nearby are mainly residential development.
23	Hangzhou Majestic Mansion (杭州金鸞鈺府), Southeast of Fangzhi Road and Huayuangang Road, Gongshu District, Hangzhou, Zhejiang Province	Residential	Vacant	N/A	The Property is located at northwest of Southeast of Fangzhi Road and Huayuangang Road, Gongshu District, Hangzhou. Developments nearby are mainly residential and ancillary development.
24	Hangzhou Scarce Mansion (杭州峯環), Northwest of West Wener Road and Changer Road, Yuhang District, Hangzhou, Zhejiang Province	Residential	Vacant	N/A	The Property is located at northwest of Northwest of West Wener Road and Changer Road, Yuhang District, Hangzhou. Developments nearby are mainly residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
25	Phase I of Hangzhou Hongjun (紅郡一期), The Northwest Corner intersection of Changmu Road and planning Tianfeng Road, Jianggan District, Hangzhou, Zhejiang Province	Residential	Vacant	The Property is subject to a mortgage in favor of China Agriculture Bank Co., Ltd. Hangzhou Yan'an Road Branch with a current remaining loan amount of RMB255,000,000	The Property is located at the The Northwest Corner intersection of Changmu Road and planning Tianfeng Road, Jianggan District, Hangzhou. Developments nearby are mainly residential development.
26	Changzhou Future Land Four Seasons (常州四季新城), North side of East Jinji Road, Hutang Town, Wujin District, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Wujin District, which is in the urban area of Changzhou. Developments nearby are mainly commercial and residential development.
27	Phase I (& Subsequent Project of Phase I), Phase II, Phase III and Phase IV (Part A) of Changzhou Legend Mansion (常州新城公館一、二期續建、三、四期A), East side of Huayuan Road and North side of Fudong Road, Changzhou, Jiangsu Province	Residential	Vacant	The Property is subject to a mortgage in favor of China Construction Bank Co., Ltd. Changzhou Yanling Road Branch with a current remaining loan amount of RMB94,000,000.	The Property is located at Wujin District, which is in the urban area of Changzhou. Developments nearby are mainly commercial and residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
28	Western Area of Changzhou Legend Mansion (常州新城公館西區), North side of Fudong Road, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Fudong Road, Wujin District in Changzhou, which is in the urban area of Changzhou. Developments nearby are mainly commercial and residential development.
29	Changzhou Future Land Future Legend (常州香溢瀾橋), Wujin District, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Changzhou Future Land Future Legend, Wujin District, which is in the urban area of Changzhou. Developments nearby are mainly commercial and residential development.
30	Phase I (A, B&C) and Phase II of Changzhou Future Land Long Island (常州新城長島一A、一B、一C、二期), West side of South Changjiang Road and North side of North Yonhe Road, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at South Changjiang Road, Wujin District in Changzhou, which is in urban area of Changzhou. Developments nearby are mainly industrial, commercial and residential development.
31	Changzhou Future Land North of Huaide Road (常州懷德北路), North of Huaide Road, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at the North side of Huaide Road, which is in the urban area of Changzhou. Developments nearby are mainly commercial and residential development.

APPENDIX II
SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
32	Changzhou Future Land People Hometown (常州人民家園), East side of Qingliang Road, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at East Puqian Road, Tianning District in Changzhou, which is in the urban area of Changzhou. Developments nearby are mainly commercial and residential development.
33	Changzhou Future Land Capital (常州新城首府), No. 88 South Tongjiang Road, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at No. 88 South Tongjiang Road in Changzhou. Developments nearby are mainly commercial and residential development.
34	Changzhou Future Land Blue Diamond (常州新城藍鑽), West side of Changcheng Road, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Changcheng Road, Xinbei District, which is in the urban area of Changzhou. Developments nearby are mainly commercial and residential development.
35	Changzhou Future Land Fragrant Grass Garden (常州芳草園), The Junction of Middle Changwu Road and Middle Guangdian Road, Wujin District, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Guangdian Road, Wujin District in Changzhou, which is in the urban area of Changzhou. Developments nearby are mainly commercial and residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
36	Phase I, Phase II and Subsequent Projects of Phase I & II of Changzhou Golden Future Land Area (常州新城一、二期續建、二期續建), Junction of Xiacheng Xi Xiang and North Huoju Road, the north zone of Wujin District, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at the junction of Xiacheng Xi Xiang and North Huoju Road, in the north zone of Wujin District in Changzhou. Developments nearby are mainly commercial and residential development.
37	Changzhou South Future Land (常州新城南都), Wujin District, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Changzhou South Future Land, Wujin District, Changzhou. Developments nearby are mainly commercial and residential development.
38	Phase I & II, Phase I & II West, Phase III, Subsequent Project of Phase II West and the Office Portion of Changzhou Golden Future Land (常州金色新城一、二、三、西一、西二、西二續、辦公), West side of North Huaide Road and North side of North Xinshi Road, Changzhou, Jiangsu Province,	Residential	Vacant	N/A	The Property is located at Xinshi Road, Zhonglou District, which is in the urban area of Changzhou. Developments nearby are mainly commercial and residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
39	Changzhou Future Land Fresh Centre (常州中涼新村), East side of Wuyi Road and South side of East Yunhe Road, Wujin District, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Wuyi Road, Wujin District, which is in the urban area of Changzhou. Developments nearby are mainly commercial and residential development.
40	Changzhou Future Land Xi Garden (常州新城熙園), North side of Renmin Road, East side of Changwu Road, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at the North side of Renmin Road, East side of Changwu Road, Changzhou. Developments nearby are mainly commercial and residential development.
41	Changzhou Future Land Jade Dragon Bay (常州玉龍灣), East side of Zaojiang River, South side of Waihuan Road, East side of Huashan Road and North side of Beijing – Shanghai Railway, Xinbei District, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Huashan Road, Xinbei District, which is in the urban area of Changzhou. Developments nearby are mainly commercial, industrial and residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
42	Changzhou Future Land First Garden (常州公園壹號), North side of Dongfang Avenue, West side of Zhenxi Road and East side of Daming, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Dongfang Avenue, Qishuyan District, which is in the rural area of Changzhou. Developments nearby are mainly commercial and residential development.
43	Changzhou Future Land Limpid Bay (常州清水灣), East side of Changjiang Road and South side of Nenjiang Road, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Changjiang Road, Xinbei District i, which is in the urban area of Changzhou. Developments nearby are mainly commercial and residential development.
44	Phase I and Phase II of Changzhou Future Land Golden County (常州新城金郡一二期), Junction of Hongmei Road and Liangdong Road, Tianning District, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Hongmei Road, Tianning District, which is in the urban area of Changzhou. Developments nearby are mainly commercial and residential development.
45	Changzhou Future Land Success (常州香溢俊園), Tianning District, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Hongmei Road, Tianning District in Changzhou, which is in the urban area of Changzhou. Developments nearby are mainly commercial and residential development.

APPENDIX II
SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
46	Changzhou Future Land Future France (常州香溢紫郡), Tianning District, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Tianning District, which is in the urban area of Changzhou. Developments nearby are mainly commercial and residential development.
47	Changzhou Future Land Future Consequence (常州香悦半島), Wujin District, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Changzhou Future Land Future Consequence, Wujin District, Changzhou. Developments nearby are mainly commercial and residential development.
48	Phase I, Phase II and the Office, Hotel & Retail Portions of Changzhou Future Land Emporium (常州新城帝景一、二、辦公、酒店、商業街、三期A), South Zone of Hongbei Road, Hutang Town, Wujin District, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at South Zone of Hongbei Road, Wujin District in Changzhou, which is in urban area of Changzhou. Developments nearby are mainly residential and commercial development.
49	Changzhou YOHO City (常州悠活城), Xinbei District, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Xinbei District in Changzhou. Developments nearby are mainly commercial and residential development.

APPENDIX II
SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
50	Changzhou Future Land Shangdong Area (常州尚東區), East side of Beihuan Road and North side of North Zhulin Road, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at North Zhulin Road, Tianning District, which is in the urban area of Changzhou. Developments nearby are mainly commercial and residential development.
51	Wuxi Future Land Glorious Century (無錫盛世家園) East of Fengbin Road, South of Minfeng Road, Beitang District Wuxi, Jiangsu Province	Residential	Vacant	N/A	The Property is located at East of Fengbin Road, South of Minfeng Road, Beitang District, which is in the urban area of Wuxi. Developments nearby are mainly residential and commercial development.
52	Wuxi Future Land Up Town (無錫尚東雅園), East of Zhujiang Road, South of Wangzhuang Road, West of Xiangjiang Road, North of Longshan Road, New District, Wuxi, Jiangsu Province	Residential	Vacant	N/A	The Property is located at East of Zhujiang Road, South of Wangzhuang Road, West of Xiangjiang Road, North of Longshan Road, New District, which is in the urban area of Wuxi. Developments nearby are mainly residential and commercial development.
53	Wuxi Future Land Future France (無錫香溢紫郡), West of Xixing Road, North of East Jincheng Road, New District, Wuxi, Jiangsu Province	Residential	Vacant	N/A	The Property is located at West of Xixing Road, North of East Jincheng Road, New District, which is in the rural area of Wuxi. Developments nearby are mainly residential and commercial development.

APPENDIX II
SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
54	Wuxi Jinjun Yuan (無錫新城金峻苑), South of Chunjiang Road, West of Chunhua Road, New District, Wuxi, Jiangsu Province	Residential	Vacant	N/A	The Property is located at South of Chunjiang Road, West of Chunhua Road, New District, Wuxi. Developments nearby are mainly residential and commercial development.
55	Changzhou In Spring Live (常州春天里), Wujin District, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Changzhou In Spring Live, Wujin District, Changzhou. Developments nearby are mainly commercial and residential development.
56	Changzhou Future Royal Bay (常州御景灣), Xinbei District, Changzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Changzhou Future Royal Bay, Xinbei District, Changzhou. Developments nearby are mainly residential development.
57	Kunshan Future Land Fresh Area (昆山新城域), South side of New 312 Avenue and West side of Qingyanggang, Yushan Town, Kunshan, Jiangsu Province	Residential	Vacant	N/A	The Property is located at G312 Avenue, Yushan Town in Kunshan, which is in the urban area of Kunshan. Developments nearby are mainly commercial and residential development.

APPENDIX II
SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
58	Suzhou Future Land Jadeite Bay (蘇州翡翠灣), West side of Gucheng Road, South side of Ma'anshan Road and East side of Huancheng Highway, Bacheng Town, Kunshan, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Gucheng Road, Bacheng Town in Kunshan, which is in the urban area of Kunshan, Suzhou. Developments nearby are mainly commercial and residential development.
59	Phase I and Phase II of Kunshan Future Land Future France (昆山香溢紫郡一二期), Yushan Town, Kunshan, Suzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Kunshan Future Land Future France, Yushan Town, Kunshan. Developments nearby are mainly commercial and residential development.
60	Suzhou Future Land Golden County (蘇州新城金郡), East side of Shao'ang Road and South side of Dongwusan Road, Wuzhong Kaifa District, Suzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Shao'ang Road, Wuzhong District in Suzhou, which is in urban area of Suzhou. Developments nearby are mainly industrial, commercial and residential development.
61	Suzhou Future Land Fragrant Legend (常州玉龍灣), Chengnan Street, Wuzhong District, Suzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Suzhou Future Land Fragrant Legend, Chengnan Street, Wuzhong District in Suzhou. Developments nearby are mainly commercial, industrial and residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
62	Suzhou Future Land Stone Lake Mansion (蘇州石湖公館), Yuexi Street, Wuzhong District, Suzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Suzhou Future Land Stone Lake Mansion, Yuexi Street, Wuzhong District in Suzhou. Developments nearby are mainly commercial, industrial and residential development.
63	Phase I and Phase II (Part A) of Suzhou Future Land Mangrove Bay (蘇州紅樹灣一期、二期A區), (North side of Xingang Road, south side of Xingwu Road) Qingshuiwan, Wujiang District, Suzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Suzhou Future Land Mangrove Bay, (North side of Xingang Road, south side of Xingwu Road) Qingshuiwan, Wujiang District in Suzhou. Developments nearby are mainly commercial, industrial and residential development.
64	Part A of Kunshan Future Baili Bay (昆山柏麗灣A), No. 55 South Bailu Road, Kunshan, Suzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at No. 55 South Bailu Road, Kunshan in Suzhou. Developments nearby are mainly commercial, industrial and residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
65	Phase I of Suzhou Future Land Future County (蘇州郡未來一期), Yuexi Street, Wuzhong District, Suzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Yuexi Street, Wuzhong District in Suzhou. Developments nearby are mainly commercial and residential development.
66	Phase I of Kunshan Future County (昆山郡尚海一期), Eastern side of Meipu river, northern side of Lvdi Avenue, Huaqiao Town, Kunshan, Suzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at eastern side of Meipu river, northern side of Lvdi Avenue, Huaqiao Town, Kunshan, Suzhou. Developments nearby are mainly commercial and residential development.
67	Changshu Fragrant View (常熟香溢璟庭), No. 77 Changfu Road, Yushan Town, Changshu, Jiangsu Province	Residential	Vacant	N/A	The Property is located at No. 77 Changfu Road, Yushan Town, Changshu. Developments nearby are mainly commercial and residential development.
68	Phase III of Wujiang Injoy Plaza (蘇州吳江吾悅花園三期), East side of North Siqi Road and north side of Wujiang Renmin Road, Taihu New Town, Wujiang District, Suzhou, Jiangsu Province	Residential	Vacant	N/A	The Property is located at east side of North Siqi Road and north side of Wujiang Renmin Road, Taihu New Town, Wujiang District in Suzhou. Developments nearby are mainly commercial and residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
69	Nanjing Future France (南京香溢紫郡), Pukou District, Nanjing, Jiangsu Province	Residential	Vacant	N/A	The Property is located in Pukou District, which is a developing area of urban Nanjing. Developments nearby are mainly commercial and residential development.
70	Nanjing Longwan Garden (南京龍灣花園), Jiangning District, Nanjing, Jiangsu Province	Residential	Vacant	N/A	The Property is located in Jiangning District, which is a developing urban area of Nanjing. Developments nearby are mainly commercial and residential development.
71	Phase I of Nanjing Xianlin Lake (南京香悅瀾山一期), Xianlin District, Nanjing City, Jiangsu Province	Residential	Vacant	N/A	The Property is located in Xianlin District, which is developing urban area of Nanjing. Developments nearby are mainly commercial and residential development.
72	Phase I of Nanjing Flourish France (南京花漾紫郡一期), Pukou District, Nanjing, Jiangsu Province	Residential	Vacant	N/A	The Property is located in Pukou District, which is developing urban area of Nanjing. Developments nearby are mainly commercial and residential development.
73	Phase I of Qingdao Future France (青島新城香溢紫郡一期多層), junction of Jinshui Road and Hanchuan Road, Licang District, Qingdao, Shandong Province	Residential	Vacant	N/A	The Property is located at No. 76 Binchuan Road of Qingdao in Licang District. Developments nearby are mainly commercial and residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
74	Phase I Beijing Triumph City (北京凱旋城一期), Site in the west of Xinhua Road and south of Bei Fung Road, Guangyang District, Langfang City, Hebei Province	Residential	Vacant	N/A	The Property is located at the West of Xinhua Road and south of Bei Fung Road, Guangyang District. Developments nearby are mainly commercial and residential development.
75	Wuhan In Spring Live (completed and held for sale part) (春天里未售部份), Jiangxinyuan Road, Hanyang District, Wuhan, Hubei Province	Residential	Vacant	N/A	The Property is located at the Jiangxinyuan Road, Hanyang District, Wuhan. Developments nearby are mainly residential development.
76	Wuhan Delight City of Phase I (completed and held for sale part) (璟悅城一期未售部份), Intersection of Sixin Middle Road of Sixin South Road, Hanyang District, Wuhan, Hubei Province	Residential	Vacant	N/A	The Property is located at the intersection of Sixin Middle Road of Sixin South Road, Hanyang District, Wuhan. Developments nearby are mainly residential development.
77	Phase I of Wuhan Jinghui Project (武漢環匯一期未售部份), south of Middle Horse Pool Road, East of Around Lake Road, Dongxihu District, Wuhan, Hubei Province	Residential	Vacant	N/A	The Property is located at the south of Middle horse pool road, East of Around Lake Road in Dongxihu District. Developments nearby are mainly residential development.

APPENDIX II
SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
78	Dantu Future Land Exalted Uptown (丹徒尚上城), 168 Huashan Road, Dantu District, Zhenjiang, Jiangsu Province	Residential	Vacant	N/A	The Property is located at Middle Zone in Dantu District. Developments nearby are mainly residential development.
79	East China Arts Center (無錫錫滬家藝中心), 18 Xihu Dong Road, Liangxi District, Wuxi City, Jiangsu Province	Commercial	Vacant	N/A	The Property is located at 18 Xihu Dong Road of Wuxi City. Developments nearby are mainly residential and commercial development.
80	Nanjing Future Land Shangdong Project (南京尚東區), Qixia District, Nanjing, Jiangsu Province	Residential	Vacant	N/A	The Property is located in Qixia District, which is a developing urban area of Nanjing. Developments nearby are mainly commercial and residential development.
81	Changzhou International Plaza (常州國際廣場), East of Xiyingli, South of Huaide North Road, Zhonglou District, Changzhou City, Jiangsu Province	Residential	Vacant	N/A	The Property is located at East Zone in Zhonglou District. Developments nearby are mainly commercial and residential development.
82	Phase I, II, III (Part A) and IV of Changzhou Injoy Plaza (常州吾悅廣場), West of Wuyi Road, North of West Renmin Road, Hutang Town, Wujin District, Changzhou City, Jiangsu Province	Commercial and Residential	Vacant	N/A	The Property is located at the west of Wuyi Road and the north of West Renmin Road, Wujin District, Changzhou. Developments nearby are mainly office, commercial and residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
83	Suzhou Wujiang Injoy Plaza (蘇州吳江吾悅廣場可售部份), No. 2188, Kaiping Rd, Wujiang District, Suzhou, Jiangsu Province	Commercial and Residential	Vacant	N/A	The Property is located at Taihu new city, which is in the sub-urban area of Suzhou. The Taihu new city is a New development area in Wujiang.
84	Zhangjiagang Injoy Plaza (張家港吾悅廣場可售部份), North of Wangxi Road, Zhangjiagang City, Jiangsu Province	Commercial and Residential	Vacant	N/A	The Property is located at Wangxi Road in Zhangjiagang city. Developments nearby are mainly commercial and residential development.
85	Changzhou Jintan Injoy Plaza (常州金壇吾悅廣場可售部份), South of Nanerhuan Road, East of Donghuaner Road, Jintan District, Changzhou City, Jiangsu Province	Commercial and Residential	Vacant	N/A	The Property is located at Jintan District, which is in sub-urban area of Changzhou. Jintan District is a New development area in Changzhou.
86	Danyang Project Lot A, B, C & D (丹陽ABCD地塊可售部份), south of West Jinling Road, east of Fenghuang Road, Danyang, Zhenjiang, Jiangsu Province	Commercial and Residential	Vacant	N/A	The Property is located at the south of West Jinling Road, east of Fenghuang Road, Danyang, Zhenjiang. Developments nearby are mainly commercial and residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
87	Anqing Project Phase I (Residential & Retail Portion), South of Linghu South Road, Yingjiang District, Anqing, Anhui Province	Commercial and Residential	Vacant	N/A	The Property is located to the south of Linghu South Road, Yingjiang District. Developments nearby are mainly residential development.
88	Nanchang Injoy Plaza, West of Jingdong Avenue, North of Dongyuan Road, High-tech Industrial Development Zone, Nanchang City JiangXi Province	Commercial and Residential	Vacant	N/A	The Property is located at High-tech Industrial Development Zone, which is in the sub-urban area of Nanchang. The High-tech Industrial Development Zone is a New development area in Nanchang.
89	Quzhou Metro Injoy Plaza, (衢州新城吾悦广场可售部份) West of Baiyunzhong Avenue, South of Huayuanzhong Avenue, East of Jiulong Road, North of Xujiang Road, West District, Quzhou City, Zhejiang Province	Commercial and Residential	Vacant	N/A	The Property is located at South of Huayuanzhong Avenue, Quzhou City. Developments nearby are mainly commercial and residential development.
90	Tongxiang Injoy Plaza (Residential Portion), (桐鄉吾悦广场(住宅)可售部份) South of Zhenxing Road, East of Yuanming Road, Zhendong New District, Tongxiang City, Zhejiang Province,	Commercial and Residential	Vacant	N/A	The Property is located in Zhendong New District, Tongxiang City. Developments nearby are mainly commercial and residential development.

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
91	Phase I and II of Haikou Injoy Plaza, South of Yehai Avenue, Longhua District, Haikou City, Hainan Province	Commercial and Residential	Vacant	N/A	The Property is located at south of the Yehai Avenue, which is in the urban area of Haikou. Developments nearby are mainly commercial and residential development.
92	Taizhou Future Land Wanbo Plot A and B (臺州新城萬博A, B地塊), The intersection of Yongning River and Daqiao Road, Huangyan District, Taizhou, Zhejiang Province	Commercial and Residential	Vacant	The Property is subject to a mortgage in favor of China Merchants Bank, Taizhou huangyan Branch Co., Ltd. with a current remaining loan amount of RMB100,000,000	The Property is located at the intersection of Yongning River and Daqiao Road, Huangyan District. Developments nearby are mainly commercial and residential developments.
93	Phase I and II of Shengzhou Residential Land Parcel (嵊州住宅地塊一二期可售部份), North of Huancheng Road, East of Fuhao Road, Chengnan New District, Shengzhou City, Zhejiang Province	Commercial and Residential	Vacant	N/A	The Property is located in Chengnan New District, which is developing urban area of Shengzhou. Developments nearby are mainly commercial and residential development.
94	Part A of Changchun Project (長春吾悅國際廣場), East of Zhengyang Street, South of Haoyueda Road, Lvyuan District, Changchun, Jilin Province	Commercial and Residential	Vacant	N/A	The Property is located at East of Zhengyang Street, South of Haoyueda Road, Lvyuan District. Developments nearby are mainly residential development.
95	Parking spaces of Changzhou Life Square (常州生活廣場), Wujin, Gaoxin, District, Changzhou, Jiangsu Province	Commercial and Residential	Vacant	N/A	The Property is located at Wujin Gaoxin District, Changzhou. Developments nearby are mainly commercial and residential development.

Supplement Information of the Properties in Group II

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
1	Changzhou Injoy International Plaza, North of Xiyingli, East of Huaide North Road, South of Yanling West Road and West of Zaokefang, Zhonglou District, Changzhou, Jiangsu Province	Commercial	61,443 sq m are leased with the latest expiry term in 2032. The current yearly total rent is about RMB89,870,000. The remaining portion is vacant.	N/A	The Property is located at Huaide North Road, Zhonglou District in Changzhou, which is in urban area of Changzhou. Developments nearby are mainly commercial and residential developments.
2	Changzhou Wujin Injoy Plaza, the west side of Wuyi Road and the north side of West Renmin Road, Hutang Town, Wujin District, Changzhou, Jiangsu Province	Commercial	101,834 sq m are leased with the latest expiry term in 2031. The current yearly total rent is about RMB81,470,000.	The Property is subject to a mortgage in favor of Shanghai International Trust Co., Ltd. with a current remaining loan amount of RMB1,300,000,000.	The Property is located at Wuyi Road, Wujin District in Changzhou, which is in urban area of Changzhou. Developments nearby are mainly residential developments.
3	Suzhou Wujiang Injoy Plaza, North of Renmin Road, East of Qiufeng Road, Taihu New city, Wujiang District, Suzhou, Jiangsu Province	Commercial	62,852 sq m are leased with the latest expiry term in 2031. The current yearly total rent is about RMB29,830,000. The remaining portion is vacant.	N/A	The Property is located at Taihu new city, which is in sub-urban area of Suzhou. Developments nearby are mainly commercial and residential developments.
4	Zhangjiagang Injoy Plaza, North of Wangxi Road, East of Zijing Road, South of South 2nd Ring Road and West of a vacant site, Zhangjiagang, Jiangsu Province	Commercial	61,933 sq m are leased with the latest expiry term in 2030. The current yearly total rent is about RMB35,220,000. The remaining portion is vacant.	N/A	The Property is located at Wangxi Road, which is in urban area of Zhangjiagang City. Developments nearby are mainly commercial and residential developments.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
5	Jingtian Injoy Plaza, South of Nanerhuan Road, East of Donghuaner Road, Jingtian District, Changzhou, Jiangsu Province	Commercial	62,433 sq m are leased with the latest expiry term in 2028. The current yearly total rent is about RMB48,600,000. The remaining portion is vacant.	N/A	The Property is located at Jingtian District, which is in sub-urban area of Changzhou. Developments nearby are mainly residential developments.
6	Danyang Injoy Plaza, North of Yunyang Road, East of Fenghuang Road, South of Jinlingxi Road Danyang, Jiangsu Province	Commercial	67,524 sq m are leased with the latest expiry term in 2030. The current yearly total rent is about RMB32,370,000.	N/A	The Property is located at Yunyang road, which is in urban area of Danyang. Developments nearby are mainly commercial and residential development.
7	Anqing Injoy Plaza, South of Linghu South Road and West of Longmian Avenue, Yingjiang District, Anqing, Anhui Province	Commercial	65,048 sq m are leased with the latest expiry term in 2028. The current yearly total rent is about RMB40,610,000. The remaining portion is vacant.	N/A	The Property is located at South of Linghu South Road and West of Longmian Avenue, which is in urban area of Anqing City. Developments nearby are mainly commercial and residential development.
8	Nanchang Injoy Plaza, West of Jingdong Avenue, North of Dongyuan Road, High-tech Industrial Development Zone, Nanchang, JiangXi Province	Commercial	60,810 sq m are leased with the latest expiry term in 2032. The current yearly total rent is about RMB41,880,000.	The Property is subject to a mortgage in favor of China Bohai Bank Co., Ltd. Shanghai Branch with a current remaining loan amount of RMB70,690,000.	The Property is located at High-tech Industrial Development Zone, which is in sub-urban area of Nanchang. Developments nearby are mainly commercial and residential development.

APPENDIX II
SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
9	Quzhou Injoy Plaza, West of Baiyunzhong Avenue, South of Huayuanzhong Avenue, East of Jiulong Road, North of Xujiang Road, West District, Quzhou, Zhejiang Province	Commercial	58,540 sq m are leased with the latest expiry term in 2019. The current yearly total rent is about RMB49,590,000.	N/A	The Property is located at South of Huayuanzhong Avenue, which is in urban area of Quzhou City. Developments nearby are mainly commercial and residential development.
10	Haikou Injoy Plaza, South of Yehai Avenue, Longhua District, Haikou, Hainan Province	Commercial	65,634 sq m are leased with the latest expiry term in 2031. The current yearly total rent is about RMB58,080,000. The remaining portion is vacant.	N/A	The Property is located at south of the Yehai Avenue, which is in urban area of Haikou. Developments nearby are mainly commercial and residential development.
11	Shanghai Future Holdings Tower B (新城控股大厦B座), No. 6, Lane 388, Zhongjiang Road, Putuo District, Shanghai	Office	31,162 sq m are leased with the latest expiry term in 2023. The current yearly total rent is about RMB4,730,000. The remaining portion is vacant.	N/A	The Property is located at Zhongjiang Road, which is in urban area of Shanghai. Developments nearby are mainly commercial and residential development.

Supplement Information of the Properties in Group III

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
1	Shanghai Future Holdings Tower A (新城控股大厦A座), No. 6, Lane 388, Zhongjiang Road, Putuo District, Shanghai	Office	Owner-occupied.	The Property is subject to a mortgage in favor of China Merchants Bank Co. Ltd Free Trade Zone Subbranch with a current remaining loan amount of RMB224,586,100.	The Property is located at Zhongjiang Road, which is in urban area of Shanghai. Developments nearby are mainly commercial and residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
2	Jindongfang Hospital (金東方醫院), Jindongfang Garden, Niutang Town, Changzhou, Jiangsu Province	Commercial	Owner-occupied.	N/A	The Property is located at Niutang Town, which is in sub-urban area of Changzhou. Developments nearby are mainly residential development.
3	Jindongfang Nursing Hospital (金東方護理院), Jindongfang Garden, Niutang Town, Changzhou, Jiangsu Province	Commercial	Owner-occupied.	N/A	The Property is located at Niutang Town, which is in sub-urban area of Changzhou. Developments nearby are mainly residential development.
4	Changzhou New Town Capital Building (常州新城首府大樓), 20F-23F, No. 88 Tongjiang South Road, Zhonglou District, Changzhou, Jiangsu Province	Office	Owner-occupied.	N/A	The Property is located at No. 88 Tongjiang South Road, which is in sub-urban area of Changzhou. Developments nearby are mainly office, commercial and residential development.
5	8F of China Merchants Building (招商局廣場), No. 333, North Chengdu Road, Jingan District, Shanghai,	Office	Owner-occupied.	N/A	The Property is located at North Chengdu Road, which is in urban area of Shanghai. Developments nearby are mainly commercial and Office development.

Supplement Information of the Properties in Group IV

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
1	Emporium Hilton Hotel (帝景希爾頓酒店), No. 68, Hongbei Road, Wujin District, Changzhou, Jiangsu Province	Hotel	Operated as a hotel.	The Property is subject to a mortgage in favor of China Huaxia Bank Co. Ltd Changzhou Subbranch with a current remaining loan amount of RMB218,750,000.	The Property is located at Hongbei Road, which is in urban area of Changzhou. Developments nearby are mainly commercial and residential development.

Supplement Information of the Properties in Group V

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
1	Phase I of Suzhou San Qian Yi (蘇州三千邑一期), the southwest of the junction of East Jiangling Road and Songshan River, Wujiang District, Suzhou, Jiangsu Province	Residential	Under Construction	The Property is subject to a mortgage in favor of China Construction Bank Co., Ltd. Suzhou Wujiang Branch with a current remaining loan amount of RMB750,000,000	The Property is located at the southwest of the junction of East Jiangling Road and Songshan River Wujiang District, Suzhou. Developments nearby are mainly residential development.
2	Nanjing Qilin Lot G59 Project located in Kirin Science and Technology Innovation Park at the north of Qidi Avenue, Jiangning District, Nanjing, Jiangsu Province	Residential	Under Construction	N/A	The Property is located in Kirin Science and Technology Innovation Park at the North of Qidi Avenue, Jiangning District. Developments nearby are mainly residential development.
3	Nanjing Qinglong Lot G60 Project, in Qinglong Sub-district, Ditie Xiaozhen, Jiangning District, Nanjing, Jiangsu Province	Residential	Under Construction	The Property is subject to a mortgage in favor of China Agricultural Bank Co., Ltd. Nanjing Jianye Branch with a current remaining loan amount of RMB330,000,000	The Property is located in Qinglong Sub-district, Ditie Xiaozhen, Jiangning District. Developments nearby are mainly residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
4	Suzhou Hongjinhui (蘇州鴻錦匯), south of Suzhou Avenue, west of Xinggui Street, Suzhou Industry Park, Suzhou, Jiangsu Province	Residential/ Commercial	Under Construction	The Property is subject to a mortgage in favor of Industrial and Commercial Bank Of China Co., Ltd. Suzhou Industrial Park Branch with a current remaining loan amount of RMB281,000,000	The Property is located at south of Suzhou Avenue, West of Xinggui Street, Suzhou. Developments nearby are mainly office and commercial development.
5	Phase I of Zhangjiagang Ming Yuehua (張家港茗悅華庭一期), Yangshe Town, Zhangjiagang, Suzhou, Jiangsu Province	Residential	Under Construction	N/A	The Property is located at the Yangshe Town, Zhangjiagang. Developments nearby are mainly office commercial and residential development.
6	Hangzhou Xi Wang Shang Ting (under construction portion) (杭州溪望尚庭在建部份), Future Technology City, Yuhang District, Hangzhou, Zhejiang Province	Residential	Under Construction	N/A	The Property is located at the Future Sci-Tech City, Yuhang District, Hangzhou. Developments nearby are mainly residential development.
7	Hangzhou Wan Shang Feng Hua (under construction portion) (杭州灣上風華在建部份), Southwest side of the Intersection of Tianshan Road and Huahe Street, Jianggan District, Hangzhou, Zhejiang Province	Residential	Under Construction	The Property is subject to a mortgage in favor of China Agricultural Bank Co., Ltd. Hangzhou QingTai Men Branch with a current remaining loan amount of RMB300,000,000	The Property is located at the Southwest side of the Intersection of Tianshan Road and Huahe Street, Jianggan District, Hangzhou. Developments nearby are mainly residential development.
8	Phase II of Kunshan Future County (under construction portion) (昆山郡尚海二期在建), north of Lvdi Avenue, east of Meipu River, Hua Qiao, Kunshan, Jiangsu Province	Residential	Under Construction	N/A	The Property is located at the north of Lvdi Avenue, east of Meipu River, Hua Qiao, Kunshan. Developments nearby are mainly residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
9	Phase I, II & III of Shanghai Shang Kun Yue Shan (上海新城上坤樾山一至三期), No. 5 jiefang, Dongjing Town, Songjiang District, Shanghai,	Residential	Under Construction	The Property is subject to a mortgage in favor of Shanghai Bank Co., Ltd. Shanghai Caobao Road Branch with a current remaining loan amount of RMB677,000,000	The Property is located at Dongjing Town, Songjiang District. Developments nearby are mainly commercial and residential development.
10	Shanghai Zhoupu Project (上海周浦項目), Zhoupu Town, Pudong New District, Shanghai	Residential/ Commercial	Under Construction	The Property is subject to a mortgage in favor of China CITIC Bank Co., Ltd. Shanghai Branch and Minsheng Bank Co., Ltd with a current remaining loan amount of RMB800,000,000	The Property is located at the north of Depu Road and the east of Kangshen Express, Pudong New District, Shanghai. Developments nearby are mainly commercial and residential development.
11	Phase I of Tianjin Baodi Project (under construction portion) (天津寶坻項目一期在建部份), Southwest corner of Chaoyang Road and Kaiyuan Road junction, Baodi District, Tianjin	Residential/ Commercial	Under Construction	The Property is subject to a mortgage in favor of China Merchants Bank. Nanning Minzu Avenue Branch with a current remaining loan amount of RMB2,580,000,000	The Property is located at Southwest corner of Chaoyang road and Kaiyuan Road junction, Baodi District, Tianjin. Developments nearby are mainly commercial and residential development.
12	Phase I of Changsha Jinmao Bay (長沙梅溪湖金茂灣一期), west of Meixi Lake, Yuelu District, Changsha	Residential/ Commercial	Under Construction	N/A	The Property is located at the west of Meixi Lake, Yuelu District, Changsha. Developments nearby are mainly commercial and residential development.
13	Suzhou Wan Shang Feng Hua (蘇州灣上風華), east of Xiarong Street, south of Gaoxin Road, Wujiang District, Suzhou, Jiangsu Province	Residential	Under Construction	N/A	The Property is located at the east of Xiarong Street, south of Gaoxin Road, Wujiang District, Suzhou. Developments nearby are mainly residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
14	Phase I and II of Suzhou Xiang Xi Yuan (蘇州香溪源一、二期), east of North Luxiang Road, south of Xingwu Road, Wujiang District, Suzhou, Jiangsu Province	Residential	Under Construction	The Property is subject to a mortgage in favor of China Agricultural Bank Co., Ltd. Suzhou Wujiang Branch with a current remaining loan amount of RMB350,000,000	The Property is located at the east of North Luxiang Road, South of Xingwu Road, Wujiang District, Suzhou. Developments nearby are mainly residential development.
15	Phase I of Suzhou Yueshan Lakeside (湖畔樾山一期), No. 8 Xiangzhou Road, Xiangcheng District, Suzhou, Jiangsu Province	Residential	Under Construction	The Property is subject to a mortgage in favor of Industrial and Commercial Bank Of China Co., Ltd. Suzhou Industrial Park Branch with a current remaining loan amount of RMB800,000,000	The Property is located at the west of Yangcheng West Lake, Xiangcheng District, Suzhou. Developments nearby are mainly residential development.
16	Phase I (Residential & Retail Portion) and Phase II of Qingdao Future France (新城香溢紫郡一期高層、商業及二期在建部份), junction of Jinshui Road and Hanchuan Road, Licang District, Qingdao, Shandong Province	Residential/ Commercial	Under Construction	N/A	The Property is located at the No. 76 Binchuan Road, Licang District, Qingdao. Developments nearby are mainly commercial and residential development.
17	Phase I&II of Qingdao Excellent Queen's Road (卓越皇后道一期二期), junction of Jinshui Road and Binchuan Road, Licang District, Qingdao, Shandong Province	Residential/ Commercial	Under Construction	The Property is subject to a mortgage in favor of China CITIC Bank Co., Ltd. Qingdao Jianghang Cheng Branch with a current remaining loan amount of RMB1,100,000,000	The Property is located at the junction of Jinshui Road and Binchuan Road, Licang District, Qingdao. Developments nearby are mainly commercial and residential development.
18	Hangzhou Xiaoshan Delight Bay (杭州蕭山晨悅灣), west to Yucai Road, north to Nan'er Road, Xiaoshan District, Hangzhou, Zhejiang Province	Residential	Under Construction	The Property is subject to a mortgage in favor of China Agricultural Bank Co., Ltd. Hangzhou Jincheng Road Branch with a current remaining loan amount of RMB250,000,000	The Property is located in Xiaoshan District. Developments nearby are mainly residential development.

APPENDIX II
SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
19	Phase II of Hangzhou Hongjun (紅郡二期), The Northwest Corner intersection of Changmu Road and planning Tianfeng Road, Jiangan District, Hangzhou, Zhejiang Province	Residential	Under Construction	The Property is subject to a mortgage in favor of China Agricultural Bank Co., Ltd. Hangzhou Yan'an Road Branch with a current remaining loan amount of RMB255,000,000	The Property is located at the Northwest Corner intersection of Changmu Road and planning Tianfeng Road, Jiangan District, Hangzhou. Developments nearby are mainly residential development.
20	Changshu Yuyue Garden (常熟虞悅豪庭), Dangui Road, Changshu, Suzhou, Jiangsu Province	Residential/ Commercial	Under Construction	N/A	The Property is located at the Dangui Road, Changshu. Developments nearby are mainly office commercial and residential development.
21	Nanjing Puyue Zhongshan (南京璞樾鐘山) North of Jinma Road Station, Qixia District, Nanjing, Jiangsu Province	Residential/ Commercial/ Office	Under Construction	The Property is subject to a mortgage in favor of China Minsheng Bank Co., Ltd. Nanjing Branch with a current remaining loan amount of RMB1,949,000,000	The Property is located in North of Jinma Road Station, Qixia District. Developments nearby are mainly residential development.
22	Phase II&III of Suzhou Future County (蘇州郡未來二三期), On the East of Youxin Road and South of Youxiang Road, Wuzhong District, Suzhou, Jiangsu Province	Residential	Under Construction	The Property is subject to a mortgage in favor of The People's Bank of China Co., Ltd. Suzhou Wuzhong Branch with a current remaining loan amount of RMB149,500,000	The Property is located on the east of Youxin road and south of Youxiang road, Wuzhong district. Developments nearby are residential development.
23	Phase IV of Suzhou Wujiang Yue Garden (蘇州吾悅花園四期), On the East of Siqi Road and North of Renmin Road, Wujiang District, Suzhou, Jiangsu Province	Residential	Under Construction	N/A	The Property is located on the east of Siqi road and north of Renmin road, Wujiang district. Developments nearby are residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
24	Phase I (Part A, B&C) and Phase II (Part A&B) of Nantong Cheshire, (南通香溢紫郡一期A部分, 一期B部分, 一期C, 二期A,B), west of Tongning Avenue, north of Yongxing Avenue, Gangzha District, Nantong, Jiangsu Province	Residential/ Commercial/ Office	Under Construction	The Property is subject to a mortgage in favor of China Bank Co., Ltd. Nantong Gangzha Branch with a current remaining loan amount of RMB340,000,000	The Property is located at west of Tongning Avenue, north of Yongxing Avenue, Gangzha District. Developments nearby are mainly commercial and residential development.
25	Phase IV (Part B & C) of Changzhou Legend Mansion (常州新城公館四期BC區), South of Changhong Road, west of Changwu Middle Road, Wujin District, Changzhou, Jiangsu Province	Residential/ Commercial	Under Construction	N/A	The Property is located at the south of Changhong Road and west of Changwu Middle Road, Wujin District. Developments nearby are mainly commercial and residential development.
26	Phase III (Part B) of Changzhou Future Land Emporium (常州新城帝景三期B區), North of Hongbei Road, East of Huayuan Street, Wujin District, Changzhou, Jiangsu Province	Residential/ Commercial	Under Construction	N/A	The Property is located at north of Hongbei Road and east of Huayuan Street in Hutang Town, Wujin District, Changzhou. Developments nearby are mainly commercial and residential premises.
27	Shanghai Pu Yue Pedigree (上海璞越門第), Block 4 of Qingpu Town, Qingpu District, Shanghai	Residential/ Commercial	Under Construction	N/A	The Property is located at Qingpu Town in Qingpu District. Developments nearby are mainly commercial and residential development.
28	Phase II (Part B) of Shanghai Future Land Fragrant View (上海香溢璟庭二期Part B), 389 Yima Lane, Chenggu Road, Jiading District, Shanghai	Residential/ Commercial	Under Construction	N/A	The Property is located at Jiading New Town in Jiading District. Developments nearby are mainly residential development.

APPENDIX II
SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
29	Phase III of Changzhou Future Land Golden County (常州新城金郡三期), South of Laodong East Road, West of Hongmei South Road, Tianning District, Changzhou, Jiangsu Province	Residential	Under Construction	N/A	The Property is located at south of Laodong East Road and west of Hongmei South Road, Tianning District, Changzhou. Developments nearby are mainly commercial and residential premises.
30	Hefei Changfeng Project (合肥長豐項目), located to the west of Fuyang North Road at Shuangfeng Development Zone, Changfeng County, Hefei, Anhui Province	Residential	Under Construction	The Property is subject to a mortgage in favor of Industrial and Commercial Bank of China Limited Hefei Yinhe Sub-Branch with a current remaining loan amount of RMB650,000,000.	The Property is located to the west of Fuyang North Road at Shuangfeng Development Zone, Changfeng County. Developments nearby are mainly residential development.
31	Phase II and Phase III of Nanjing Xianlin Lake Project (南京香悅瀾山), Xianlin District, Nanjing, Jiangsu Province	Residential	Under Construction	The Property is subject to a mortgage in favor of China Minsheng Banking Corp., Ltd. Nanjing Branch with a current remaining loan amount of RMB1,555,000,000.	The Property is located on the Xianlin District. Developments nearby are mainly residential development.
32	Phase II of Nanjing Flourish France (花漾紫郡二期), Pukou District, Nanjing, Jiangsu Province	Residential	Under Construction	N/A	The Property is located on the Pukou District, Developments nearby are mainly residential development.
33	Nanjing Puyue Heshan (南京璞樾和山), South of Jingtian Road Station, Qixia District, Nanjing, Jiangsu Province	Residential/ Commercial/ Office	Under Construction	The Property is subject to a mortgage in favor of China Citic Bank Corporation Limited Nanjing Branch and China Citic Bank Corporation Limited Nanjing Zhongyang Road Sub-Branch with a current remaining loan amount of RMB1,070,000,000.	The Property is located in South of Jingtian Road Station, Qixia District. Developments nearby are mainly residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
34	Changzhou Yue Fu, (常州新城樾府花園) West of Tianmushan Road, East of Jinling North Road, South of Taihu East Road, Changzhou, Jiangsu Province	Residential	Under Construction	The Property is subject to a mortgage in favor of Bank of China Limited Changzhou Xinbei Sub-Branch with a current remaining loan amount of RMB450,000,000.	The Property is located in Xinbei District. Developments in the vicinity comprise mainly residential and commercial.
35	Changzhou Jun Wei Lai, (常州郡未來) South of Renmin West Road, West of Huoju North Road, Wujin District, Changzhou, Jiangsu Province	Residential	Under Construction	The Property is subject to a mortgage in favor of Bank of China Limited Changzhou Yanling Road Sub-Branch with a current remaining loan amount of RMB320,000,000.	The Property is located in Wujin District. Developments in the vicinity comprise mainly residential and commercial.
36	Jinan Future France, (濟南香溢紫郡), C-4 plot of Tianyuan Xincheng, Licheng District, Jinan, Shandong Province	Residential/ Commercial	Under Construction	N/A	The Property is located at C-4 plot of Tianyuan xincheng, Licheng District. Developments nearby are mainly commercial and residential development.
37	Jinan Fragrant Legend, (濟南香溢瀾庭), B-2-1 plot of Tianyuan Xincheng, Licheng District, Jinan, Shandong Province	Residential/ Commercial	Under Construction	N/A	The Property is located at B-2-1 plot of Tianyuan xincheng, Licheng District. Developments nearby are mainly commercial and residential development.
38	Phase IV (North) and Phase VI (Part A, B&C) of Changsha Future Land International Metropolis (長沙新城國際花都四期北區、六期F組團ABC區) JinshanQiao Street, Wangcheng District, Changsha, Hunan Province	Residential/ Commercial	Under Construction	N/A	The Property is located in Wang Cheng District. Developments in the vicinity comprise mainly residential and commercial.

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
39	Hangzhou Xiaoshan Aofu (杭州蕭山奧府), east to Xingyi Central River Green Belt, west to Xingyi Road, south to Xingwu Road, north to the second Jianshe Road, Xiaoshan District, Hangzhou, Zhejiang Province	Residential	Under Construction	The Property is subject to a mortgage in favor of Bank of Communications Co., Ltd. with a current remaining loan amount of RMB235,820,000.	The Property is located in Xiaoshan District, which is in developing urban area of Hangzhou. Developments nearby are mainly residential development.
40	Xiaoshan Future Legend Mansion, (蕭山香悅公館), Dunliwu Community, Beigan Subdistrict, Xiaoshan District, Hangzhou City, Zhejiang Province	Residential/ Commercial	Under Construction	The Property is subject to a mortgage in favor of Bank of Communications Co., Ltd. Hangzhou Xiaoshan Sub-Branch with a current remaining loan amount of RMB360,000,000.	The Property is located in Xiaoshan District, which is in developing urban area of Hangzhou. Developments nearby are mainly residential developments.
41	Phase I of Jiaxing Sea Elegance (嘉興海上風華一期), North of Century Avenue, West of South Chezhan Road, Jiashan County, Jiaxing, Zhejiang Province	Residential	Under Construction	The Property is subject to a mortgage in favor of China Merchants Bank Co., Ltd. Jiaxing Nanhu Sub-Branch with a current remaining loan amount of RMB50,000,000.	The Property is located at North of Century Avenue, West of South Chezhan Road, which is in urban area of Jiashan County. Developments nearby are mainly commercial and residential development.
42	Wujiang Nan Ma Project (吳江南麻項目), The South and North sides of Shengnan Road, Wujiang District, Suzhou, Jiangsu Province	Residential	Under Construction	N/A	The Property is located at the south and north sides of Shengnan Road, Wujiang District, which is in urban area of Suzhou. Developments nearby are mainly residential development.
43	Wujiang Jiuli Lake Project (吳江九里湖), On the east of Jiuli Lake village committee, Wujiang District, Suzhou, Jiangsu Province	Residential	Under Construction	N/A	The Property is located on the east of Jiuli Lake village committee, Wujiang district, which is in urban area of Suzhou. Developments nearby are residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
44	Hefei Yaohai Project (合肥瑤海項目), located to the north of Xinanjiang Road, west of Dazhong Road Yaohai District, Hefei, Anhui Province	Residential	Under Construction	The Property is subject to a mortgage in favor of China Construction Bank Co., Ltd. Hefei Chengxi Sub-Branch with a current remaining loan amount of RMB230,000,000.	The Property is located to the north of Xinanjiang Road, west of Dazhong Road at Yaohai District, which is in urban area of Hefei. Developments nearby are mainly residential development.
45	Beijing No. 1 Guangyang Road Project (北京廣陽道1號項目), North of Guangyang Road and West of Dongan Road, Guangyang District, Langfang, Hebei Province	Residential	Under Construction	N/A	The Property is North of Guangyang Road and West of Dongan Road, Guangyang District, which is in urban area of Langfang. Developments nearby are mainly commercial and residential development.
46	Phase II of Beijing Triumph City Project (北京凱旋城二期), Site in the west of Xinhua Road and south of Bei Fung Road, Guangyang District, Langfang, Hebei Province	Residential/ Commercial	Under Construction	N/A	The Property is located at the West of Xinhua Road and south of Bei Fung Road, Guangyang District, which is in urban area of Langfang. Developments nearby are mainly commercial and residential development.
47	Phase I and Phase II of Wuhan Delight City (環悅城一、二期在建部份), Intersection of Sixin Middle Road of Sixin South Road, Hanyang District, Wuhan, Hubei Province	Residential	Under Construction	N/A	The Property is located at the intersection of Sixin Middle Road and Sixin South Road, Hanyang District, which is in urban area of Wuhan. Developments nearby are mainly commercial and residential development.

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
48	Wuhan Jingtang Project (武漢璟棠項目), Intersection of Sixin Middle Road of Sixin South Road, Hanyang District, Wuhan, Hubei Province	Residential	Under Construction	The Property is subject to a mortgage in favor of Ping An Bank Co., Ltd. Wuhan Branch with a current remaining loan amount of RMB600,000,000.	The Property is located at the intersection of Sixin Middle Road and Sixin South Road, Hanyang District, which is in urban area of Wuhan. Developments nearby are mainly commercial and residential development.
49	Phase II of Wuhan Jinghui Project (武漢璟匯二期在建部份), South of Machi middle Road, East of the middle Lake Road, Dongxihu District, Wuhan, Hubei Province	Residential	Under Construction	N/A	The Property is located at the South of Machi middle road, East of the middle Lake Road in Dongxihu District, which is in urban area of Wuhan. Developments nearby are mainly residential development.
50	Phase III (Part B) of Changzhou Injoy Plaza (常州吾悅廣場三期B), West of Wuyi Road, North of West Renmin Road, Hutang Town, Wujin District, Changzhou, Jiangsu Province	Residential/ Commercial	Under Construction	N/A	The Property is located at the west of Wuyi Road and the north of West Renmin Road, Wujin District, which is in urban area of Changzhou. Developments nearby are mainly office, commercial and residential development.
51	Nanjing Gulou Injoy Plaza (南京鼓樓吾悅廣場), No. 51 Hubei Road, Gulou District, Nanjing, Jiangsu Province	Commercial	Under Construction	N/A	The Property is located at No. 51 Hubei Road, Gulou District, which is in urban area of Nanjing. Developments nearby are mainly commercial developments.
52	Danyang Plot E, (丹陽吾悅廣場E地塊), south of West Jinling Road, Danyang, Zhenjiang, Jiangsu Province	Residential/ Commercial	Under Construction	N/A	The Property is located at West Jinling Road, which is in urban area of Danyang. Developments nearby are mainly commercial and residential premises.

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
53	Dingmao Injoy Plaza, (鎮江丁卯吾悅廣場), south of Dingmaoqiao Road, west of Jingqi Road, Zhenjiang New Area, Zhenjiang, Jiangsu Province	Residential/ Commercial	Under Construction	N/A	The Property is located at south of Dingmaoqiao Road, west of Jingqi Road, Zhenjiang New Area, which is in urban area of Zhenjiang. Developments nearby are mainly commercial and residential development.
54	Part B Portion of Changchun Project (長春吾悅國際廣場), East of Zhengyang Street, South of Haoyueda Road, Lvyuan District, Changchun, Jilin Province	Residential/ Commercial	Under Construction	N/A	The Property is located at East of Zhengyang Street, South of Haoyueda Road, Lvyuan District, which is in urban area of Changchun. Developments nearby are mainly commercial development.
55	Phase I (Condo, Loft & Hotel) and Phase II of Anqing Project (安慶項目一期,二期), located to the south of Linghu South Road, Yingjiang District, Anqing, Anhui Province	Residential/ Commercial	Under Construction	N/A	The Property is located to the south of Linghu South Road, Yingjiang District, which is in urban area of Anqing. Developments nearby are mainly residential development.
56	Rugao Injoy Plaza (如皋吾悅廣場), West of Haiyang South Road, East of Fuxi Road, Rugao, Jiangsu Province	Commercial	Under Construction	N/A	The Property is in, urban area of Rugao City, a county-level city under the administration of Nantong City. Developments nearby are mainly residential development.
57	Tianjin Jinnan Injoy Plaza (天津新城吾悅廣場), The town of Xianshuigu, Jinnan District, Tianjin	Residential	Under Construction	The Property is subject to a mortgage in favor of China Bohai Bank Co., Ltd. Shanghai Branch with a current remaining loan amount of RMB1,820,000,000.	The Property is located at the town of Xianshuigu, Jinnan District, which is in urban area of Tianjin. Developments nearby are mainly commercial and residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
58	Yangzhou Project, East of Jiangdu North Road, North of The Ancient Canal, South of Zhuxi Road, West of Sanxing Road, Hanjiang District, Yangzhou, Jiangsu Province	Residential/ Commercial	Under Construction	The Property is subject to a mortgage in favor of China Bohai Bank Co., Ltd. Shanghai Branch with a current remaining loan amount of RMB58,400,900.	The Property is located in East of Jiangdu North Road, North of The Ancient Canal, South of Zhuxi Road, West of Sanxing Road, Hanjiang District, which is in urban area of Yangzhou. Developments nearby are mainly residential development.
59	Phase I of Linyi Project (1-3#, 11#、12#) (臨沂吾悅廣場1-3號樓、 11-12號樓), west of middle section of Dongxing Road, Hedong District, Linyi, Shandong Province	Residential/ Commercial	Under Construction	N/A	The Property is located at west of middle section of Dongxing Road, Hedong District, which is in urban area of Linyi. Developments nearby are mainly commercial and residential development.
60	Taixing Injoy Plaza, Part A, East of Gulou Road and South of Gensi Road, Taixing, Jiangsu Province	Residential/ Commercial	Under Construction	The Property is subject to a mortgage in favor of Agricultural Bank of China Limited Taixing Branch with a current remaining loan amount of RMB250,000,000.	The Property is located in urban area of Taixing City. Developments in the vicinity comprise mainly residential and commercial development.
61	Lot D02 of Huainan (淮南商業地塊、住宅D02地 塊), South of Hubin Road, Tianjiaan District, Huainan, Anhui Province	Residential/ Commercial	Under Construction	N/A	The Property is located at south of Hubin Road, Tianjiaan District, which is in urban area of Huainan. Developments nearby are mainly office, commercial and residential development.
62	Qidong Injoy Plaza (啟東吾悅廣場), Huidong Village, Huילong County, Qidong City, Jiangsu Province	Residential	Under Construction	N/A	The Property is located in Huילong County, which is in urban area of Qidong City, a county-level city under the administration of Nantong Municipality. Developments nearby are mainly residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
63	Quzhou Injoy Plaza, (衢州新城吾悦广场) West of Baiyunzhong Avenue, South of Huayuanzhong Avenue, East of Jiulong Road, North of Xujiang Road, Kecheng District, Quzhou, Zhejiang Province,	Residential	Under Construction	N/A	The Property is located in Kecheng District, which is in urban area of Quzhou. Developments in the vicinity comprise mainly residential and commercial development.
64	Tongxiang Injoy Plaza, (桐鄉吾悦广场) South of Zhenxing Road, East of Yuanming Road, Zhendong New District, Tongxiang, Zhejiang Province	Residential/ Commercial	Under Construction	The Property is subject to a mortgage in favor of China Construction Bank Co., Ltd. Tongxiang Sub-Branch with a current remaining loan amount of RMB285,000,000.	The Property is located in Zhendong New District, which is in urban area of Tongxiang. Developments in the vicinity comprise mainly residential and commercial development.
65	Phase II of Haikou Injoy Plaza, South of Yehai Avenue, Longhua District, Haikou, Hainan Province	Commercial	Under Construction	N/A	The Property is located at south of the Yehai Avenue, which is in urban area of Haikou. Developments nearby are mainly commercial and residential development.
66	Taizhou Future Land Wanbo Plot C (台州新城萬博C地塊), The intersection of Yongning River and Daqiao Road, Huangyan District, Taizhou, Zhejiang Province	Residential/ Commercial	Under Construction	The Property is subject to a mortgage in favor of China Merchants Bank Co., Ltd. Taizhou Huangyan Branch with a current remaining loan amount of RMB350,000,000	The Property is located at the intersection of Yongning River and Daqiao Road, Huangyan District, which is in urban area of Taizhou. Developments nearby are mainly commercial and residential developments.
67	Phase III of Shengzhou Injoy Plaza, North of Huancheng Road, both sides of Fuhao Road, Chengnan New District, Shengzhou City, Zhejiang Province	Residential/ Commercial	Under Construction	The Property is subject to a mortgage in favor of Bank of Communications Co., Ltd Zhejiang Province Branch with a current remaining loan amount of RMB260,000,000	The Property is located in Chengnan New District, which is developing urban area of Shengzhou. Developments nearby are mainly commercial and residential development.

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
68	Phase I of Ningbo Injoy Plaza (Plot A & C) (寧波吾悅廣場一期A·C地塊), South of Yonghexi Road, West of Wanghainan Road, North of Yongmaoxi Road, East of Jinhuanan Road, Zhenhai District, Ningbo, Zhejiang Province	Residential/ Commercial	Under Construction	The Property is subject to a mortgage in favor of China CITIC Bank Co., Ltd. Ningbo Branch with a current remaining loan amount of RMB400,000,000	The Property is located in Zhenhai District, which is developing urban area of Ningbo. Developments nearby are mainly office, commercial and residential developments.
69	Phase II of Ningbo Injoy Plaza (Plot B), (寧波吾悅廣場二期B地塊), South of Yonghexi Road, West of Wanghainan Road, North of Yongmaoxi Road, East of Jinhuanan Road, Zhenhai District, Ningbo, Zhejiang Province	Residential/ Commercial	Under Construction	The Property is subject to a mortgage in favor of China CITIC Bank Co., Ltd. Ningbo Branch with a current remaining loan amount of RMB600,000,000	The Property is located in Zhenhai District, which is developing urban area of Ningbo. Developments nearby are mainly office, commercial and residential development.
70	Yiwu Injoy Plaza (義烏吾悅廣場), Jiangdong Road, Yiwu, Zhejiang Province	Residential/ Commercial	Under Construction	The Property is subject to a mortgage in favor of China CITIC Bank Co., Ltd. Hangzhou Branch and CITIC Trust Co., Ltd with a current remaining loan amount of RMB1,100,000,000	The Property is located at the Land parcel A of Jiangdong Road, which is in urban area of Yiwu. Developments nearby are mainly commercial and residential development.
71	Jinjiang Injoy Plaza Project (晉江吾悅廣場), Xiedu District, Chendai Town, Jinjiang, Fujian Province,	Residential/ Commercial	Under Construction	N/A	The Property is located in Chendai Town, which is in developing urban area of Jinjiang. Developments nearby are mainly commercial and residential development.
72	Phase I of Ruian Injoy Plaza (under construction portion) (瑞安吾悅廣場在建部份), Yudun Village, Anyang Sub district, Ruian, Zhejiang Province	Commercial	Under Construction	N/A	The Property is located at Yudun Village, Anyang Subdistrict, which is in urban area of Ruian. Developments nearby are mainly commercial development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
73	Kunming Injoy Plaza (昆明吾悦广场), Phuket Street, Wuhua District, Kunming, Yunnan Province	Residential/ Commercial	Under Construction	The Property is subject to a mortgage in favor of CHINA MERCHANTS BANK CO., LTD Kunming Branch with a current remaining loan amount of RMB200,000,000	The Property is located at the west of Phuket Street in Wuhua District, which is in urban area of Kunming. Developments nearby are mainly residential development.
74	Pinghu Injoy Plaza (平湖吾悦广场), south of Dongfang Road, east of Nanshi Road & south of Yuxiu Road, West of South Xinhua Road, Danghu Street, Pinghu, Zhejiang Province	Residential/ Commercial	Under Construction	N/A	The Property is located in urban area of Pinghu. Developments nearby are mainly office commercial and residential development.
75	Yuhuan Injoy Plaza Commercial portion (台州玉环吾悦广场商业部份), The intersection of Shuanggang Road and Yuda Road, Yuhuan County, Taizhou, Zhejiang Province	Residential/ Commercial	Under Construction	N/A	The Property is located at the intersection of Shuanggang Road and Yuda Road, which is in developing urban area of Yuhuan County. Developments nearby are mainly commercial and residential developments.
76	Chengdu Injoy Plaza, No 77, Shunjiang section of Wuhou Avenue, Wuhou District, Chengdu City, Sichuan Province	Commercial	Under Construction	N/A	The Property is located in Wuhou District, which is in the urban area of Chengdu. Developments nearby are mainly office commercial and residential development.

Supplement Information of the Properties in Group VI

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
1	Phase II and Phase III of Suzhou San Qian Yi (苏州三千邑二期、三期), the southwest of the junction of East Jiangling Road and Songshan River, Wujiang District, Suzhou, Jiangsu Province	Residential	Vacant Land	N/A	The Property is located at the southwest of the junction of East Jiangling Road and Songshan River Wujiang District, Suzhou. Developments nearby are mainly residential development.

APPENDIX II
SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
2	Qingdao Wool Beach Project (青島羊毛灘), Hongdao Economic Zone, Chengyang District, Qingdao, Shandong Province	Residential/ Commercial	Vacant Land	N/A	The Property is located at Hongdao Economic Zone, Chengyang District. Developments nearby are mainly commercial and residential development.
3	Hefei Binhu Plot No. 15 (合肥濱湖15號地塊), South of Guiyang Road, east of Guizhou Road, Binhu New District, Hefei, Anhui Province	Residential	Vacant Land	N/A	The Property is located at South of Guiyang Road, east of Guizhou Road in Binhu New District. Developments nearby are mainly commercial and residential development.
4.	Phase II,III of Zhangjiagang Mingyue Huating, (張家港茗悅華庭二三期), Yangshe Town Suzhou, Jiangsu Province	Residential/ Commercial	Vacant Land	N/A	The Property is located at Yangshe Town. Developments nearby are mainly commercial and residential development.
5	Qingdao Huangdao Hua Ban Li (花伴里), Huangdao District, Qingdao, Shandong Province	Residential/ Commercial	Vacant Land	N/A	The Property is located at Huangdao District. Developments nearby are mainly commercial and residential development.
6	Chongqing Aerotropolis Project, Shuangfengqiao Street, Yubei District, Chongqing	Residential/ Commercial	Vacant Land	The Property is subject to a mortgage in favor of Chongqing International Trust Inc. with a current remaining loan amount of RMB520,000,000.	The Property is located at the Zone A of Lianglu Group, Shuangfengqiao Street, Yubei District. Developments nearby are mainly commercial and residential development.
7	Phase IV of Shanghai Shang Kun Yue Shan (上海新城上坤樾山四期), No. 5 jiefang, Dongjing Town, Songjiang District, Shanghai City	Residential/ Commercial/ Office	Vacant Land	The Property is subject to a mortgage in favor of Bank of Shanghai Co., Ltd. Caohejing Branch with a current remaining loan amount of RMB366,000,000.	The Property is located at Dongjing Town, Songjiang District. Developments nearby are mainly commercial and residential development.
8	Shanghai Jin Mao Fu (上海新城金茂府), 29 Qiu, 301 Jiefang, Liangcheng Jiedao, Hongkou District, Shanghai	Residential	Vacant Land	N/A	The Property is located at south of Guanglingsi Road in Hongkou District. Developments nearby are mainly residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
9	Chengdu Bandao Yunzhu (Longqiao Project) (半島雲著), Xindu District, Chengdu, Sichuan Province	Residential	Vacant Land	N/A	The Property is located at Field town community 4, 10 group and community collective, Xindu District. Developments nearby are mainly commercial and residential development.
10	Phase II, III, IV and V of Tianjin Baodi Project (天津寶坻項目二至五期), Southwest corner of Chaoyang road and Kaiyuan Road junction, Baodi District, Tianjin	Residential/ Commercial	Vacant Land	The Property is subject to a mortgage in favor of China Merchants Bank Co., Ltd. Nanning Minzu Avenue Branch with a current remaining loan amount of RMB2,580,000,000.	The Property is located at Southwest corner of Chaoyang road and Kaiyuan Road junction, Baodi District. Developments nearby are mainly commercial and residential development.
11	Phase II and Phase III of Changsha Jin Mao Wan (長沙梅溪湖金茂灣二期及三期), west of Meixi Lake, Yuelu District, Changsha, Hunan Province	Residential	Vacant Land	N/A	The Property is located at the west of Meixi Lake, Yuelu District, Changsha. Developments nearby are mainly commercial and residential development.
12	Phase III of Suzhou Xiang xi yuan (蘇州香溪源三期), east of North Luxiang Road, south of Xinghao Road, Wujiang District, Suzhou, Jiangsu Province	Residential	Vacant Land	N/A	The Property is located at the east of North Luxiang Road, south of Xinghao Road, Wujiang District, Suzhou. Developments nearby are mainly residential development.
13	Retail Portion of Suzhou Chengming East (蘇州晟銘東商業部份), north of Xingzhong Road, east of North Luxiang Road, Wujiang District, Suzhou, Jiangsu Province	Residential/ Commercial	Vacant Land	N/A	The Property is located at the north of Xingzhong Road, east of North Luxiang Road, Wujiang District, Suzhou. Developments nearby are mainly residential development.
14	Phase II of Suzhou Yueshan Lakeside (湖畔樾山二期), south of North Huanhu Road and west of Xiangtai Road, Xiangcheng District, Suzhou, Jiangsu Province	Residential/ Commercial	Vacant Land	N/A	The Property is located at south of North Huanhu Road and west of Xiangtai Road, Suzhou. Developments nearby are mainly residential development.

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
15	Qingdao Haida Project (膠州海達項目), Qingdao, Shandong Province	Residential/ Commercial	Vacant Land	N/A	The Property is located at Jiaozhou. Developments nearby are mainly commercial and residential development.
16	A Parcel of Residential Land in Xinyang (蔡陽新城郡), the west and south conner of Shangyin Road and Yuxi 2nd road, Xinyang, Henan Province	Residential	Vacant Land	N/A	The Property is located at Shangyin Road. Developments nearby are mainly commercial and residential developments.
17	Tianjin Wuqing Junan Project (天津武清俊安項目), East of planned road, Xiazuzhuang Street, Wuqing District, Tianjin	Residential	Vacant Land	N/A	The Property is located at southeast of Wuqing District. Developments nearby are mainly residential development.
18	Phase III of Nantong Cheshire (南通香溢紫郡三期), west of Tongning Avenue, north of Yongxing Avenue, Gangzha District, Nantong, Jiangsu Province	Residential/ Commercial	Vacant Land	The Property is subject to a mortgage in favor of Bank of China Co., Ltd. Nantong Gangzha Branch with a current remaining loan amount of RMB340,000,000	The Property is located at west of Tongning Avenue, north of Yongxing Avenue, Gangzha District. Developments nearby are mainly commercial and residential development.
19	Phase IV (Area D) of Changzhou Legend Mansion (常州新城公館四期D區), South of Changhong Road, west of Changwu Middle Road, Wujin District, Changzhou, Jiangsu Province	Residential	Vacant Land	N/A	The Property is located at the south of Changhong Road and west of Changwu Middle Road, Wujin District. Developments nearby are mainly residential development.
20	Eastern Area of Changzhou Long Island (常州新城長島東區), at west of Yancheng Road, north of Yunbei Road, Wujin District, Changzhou, Jiangsu Province	Residential	Vacant Land	N/A	The Property is located at west of Yancheng Road, north of Yunbei Road, Wujin District, Changzhou. Developments nearby are mainly residential development.

APPENDIX II
SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
21	Phase III of Changzhou Future Land Town (常州新城城域三期), west of Xiacheng Road, north of East Renmin Road, Wujin District, Changzhou, Jiangsu Province	Residential	Vacant Land	N/A	The Property is located at west of Xiacheng Road, north of East Renmin Road, Wujin District. Developments nearby are mainly residential development.
22	Phase III of West Changzhou Golden Future Land (常州金色新城西三期), North of Xinshi Road, east of Xinlushu Road, Zhonglou District, Changzhou, Jiangsu Province	Residential	Vacant Land	N/A	The Property is located at north of Xinshi Road, east of Xinlushu Road, Zhonglou District. Developments nearby are mainly residential development.
23	Land of Bus Factory of Changzhou (常州客車廠地塊), No. 110 Changxin Road, Changzhou, Jiangsu Province	Vacant Land		The Property is subject to a mortgage in favor of China Construction Bank Co., Ltd. Changzhou Branch with a current remaining loan amount of RMB94,000,000.	The Property is located at No. 110 Changxin Road, Zhonglou District. Developments nearby are mainly residential development.
24	Jintan Dadao Project (30#) (常州金壇大道30#地塊), North of Jintan Avenue, East of Juxian Road, Jintan District, Changzhou, Jiangsu Province,	Residential	Vacant Land	N/A	The Property is located in Jintan District. Developments in the vicinity comprise mainly residential and commercial development.
25	Jintan Dadao Project (14#31#) (常州金壇大道14#31#地塊), West of Qunxian Road, South of Jingui Road, Jintan District, Changzhou, Jiangsu Province	Residential	Vacant Land	N/A	The Property is located in Jintan District. Developments in the vicinity comprise mainly residential and commercial development.
26	Changzhou Jiuzhou Goods Market (常州九州物資市場地塊), north of Laodong Road, west of Qingyang Road, Changzhou, Jiangsu Province	Residential	Vacant Land	N/A	The Property is located at north of Laodong Road, west of Qingyang Road, Changzhou. Developments nearby are mainly residential development.

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
27	Nanjing Baohua Project (寶華項目), Baohua Village, Baohua Town, Jurong, Jiangsu Province	Residential/ Commercial/ Recreational	Vacant Land	N/A	The Property is located at Baohua Village, Baohua Town in Jurong. Developments nearby are mainly residential development.
28	Changzhou Gufang Road Project (常州古方路地塊), west of Xiacheng Road, south of Gufang Road, Changzhou, Jiangsu Province	Residential	Vacant Land	N/A	The Property is located at west of Xiacheng Road, south of Gufang Road, Changzhou. Developments nearby are mainly residential development.
29	Jinan Plot B2-2 (濟南B-2-2地塊), Tianyuan new city area, Licheng District, Jinan, Shandong Province	Residential/ Commercial	Vacant Land	The Property is subject to a mortgage in favor of Agricultural Bank of China Co., Ltd. Jinan Licheng Branch with a current remaining loan amount of RMB100,000,000.	The Property is located at Tianyuan new city area, Licheng District. Developments nearby are mainly commercial and residential development.
30	Jinan Future Land Ling Yu (濟南新城領寓), South of Jingshi Road and east of Zibo Road, Huaiyin District, Jinan, Shandong Province	Commercial	Vacant Land	N/A	The Property is located at South of Jingshi Road and east of Zibo Road, Huaiyin District. Developments nearby are mainly commercial, residential, and office development.
31	Tianjin Eco-City Project (天津生態城), Tianjin Binhai New Area, Tianjin	Residential	Vacant Land	The Property is subject to a mortgage in favor of Wooribank Bank Co., Ltd. Beijing Sanyuanqiao Branch with a current remaining loan amount of RMB1,000,000,000.	The Property is located at Ecological Island, Binhai New Area. Developments nearby is mainly residential development.
32	Phase IV (Part C) of Changsha Future Land International Metropolis (長沙新城國際花都五期C組團), JinshanQiao Street, Wangcheng District, Changsha, Hunan Province	Residential/ Commercial	Vacant Land	N/A	The Property is located at Wang Cheng District. Developments nearby are mainly commercial and residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
33	Phase II of Jiaxing Sea Elegance (嘉興海上風華二期), North of Century Avenue, West of South Chezhan Road, Jiashan County, Jiaxing, Zhejiang Province	Residential	Vacant Land	The Property is subject to a mortgage in favor of China Merchants Bank Co., Ltd. Jiaxing Nanhu Branch with a current remaining loan amount of RMB50,000,000.	The Property is located at North of Century Avenue, west of south Chezhan Road, Jiashan County. Developments nearby are mainly commercial and residential development.
34	Phase II (Part B) of Suzhou Mangrove Bay (蘇州紅樹灣二期B區), north of Xingang Road, south of Xinghao Road, Suzhou, Jiangsu Province	Residential/ Commercial	Vacant Land	N/A	The Property is located at north of Xingang Road, south of Xinghao Road, Wujiang District, Suzhou. Developments nearby are mainly residential development.
35	Area B of Kunshan Future Land Beautiful Harbour (昆山柏麗灣B), east of Bailu Road, south of 312 National Highway, Kunshan, Jiangsu Province	Residential/ Commercial/Office	Vacant Land	N/A	The Property is located at east of Bailu Road, south of 312 National Highway, Kunshan. Developments nearby are mainly commercial and residential development.
36	Suzhou Waiquoxu (蘇州外果圩), Tongli Town, Suzhou, Jiangsu Province	Commercial	Vacant Land	N/A	The Property is located at Tongli Town, Suzhou. Developments nearby are mainly residential development.
37	Phase I, II & III of Guangzhou Foshan Yiming Garden (壹鳴花園一二三期), South of Guangyun Road, East of Kingye North Road, Huayong Village, Shishan Town, Nanhai District, Foshan, Guangdong Province	Residential/ Commercial/ Educational	Vacant Land	N/A	The Property is located at Northwest of Shishan Town. Developments nearby are mainly industrial and residential development.
38	Guangzhou Foshan Future Land Jing Hui (佛山新城環薈), East of Jianshe 1 Road, Xinan Block, Sanshui District, Foshan, Guangdong Province	Residential/ Commercial	Vacant Land	N/A	The Property is located at Centre of Xinan Block. Developments nearby are mainly commercial and residential development.

APPENDIX II

SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
39	Hefei Binhu Plot No. 17 (合肥濱湖17號地塊), South of Nanjing Road, east of Huashan Road, Binhu New District, Hefei, Anhui Province	Residential	Vacant Land	N/A	The Property is located at South of Nanjing Road, east of Huashan Road in Binhu New District. Developments nearby are mainly commercial and residential development.
40	Nanjing Jurong Research Institute of Agricultural Science Project (Plot 28) (南京句容農科所專案28地塊), North of Hebin South Road, west of Gaolishan Road, Huayang Town, Jurong, Jiangsu Province	Residential/ Commercial	Vacant Land	N/A	The Property is located at North of Hebin South Road, west of Gaolishan Road, in Huayang Town, Jurong. Developments nearby are mainly commercial and residential development.
41	Suqian Taihu Garden (宿遷太湖花園項目) located to the north of Suzhou Road, east of Renmin Road Suqian Economic Development Zone, Suqian, Jiangsu Province	Residential/ Commercial	Vacant Land	N/A	The Property is located to the north of Suzhou Road, east of Renmin Road at Suqian Economic Development Zone. Developments nearby are mainly residential development.
42	Phase III (Part A & B) of Suqian Shui Mu Qing Hua (宿遷水木清華三期), east of Huanghai Road, Sucheng New District, Suqian, Jiangsu Province	Residential/ Commercial	Vacant Land	N/A	The Property is located at South of Hongzehu Road, east of Huanghai Road in Sucheng New District. Developments nearby are mainly commercial and residential development.
43	Qingdao Future Land Xi Yue (青島新城璽樾項目), North Zone of Shaohai Wetland Park, Jiaozhou District, Qingdao, Shandong Province	Residential/ Commercial	Vacant Land	N/A	The Property is located at North Zone of Shaohai Wetland Park in Jiaozhou District. Developments nearby are mainly commercial and residential development.
44	Suzhou High Speed Rail Project (蘇州高鐵新城項目), Nantian Cheng Road, Xiangcheng District, Suzhou, Jiangsu Province	Residential/ Commercial	Vacant Land	The Property is subject to a mortgage in favor of Shanghai Bank Co., Ltd. with a current remaining loan amount of RMB6,350,000,000	The Property is located at Nantian Cheng Road, Xiangcheng District, Developments nearby are mainly commercial and residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
45	Yangzhou Project (Residential), East of Jiangdu North Road, North of The Ancient Canal, South of Zhuxi Road, West of Sanxing Road, Hanjiang District, Yangzhou, Jiangsu Province	Residential/ Commercial	Vacant Land	The Property is subject to a mortgage in favor of China Bohai Bank Co., Ltd. Shanghai Branch with a current remaining loan amount of RMB1,400,000,000.	The Property is located in East of Jiangdu North Road, North of The Ancient Canal, South of Zhuxi Road, West of Sanxing Road, Hanjiang District. Developments nearby are mainly residential development.
46	Phase I of Linyi Project (5-10#, 13#)(臨沂吾悅廣場 5-10號樓、13號樓), west of middle section of Dongxing Road, Hedong District, Shandong Province	Residential/ Commercial	Vacant Land	N/A	The Property is located at west of middle section of Dongxing Road in Hedong District. Developments nearby are mainly commercial and residential development.
47	Taixing Injoy Plaza Part B (泰興吾悅廣場Part B), East of Gulou Road and North of Gensi Road, Taixing, Jiangsu Province	Residential/ Commercial	Vacant Land	The Property is subject to a mortgage in favor of Agricultural Bank of China Limited Taixing Branch with a current remaining loan amount of RMB250,000,000.	The property is located in urban area of Taixing City. Developments in the vicinity comprise mainly residential and commercial development.
48	Nanjing Jianye Project (南京建邺項目), South of Hanzhongmen Road, east of Yanshan Road, Jianye District, Nanjing, Jiangsu Province	Commercial	Vacant Land	N/A	The Property is located at South of Hanzhongmen Road, east of Yanshan Road in Jianye District, Nanjing. Developments nearby are mainly commercial and residential development.
49	Two parcels of Huainan Residential Land (Plot No.D3 & No.D7) (淮南住宅D03地塊、住宅D07地塊), South of Hubin Road, Tianjiaan District, Huainan, Anhui Province	Residential/ Commercial	Vacant Land	N/A	The Property is located at South of Hubin Road, Tianjiaan District. Developments nearby are mainly commercial and residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
50	Qidong Injoy Plaza (啟東吾悅廣場), Huidong Village, Huilong County, Qidong, Jiangsu Province	Commercial	Vacant Land	N/A	The Property is in Qidong City, a county-level city under the administration of Nantong Municipality. Developments nearby are mainly residential development.
51	Jurong Injoy Plaza (句容吾悅廣場), East of Ninghang South Road, south of Changlongshan Road, Huayang Town, Jurong, Jiangsu Province	Residential/ Commercial	Vacant Land	N/A	The Property is located at East of Ninghang South Road, south of Changlongshan Road, in Huayang Town, Jurong. Developments nearby are mainly commercial and residential development.
52	Taiyuan Wanbolin Project (太原萬柏林), Wanbailin District, Taiyuan, Shanxi Province	Residential/ Commercial	Vacant Land	N/A	The Property is located at the South, north and west of Planning Road of Wanbolin District and the East of Houbei Tun, Developments nearby are mainly residential development.
53	Xi'an Peidong Injoy Plaza (西安-灃東新城吾悅廣場), Fengdong New Town, Xi'an, Shaanxi Province	Residential/ Commercial	Vacant Land	N/A	The Property is located at Fengdong New Town. Developments nearby are mainly commercial and residential developments.
54	Shengzhou West Residential Land Plot #19 (嵊州西住宅地塊19#地塊), North of Huancheng Road, West of Fuhao Road, Chengnan New District, Shengzhou, Zhejiang Province,	Residential/ Commercial	Vacant Land	N/A	The Property is located in Chengnan New District, which is developing urban area of Shengzhou. Developments nearby are mainly commercial and residential development.

APPENDIX II
SUMMARY OF PROPERTY VALUATION OF THE GROUP

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
55	Yuhuan Injoy Plaza (residential & office portion) (臺州玉環吾悅廣場住宅、辦公部份), The intersection of Shuanggang Road and Yuda Road, Yuhuan County, Taizhou, Zhejiang Province	Residential/ Commercial	Vacant Land	N/A	The Property is located at the intersection of Shuanggang Road and Yuda Road, Yuhuan County. Developments nearby are mainly commercial and residential developments.
56	Nanchang Xinjian Injoy Plaza (南昌新建吾悅廣場), West of Changleng Avenue, South of Zishi Road, Nanchang, Jiangxi Province	Commercial	Vacant Land	N/A	The Property is located at the west of Changleng Avenue, south of Zishi Road in Nanchang. Developments nearby are mainly residential development.
57	Nanning Yongzhou Injoy Plaza (南寧邕州吾悅廣場), The south of Jinqiao Road, Xingning District, Nanning, Guangxi Zhuang Autonomous Region	Commercial	Vacant Land	N/A	The Property is located at The south of Jinqiao Road in Xingning District. Developments nearby are mainly residential development.
58	Changsha Songya Lake Project. (長沙松雅湖), West of DongSi Road, North of WangXian Road, Changsha County, Changsha, Hunan Province	Commercial	Vacant Land	N/A	The Property is located at Gongchang Road in Changsha County. Developments nearby are mainly commercial and residential premises.
59	Cixi Injoy Plaza (慈溪吾悅廣場), Hushan District, Cixi, Zhejiang Province	Residential/ Commercial	Vacant Land	N/A	The Property is located in North of nansanhuan Road, west of xincheng Road, Hushan District. Developments nearby are mainly commercial and residential development.
60	Shangrao Injoy Plaza (上饒吾悅廣場), South of Fenghuang Road, east of Xurinan Road, Shangrao County, Shangrao, Jiangxi Province	Residential/ Commercial	Vacant Land	N/A	The Property is located at South of Fenghuang Road, east of Xurinan Road in Shangrao County. Developments nearby are mainly commercial and residential development.

Property No.	Address in the PRC	Current Use	Particulars of occupancy	Encumbrances	Situation & Locality
61	Jinan Yueshan Lakeside (Joint Operation) (濟南湖畔越山), East of No. 9 road and west of Xiuyuan river in Xijiguan Village, Zhangqiu District, Jinan, Shandong Province	Residential	Vacant Land	N/A	The Property is located at East of No. 9 road and west of Xiuyuan river in Xijiguan Village in Zhangqiu District. Developments nearby are mainly commercial, residential, and agricultural development.
62	Tianjin Xiaodian Project (天津小澗項目), West of Jinwei Highway, Xiaodian Town, Beichen District, Tianjin	Residential	Vacant Land	N/A	The Property is located at West of Jinwei Highway, Xiaodian Town, Beichen District. Developments nearby are mainly commercial and residential development.
63	Jintan WanJian Town (常州金壇萬建城地塊), Wanjian Tang, Xieqiao Village, YaoTang town, Jintan District, Changzhou, Jiangsu Province	Commercial	Vacant Land	N/A	The property is located in Jintan District. Developments in the vicinity comprise mainly commercial.
64	Vacant land Portion of Kunshan Injoy Plaza (昆山吾悅廣場待建部份), east of Changjiang Road, south of 312 National Highway, Kunshan, Jiangsu Province	Residential/ Commercial	Vacant Land	N/A	The Property is located at east of Changjiang Road, south of 312 National Highway, Kunshan. Developments nearby are mainly commercial and residential development.

1. RESPONSIBILITY STATEMENT

The information contained in this Scheme Document relating to the Group has been supplied by the Company. The issue of this Scheme Document has been approved by the Directors, who jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document (other than that relating to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Scheme Document (other than those expressed by the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

The information contained in this Scheme Document relating to the Offeror has been supplied by the Offeror. The issue of this Scheme Document has been approved by the sole director of the Offeror, who accepts full responsibility for the accuracy of the information contained in this Scheme Document (other than that relating to the Group) and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Scheme Document (other than those expressed by the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

2. SHARE CAPITAL

As at the Latest Practicable Date:

- (a) the authorised share capital of the Company was HK\$10,000,000 divided into 10,000,000,000 Shares;
- (b) the issued share capital of the Company was HK\$5,658,000 divided into 5,658,000,000 Shares;
- (c) the Company had not issued any new Shares since 31 December 2016, being the end of the last financial year of the Company;
- (d) all of the issued Shares ranked pari passu in all respects with each other, including all rights to capital, dividends and voting;
- (e) there were no outstanding options, warrants, convertible securities, derivatives or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares.

3. MARKET PRICE

The table below sets out the closing price of the Shares on the Stock Exchange on (i) the Latest Practicable Date; (ii) the Last Trading Day; and (iii) the last Business Day of each of the calendar months during the period commencing six months preceding the Offer Period Commencement Date and ending on the Latest Practicable Date:

	Closing price for each Share (HK\$)
January 27, 2017	1.75
February 28, 2017	2.00
March 31, 2017	2.26
April 28, 2017	2.30
May 31, 2017	2.38
June 30, 2017	2.98
July 7, 2017 (Last Trading Day)	2.81
July 31, 2017	3.25
August 31, 2017	3.21
September 19, 2017 (Latest Practicable Date)	4.43

The lowest and highest closing prices of Shares as quoted on the Stock Exchange during the period commencing six months preceding the Offer Period Commencement Date and ending on the Latest Practicable Date were HK\$1.67 per Share on February 2, 2017, and HK\$4.43 per Share on September 19, 2017.

The Cancellation Price of HK\$3.30 per Scheme Share represents a premium of approximately 17.44% over the closing price of HK\$2.81 per Share as quoted on the Stock Exchange on July 7, 2017 (being the Last Trading Day).

4. DISCLOSURE OF INTERESTS

For the purpose of this paragraph, “interested” and “interests” have the same meanings as given to them in the appropriate part of the SFO.

(a) Interests and dealings in Shares

- (i) As at the Latest Practicable Date, the Offeror and the Offeror Concert Parties had the following interests in the Shares:

Shareholders	As at the Latest Practicable Date Number of Shares	%
Offeror	4,105,450,000	72.56
Offeror Concert Parties		
Mr. Lv Xiaoping	12,000,000	0.21
Mr. Lu Zhongming	5,000,000	0.09
Mr. Liu Yuanman	4,776,000	0.08
Mr. Chan Wai Kin	100,000	0.00
Mr. Wang Xiaosong	6,000,000	0.11
Aggregate number of Shares held by the Offeror Concert Parties (all of which will form part of the Scheme Shares)	27,876,000	0.49
Total number of Scheme Shares held by the Independent Shareholders	1,524,674,000	26.95
Total	5,658,000,000	100

- (ii) Mr. Lv Xiaoping, Mr. Lu Zhongming, Mr. Liu Yuanman, Mr. Chan Wai Kin and Mr. Wang Xiaosong are directors of the Company and members of the Offeror Concert Parties. The Shares held by them (including the spouse of Mr. Chan Wai Kin) will form part of the Scheme Shares but will not be voted on the Scheme at the Court Meeting. If the Scheme is approved at the Court Meeting, they (including the spouse of Mr. Chan Wai Kin) intend to cast the votes in respect of those Shares held by them in favour of the resolutions to be proposed at the EGM.
- (iii) During the Disclosure Period, none of the Offeror, the Offeror Concert Parties, the sole director of the Offeror and the Directors had dealt in the Shares for value, save for the sale of 200,000 Shares at the price of HK\$2.40 per Share on April 7, 2017 by the spouse of Mr. Chan Wai Kin, an executive Director and a member of the Offeror Concert Parties.
- (iv) During the Disclosure Period, none of the Offeror, the Offeror Concert Parties, the sole director of the Offeror and the Directors had dealt for value in any convertible securities, warrants, options or derivatives in respect of the Shares.

- (v) As at the Latest Practicable date, none of the non-exempt discretionary fund managers and principal traders connected with the Offeror owned or controlled any Shares or convertible securities, warrants, options or derivatives in respect of the Shares or dealt for value in any Shares or convertible securities, warrants, options or derivatives in respect of Shares during the Disclosure Period.
- (vi) During the Disclosure Period, no dealing in Shares, convertible securities, warrants, options and derivatives in respect of Shares for value has been conducted by Huatai Financial Group, for its own account or on a discretionary basis.
- (vii) As at the Latest Practicable Date, no person had, prior to the posting of this Scheme Document irrevocably committed himself to vote their Shares in favour of or against the resolutions in respect of the Scheme at the Court Meeting or the EGM. Accordingly, no such person owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares or had dealt for value in any Shares or any convertible securities, warrants, options, or derivatives in respect of the Shares during the Disclosure Period.
- (viii) As at the Latest Practicable Date, no subsidiary of the Company, pension fund of the Company or of any subsidiary of the Company, and no adviser of the Company as specified in class (2) of the definition of associate under the Takeovers Code (other than exempt principal traders of such adviser as recognised by the SFC as such for purpose of the Takeovers Code) owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares. During the period commencing on the Offer Period Commencement Date and up to the Latest Practicable Date, no such person had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares.
- (ix) As at the Latest Practicable Date, no person had any arrangements of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares, convertible securities, warrants, options and derivatives in respect of Shares with the Offeror (or with the Offeror Concert Parties). Accordingly, no such person owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares or had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares during the Disclosure Period.
- (x) As at the Latest Practicable Date, there were no indemnities or other arrangements of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code exist between the Offeror or any of the Offeror Concert Parties and any other person.
- (xi) As at the Latest Practicable Date, no person had any arrangements of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares with the Company (or any person who is an associate of the Company by virtue of classes (1) to (4) of the definition of “associate” under the Takeovers Code). Accordingly,

no such person owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares as at the Latest Practicable Date and during the period commencing on the Offer Period Commencement Date and up to the Latest Practicable Date, no such person had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares.

- (xii) As at the Latest Practicable Date, save as disclosed in paragraph 4(a)(i) of this section and the table below, none of the Directors had any interest in the Shares or any convertible securities, warrants, options or derivatives in respect of the Shares:

Director	Nature of Interest	Number of Shares held	Approximate percentage of total issued share capital of the Company
Mr. Wang Zhenhua	Founder of a discretionary trust ⁽¹⁾	4,105,450,000	72.56
Mr. Lv Xiaoping	Beneficial owner	12,000,000	0.21
Mr. Lu Zhongming	Beneficial owner	5,000,000	0.09
Mr. Liu Yuanman	Beneficial owner	4,776,000	0.08
Mr. Chan Wai Kin	Interest of spouse ⁽²⁾	100,000	0.00
Mr. Wang Xiaosong	Beneficial owner	6,000,000	0.11

Notes:

- (1) Mr. Wang Zhenhua is the founder of the Hua Sheng Trust, through which Standard Chartered Trust (Singapore) Limited held long position in 4,105,450,000 Shares through its controlled corporations (including the Offeror) in its capacity as trustee. Mr. Wang Zhenhua is also the sole director of the Offeror.
- (2) Such 100,000 Shares are held by Ms. Chan Wing Yan, the spouse of Mr. Chan Wai Kin and accordingly Mr. Chan Wai Kin is deemed to be interested in such 100,000 Shares.

- (xiii) Save as disclosed in paragraphs 4(a)(i) and (xii) of this section, none of the Offeror, Offeror Concert Parties, the sole director of the Offeror and Directors owned or controlled any Shares or convertible securities, warrants, options or derivatives in respect of the Shares as at the Latest Practicable Date.

- (xiv) As at the Latest Practicable Date, none of the Offeror, the Offeror Concert Parties, the Company and the Directors had borrowed or lent any Shares, convertible securities, warrants, options and derivatives in respect of Shares.

- (xv) As at the Latest Practicable Date, no fund managers (other than exempt fund managers as recognised by the SFC as such for the purpose of the Takeovers Code) connected with the Company who managed funds on a discretionary basis had owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares. During the period commencing on the Offer Period Commencement Date and up to the Latest Practicable Date, no fund managers (other than exempt fund managers) connected with the Company who managed funds on a discretionary basis had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares.

(b) Interests and dealings in the Offeror's shares

Save as disclosed in "12. Information on the Offeror" in the Explanatory Memorandum, the Company and the Directors had no interests in the Offeror's shares or convertible securities, warrants, options or derivatives in respect of the Offeror's shares as the Latest Practicable Date and neither the Company nor the Directors had dealt for value in any shares or any convertible securities, warrants, options or derivatives in respect of the Offeror's shares during the Disclosure Period.

(c) Arrangements with the Offeror and Offeror Concert Parties in respect of the Proposal and other interests

As at the Latest Practicable Date:

- (i) there were no arrangements of the kind referred to in Note 8 to Rule 22 of the Takeovers Code that existed between the Offeror or Offeror Concert Parties and any other person;
- (ii) there was no agreement or arrangement to which any Offeror was a party which related to the circumstances in which it may or may not invoke or seek to invoke a condition to the Scheme; and
- (iii) no benefit was or would be paid/given to any Director as compensation for loss of office or otherwise in connection with the Scheme;
- (iv) as set out in the paragraph headed "Terms of the Proposal – Financial Resources" in Part IV of this Scheme Document, the Offeror intends to finance the cash required for the cancellation of the Scheme Shares by a combination of internal resources and the Loan Facility. Pursuant to the terms of the Facility Agreement, the Offeror will enter into a share mortgage in favor of the security agent under the Facility Agreement, pursuant to which the Offeror will mortgage all Shares owned or to be owned by it as security for the Loan Facility as soon as practicable (any in any event within 5 Business Days) after the Effective Date. As at the Latest Practicable Date, the security agent did not hold any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares. Save as set out above:
- (1) there was no agreement, arrangement or understanding between the Offeror and any other person in relation to the transfer, charge or pledge of the Shares to be issued to the Offeror under and upon completion of the Scheme;

- (2) there was no agreement, arrangement or understanding (including any compensation arrangement) between any of the Offeror or Offeror Concert Parties and any of the Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Scheme;
- (3) there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Scheme or otherwise connected with the Scheme; and
- (4) no material contract had been entered into by the Offeror in which any Director had a material personal interest; and
- (v) none of the Directors had a service contract or letter of appointment with any member of the Group or associated companies of the Company in force which (i) (including both continuous and fixed term contracts) had been entered into or amended within 6 months before the Offer Period Commencement Date; or (ii) was a continuous contract with a notice period of 12 months or more; or (iii) was a fixed term contract that has more than 12 months to run irrespective of the notice period.

5. MATERIAL LITIGATION

As at the Latest Practicable Date, there was no material litigation or claim of material importance known to the Directors of the Company to be pending or threatened against any member of the Group.

6. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries) have been entered into by the Company or any of its subsidiaries after the date two years before the Offer Period Commencement Date up to and including the Latest Practicable Date:

- the Deed of Undertaking; and
- the equity transfer agreement between the Offeror and Hong Kong Chuangzhi Development Limited (香港創智發展有限公司) (“**Chuangzhi**”), an indirect wholly-owned subsidiary of the Company, and Changzhou Chuangyue Consultancy Co., Ltd (常州創悅諮詢管理有限公司) (“**Chuangyue**”), pursuant to which Chuangzhi has conditionally agreed to sell and Wealth Zone has conditionally agreed to purchase the 100% equity interest in Chuangyue at a total consideration of RMB320 million, and further details are set out in the circular of the Company dated April 18, 2016.

7. EXPERTS

The following are the qualifications of each of the experts who has given opinions or advice which are contained in this Scheme Document:

Name	Qualifications
DTZ	Independent property valuer
Huatai Financial	A licensed corporation under the SFO, licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities
Somerley	A licensed corporation under the SFO, licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities

8. CONSENTS

Each of the experts mentioned above has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion therein of the opinions and/or letters and/or the references to its name and/or opinions and/or letters in the form and context in which they respectively appear.

9. MISCELLANEOUS

(a) The Directors are:

Executive Directors:

Mr. WANG Zhenhua (*Chairman*)

Mr. LV Xiaoping (*Chief Executive Officer*)

Mr. LU Zhongming

Mr. LIU Yuanman

Mr. CHAN Wai Kin

Non-executive Director:

Mr. WANG Xiaosong

Independent Non-executive Directors:

Mr. CHEN Huakang

Mr. ZHU Zengjin

Mr. ZHONG Wei

(b) The joint company secretaries of the Company are Mr. Chan Wai Kin and Ms. Mok Ming Wai.

- (c) The registered office of the Company is situated at Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, Grand Cayman KY1-1205, Cayman Islands.
- (d) The principal place of business of the Company in Hong Kong is at 36/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.
- (e) The head office of the Company is situated at Future Holdings Tower A, No. 6, Lane 388, Zhongjiang Road, Shanghai, the PRC.
- (f) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, situated at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (g) The Offeror is a company incorporated in British Virgin Islands on February 18, 2003 with limited liability. Its registered office is situated at Sea Meadow House, Blackburne Highway, (P.O. Box 116), Road Town, Tortola, British Virgin Islands.
- (h) The sole director of the Offeror is Mr. Wang Zhenhua.
- (i) The principal place of business of Huatai Financial is at Room 5808-12, 58/F, The Center, 99 Queen's Road Central, Hong Kong.
- (j) The principal place of business of Somerley is at 20th Floor, China Building, 29 Queen's Road Central, Hong Kong.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of the Company at 36/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong from the date of the Scheme Document to October 17, 2017 (being the date of the EGM), Monday to Friday and on the website of the Company at www.futureholdings.com.cn and the website of SFC at www.sfc.hk from the despatch of this Scheme Document until the Effective Date or the date on which the Scheme lapses or is withdrawn, whichever is earlier:

- (a) the memorandum and articles of association of the Company;
- (b) the memorandum and articles of association of the Offeror;
- (c) the annual reports of the Company for the years ended December 31, 2014, December 31, 2015 and December 31, 2016;
- (d) the letter from the Board, the text of which is set out in Part IV of this Scheme Document;
- (e) the letter from the Independent Board Committee, the text of which is set out in Part V of this Scheme Document;

- (f) the letter from Somerley, the text of which is set out in Part VI of this Scheme Document;
- (g) the letter and full property valuation report of the Group (including the valuation certificates) prepared by DTZ, a summary of which is set out in “Appendix II – Summary of Property Valuation of the Group” to this Scheme Document;
- (h) written consents referred to in the section headed “8. Consents” in this Appendix;
- (i) the material contracts referred to in the section headed “6. Material Contracts” in this Appendix;
- (j) this Scheme Document.

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. FSD 167 OF 2017

IN THE MATTER OF

FUTURE LAND DEVELOPMENT HOLDINGS LIMITED 新城發展控股有限公司

AND IN THE MATTER OF

SECTION 86 OF THE COMPANIES LAW (2016 REVISION)

SCHEME OF ARRANGEMENT

between

**FUTURE LAND DEVELOPMENT HOLDINGS LIMITED
新城發展控股有限公司**

and

THE SCHEME SHAREHOLDERS

(as hereinafter defined)

PRELIMINARY

- (a) In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively set out opposite them:

“Business Day”	a day (other than a Saturday) on which banks are generally open for business in Hong Kong
“Cancellation Price”	the cancellation price of HK\$3.30 per Scheme Share payable in cash by the Offeror to the Scheme Shareholders for every Scheme Share cancelled pursuant to the Scheme
“Companies Law”	the Companies Law (2016 Revision) of the Cayman Islands
“Company”	Future Land Development Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are currently listed on the Main Board of the Stock Exchange

“Conditions”	the conditions to the implementation of the Proposal and the Scheme as set out in the section headed “4. Conditions of the Proposal and the Scheme” under Part VII – Explanatory Memorandum of this Scheme Document
“Court Meeting”	a meeting of the holders of Scheme Shares as at the Meeting Record Date convened at the direction of the Grand Court at which the Scheme (with or without modification) will be voted upon, which is to be held at Function Room – Cherry, Second Floor, InterContinental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong at 9:00 a.m. on Tuesday, October 17, 2017, notice of which is set out on in Appendix V to this Scheme Document, or any adjournment thereof
“Effective Date”	the date on which the Scheme, if approved and sanctioned by the Grand Court, becomes effective in accordance with its terms and the Companies Law, being the date on which a copy of the court order of the Grand Court sanctioning the Scheme and confirming the reduction of issued share capital resulting from the cancellation of the Scheme Shares is delivered to the Registrar of Companies in the Cayman Islands for registration pursuant to Section 86(3) of the Companies Law, and which is expected to be Wednesday, November 1, 2017 (Cayman Islands time)
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate thereof
“Grand Court”	the Grand Court of the Cayman Islands
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“Huatai Financial”	Huatai Financial Holdings (Hong Kong) Limited, the financial adviser to the Offeror in connection with the Proposal. Huatai Financial is a corporation licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
“Huatai Financial Group”	Huatai Financial and persons controlling, controlled by or under the same control (with the meanings ascribed to such terms in the Takeovers Code) as Huatai Financial
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	Shareholder(s) other than the Offeror and the Offeror Concert Parties and any other Shareholders who are interested in or involved in the Proposal and/or the Scheme (if any)
“Latest Practicable Date”	September 19, 2017, being the latest practicable date for ascertaining certain information contained in this Scheme Document
“Long Stop Date”	means December 31, 2017 (or such later date, if any, as the Company and the Offeror may agree, or to the extent applicable as the Grand Court, on application of the Company and/or the Offeror may direct, and in all cases, as permitted by the Executive)
“Meeting Record Date”	Thursday, October 5, 2017, or such other time and date as may be announced to the Shareholders, being the record date for the purpose of determining the entitlement of the holders of Scheme Shares to attend and vote at the Court Meeting and the entitlement of the Shareholders to attend and vote at the EGM of the Company
“New Shares”	means new shares to be issued to the Offeror pursuant to the Scheme, equal to the number of Scheme Shares cancelled and extinguished pursuant to the Scheme

“Offeror”	Wealth Zone Hong Kong Investments Limited 富域香港投資有限公司, a company incorporated in the British Virgin Islands with limited liability and a controlling shareholder of the Company
“Offeror Concert Party”	parties acting in concert or presumed to be acting in concert with the Offeror under the definition of “acting in concert” in the Takeovers Code, including Mr. Wang Zhenhua, Mr. Lv Xiaoping, Mr. Lu Zhongming, Mr. Liu Yuanman, Mr. Chan Wai Kin, Mr. Wang Xiaosong and, as applicable, Huatai Financial, “Offeror Concert Party” means any one of them
“PRC”	the People’s Republic of China, but for the purpose of this Scheme Document, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme and the restoration of the share capital of the Company to the amount immediately before the cancellation of the Scheme Shares, and the withdrawal of the listing of the Shares from the Stock Exchange, on the terms and subject to the conditions set out in this Scheme Document
“Register”	the register of members of the Company
“Scheme”	a scheme of arrangement under Section 86 of the Companies Law set out in Appendix IV – Scheme of Arrangement to this Scheme Document (subject to any modifications or additions or conditions as may be approved or imposed by the Grand Court and agreed to by the Offeror), involving, among other matters, the cancellation of all the Scheme Shares and the restoration of the share capital of the Company to the amount immediately before the cancellation of the Scheme Shares
“Scheme Document”	this composite document, including each of the letters, statements, appendices and notices in it, as may be amended or supplemented from time to time

“Scheme Record Date”	Wednesday, November 1, 2017, or such other time and date as may be announced to Shareholders, being the record date for the purpose of determining the entitlements of the Scheme Shareholders to the Cancellation Price under the Scheme
“Scheme Share(s)”	Share(s) other than those held by the Offeror
“Scheme Shareholder(s)”	holder(s) of Scheme Shares as at the Scheme Record Date
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers in Hong Kong

- (b) The Company was incorporated in the Cayman Islands on April 23, 2010 under the provisions of the Companies Law as an exempted company with limited liability.
- (c) As at the Latest Practicable Date, the authorised share capital of the Company was HK\$10,000,000 divided into 10,000,000,000 ordinary shares of a single class with a par value of HK\$0.001 each. As at the Latest Practicable Date, the issued share capital of the Company is HK\$5,658,000 divided into 5,658,000,000 Shares, with the remainder being unissued. Since November 2012, the issued shares of the Company have been listed and traded on the Main Board of the Stock Exchange.
- (d) The Offeror has proposed the privatisation of the Company by way of the Scheme.
- (e) The primary purpose of the Scheme is to privatise the Company by cancelling and extinguishing all of the Scheme Shares in consideration of the Cancellation Price so that thereafter the Offeror will own the Company. Simultaneously with the cancellation of the Scheme Shares, the issued share capital of the Company will be restored to its former amount by the issue to the Offeror at par credited as fully paid such number of New Shares as is equal to the number of Scheme Shares cancelled and extinguished.

- (f) As at the Latest Practicable Date, 4,105,450,000 Shares were legally owned or controlled by the Offeror. The Offeror will arrange for the relevant shares to be transferred from HKSCC Nominees to its own name prior to the record date for determining entitlements under the Scheme. The Shares are registered as follows:

Name	Registered holder of Shares	Number of Shares
Wealth Zone Hong Kong Investments Limited	Wealth Zone Hong Kong Investments Limited	4,105,450,000

- (g) On the Latest Practicable Date, an aggregate of 27,876,000 Shares were legally and/or beneficially owned by the following Offeror Concert Parties whose Scheme Shares are to be cancelled pursuant to the Scheme and registered as follows:

Offeror Concert Party	Registered holder of Shares	Number of Shares
Mr. Lv Xiaoping	HKSCC Nominees Limited/Mr. Lv Xiaoping	12,000,000
Mr. Lu Zhongming	HKSCC Nominees Limited/Mr. Lu Zhongming	5,000,000
Mr Liu Yuanman	HKSCC Nominees Limited/Mr Liu Yuanman	4,776,000
Mr Chan Wai Kin	HKSCC Nominees Limited/Mr Chan Wai Kin	100,000
Mr Wang Xiaosong	HKSCC Nominees Limited/Mr Wang Xiaosong	6,000,000

- (h) Each of the Offeror Concert Parties which, being presumed to be acting in concert with the Offeror under the Takeovers Code, will procure that any Shares in respect of which they are beneficially interested will not be represented or voted at the meeting convened at the direction of the Grand Court for the purpose of considering and, if thought fit, approving the Scheme. As at the Latest Practicable Date, except as disclosed above, the Offeror Concert Parties are not beneficially interested in any Shares. By reason of being the financial adviser to the Offeror, Huatai Financial is presumed to be acting in concert with the Offeror in accordance with class 5 and class 9 of the definition of “acting in concert” in the Takeovers Code. Please refer to the sections headed “8. Scheme Shares” in Part VII – Explanatory Memorandum of this Scheme Document for details on the shareholdings and voting rights of the Huatai Group in the Company.
- (i) The Offeror has undertaken to the Grand Court to be bound by the Scheme, and will execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by each of them for the purpose of giving effect to this Scheme.

THE SCHEME**Part I***Cancellation of the Scheme Shares*

1. On the Effective Date:
 - (a) the issued share capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares and the Scheme Shareholders shall cease to have any rights with respect to the Scheme Shares except the right to receive the Cancellation Price;
 - (b) subject to and forthwith upon such reduction of capital taking effect, the issued share capital of the Company will be increased to its former amount by issuing to the Offeror the same number of New Shares as is equal to the number of Scheme Shares cancelled and extinguished; and
 - (c) the Company shall apply the credit arising in its books of account as a result of the capital reduction referred to in paragraph 1(a) above in paying up in full at par such number of New Shares as is equal to the number of Scheme Shares cancelled, which shall be allotted and issued to the Offeror, credited as fully paid as mentioned in paragraph (b) above.

Part II*Consideration for the cancellation and extinguishment of the Scheme Shares*

2. In consideration of the cancellation and extinguishment of the Scheme Shares, the Offeror shall pay or cause to be paid to each Scheme Shareholder the Cancellation Price.

Part III3. *General*

- (a) As soon as possible and not later than seven (7) Business Days (as defined under the Takeovers Code) after the Effective Date, the Offeror shall send or cause to be sent to Scheme Shareholders cheques in respect of the Cancellation Price payable to such Scheme Shareholders pursuant to Clause 2 of this Scheme.

- (b) Unless otherwise indicated in writing to the branch share registrar of the Company in Hong Kong, being Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, all such cheques shall be sent by ordinary post in pre-paid envelopes addressed to such Scheme Shareholders at their respective addresses as appearing on the Register at the Scheme Record Date or, in the case of joint holders, at the address as appearing on the Register at the Scheme Record Date of the joint holder whose name then stands first in the Register in respect of the relevant joint holding.
- (c) Cheques shall be posted at the risk of the addressee and none of the Offeror, the Company or Huatai shall be responsible for any loss or delay in the dispatch of the same.
- (d) Each cheque shall be payable to the order of the person to whom, in accordance with the provisions of paragraph (b) of this Clause 3, the envelope containing the same is addressed and the encashment of any such cheque shall be a good discharge to the Offeror for the monies represented thereby.
- (e) On or after the day being six calendar months after the posting of the cheques pursuant to paragraphs (b) of this Clause 3, the Offeror shall have the right to cancel or countermand any cheque which has not been encashed or that has been returned uncashed and shall place all monies represented thereby in a deposit or custodian account in the Offeror's name with a licensed bank in Hong Kong selected by the Offeror. The Offeror shall hold such monies on trust for those entitled to it under the terms of this Scheme until the expiration of six years from the Effective Date and shall, prior to such date, make payments thereout of the sums payable pursuant to Clause 2 of this Scheme to persons who satisfy the Offeror that they are respectively entitled thereto and the cheques referred to in paragraphs (b) of this Clause 3 of which they are payees have not been cashed. Any payments made by the Offeror shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to this Scheme. The Offeror shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled and a certificate of the Offeror to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.

- (f) On the expiration of six years from the Effective Date, the Offeror shall be released from any further obligation to make any payments under this Scheme and the Offeror shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit or custodian account in its name, including accrued interest subject to any deduction required by law and expenses incurred.
- (g) Paragraph (f) of this Clause 3 shall take effect subject to any prohibition or condition imposed by law.
4. Each instrument of transfer and certificate existing at the Scheme Record Date in respect of a holding of any number of Scheme Shares shall on the Effective Date cease to be valid for any purpose as an instrument of transfer or a certificate for such Scheme Shares and every holder of such certificate shall be bound at the request of the Offeror to deliver up the same to the Offeror for the cancellation thereof.
5. All mandates or relevant instructions to the Company in force at the Scheme Record Date relating to any of the Scheme Shares shall cease to be valid as effective mandates or instructions on the Effective Date.
6. Subject to the Conditions having been satisfied in full or waived by the Offeror in the manner set out in the section headed “4. Conditions of the Proposal and the Scheme” under Part VII – Explanatory Memorandum of this Scheme Document, this Scheme shall become effective as soon as a copy of the order of the Grand Court sanctioning this Scheme under Section 86 of the Companies Law has been registered by the Registrar of Companies in the Cayman Islands pursuant to section 86(3) of the Companies Law.
7. Unless this Scheme shall have become effective on or before the Long Stop Date, this Scheme shall lapse.
8. The Company and the Offeror may consent jointly for and on behalf of all concerned to any modification of or addition to this Scheme or to any condition which the Grand Court may think fit to approve or impose.
9. All costs, charges and expenses of the advisers and counsels appointed by the Company will be borne by the Company whereas all costs, charges and expenses of the advisers and counsels appointed by Offeror will be borne by the Offeror, and other costs, charges and expenses of the Scheme of Arrangement will be shared between the Offeror and the Company equally.

September 22, 2017

**IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION**

CAUSE NO. FSD 167 OF 2017

IN THE MATTER

of sections 15 and 86 of the Companies Law (2016 Revision)

AND IN THE MATTER OF

ORDER 102 OF THE GRAND COURT RULES 1995

AND IN THE MATTER OF

**FUTURE LAND DEVELOPMENT HOLDINGS LIMITED
新城發展控股有限公司**

NOTICE OF COURT MEETING

NOTICE IS HEREBY GIVEN that, by an order dated September 13, 2017 (the “**Order**”) made in the above matter, the Grand Court of the Cayman Islands (the “**Court**”) has directed a meeting (the “**Court Meeting**”) to be convened of holders of ordinary shares of HK\$0.001 each in the capital of Future Land Development Holdings Limited 新城發展控股有限公司 (the “**Company**”) other than Wealth Zone Hong Kong Investments Limited (the “**Holder**s”), for the purpose of considering and, if thought fit, approving, with or without modifications, a scheme of arrangement (the “**Scheme**”) proposed to be made between the Company and the Scheme Shareholder(s) (as defined in the Scheme) and that the Court Meeting will be held at Function Room – Cherry, Second Floor, InterContinental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong on Tuesday, October 17, 2017 at 9:00 a.m. (Hong Kong time) at which place and time all such Holders are requested to attend. A copy of the Scheme and a copy of an explanatory memorandum explaining the effect of the Scheme are incorporated in the composite scheme document of which this Notice forms part.

A copy of the composite scheme document can also be obtained by the Holders from the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

Such Holders may vote in person at the Court Meeting or they may appoint one other person (who must be an individual), whether a member of the Company or not, to attend and vote in their stead. A pink form of proxy for use at the Court Meeting is enclosed with the composite scheme document dated September 22, 2017 dispatched to members of the Company on September 22, 2017.

In the case of joint holders of a share, any one of such persons may vote at the Court Meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto. However, if more than one of such joint holders be present at the Court Meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding. For this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register of members of the Company in respect of such joint holding, the first named shareholder being the senior.

It is requested that forms appointing proxies be deposited at the Hong Kong branch share registrar of the Company at Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 9:00 a.m. (Hong Kong time) on Sunday, October 15, 2017. By the Order, the Court has appointed Mr. Lv Xiaoping, an executive director of the Company, or failing him, Mr. Lu Zhongming, an executive director of the Company, or failing him, any other executive director of the Company (save for Mr. Wang Zhenhua) as at the date of the Order, to act as the chairman of the Court Meeting and has directed the chairman of the Court Meeting to report the results of the Court Meeting to the Court.

The Scheme will be subject to a subsequent application seeking the sanction of the Court.

By Order of the Court
Future Land Development Holdings Limited
新城發展控股有限公司

Dated September 22, 2017

Registered Office:

Grand Pavilion
Hibiscus Way
802 West Bay Road
P.O. Box 31110
Grand Cayman KY1-1205
Cayman Islands

Principal Place of Business in Hong Kong:

36/F, Tower Two
Times Square
1 Matheson Street,
Causeway Bay
Hong Kong

Future Land Development Holdings Limited
新城發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1030)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Future Land Development Holdings Limited (the “**Company**”) will be held at 10:00 a.m. on Tuesday, October 17, 2017 at Function Room – Cherry, Second Floor, InterContinental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong (Hong Kong time) (or so soon thereafter as the Court Meeting convened at the direction of the Grand Court of the Cayman Islands for the same day and place shall have been concluded or adjourned), for the purpose of considering and, if thought fit, passing (with or without amendment) the following as a special resolution and as an ordinary resolution, respectively:

SPECIAL RESOLUTION

1 “THAT AS A SPECIAL RESOLUTION:

- A. “the Scheme of Arrangement dated September 22, 2017 (the “Scheme of Arrangement”) between the Company and the Scheme Shareholders (as defined in the Scheme of Arrangement) in the form of the print thereof, which has been produced to this meeting and for the purposes of identification signed by the chairman of this meeting, or in such other form and on such terms and conditions as may be approved or imposed by the Grand Court of the Cayman Islands be and hereby is approved;
- B. for the purpose of giving effect to the Scheme, on the Effective Date (as defined in the Scheme of Arrangement), the issued share capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares (as defined in the Scheme of Arrangement).”

ORDINARY RESOLUTION

2 “THAT AS AN ORDINARY RESOLUTION:

- A. subject to and forthwith upon such reduction of capital referred to in resolution 1(B) taking effect, the share capital of the Company will be increased to its former amount by the issuance at par to Wealth Zone Hong Kong Investments Limited, credited as fully paid, of the aggregate number of Shares (as defined in the Scheme of Arrangement) as is equal to the number of Scheme Shares cancelled and extinguished;

APPENDIX VI NOTICE OF EXTRAORDINARY GENERAL MEETING

- B. the reserve created in the Company's books of account as a result of the capital reduction will be applied in paying up in full at par the new Shares so issued, credited as fully paid, to Wealth Zone Hong Kong Investments Limited, and the directors of the Company be and are hereby authorised to allot and issue the same accordingly;
- C. any one of the directors of the Company be and are hereby authorised to do all such acts and things considered by him/her to be necessary or desirable in connection with the implementation of the Scheme of Arrangement, including (without limitation) the giving of consent to any modification of or addition to, the Scheme of Arrangement, which the Grand Court of the Cayman Islands may see fit to impose; and
- D. the authorisation of any one of the directors of the Company to apply to The Stock Exchange of Hong Kong Limited for the withdrawal of the listing of the shares of the Company be and is approved, confirmed and ratified."

By Order of the Board
Future Land Development Holdings Limited
Lv Xiaoping
Executive Director and Chief Executive Officer

Dated September 22, 2017

Registered office:

Grand Pavilion
Hibiscus Way
802 West Bay Road
P.O. Box 31119
Grand Cayman KY1-1205
Cayman Island

Principal Place of Business in Hong Kong:

36/F, Tower Two
Times Square
1 Matheson Street,
Causeway Bay
Hong Kong

Notes:

- (1) A member entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and, on a poll, to vote instead of him. A member holding two or more shares may appoint more than one proxy. A proxy need not be a member of the Company, but must attend the EGM in person to represent him.
- (2) A **white** form of proxy for use at the EGM is enclosed with the composite document containing the Scheme of Arrangement dated September 22, 2017 despatched to members of the Company.

APPENDIX VI NOTICE OF EXTRAORDINARY GENERAL MEETING

- (3) In order to be valid, the **white** form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time for holding the EGM or any adjournment thereof failing which the form of proxy will not be valid. Completion and return of the form of proxy will not preclude a member from attending the EGM and voting in person if he so wishes. In the event that a member attends and votes at the EGM after having lodged his form of proxy, his form of proxy shall be deemed to be revoked.
- (4) In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

The register of members of the Company will be closed from Thursday, October 5, 2017 to Tuesday, October 17, 2017 (both days inclusive) and during such period no transfer of shares will be registered. In order to be entitled to attend and vote at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, October 4, 2017.